

MINUTES
Kentucky Community and Technical College System
Board of Regents Meeting
September 20, 2019

Board Members Present:

Mr. Damon V. Allen

Ms. Lisa Desmarais- *participated via Skype and pursuant to Board of Regent Bylaws 8.3 and KRS 61.826, and will be permitted to cast votes during a video teleconference.*

Ms. Karen A. Finan

Dr. Wendy Fletcher

Dr. Angela Fultz

Mr. Christopher J. Girdler - *participated via Skype and pursuant to Board of Regent Bylaws 8.3 and KRS 61.826, and will be permitted to cast votes during a video teleconference.*

Dr. Gail Henson

Ms. Mary R. Kinney

Mr. Johnathan K. McDermott

Ms. Marcia L. Roth

Mr. James Lee Stevens

Ms. Jacqueline D. Teehan

Ms. Tammy C. Thompson

Mr. Mark A. Wells

CALL TO ORDER

KCTCS Board of Regents Chair Dr. Gail Henson called to order the meeting of the Kentucky Community and Technical College System Board of Regents at 9:06 a.m. (ET) on September 20, 2019. The meeting was held in in the Hal Rogers Advanced Technology Center, Room 208, of the Health Sciences Hall at the Pikeville Campus of Big Sandy Community and Technical College in Pikeville, Kentucky. The press was notified of the meeting on September 12, 2019. Hon. Michael Murray, KCTCS General Counsel, served as parliamentarian.

There being a quorum present, the meeting began with the approval of minutes.

APPROVAL OF MINUTES

Chair Henson asked if there were any corrections to the June 14, 2019, minutes presented in the meeting materials. There being none, the minutes were declared approved as presented.

ADDITIONS OR CHANGES TO THE AGENDA

There were no additions or changes to the agenda.

ACKNOWLEDGEMENT OF MEETING HOSTS AND INTRODUCTION OF GUESTS

Chair Henson welcomed guests to the meeting. She thanked Big Sandy Community and Technical College President Dr. Sherry Zylka for her hospitality and thanked her staff for coordinating the Board's visit to their college.

**COLLEGE GREETINGS:
BIG SANDY
COMMUNITY AND
TECHNICAL COLLEGE**

Chair Henson called on President Box to introduce Big Sandy Community and Technical College President Dr. Sherry Zylka to bring college greetings. Dr. Zylka provided an overview of the various programs offered by the college.

The presentation given to the Board is available at:

<https://publicsearch.kctcs.edu/board/Pages/201909.aspx>

CHAIR'S REPORT

Chair Henson announced that in August 2019, the newly formed KCTCS Student Leadership Academy elected Mr. Jon McDermott and Ms. Jacqi Teehan as KCTCS Student Body Co-Presidents and student Regents for one-year terms that expire August 2020. Mr. McDermott is pursuing an associate in applied science degree at Southcentral Kentucky Community and Technical College. He has been assigned to the Academic Affairs and Curriculum Committee. Ms. Teehan is pursuing an associate in arts degree at Henderson Community College. She has been assigned to the Finance, Technology, and Human Resources Committee.

Chair Henson reported that in August 2019 Governor Bevin appointed Mr. Chris Girdler to the Board. Unfortunately, he could not be here in person today, but is joining us via Skype. He is the President & CEO of Somerset Pulaski Economic Development Authority, also known as "SPEDA". In addition to being elected senator for Kentucky's 15th district in 2012 (a position he decided not to run for a second term), Girdler is a graduate of Pulaski Southwestern High School and Eastern Kentucky University, where he earned a Bachelor of Business Administration degree.

Mr. Girdler previously served as a CEO in the houseboat manufacturing industry and is the founder and President of Possum Trot Investments LLC, an investment and consulting company. Mr. Girdler resides in Somerset, KY, with his wife Courtney, and has two daughters, Charleston and Channing. Mr. Girdler was appointed to replace Mr. Donald Tarter, whose term had expired. He will serve a six-year term that expires in 2025. He will serve on the Academic Committee this year.

Chair Henson shared that the committee listings are listed on the front cover of the Board agenda book. She extended a special thank you to those Regents who will be serving as chairs for the committees this year. Mr. James Lee Stevens will Chair the Academic Affairs and Curriculum Committee with Ms. Mary Kinney serving as Vice Chair; Dr. Angela Fultz will chair the Efficiency, Effectiveness, and Accountability Committee; and, Mr. Mark Wells will chair the Finance, Technology, and Human Resources Committee with Mr. Damon Allen serving as Vice Chair.

The KCTCS New Regent Orientation was conducted on August 9, 2019. The new Regents also attended the statewide mandated orientation on September 16, 2019 held by CPE in conjunction with the Symposium in Louisville.

Chair Henson announced the following locations for the 2020 Board of Regents meetings:

- March 12-13, 2020 – KCTCS System Office in Versailles
- June 11-12, 2020 – West Kentucky Community and Technical College in Paducah
- September 17-18, 2020 – Hazard Community and Technical College in Hazard
- December 3-4, 2020 – KCTCS System Office in Versailles.

Chair Henson shared that she attended the September 26-27, 2019 inaugural Foundation Board Retreat. The retreat was a prelude to a more ambitious project of conducting a full strategic planning process to align foundation goals and outcomes with that of KCTCS and equipping board members to better advocate among their personal and professional networks. The next Board meeting will be December 12, 2019.

PRESIDENT'S REPORT

President Box shared that in December, the Board of Regents will have access to a new software portal called "OnBoard." The portal will be utilized to access all Board-related materials and a workshop will be conducted at the December meeting to orientate Regents with the new technology.

President Box noted that in August 2019, the Attorney General updated the "Your Duty Under the Law" and "Managing Government Records," documents provided to all board members. If changes are made to the documents, all Board members are required to receive them again within 60 days of the changes and an acknowledgement is to be kept on file. President Box asked each Board member to sign the acknowledgement located in their folder.

An update about Performance Measures for the *KCTCS Strategic Plan 2016-22* was also provided.

The PowerPoint presentations for these and other updates are available at:

<https://publicsearch.kctcs.edu/board/Pages/201909.aspx>

The complete President's Report presented at the meeting is available at:

https://publicsearch.kctcs.edu/board/Board%20Meetings/2019/201909/01_Board/President%27s%20Report/FINAL%20FORMATTED%20President%27s%20Report_9-20-19.pdf

RECESS

The Board recessed at 10:00 a.m. (ET) and reconvened at 10:08 a.m. (ET).

**ACTION: PRESIDENT'S
CONTRACT REVIEW
COMMITTEE REPORT**

Chair Henson noted the President's Contract Review Committee would be presenting a report with a recommendation before proceeding to standing committee reports.

RECOMMENDATION: The KCTCS Board of Regents make the following revisions to KCTCS President Box's contract:

- The addition of an annually recurring executive supplement of \$50,000, payable immediately; and,
- The addition of \$100,000 net deferred compensation, which accrues annually, with a 2-year vesting period.

Chair Henson noted that pursuant to the *KCTCS Bylaw 13.1*, it is a responsibility of the Board to perform an evaluation of the KCTCS President and fix the President's compensation and terms of contract. To refresh Regents' recollection, Chair Henson noted that in June, the KCTCS Board of Regents voted upon President Box's evaluation and received a report from then-Chair Roth about President Box's accomplishments for the 2018-19 year. Following the positive evaluation report, former Chair Roth suggested a committee take an in-depth review of President Box's compensation and terms of contract.

Following her election in June, Chair Henson created the President's Contract Review Committee with appointments made in July 2019. The Committee membership included Chair Henson, Regent Damon Allen, Regent Marcia Roth, and individuals external to the Board P.G. Peoples Sr. and Barry Bishop. The President's Contract Review Committee was charged with reviewing matters of the president's contract, including compensation, for President Box.

The President's Contract Review Committee met on August 5, 2019, at the KCTCS System Office. The minutes (approved by the committee via email) and documents from that meeting were attached in the agenda materials sent to the Board before the September 19-20, 2019 Board meeting.

With that history in mind, Chair Henson encouraged the faculty and staff Regents to participate in the discussion about President Box's contract and compensation, but reminded faculty and staff that they are ineligible to vote.

According to *KCTCS Board of Regents Bylaws Section 8.2.1 - Matters on Which Members May Vote*:

All members of the Board may vote on all matters coming before the Board for consideration, except that, pursuant to

KRS 164.289 and OAG 01-8, the two (2) members representing faculty and the two (2) members representing non-teaching personnel shall not vote on individual compensation matters for themselves or other individual employees of KCTCS.

Chair Henson also noted the Student Regent votes count for half a vote pursuant to the *KCTCS Board of Regents Bylaws*. Regent Desmarais and Regent Girdler may vote via Skype since they are participating via video and can be both seen and heard.

Chair Henson asked for questions concerning the process and the Board's responsibility; there being none, she asked Regent Allen to proceed with the Committee report.

Regent Allen made the following prepared remarks to the Board:

- The President's Contract Review Committee, having a quorum and being duly convened, met at the main office of Kentucky Community & Technical College System on August 5, 2019 at 10:02 A.M.
- The Committee discussed Dr. Box's current compensation, as well as historical changes in his compensation.
- The Committee also discussed whether or not a change in Dr. Box's compensation is warranted.
- After determining that Dr. Box's performance, as documented in his 2019 evaluation, warrants additional compensation, the Committee discussed a number of alternatives before deciding on the recommendation outlined on page 47 of your materials.
- As part of that discussion, the Committee also considered the compensation of Dr. Box's predecessors, as well as his peers, both within the Commonwealth and across the Country.
- The result of that discussion was the recommendation included in your materials.
- Upon approval of the recommendation in your materials, I personally thought it prudent governance that someone from the Committee reach out to all of the voting Regents to ensure that they were aware of the recommendation well ahead of today's meeting in order for them with ample time to prepare questions and concerns around the recommendation.
- Since I made the recommendation to contact the voting members, I volunteered to contact them myself.
- Following that discussion, the meeting concluded with a separate discussion and recommendation that Dr. Followell secure quotes on long-term care insurance on behalf of Dr. Box and for presentation to the Board at today's meeting.
- There being no further business, the meeting adjourned at approximately 12:12 P.M.

- As I mentioned, I suggested and volunteered to contact voting Regents for the sole purpose of ensuring that they were aware of the recommendation regarding Dr. Box's compensation.
- I began each call by noting that the call was informative only and not an attempt to garner votes - one way or the other.
- When I called voting regents, there was no quorum present and there was no attempt to circumvent the bylaws of this Board or the statues of the Commonwealth by myself or any of the other Regents.
- Again, the purpose was solely to inform Regents about the upcoming recommendation of the Committee and no decisions were made on any of those calls.
- In my short tenure on this Board, it appears to me that there is room for improvement in how the Board communicates with each other, so I viewed this as a good opportunity to strengthen our communication - nothing more, nothing less.
- I am disappointed that certain Regents mistook my sincere attempt to ensure that all Regents were well informed of the Committee's recommendation before today's meeting as advocacy on behalf of the Compensation Committee or Dr. Box.
- That is simply not the case.
- Finally, it should be noted that acceptance of the report does not constitute approval of the recommendation included in your materials.
- In fact, following the motion to accept this report, I make a separate motion that the board discuss Dr. Box's contract, including his current and future compensation.

There was discussion on the proposed Recommendation. An official external transcript of the discussion can be found as Attachment A – Transcription Excerpt of the Board of Regents September 20, 2019 meeting (73 pages).

Two motions were made regarding the addition of an Executive Supplement to President Box's contract. The first motion of a \$50,000 supplement was voted down 5 to 4 and the second motion of a \$35,000 supplement was voted down 5 to 4.

RECESS

The Board recessed at 11:19 a.m. (ET) and reconvened at 11:30 a.m. (ET).

After the recess, President Box asked for the compensation discussion to be tabled and to move on with the rest of the agenda.

Regent Roth made the motion and Regent Allen seconded. The vote was unanimous to proceed with the rest of the agenda.

**CONSENT
AGENDA**

Chair Henson asked if there were any changes to the consent agenda. There being none, the agenda was approved as presented.

**EXECUTIVE
COMMITTEE**

Chair Henson called upon Executive Committee and Board of Regents Secretary Mary Kinney to make the committee's report at Vice Chair Desmarais request.

**ACTION: KCTCS
PRESIDENT'S 2019-20
GOALS AND
OBJECTIVES**

RECOMMENDATION: The KCTCS Board of Regents approve the proposed *KCTCS President Box's 2019-20 Performance Goals and Objectives and Performance Review Timeline* (Attachment B).

Ms. Kinney noted that pursuant to the *KCTCS Board of Regents Policy 2.5 – KCTCS President's Performance Review* (Attachment C) and the *KCTCS Procedure for Evaluation of the President* (Attachment D), President Box has developed his *2019-20 Performance Goals and Objectives* (Attachment B). President Box introduced and discussed these goals and objectives at the committee meeting.

Ms. Kinney reported that President Box shared that the President's Leadership Team (PLT) retreat helped him to determine what his focus should be for 2019-20. After the retreat, President Box wanted to address the simple question of, "What does 'winning' look like for KCTCS?" and to use that question to drive the System toward the mission of being a world-class statewide community and technical college system that produces a globally competitive workforce.

Ms. Kinney shared that President Box noted that the feedback from the Board and PLT resulted in the shortening of his Goals and Objectives, in order to become laser-focused on top priorities. The 2019-20 Goals and Objectives focus on prominence, growth, and sustainability. Ms. Kinney noted that President Box shared details on each goal listed in Attachment B.

Chair Henson called for the motion.

MOTION: On behalf of the Executive Committee, Ms. Kinney moved that the KCTCS Board of Regents approve the proposed *KCTCS President Box's 2019-20 Performance Goals and Objectives* (Attachment B).

Chair Henson called for discussion.

During the discussion, Regent Desmarais thanked President Box for limiting the amount of goals he would try to accomplish.

Chair Henson called for further discussion, there being none she called for the vote.

VOTE: The motion was approved unanimously.

Chair Henson moved to the next agenda item.

**ACTION: REVISION OF
MISSION STATEMENT
FOR ASHLAND
COMMUNITY AND
TECHNICAL COLLEGE**

RECOMMENDATION: The KCTCS Board of Regents approve a revised mission statement for Ashland Community and Technical College (ACTC) as presented in the agenda materials.

Ms. Kinney noted that it is the policy of the KCTCS Board of Regents that each SACS-accredited college under the jurisdiction of the KCTCS Board of Regents has a statement of purpose approved by the governing board and that the KCTCS Board of Regents periodically review and approve mission statements of each SACS-accredited college. It is also the policy of KCTCS that the college mission statement be reviewed annually and that the mission statement shall be submitted to the KCTCS Board of Regents for approval at least once every three years.

Ms. Kinney shared that the full-time faculty and staff as well as the ACTC Board of Directors support and endorse the college's proposed revised mission. The college conducted both community and employee forums during the spring 2019 semester. These forums included a review of the college's mission as well as a review of the strategies and objectives used to achieve the mission. It was noted that Dr. Ferguson led each of the forums.

Ms. Kinney noted the majority of feedback received from the groups who attended the forums was the current mission statement was too long and that there was widespread support for the current mission tag line "Teach with excellence. Serve with passion. Learn for life." College feedback also included comments that the college needed to include the term "community" within its mission. The proposed mission is shorter in length than the current version, added the phrase "strengthening our communities," and revised the main points of the mission to read, "Educate with excellence. Serve with purpose. Succeed for life."

Ms. Kinney shared that the ACTC Board of Directors unanimously endorsed the revised mission and the employees overwhelmingly supported the revised mission.

Chair Henson called for the motion.

MOTION: On behalf of the Executive Committee, Ms. Kinney moved that the KCTCS Board of Regents approve a revised mission statement for Ashland Community and Technical College (ACTC) as presented in the agenda materials.

Chair Henson called for discussion. There being none, she called for a vote.

VOTE: The motion was approved unanimously.

Chair Henson moved to the next agenda item.

**ACTION: REVISION OF
MISSION STATEMENT
FOR SOMERSET
COMMUNITY
COLLEGE**

RECOMMENDATION: The KCTCS Board of Regents approve a revised mission statement for Somerset Community College (SCC) as presented in the agenda materials.

Ms. Kinney noted that the SCC Executive Council was charged with conducting an annual review of the current mission statement. The Executive Council reviewed the current mission statement and each Executive Council member wrote their version of a new mission statement. On April 30, 2019, the Executive Council voted and narrowed the mission statement down to two versions.

Ms. Kinney shared that all areas of the college were represented to ensure the mission statement reflected the needs of the entire SCC service area and constituent groups. On May 3, 2019, Dr. Castle noted that the two versions of the mission statement were presented at a faculty meeting for input and suggestions. Two versions of the mission statement were emailed to all Somerset Community College employees for input and suggestions on May 8, 2019. The two versions of the mission statement were presented at a staff meeting on May 31, 2019.

Ms. Kinney noted that on June 5, 2019, a strategic plan committee was formed and met to review all comments and suggestions from employees. From those suggestions, the proposed mission statement was created. On July 25, 2019, the SCC Board of Directors approved the proposed mission.

Chair Henson called for the motion.

MOTION: On behalf of the Executive Committee, Ms. Kinney moved that the KCTCS Board of Regents approve a revised mission statement for Somerset Community College (SCC) as presented in the agenda materials.

Chair Henson called for discussion. There being none, she called for a vote.

VOTE: The motion was approved unanimously.

Chair Henson moved to the next agenda item.

**INFORMATION:
ANNUAL KCTCS
BOARD OF REGENTS
ASSESSMENT FORM**

Ms. Kinney noted that the agenda item was an Information item and is being presented for discussion. After the discussion, the agenda item will be brought back at the December meeting as an Action item and will require a vote by the Executive Committee and the full Board.

Ms. Kinney shared that last year, the Board of Regents completed its first assessment of its own performance for the 2017-18 year. The Board Assessments are now required for governing Boards by the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC). After the announcement of this new requirement, SACSCOC requested that all governing Boards begin these evaluations before October 2018.

Ms. Kinney noted that an assessment form was drafted by Assistant Secretary to the Board, Hannah Rivera, after reviewing several Association of Governing Boards resources, including an AGB publication entitled, "Assessing Board Performance: A Practical Guide for College, University, System, and Foundation Boards." Numerous Board assessments from other community colleges and universities were also reviewed in order to create the assessment form. The form was introduced and voted on at the September 2018 Board of Regents meeting. This was done quickly in order to meet SACSCOC's request.

Ms. Kinney shared that after the assessment form was approved, Board members were asked to complete the form via Survey Gizmo in October 2018. This was done so that responses to the surveys could be properly tallied and received anonymously. At the December 2018 Board meeting, the then-EEA Chair Karen Finan presented the results to the full Board. At the March 2019 regularly scheduled EEA Committee meeting, the EEA Committee discussed the report that had been delivered in December and talked about whether recommendations for Board performance improvement were needed based on the results. As a result of that discussion, an additional EEA Committee meeting has been added to the annual calendar for September. At the March 2019 meeting, a timeline to dictate how the future assessments would be conducted was approved.

Ms. Kinney shared that it was determined that at each September meeting, the Executive Committee would review the assessment form as an information item. In December, the form will be brought back to the Executive Committee – either as-is with no changes or with recommended revisions that are discussed. Once the form is approved after the December meeting, the EEA Chair will distribute the form to the entire Board, everyone will participate in the assessment, and the EEA Chair will collect and compile the results before the March EEA meeting. The EEA Chair will report the

assessment summary each year at the March EEA Committee meeting, ask for discussion, and provide an opportunity to discuss how the Board can improve its performance and practices. If changes or improvements are determined to be in the best interest of the Board at the March EEA meeting, those will be voted on officially at the June meeting.

Ms. Kinney also noted that the timeline allows for continuous quality improvement. The timeline gives Regents an opportunity to evaluate how the Board is doing and make changes to the schedule, practices, and focus annually. She noted that it was important to remember that the point of the assessment is not to evaluate individual Board members. She shared that the assessment form has three sections: Board performance; Board practices; and three open-ended questions.

Ms. Kinney shared that no changes to the form was discussed during the Committee meeting, so the form will be brought to the December meeting for approval.

Chair Henson called for discussion. There being none, she moved to the next agenda item.

**INFORMATION:
PROCEDURES FOR THE
KCTCS BOARD OF
REGENTS OFFICER
ELECTIONS**

Ms. Kinney noted that the agenda item was an Information item and is being presented for discussion. After the discussion, the agenda item will be brought back at the December meeting as an Action item and will require a vote by the Executive Committee and the full Board.

Ms. Kinney shared that the KCTCS Board of Regents has a Board Bylaw that governs the Board Officer elections. The Bylaw states, *Every year the Board shall elect from its membership for a one-year term a Chair, a Vice Chair, a Secretary, and such other officers, as it may deem necessary. The Chair shall not serve for more than two consecutive terms. Officers shall serve until their respective successors have been appointed and qualified. The Board shall appoint a Treasurer not from its membership pursuant to KRS 164.330. In the event a vacancy occurs prior to the end of the term of an officer, the Board shall hold a special election to fill the office for the unexpired position of the term.*

Ms. Kinney noted that until the past year's election, the bylaw has served the Board well and there was no need for anything further to govern the elections. She shared that it has been Board practice for the Chair to appoint a Nominating Committee which meets during or prior to the June Board meeting. The Nominating Committee recommends a slate of officers to the full Board and the vote is taken. However, this

year (unlike previous years), there were multiple Regents interested in the same position, and some Regents interested in more than one position.

After the Nominating Committee meeting, Assistant Secretary to the Board Hannah Rivera, and Parliamentarian Mike Murray, drafted a set of procedures that are being proposed to accompany the current bylaw. It was noted that the bylaw will remain the same, but the procedures will support that provision, and aid in ensuring that future elections are carried out in a fair and transparent manner. Ms. Rivera and Mr. Murray consulted many resources, including Robert's Rules of Order, best practices regarding elections, and other procedures from governing boards to draft the procedures in the agenda item (See Attachment E).

Ms. Kinney noted that the feedback gathered from the Committee meeting would be taken into consideration and revisions made to the proposed procedures. The revised version will be brought to the December meeting for approval.

Chair Henson called for discussion. There being none, she moved on to the next committee report.

**ACADEMIC AFFAIRS
AND CURRICULUM
COMMITTEE**

Chair Henson called on Academic Affairs and Curriculum Committee Chair James Lee Stevens to make the committee's report.

**UPDATE: PROGRAM
SUSPENSIONS**

Mr. Stevens shared that the committee received an update on program suspensions. He noted that a suspended program is defined by the Kentucky Council on Postsecondary Education (CPE) as an academic program that no longer accepts new students as of a specified date but allows current or previously accepted students to complete the program. The program can be re-opened within five years without going through the new academic program approval process. After five years, if the program has not been re-opened, it is considered a closed program.

Mr. Stevens noted that proposals to add new programs may be presented at any quarterly KCTCS Board of Regents meeting. Deactivated credentials are credentials that have been deactivated but may include a teach-out for any credential, and for tracks of the program within the credential level. Program suspensions are programs that have been officially removed from the CPE Program Inventory and include all credential levels of a program and for all tracks within the credential level.

Mr. Stevens shared that program suspensions are programs that have been officially removed from the CPE Program Inventory and include

all credential levels of a program and for all tracks within the credential level. The program suspensions that are presented in the supplemental booklet are provided for the 2018-19 academic year. The total number of credentials suspended for the 2018-19 academic year is 29.

Chair Henson called for discussion. There being none, she moved on to the next agenda item.

UPDATE: ACADEMIC SERVICES REPORT

Mr. Stevens noted that Chancellor Williams gave a presentation to the committee on the following topics:

Through the KCTCS Workforce Solutions areas, last year:

- KCTCS Colleges served 5,262 companies and provided workforce training for 47,670 participants.
- The Colleges administered 73,901 assessments for industry certifications, pre-employment assessments or licensure.
- Colleges also provide a wide range of classes in Community Education that focus on personal enrichment. Last year there were 13,370 participants from age 6 to 60+ in these classes.

KCTCS Workforce Solutions staff at the System Office and the Colleges are also very focused on increasing Registered Apprenticeships within the state. Apprenticeships can help businesses close existing and projected talent pipeline gaps. To meet this need, KCTCS is funding through its TRAINS funds (legislatively targeted funds to support workforce development and training) a grant opportunity for each College to hire an Apprenticeship Coordinator. The Coordinator would be responsible for expanding both new apprenticeships with companies and the number of student/employees enrolled in those apprenticeships. All 16 Colleges have applied for the position.

KCTCS has received a \$420,000 grant from the American Association of Community Colleges (AACC) to participate in its Expanding Community College Apprenticeships project. The 16 Colleges will develop at least 450 new Registered Apprenticeships within new and existing apprenticeship programs in any field of study over a three-year period. The grant pays for a System Office Apprenticeship Manager to coordinate the College efforts, along with marketing and support for each College's development of apprenticeships.

Dual credit continues as a strong area of focus for Chancellor's Office Staff. KCTCS and the Kentucky Department of Education (KDE) partnered to create 21 dual credit model pathways for the most in-demand technical programs across the state. These models are the

preferred course sequence for high school students to allow seamless entry into the KCTCS AAS track upon high school graduation.

The pathways consist of a ten-course sequence (when possible) developed to maximize the ten dual credit scholarships available to high school students. Additional pathways will be developed this year for in-demand programs.

To enhance collaboration, KDE and KCTCS have formed a joint work group to address systemic dual credit challenges. There are ten members of the team with five system and local representatives from each organization--including principals and dual credit coordinators.

The group reviews items such as scheduling challenges, advising opportunities, ideas on how to improve communication and information, sharing of policies and procedures, and developing recommendations on how to address challenges.

The Kentucky Center for Statistics, KY Stats, is working with KCTCS's Office for Research and Policy Analysis, or ORPA, to validate dual credit data for the high school graduating class of 2017. While numbers are still in progress, current data shows that 20.1% of 2017 Kentucky high school graduates enrolled in dual credit with KCTCS.

Of those students, 74.6% enrolled in a Kentucky postsecondary institution the following year.

- 30% enrolled at a KCTCS College;
- 38% at a public 4-year institution; and
- 10.5% at a private 4-year institution.

The ability for students to transfer from KCTCS to university partners is another area of focus. In April, the Kentucky Council on Postsecondary Education and KCTCS hosted their semi-annual "Foundations for Transfer Success: Cultivating Connections" Professional Learning Community (PLC).

The PLC brought together over 60 university and college transfer leads from across the Commonwealth, along with representatives from the Kentucky Department of Education, to discuss strategies for improving postsecondary student success.

Veterans Accelerated Learning for Licensed Occupations initiative, or VALLO, staff work to increase and expedite attainment of state occupational licenses by veterans. Staff accomplish this by identifying gaps between military education and training in specific military occupations as compared to the education required for related licensed

civilian occupations. They then work with program faculty to identify instances in which KCTCS programs can waive required courses by awarding credit for military training or by giving veterans advanced standing within an existing training program as a bridge to the degree.

Currently staff are working with nursing faculty from five KCTCS Colleges to explore opportunities to develop bridge programming for veterans. Proposed programming would evaluate prior learning for Army medics and may accelerate the time to complete Registered Nurse coursework by a veteran by as much as one semester.

Chair Henson called for discussion. There being none, she moved on to the next committee report.

**FINANCE,
TECHNOLOGY, AND
HUMAN RESOURCES
COMMITTEE**

Chair Henson called upon Finance, Technology, and Human Resources Committee Chair Mark Wells to make the committee's report.

**ACTION: KCTCS
2020-22 BIENNIAL
BUDGET REQUEST**

RECOMMENDATION: The KCTCS Board of Regents approve the 2020-22 biennial budget requests, operating and capital, for KCTCS to be submitted to the Council on Postsecondary Education (CPE), the Governor of Kentucky, and the Kentucky General Assembly. Statutorily, KCTCS must submit its requests, operating and capital, by November 15, 2019. The KCTCS operating and capital requests are developed in cooperation with the CPE guidelines. The requests that follow are items developed in consultation with the KCTCS President's Leadership Team and CPE staff. KCTCS's final requests, operating and capital, submitted in November to the legislature, governor and CPE, will depend on CPE Board approval at its October 2019 meeting. At the time of the development of this agenda item, CPE staff's final recommendations concerning KCTCS requests were not yet known. Therefore, all requests, operating and capital, discussed with CPE staff are included.

The biennial budget request for operating funds for KCTCS per the guidelines developed by CPE is as follows:

* Fiscal year 2019-20 General Fund appropriation of \$166,034,000 as enacted in the 2020-22 Budget of the Commonwealth (HB 200) plus \$8,547,000 of the Postsecondary Education Performance Fund was allocated to KCTCS.

** Registered Nurses are in high demand with 2,669 annual openings in Kentucky. KCTCS awarded 840 credentials for RNs in 2018-19. This request is to support the nursing programs at all 16 colleges. If funded, resources may be deployed based on regional and college need. Currently KCTCS colleges struggle to compensate nurses adequately to compete with salaries at hospitals and medical facilities. Additionally, KCTCS colleges struggle to offer year-round access to nursing programs due to normal 10-month faculty contracts. This request, if funded, will enable KCTCS colleges to offer 12-month assignments to some faculty based on needs in that college's service area. All new positions (two per college) will be 12-month.

Capital Funds Request

The 2020-2022 Capital Request is summarized in Attachment F.

		<u>2020-22</u>		
	Asset Preservation and Renovation	\$259,500,000***		
	Information Technology	9,500,000		
	Construction (New and Expansion), Acquisition,			
		<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
		<u>(Budgeted)</u>	<u>(Requested)</u>	<u>(Requested)</u>
Base	Appropriation*	\$166,034,000	\$171,265,800	\$171,265,800
Performance	Funding	8,547,000	14,918,600	19,891,400
Nursing	Programs**	-	8,440,606	4,790,606
Total		\$174,581,000	\$194,625,006	\$195,947,806
	and Equipment			211,100,000
	Total Capital Budget Request			\$480,100,000

*** CPE is requesting \$400,000,000 in General Fund supported bond funds for a capital investment pool of asset preservation and renovation projects. This request for asset preservation funds is needed to address long overdue deferred maintenance, bring facilities up to current industry standards, and better serve students, faculty and staff. If the requested bond funds are authorized, they will be matched fifty cents on the dollar by receiving institutions. KCTCS' portion of the requested \$400 million pool would be \$49,851,000 for the 2020-22 biennia. Projects listed in Attachment A for the Asset Preservation and Renovation request will be eligible to receive funding from this pool.

The KCTCS President worked the CPE President and the university presidents to develop a biennial budget operating funds request approach that:

- Recognizes the economic situation facing the Commonwealth of Kentucky in the 2020-22 biennium.
- Recognizes the need for an additional general fund appropriation for each institution of postsecondary education.
- Provides opportunity for the institutions and the CPE to cooperatively seek additional funding.

The KCTCS 2020-22 capital funds request:

- Reflects KCTCS priorities for asset preservation and renovation. Attachment A lists projects that meet the criteria established for asset preservation and renovation. Also listed within Attachment A, are capital projects which are requested for approval should restricted and/or other funds become available to fund the project(s).
- Encompasses asset preservation, maintenance and renovation of existing facilities, construction (new and expansion), information technology, and capital equipment.
- Recognizes the importance of maintaining the existing physical plant in a condition that enables the colleges to provide quality educational programs and services.
- Consists of 42 projects with a total request of approximately \$480 million.

Chair Henson called for the motion.

MOTION: On behalf of the Finance, Technology, and Human Resources Committee, Mr. Wells moved that the KCTCS Board of Regents approve the 2020-22 biennial budget requests, operating and capital, for KCTCS to be submitted to the Council on Postsecondary Education (CPE), the Governor of Kentucky, and the Kentucky General Assembly. Statutorily, KCTCS must submit its requests, operating and capital, by November 15, 2019. The KCTCS operating and capital requests are developed in cooperation with the CPE guidelines. The requests that follow are items developed in consultation with the KCTCS President's Leadership Team and CPE staff. KCTCS's final requests, operating and capital, submitted in November to the legislature, governor and CPE, will depend on CPE Board approval at its October 2019 meeting. At the time of the development of this agenda item, CPE staff's final recommendations concerning KCTCS requests were not yet known. Therefore, all requests, operating and capital, discussed with CPE staff are included.

Chair Henson called for discussion. There being none, she called for a vote.

VOTE: The motion was approved unanimously.

Chair Henson moved to the next agenda item.

**UPDATE: OTHER
POSTEMPLOYMENT
BENEFIT TRUST
REPORT**

Mr. Wells noted that at the December 7, 2012, KCTCS Board of Regents approved by resolution to establish an Other Postemployment Benefit (OPEB) Trust for the health insurance benefit of eligible employees in KCTCS 403(b) retirement plans. As of June 30, 2019, the KCTCS Section 115 IRR Trust is sufficiently funded with \$205.02 million in assets and \$152.5 million in liabilities. The Plan's Fiduciary Net Position as a percentage of the total OPEB liability is 134.44 percent or a positive \$52.5 million. Mr. Wells shared that the assets of the Trust are significantly above its liabilities, and KCTCS would like to help reduce the out-of-pocket costs to its retirees, AON (KCTCS' actuary) was asked to do a follow up calculation of the expected postretirement benefit obligation if KCTCS funded the full out-of-pocket cost for single health insurance coverage for its retirees within the Trust. The calculation to remove retiree contributions for single health insurance costs increased the expected postretirement obligation from the estimated \$152.5 million to \$204.2 million.

Mr. Wells noted that to help retirees reduce their out-of-pocket costs, but to guard against the potential liability increasing above projected assets, beginning January 1, 2020 for those retirees covered by the Trust, KCTCS will cover 50 percent of the out-of-pocket costs for single health insurance coverage. The expected postretirement benefit obligation with this change is expected to be approximately \$180.0 million.

Chair Henson called for discussion. There being none, she moved to the next agenda item.

**UPDATE:
ADMINISTRATIVE
SERVICES REPORT**

Mr. Wells noted that the Statement of Current Funds Revenues and Expenses as presented in the agenda materials, reflects actual program and operational expenditures compared to the 2018-19 budget approved by the KCTCS Board of Regents, June 15, 2018. The report reflects total revenues and appropriated fund balances of \$836,674,000 or 98 percent of the budgeted revenue and appropriated funds.

Mr. Wells shared that the Statement of Current Funds Revenues and Expenses also reflects current fund expenses and budget reserve of \$752,118,000 or 88 percent of the expenses budgeted for the year. The Statement of Net Position as presented in the agenda materials, reflects the overall financial position of the System and includes assets deferred outflows, liabilities deferred inflows, and net position.

KCTCS's net position remains a strong \$562,299,000 as of June 30, 2019.

Mr. Wells also noted that in the diverse supplier initiatives report, the data indicates for FY 2018-19 that KCTCS spent \$6.2 million (9.9 percent) of a total \$62.4 million in impactable discretionary spend with diverse suppliers. In terms of business conducted, the percentage spent with diverse suppliers in FY 2018-19 as compared to the spend with diverse suppliers in FY 2017-18 was higher by (10.7 percent).

Mr. Wells shared that KCTCS staff continue to work on diverse supplier strategic matching employing distribution of advertising opportunities to do business with KCTCS. These activities include sponsorships, utilizing various minority supplier's websites, and partner distributions of KCTCS business opportunities (Kentucky Procurement Technical Assistance Center, Tri-State Minority Development Council, and National Association of Women Business Owners (NAWBO)). KCTCS is a registered member of additional cooperative purchasing groups (E&I Cooperative Services and Sourcewell) and utilizes free online platforms for greater distribution of business opportunities (Govquote) to increase the visibility for strategic sourcing of diverse suppliers.

Chair Henson called for discussion. There being none, she moved on to the next agenda item.

**UPDATE:
TECHNOLOGY
SOLUTIONS REPORT**

Mr. Wells shared that Vice President Paul Czarapata gave a brief overview of the Technology Solutions most recent Accomplishments Report highlighting the several highlights and statistics. He noted that in June 2019, the Cybersecurity team in System Office Technology Solutions conducted a phishing campaign for all faculty and staff. The phishing email was sent to 6,709 mailboxes with 1,842 people opening the email, 684 people clicking the link, and 384 people giving up their credentials. After the phishing campaign was completed, one college President was caught. The average click rate (or Phish Prone rate) for higher education as an industry is 28.2 percent, as a system we came in at 15.9 percent.

Mr. Wells noted that in July 2019, KCTCS Technology Solutions staff sponsored a pizza party for all the PeopleSoft Administrative System (HR/Payroll, Financials, and Student Information System) "Power Users" to roll out multi-factor authentication. A "Power User" is someone who has elevated access in a computer system. Multi-factor authentication refers to the use of a password, and a second factor which is either a text message to your phone or the use of a key fob with rotating codes. This authentication will help to stop malevolent activities if an end user is phished.

Mr. Wells shared that MyPath allows students, faculty, and staff to go to one web site, and be able to access nearly all KCTCS technology systems with only one log in. From the beginning of the year, MyPath has served 5,785,714 users (an average of 214,285 visits per week).

Chair Henson called for discussion. There being none, she moved to the next agenda item.

**UPDATE: OFFICE OF
AUDIT SERVICES
REPORT**

Mr. Wells noted that Mr. Mike Murray, KCTCS General Counsel, and Mr. Ralph Kimbrough, Office of Audit Services (OAS), provided a semi-annual report on the activities of the OAS to the committee.

Mr. Wells shared that overall, the OAS has continued to find operational improvement since the prior report; however, there were no significant issues or adverse indicators regarding financial integrity, threats to institutional reputation or other areas of major concern.

Mr. Wells shared that recent audits focused on campus safety, federal regulation, documentation, payment card industry data security standard (PCI DSS), and asset safety.

Mr. Wells noted that Management audits have been conducted at Maysville Community and Technical College, West Kentucky Community and Technical College, and Ashland Community and Technical College. There are several expected audits due in future months because of leadership changes. A new audit initiative will focus on entrance interviews with the College Presidents.

Chair Henson called for discussion. There being none, she moved to the next agenda item.

**EXECUTIVE
SESSION**

Chair Henson called for a motion for the KCTCS Board of Regents to go into Executive Session pursuant to KRS 61.810 (1) (c) – Proposed or Pending Litigation in which KCTCS may be a party or KRS 61.810 (1) (f) Individual Personnel Matters.

MOTION: Ms. Roth moved, and Mr. Allen seconded that the KCTCS Board of Regents go into Executive Session pursuant to KRS 61.810 (1) (c) – Proposed or Pending Litigation in which KCTCS may be a party or KRS 61.810 (1) (f) Individual Personnel Matters.

VOTE: The motion was approved unanimously.

Chair Henson asked President Box and KCTCS General Counsel Mike Murray to participate in the Executive Session.

The Board went into Executive Session at 12:24 p.m. (ET).

OPEN SESSION

Chair Henson called for a motion for the KCTCS Board of Regents to reconvene the meeting in Open Session.

MOTION: Mr. Allen moved and Mr. Wells seconded that the KCTCS Board of Regents reconvene in Open Session.

VOTE: The motion was approved unanimously.

The KCTCS Board of Regents reconvened in open session at 12:46 p.m. (ET).

Chair Henson announced that the Board discussed Proposed or Pending Litigation or Individual Personnel Matters and that there was no action to bring before the Board at this time.

NEXT MEETING

Chair Henson announced that the next regular meeting of the KCTCS Board of Regents is scheduled for December 5-6, 2019 at the KCTCS System Office, Versailles, Kentucky.

ADJOURNMENT

Mr. Stevens moved that the meeting adjourn. Ms. Thompson seconded the motion.

VOTE: The motion was approved unanimously, and the meeting adjourned at 12:49 p.m. (ET).

12/06/19

Date Approved by
the KCTCS Board of
Regents

Gail R. Henson, Ph.D., Chair
KCTCS Board of Regents

Mary Bosley-Kinney, Secretary
KCTCS Board of Regents

Jay K. Box, Ed.D.
KCTCS President

2019-20 Goals and Objectives
KCTCS President Jay K. Box

PERFORMANCE REVIEW TIMELINE

August 2019: Dr. Box submits to Chair Henson a draft of his Goals and Objectives for this evaluation period.

September 2019: Board Executive Committee receives Dr. Box's 2019-20 Goals and Objectives. The Executive Committee votes to recommend to the full Board the approval of Dr. Box's Goals and Objectives. Full Board takes action on the Executive Committee's recommendations.

Mid-May 2020: Dr. Box presents to Board his accomplishments.

Mid-May 2020: Chair Henson distributes to the full Board the presidential evaluation form and sets a deadline for the return of the evaluation form to her.

Before June 2020 Board Meeting: Chair Henson will meet with Dr. Box to discuss the evaluation results.

June 2020 Board Meeting: The Board will take action on the evaluation of Dr. Box. Chair Henson appoints Ad-hoc committee to review Dr. Box's contract and compensation. Any revisions to Dr. Box's contract will be discussed and approved at that meeting.

July 2020: Ad-hoc committee meets to review Dr. Box's contract and compensation and sends recommendation for revisions to Chair Henson

September 2020: Board takes action on any changes to Dr. Box's contract and compensation. Dr. Box will present his 2020-21 Goals and Objectives to the Board for approval.

OVERARCHING VISION DRIVERS FOR 2019-20

In 2016, the KCTCS Board of Regents approved a revised vision statement for KCTCS as part of the development of *The Future in Focus: KCTCS Strategic Plan 2016-22*. Our new vision is “to be a world-class system of colleges educating Kentucky’s globally competitive workforce.” Vision statements help lead us into the future, but the question we often face is “how do we know that we are getting closer to validating our vision?” Or, to put it differently, “**what does ‘winning’ look like?**”

At our May 2019 retreat of the KCTCS President’s Leadership Team (PLT), our guest speaker Mr. Bill Samuels, Jr., the retired president of Maker’s Mark, posed the “winning” question to the PLT. It’s a question that he asked himself before turning his father’s small bourbon-producing company into an international, billion-dollar empire, and it’s one that I have contemplated many times since our May retreat. It’s easy to get bogged down in strategic plans, statewide initiatives, performance funding elements, and goals of our partners...so much so that sometimes we forget the big picture. Thus, I’ve taken a step back this year to consider this simple question, “what does ‘winning’ look like for KCTCS” and to use that question to drive us toward our end goal—being a world-class statewide community and technical college system that produces a globally competitive workforce.

Following the retreat, I again posed the question to the college presidents—pressing them to give me a clear vision of what winning, as a college and a System, would look like. Although their answers varied, some common elements became clear. Based on the feedback of the presidents, below are the three goals and related objectives that I believe will make KCTCS and our colleges winners in 2019-20.

GOALS AND OBJECTIVES

Goal I: Prominence:

Increase the prominence and visibility of KCTCS within the Commonwealth and across the nation, illustrating that the System and colleges are relevant, responsive, and transformative to our stakeholders.

Objective 1: Tell Our Story within the Commonwealth—Our presidents see this as the number one priority for this year. At a time when the state and national conversations among policy makers debate whether or not a college education has value, we know our data shows that our graduates are being employed and making good salaries. This objective will expand on our “Better Lives, Better Kentucky” marketing campaign from last year to include more success stories from our graduates and testimonials from stakeholders with a focus on how KCTCS is relevant, responsive, and transformative.

Objective 2: Maintain and Expand National Recognition—In the last couple of years, KCTCS has gained national recognition that placed our System in Top 10 rankings in

various categories. In addition, I have continued to serve on national boards, working groups, and organizations in order to influence federal policy and to help reinforce KCTCS' status as a national leader in community college education. This objective will focus on maintaining and expanding the national recognition of not only the System but also of our individual colleges.

Objective 3: Meet Employers' Expectations—Companies are major stakeholders for KCTCS as they hire our graduates. This objective will focus on meeting the expectations of employers while acquiring their support to advocate for the System with Kentucky's policy makers.

Goal II: Growth:

Focus on enrollment growth, student persistence, and student success by affirming affordability, shortening time-to-degree, and scaling innovation.

Objective 1: Affirm Affordability—The media and policy makers tend to frame higher education as “unaffordable” because of rising tuition rates across all sectors of postsecondary education. And, although KCTCS' tuition is still less than half of all of Kentucky's four-year public universities, we do have some students who struggle with paying for a college education. This objective will focus on educating students on the availability of financial resources—including federal and state financial aid, scholarships, and student loans. In addition, this objective will promote to the general public our affordability and our return-on-investment (ROI).

Objective 2: Shorten Time-to-Degree—Time is our enemy in higher education as employers want us to turn out graduates faster to meet their workforce shortages and as most adult students struggle to commit to two years or more to complete a credential. I have been promoting recently that KCTCS puts students on the “career freeway” with five distinct on-ramps (dual credit students, high school graduates, adults returning to college for a new career, GED-seeking students who co-enroll with us, and working adults who “upskill” through our customized workforce training opportunities) that get students started on their career journey. But more importantly, the freeway provides multiple exit ramps that allow students to leave us after earning short-term certificates and going directly to work or to move quickly through degree programs that include an apprenticeship or work-and-learn experience that gives them a leg up in their future employment. This objective will initiate new or expand on known best practices that will shorten the time it takes for students to obtain a college credential.

Objective 3: Scale Innovation—Although promoting our affordability and shortening our time-to-degree should attract more students to our colleges, the ability to sustain enrollment growth, increase student persistence, and obtain a higher level of student success is dependent on scaling innovation throughout our System. For the last two years, I have dedicated three-quarters of a million dollars in innovation grants to our colleges.

Seven different colleges have received those funds. This objective will focus on scaling these proven initiatives and rewarding even more innovative proposals that will help grow our enrollment, especially among our adult population.

Goal III: Sustainability:
***Improve the fiscal health of the System and colleges through
advocating for the Commonwealth to reinvest in higher education
and by seeking alternative revenue sources.***

Objective 1: Advocate for Reinvestment—This spring the General Assembly will be considering the 2020-22 biennial budget. After a disinvestment in higher education funding for 11 straight years, there is hope that the legislature will find additional funding for KCTCS as well as our eight public universities. Specifically, KCTCS will be requesting: 1) to fund the Performance Funding pool at the requested level of the Council on Postsecondary Education, 2) to increase the dual credit tuition rate from one-third the KCTCS tuition rate to one-half our rate, 3) to award a special multi-million dollar allocation to KCTCS to expand our registered nursing programs at each of our 16 colleges, and 4) to fund an Asset Preservation pool that will allow KCTCS colleges access to millions of dollars for upgrading current facilities. However, there will be many competing requests for the General Assembly to consider. This objective will focus on the role KCTCS employees, students, and stakeholders will play in advocating for this reinvestment.

Objective 2: Grow Alternative Revenue Sources—Kentucky is one of the few states in the nation which is overwhelmingly funded by state appropriations and tuition dollars. The reductions in state funding and the limited tuition-rate increases have meant that our colleges' operations have suffered and that we have not been able to give meaningful salary increases to our faculty and staff. This objective is focused on developing new and expanding existing alternative revenue sources. In addition to securing more local, state, federal and private grants, this objective will call for more solicitation of private investment in our colleges and for additional philanthropic endeavors. If achieved, the additional resources will help us shore up operational necessities and better position us to consider increasing employee compensation in 2020-21.

KCTCS BOARD OF REGENTS POLICIES

2.5 KCTCS President's Performance Review

In accordance with the statutory authority of the Commonwealth of Kentucky, the Board of Regents of KCTCS shall exercise jurisdiction over KCTCS. This policy establishes the personnel rules for the annual performance review of the KCTCS President by the Board of Regents.

The purpose of the President's annual performance review is to assess the individual performance of the President, the effectiveness of the President's leadership of the System, and the President's commitment to the progress of the System.

The performance review shall include the following elements:

1. An established performance review period;
2. An established performance review schedule that indicates the manner and timeline for the presentation of performance and assessment data;
3. The President's assessment of his or her accomplishments, progress in established performance objectives, and satisfaction of job duties and responsibilities; and
4. The Board's assessment of the President's accomplishments, progress in established performance objectives, and satisfaction of job duties and responsibilities.

The Board of Regents shall establish process and procedure for implementing the requirements of this policy.

6-10-05

Date Approved by
KCTCS Board of Regents

9-18-15

Date of Last Review

6-10-05; 9-18-15

Date of Last Revision
*(Include all dates in
chronological order)*

SIGNATURE ON FILE

Chair, Board of Regents

9-18-15

Date

SIGNATURE ON FILE

President, KCTCS

9-18-15

Date

**Procedures for the Evaluation of the President of the
Kentucky Community & Technical College System (KCTCS)**

Authority for Procedures: These procedures are created and implemented pursuant to the authority of KRS 164.350(1)(b); KRS 164.360(1)(b); KRS 164.365; KRS 164.5807(1); KCTCS Board of Regents Policy 2.5; and the KCTCS Board of Regents Bylaws Section 13 (Rev. June 12, 2009).

Purpose of President's Evaluation: The purpose of these procedures is to ensure the proper evaluation of the President of the KCTCS in accordance with the duties of the President, and the goals and objectives established by agreement between the Board and President and by vote of the Board as delineated herein.

Accountability: Periodic evaluation of the President reinforces the value of accountability for the President's decisions and actions in providing leadership for the KCTCS, one of the nation's premiere community and technical college systems. By setting a timetable and framework for the President's evaluation, the KCTCS Board of Regents provides a tool for assessing leadership and institutional goal achievement.

Procedures: The Board of Regents shall perform a Presidential evaluation on an annual basis and in compliance with all laws, KCTCS policies, and contractual obligations.

1. **Performance Review Period:** At the start of the performance review period, the Board, a special committee of the board appointed pursuant to the KCTCS Board of Regents Bylaws, or the Board's designee shall meet with the President to determine the goals and objectives on which the President shall be evaluated in alignment with the duties of the President as set forth in the Board of Regents Bylaws.
2. **Approval of Goals and Objectives:** The goals and objectives shall be reduced to writing and considered for approval by the Board. If the Board meets as a whole with the President, the Board shall approve the goals and objectives for evaluation at the meeting between the President and the Board. If the Board designates a special committee or a designee, the Board shall act upon the recommendation of the committee or designee at the next regular meeting of the Board.
3. **Evaluation Form:** The Board shall develop an evaluation form based upon the goals and objectives negotiated by and between the President and the Board and approved or ratified by the Board.
4. **Board Participation:** All Board members who are properly authorized to participate shall fulfill their duty to the KCTCS through full participation in the evaluation process for the KCTCS President. Participation shall include completion of the approved form for the Annual Evaluation of the President's Performance and Effectiveness.

5. **Report:** Once all evaluation forms are completed and returned, the Board Chair, the chair of the special committee of the board appointed pursuant to the KCTCS Board of Regents Bylaws, or the Board's designee shall prepare a written report analyzing the data which shall be provided to the Board and the President.

6. **Opportunity to Respond and Append:** The Board shall provide the President with the opportunity to respond to the analyzed, compiled, and reported data. The President may respond through a written report to the Board based upon the established goals and objectives.

7. **Final Evaluation:** The Board and the President shall meet to review its written evaluation report along with the written response from the President, if any. After approval by the Board, the Board's written evaluation report along with the written response from the President, if any, shall become the Board's final evaluation of the President. The President's evaluation report shall only be considered final with the appended response, if provided. The final report shall be made available to the public pursuant to the Kentucky Open Records Act.

8. **The Board may, on a periodic basis, opt to invite external input to this evaluation.**

Review of Evaluation Process: The Board may annually review the process for the KCTCS President's Evaluation or may elect to review at a period of no longer than three years. Last review was February 5, 2019.

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Procedures for the Board of Regents Officer Elections
Kentucky Community & Technical College System (KCTCS)

Authority for Procedures: These procedures are created and implemented pursuant to the authority of KRS 164.321(11); and, KCTCS Board of Regents Policy 2.1.

Purpose of the Election Procedures: The purpose of these procedures is to ensure for fair and transparent elections of the Board of Regents Chair, Vice Chair, and Secretary, and other such officers as the Board may deem necessary.

Procedures: The Board of Regents shall elect from its membership a Chair, Vice Chair, Secretary, and such other officers as it may deem necessary, at the annual June Board meeting, for a one-year term, and in compliance with all laws and KCTCS policies. A Chair may not serve for more than two consecutive one-year terms, but there is no term limit for Vice Chair, Secretary, and other such officers.

1. **Appointment of a Nominating Committee:** Before the June Board meeting, the Board Chair shall appoint a Nominating Committee consisting of three to five Regents and designate a committee chair. The Nominating Committee is an ad-hoc committee which shall operate at the discretion of the Board Chair. Membership of the committee, once determined, shall be announced to the Board of Regents. Members of the Nominating Committee are ineligible to run for an officer position, regardless of whether his or her nomination comes via the Nominating Committee or from-the-floor; therefore, if a Regent is seeking election or would accept a floor nomination and is asked to serve on the Nominating Committee, he or she should decline the invitation.
2. **Role of the Nominating Committee Chair:** The Nominating Committee Chair shall establish a deadline in advance of the June meeting by which any Regent may submit nominations, including self-nominations, for Board officer positions.

Before or at the close of the deadline, the Nominating Chair shall contact each nominated Regent and request the submission of a statement of interest and qualifications (see Appendix A). Regents may attach brief accompanying documents to their statement of interest and qualifications (such as a resumé). To be considered for a position, a Regent must submit a statement of interest and qualifications to the Nominating Chair; those who do not will be disqualified.

If a Regent wishes to withdraw his or her nomination before the election, he or she may do so by expressing this to the Nominating Chair. If a Regent wishes to be considered for other positions other than for what he or she was nominated for, he or she shall express this interest to the Nominating Chair. The Nominating Committee will only consider Regents for the positions for which they were nominated and for which they have expressed interest. The Vice Chair is not a Chair-Elect and therefore does not automatically “inherit” the Chair position.

The Nominating Committee Chair shall collect and compile the statements of interest and qualifications, along with any attachments, from the Regent candidates in advance of the Nominating Committee meeting. These documents shall be distributed to all members of the Nominating Committee at or before the meeting.

3. **The Nominating Committee:** The Nominating Committee may hold a special meeting to conduct its business or may meet during the June meeting dates in advance of the full Board meeting.

The Nominating Committee is charged with receiving and considering all nominations for officer positions (other than from-the-floor nominations) and making a recommended slate of nominees to the full Board. The Nominating Committee has wide discretion in selecting nominees and should nominate qualified candidates who can and will make decisions that promote the best interests of KCTCS and that facilitate its mission objectives. The committee shall not conduct any independent inquiry or consider in its deliberations any improper or untimely submitted item. Discussions had by the Nominating Committee shall be confidential to the Committee in order to allow for free and open discussion.

The Committee Chair shall call the vote for nominations for each individual position to create the slate of nominees. A simple majority vote shall carry.

In the event of a tie, the Assistant Secretary shall blindly draw one name of the candidates from the tie pool to serve as the nominee.

4. **Board Action:** The Nominating Committee Chair shall make the Committee’s report to the full Board at the appropriate time. For each position, the Committee Chair shall announce the Committee’s nominee. The Committee Chair need not explain the deliberations or opinions about why a nominee was chosen or which other candidates were considered, as the Committee discussion should remain confidential.

Following the announcement of the Committee’s slate, the Board Chair shall open the floor for debate and discussion. Once a reasonable time for

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debate and discussion has occurred, the Board Chair shall call for a *Motion to Vote the Slate*. If the motion carries, the Board Chair shall call the vote on the entire slate of candidates at once, as recommended by the Nominating Committee. In this instance, no floor nominations will be considered and the election of officers will be completed.

If the *Motion to Vote the Slate* does not carry, the Board Chair shall call the vote on each officer position individually in the order of Chair, Vice Chair, and Secretary. For each position, the Board Chair shall call for nominations from the floor and allow a reasonable period of time for such nominations. Any Regent may make a floor nomination, including self-nominations.

Regents nominated from the floor shall accept or reject the nomination. Candidates who accept a nomination from the floor may make a statement when they accept the nomination to indicate relevant information about themselves and the reason for their acceptance.

After all nominees from the floor have been announced and acceptance or rejection has been indicated, the Board Chair shall call for the vote. At this time, Board members may vote on all nominees, whether recommended by the Nominating Committee or from the floor for the positions for which they were nominated.

It is at the discretion of the Board Chair to determine how to take the vote (voice, secret ballot, show of hands, etc.). The votes for each position shall be tallied and recorded into the minutes. If the vote is by written ballot, all ballots are subject to review by any Board members. Each vote shall be announced before proceeding to the next officer position and allowing for nominations from the floor.

Review of Procedures: The Board may review these procedures as needed, subject to the discretion of the Board Chair.

Appendix A: Statement of Interest and Qualifications

KCTCS Board of Regents Elections

Statement of Interest and Qualifications for Board Officer Position

Name: _____

For what position would you like to be considered? _____

If you are not chosen for this position, may the Committee consider you for other positions? If so, please indicate which:

Please indicate whether you are appointed or elected: _____

If elected, please specify whether you are faculty or staff, and indicate your college:

How long have you served on the Board of Regents?

Have you previously held an officer position? If so, when?

Please explain why you wish to serve in the position and your qualifications for such service. You may attach a resumé or other brief documentation for the Nominating Committee to review.

**SUMMARY
2020-2022 CAPITAL BUDGET REQUEST
KENTUCKY COMMUNITY AND TECHNICAL COLLEGE SYSTEM**

	College	Project Title	Total Budget	Bond/ General Funds	Restricted/ Other Funds
BOND/GENERAL FUND PROJECTS - ASSET PRESERVATION/RENOVATION PROJECTS					
1	KCTCS	KCTCS College Safety and Security Pool	\$16,000,000	\$16,000,000	
2	KCTCS	KCTCS College Deferred Maintenance Pool	\$30,000,000	\$30,000,000	
3	Elizabethtown CTC	Renovate Occupational Technical Building	\$24,800,000	\$24,800,000	
4	Southcentral CTC	Renovate Main Campus Buildings - Additional Funding	\$5,000,000	\$5,000,000	
5	Jefferson CTC	Renovate Hartford Building	\$31,100,000	\$31,100,000	
6	Southeast KY CTC	Renovate Pineville Campus	\$3,000,000	\$3,000,000	
7	Maysville CTC	Renovate and/or Construct Administration Building	\$15,500,000	\$15,500,000	
8	Ashland CTC	Renovate Main Building Phase II	\$34,000,000	\$34,000,000	
9	Big Sandy CTC	Renovate Collegewide Facilities	\$10,000,000	\$10,000,000	
10	Hopkinsville CC	Renovate Auditorium Building	\$3,700,000	\$3,700,000	
11	Madisonville CC	Renovate Tech Campus	\$3,400,000	\$3,400,000	
12	Henderson CC	Relocate Student Center Functions and Demolition	\$3,900,000	\$3,900,000	
13	Gateway CTC	Renovate Urban Campus	\$13,400,000	\$6,400,000	\$7,000,000
14	West KY CTC	Renovate Main Campus	\$7,000,000	\$7,000,000	
15	Owensboro CTC	Replace HVAC Phase I - Main Campus	\$4,100,000	\$4,100,000	
16	Hazard CTC	Upgrade HVAC	\$3,600,000	\$3,600,000	
17	Hopkinsville CC	Renovate Academic Building	\$14,300,000	\$14,300,000	
18	Jefferson CTC	Renovate College Science Labs	\$7,300,000	\$7,300,000	
19	Hazard CTC	Renovate and/or Procure for Healthcare Programs	\$15,800,000	\$13,450,000	\$2,350,000
20	Maysville CTC	Procure Rowan Campus Building II	\$6,900,000	\$6,900,000	
21	Ashland CTC	Renovate Learning Resource Center - College Drive	\$6,700,000	\$6,700,000	
		Total Asset Preservation and Renovation Projects	\$259,500,000	\$250,150,000	\$9,350,000
BOND/GENERAL FUND PROJECTS - NEW CONSTRUCTION PROJECTS					
1	Somerset CC	Construct Advanced Education Bldg. - North Campus	\$29,500,000	\$29,500,000	
2	Bluegrass CTC	Construct Classroom/Student Services Building - Newtown Campus	\$30,000,000	\$30,000,000	

SUMMARY
2020-2022 CAPITAL BUDGET REQUEST
KENTUCKY COMMUNITY AND TECHNICAL COLLEGE SYSTEM

	College	Project Title	Total Budget	Bond/ General Funds	Restricted/ Other Funds
3	Ashland CTC	Construct Transportation Training Center - Technology Drive	\$5,500,000	\$5,500,000	
4	Madisonville CC	Construct Muhlenberg Campus Phase II	\$13,900,000	\$13,900,000	
5	Henderson CC	Construct Allied Health Building	\$18,600,000	\$18,600,000	
6	Somerset CC	Construct Technical Ed. Building Laurel North	\$24,900,000	\$24,900,000	
7	Hopkinsville CC	Construct Student Learning Center	\$20,900,000	\$20,900,000	
Total New Construction			\$143,300,000	\$143,300,000	\$0
BOND/GENERAL FUND PROJECTS - INFORMATION TECHNOLOGY					
1	Systemwide	Information Technology Pool	\$9,500,000	\$9,500,000	
Total Information Technology			\$9,500,000	\$9,500,000	\$0
RESTRICTED/OTHER FUNDS PROJECTS					
1	Ashland CTC	Expand Technology Drive Campus	\$12,500,000		\$12,500,000
2	Big Sandy CTC	Renovate Welding Shop Mayo Campus	\$1,500,000		\$1,500,000
3	Big Sandy CTC	Renovate Dental Hygiene/Assisting Program - Mayo Campus	\$3,000,000		\$3,000,000
4	Bluegrass CTC	Renovate Newtown North Building	\$4,900,000		\$4,900,000
5	Elizabethtown CTC	Construct and/or Procure Transportation Center	\$6,300,000		\$6,300,000
6	Fire Commission	Construct and/or Procure Fire Commission System Office Building	\$7,500,000		\$7,500,000
7	Gateway CTC	Technology Upgrades	\$1,500,000		\$1,500,000
8	Hazard CTC	Renovate Technical Campus	\$13,500,000		\$13,500,000
9	Jefferson CTC	Acquire and Improve Parking Lots - Downtown Campus	\$5,000,000		\$5,000,000
10	Systemwide	Energy Savings Performance Contracts	\$0		\$0
11	Systemwide	KCTCS Equipment Pool	\$5,000,000		\$5,000,000
12	Systemwide	KCTCS Property Acquisition Pool	\$5,000,000		\$5,000,000
13	West KY CTC	Repair Parking Lots and Sidewalks	\$2,100,000		\$2,100,000
Total Restricted projects			\$67,800,000	\$0	\$67,800,000
2020-2022 Totals			\$480,100,000	\$402,950,000	\$77,150,000

KENTUCKY COMMUNITY TECHNICAL COLLEGE SYSTEM

BOARD OF REGENTS MEETING

September 12, 2019

9:06 a.m.

1 16, 2015. The President's
2 Contract Review Committee met on
3 August the 5th of 2019 at the
4 System Office, it was an open
5 meeting. The press was invited.
6 All of you were sent an
7 invitation. Nobody came from the
8 press and we didn't have any
9 participating from any other
10 board members who were invited.
11 The minutes in the document are
12 attached as Attachments AG,
13 Agenda Item G1. The minutes were
14 approved by the committee by
15 email. So after Damon gets --
16 does his presentation I'd like to
17 remind everybody about voting
18 protocol. The faculty and staff
19 are ineligible to vote on this
20 matter and must abstain.
21 According to KCTCS Board of
22 Regents Bylaws, Section 8.2.1,
23 Matters on which members may
24 vote, "All members of the Board
25 may vote on all matters coming to

1 the Board for consideration,
2 except that pursuant to KRS
3 164.289 and OAG 018, the two
4 members representing the faculty
5 and the two members representing
6 non-teaching personnel shall not
7 vote on individual compensative
8 matters for themselves or other
9 individual employees of KCTCS."
10 However, the Faculty and Staff
11 Regents are encouraged to
12 participate in the discussion
13 about Dr. Box's contract and
14 compensation. Our two Student
15 Regents may vote, but remember
16 that under our bylaws student
17 votes count for half a vote.
18 Lisa and Chris may vote via
19 Skype. If there are no questions
20 about how we got here or what our
21 responsibility is today I will
22 turn it over to Regent Allen now.
23 MR. ALLEN: All right. Thank you, Madam
24 Chair. The President's Contract
25 Review Committee having a quorum

1 and being dually conveyed met at
2 the main office of the Kentucky
3 Community and Technical College
4 System on August 5, 2019 at 10:02
5 a.m. The committee discussed Dr.
6 Box current compensation as well
7 as historical changes in his
8 compensation. The committee also
9 discussed whether or not a change
10 in Dr. Box's compensation is
11 warranted. After determining
12 that Dr. Box's performance as
13 documented in his 2019 evaluation
14 warrants additional compensation
15 the committee discussed a number
16 of alternatives before deciding a
17 recommendation outlined on page
18 47 of your materials. As part of
19 that discussion the committee
20 also considered the compensation
21 of Dr. Box's predecessors as well
22 as his peers both within the
23 Commonwealth and across the
24 country. The result of that
25 discussion was a recommendation

1 included in your materials. Upon
2 approval of the recommendation in
3 the materials I personally
4 thought a prudence governance
5 that someone from the committee
6 would reach out to all of the
7 voting Regents to ensure that
8 they are aware of the
9 recommendation well ahead of
10 today's meeting in order for them
11 to have ample time to prepare
12 questions and concerns around the
13 recommendation. Since I made
14 that recommendation to contact
15 the voting members I volunteered
16 to contact them myself.
17 Following that discussion the
18 meeting concluded with a separate
19 discussion of recommendation that
20 Dr. Followell secure quotes on
21 long term care insurance on
22 behalf of Dr. Box and for
23 presentation to the Board of
24 Regents at today's meeting.
25 There being no further business

1 the meeting adjourned at
2 approximately 12:12 p.m. As I
3 mentioned I suggested a volunteer
4 to contact voting Regents for the
5 sole purpose of ensuring that
6 they were aware of the
7 recommendation regarding Dr.
8 Box's compensation. I began each
9 call by noting that the call was
10 informative only and not an
11 attempt to garner votes one way
12 or the other. When I called
13 voting Regents there was no
14 quorum present and there was no
15 attempt to circumvent the bylaws
16 of this board or the statutes of
17 the Commonwealth by myself or any
18 of the other Regents. Again, the
19 purpose was solely to inform
20 Regents about the upcoming
21 recommendation of the committee
22 and no decisions were made on any
23 of those calls. In my short
24 tenure on this board it appears
25 to me that there is room for

1 improvement in how the Board
2 communicates with each other, so
3 I viewed this as a good
4 opportunity to strengthen our
5 communication, nothing more,
6 nothing less. I am disappointed
7 that certain Regents mistook my
8 sincere attempt to ensure that
9 all Regents were well-informed of
10 the committee's recommendation
11 prior to today's meeting as
12 advocacy on behalf of the
13 Compensation Committee or Dr.
14 Box. That is simply not the
15 case. Finally, it should be
16 noted that acceptance of this
17 report does not constitute
18 approval of the recommendation
19 including in your materials. In
20 fact, following the motion to
21 accept this report I make a
22 separate motion that the Board
23 discuss Dr. Box's contract
24 including his current and future
25 compensation. Madam Chair, with

1 that I have no further comments
2 and this concludes my report.
3 And I request a motion on behalf
4 of the committee that the Board
5 accept the report.

6 MS. HENSON: Coming from a committee it needs
7 no second. So now we'd like to
8 open the floor for discussion.
9 So before we discuss I'd like to
10 ask Wendell Followell how you
11 arrived at these numbers and if
12 you would take out the materials
13 that you have, I gave you each a
14 copy, a hard copy yesterday with
15 the comparisons, and so --

16 MR. FOLLOWELL: (Inaudible).

17 MS. HENSON: Can you explain a little bit
18 about the history of the
19 Executive Supplement, because I
20 think that has come as a surprise
21 to some people, especially the
22 new people.

23 MR. FOLLOWELL: (Inaudible).

24 MS. HENSON: So an Executive Supplement is not
25 really hiding money, it's just --

1 MR. FOLLOWELL: (Inaudible).

2 MS. ???: And if you get a percentage
3 increase on your salary that's
4 not --

5 MR. FOLLOWELL: That does not change.

6 MS. ???: The base salary is what the
7 percentage it increases up to?

8 MR. FOLLOWELL: (Inaudible).

9 MS. ???: What about (Inaudible), does it
10 affect that?

11 MR. FOLLOWELL: No, that's not part of the
12 (Inaudible).

13 MS. ???: Okay.

14 MS. ???: Wendell, can you explain to the
15 group the differed compensation
16 which accrues annually, because
17 as I understand it it's of course
18 differed for -- as noted here to
19 (Inaudible). What is the
20 protocol for investing that? Is
21 that a cash investment? Is it
22 accruing at a 2.25 percent
23 standard savings account rating?
24 How does that work?

25 MR. FOLLOWELL: Typically on deferred

1 compensation it will be a 457(f)
2 Plan, often times called a --
3 people refer to it as golden
4 handcuff typically, because they
5 didn't want a CEO or a leader to
6 stay and remain with you. It's
7 the (Inaudible), for example Eli
8 (Inaudible) had one that was --
9 or has one that has 120,000 per
10 year for each year that he stayed
11 that (Inaudible). It went to
12 \$178,000 and also suggested for
13 the prior years he was paid out
14 \$688,000 at that time for staying
15 a number of years, he has moved
16 forward, I think if he stays
17 through 2021 or '22, I forget the
18 exact number, the 178,000 will be
19 set aside per year and he would
20 have to stay that entire time, so
21 if it's three years/two years,
22 whatever it happens to be, he
23 would have to stay there in order
24 to receive that. Upon completion
25 of that, successful completion,

1 whatever criteria was put in
2 place, in this case longevity,
3 then that would have to be
4 awarded to him. In Dr. Box's
5 case it was suggested two years,
6 that can be -- that's the
7 discretion of the Board as to
8 what that time period would be
9 (Inaudible).

10 MS. DESMARAIS: So is there no interest that's
11 accruing? It's just a flat
12 dollar amount?

13 MR. FOLLOWELL: A flat dollar amount or that's
14 the decision of the Board, they
15 can make it as they wish.

16 MS. ???: But that was the recommendation?

17 MR. FOLLOWELL: As recommend -- it was a flat
18 dollar amount per year.

19 MR. ???: And that's pre-tax; correct?
20 It's 100,000 that gets paid out
21 and you take out your regular
22 tax?

23 MR. FOLLOWELL: (INAUDIBLE).

24 MR. ???: Post-tax, okay.

25 MS: ???: It was net.

1 MR. FOLLOWELL: Right.

2 MS. DESMARAIS: And is it 100,000 per year, the
3 way this is written or in total?

4 MR. FOLLOWELL: No, that was per year.

5 MS. DESMARAIS: Per year, thank you.

6 MS. ???: After two years it's \$100,000,
7 not 200?

8 MR. FOLLOWELL: No, it would be 200 (Inaudible).

9 MS. ???: (Inaudible).

10 MR. ???: So my interpretation of the
11 committee's action was it would
12 be \$100,000 paid after the
13 completion of two years, you
14 know, of satisfactory
15 (Inaudible).

16 MR. FOLLOWELL: That's not how we understood it.
17 I understood \$200,000 per year to
18 accrue for two years, if you will
19 (Inaudible) \$100,000, \$200,000
20 would be paid out at the end of
21 2021 (Inaudible) of the Board.

22 MS. HENSON: And originally we proposed that
23 there be a bonus in there and
24 then it was decided that the
25 executive supplement paid would

1 not -- we would propose that
2 instead of a bonus.

3 MR. FOLLOWELL: (INAUDIBLE 14:53:12 to 14:53:50)

4 MS. DESMARAIS: Wendell, so a simple math point
5 of clarification the way these
6 two bullet items read, if in fact
7 the two-year period came to pass
8 and the Board was implying to
9 honor this as outlined it would
10 be a total of \$300,000, 50, 50,
11 100, 100, total 300,000? Is that
12 correct on my math?

13 MR. FOLLOWELL: Yes.

14 MS. DESMARAIS: Thank you.

15 MS. HENSON: Okay. So you've heard the
16 recommendations. You've seen the
17 comparable data and you can see
18 how the salary is currently less
19 than Eastern, Northern, of
20 course, UK and UofL and Western
21 for producing 48 percent of the
22 undergraduate degrees and 106,000
23 students. Shae is our only
24 employee, so we want to say
25 you're doing a good job and this

1 is the recommendation that we
2 came up as a way to say you're
3 doing a good job. So whatever
4 questions or discussion?

5 MR. ??: I think that we have a problem,
6 because we have two committee
7 members that were all there and
8 had different interpretations and
9 what is presented. And so, I'm
10 going to be sure, what are we
11 voting on, what percentage or
12 their interpretation, because
13 their interpretation was not on
14 anything presented. So we need
15 to get -- my question is, we need
16 to get clarification about that,
17 so I know when I -- when I vote
18 what I'm voting on.

19 MR. ??: So I'll opine a little bit on
20 this from a place of great
21 caution and to be clear to
22 everyone on this room. I've
23 heard rumors around the
24 Commonwealth that this is some
25 personal issue of mine, it is

1 not. I'm simply trying to do the
2 right thing and be a good
3 corporate governor and be fair to
4 Dr. Box, if he performed he
5 should be (Inaudible) and
6 compensated. So my
7 recommendation to the committee,
8 for purposes of discussion would
9 be, first talk about the
10 executive allowance and see if we
11 come to an agreement on that and
12 then talk about a bonus. And
13 words are important, because in
14 my world I get different
15 compensation, it does not accrue
16 as presented, in other words if
17 it's 50K in two years, as long as
18 I stick around and perform well I
19 get 50K at the end of the two
20 years. I don't get 100K. So we
21 need to clarify that. So I would
22 just recommend that what we
23 discuss first is the executive
24 allowance and then any differed
25 compensation just to get the

1 conversation moving.

2 MS. HENSON: So basically we're separating out
3 the motion?

4 MR. CZARAPATA: That would just be my
5 recommendation.

6 MS. HENSON: Okay.

7 MR. CZARAPATA: That's mine anyway.

8 MS. HENSON: Okay.

9 MR. CZARAPATA: Anyone's can be different.

10 MS. HENSON: So let's talk about that. All
11 the cabinet members get an
12 executive allowance, it's been
13 done for 20 years. All the
14 presidents get an executive
15 allowance. For some reason the
16 president has not gotten an
17 executive allowance. If you've
18 read the materials about what
19 Mike McCall's salary was and his
20 housing allowance \$90,000, that
21 housing allowance is no longer
22 possible by statute. So there
23 are no extra things. So the
24 executive supplement is something
25 we thought we should do, because

1 its done with every other cabinet
2 member. So does anybody have any
3 questions about an executive
4 supplement? So do I hear --
5 MS. ??: I guess I have a question. So
6 we're talking about the KCTCS
7 employees get the supplement, but
8 I was looking here as far as the
9 president's that were on here,
10 not -- that don't get it. So I
11 was wondering how that --
12 MS. ??: (Inaudible).
13 MS. ??: Presidents of the college, our
14 college --
15 MS. ??: Your college, our colleges.
16 MS. ??: Right. But I was referring to
17 this document as for the
18 presidents of these colleges,
19 they didn't get any. So I was
20 just wondering -- so we're not
21 comparing this to that
22 (Inaudible).
23 MS. HENSON: Not in this case. We're just --
24 MS. ??: (Inaudible).
25 MS. HENSON: We're just suggesting that we

1 bring Dr. Box into alignment with
2 what the other executives get.

3 MS. ???: In our own system?

4 MS. HENSON: Uh-huh.

5 MS. ???: But not in regard to this?

6 MS. HENSON: Right.

7 MR. ALLEN: And part of my understanding of
8 the discussion was, there wasn't
9 an appetite for a raise, because
10 that has long term inflationary
11 pension impact etcetera. So the
12 thought was, at least with the
13 allowance you do somewhat have
14 the same effect of a raise, but
15 it's not something that is
16 unfamiliar to the system. All 16
17 of Dr. Box's direct reports
18 received a \$30,000 allowance
19 annually. He has never received
20 an executive allowance, so the
21 thought of the committee was at a
22 minimum -- so the thought of the
23 committee was that at a minimum
24 that he should at least get an
25 executive allowance to at least

1 bring him in line with his direct
2 reports and whether that's
3 30,000, 10,000, 50,000, as
4 recommended that's for us to
5 decide.

6 MS. HENSON: Questions?

7 MS. ???: See I think that's where I did
8 not realize and maybe I should
9 have known, but I did not know
10 that -- that the \$30,000 was
11 (Inaudible). I was under the
12 assumption that it was all about
13 the compensation of presidents
14 across the country. So I didn't
15 realize that that's what your
16 vote was passed on, you know,
17 passed on just KCTS and how that
18 was --

19 MS. HENSON: And it's just bringing up --

20 MS. ???: I didn't realize that that's what
21 was happening.

22 MS. HENSON: To correct that, each president
23 gets a different amount depending
24 on their size and capacity, but
25 each of the cabinet members gets

1 the \$30,000 executive allowance.
2 So one college might get 12,000
3 and another 24,000 depending on
4 their size and capacity. But the
5 president -- they all get an
6 allowance and have for 20 years.

7 MR. STEVENS: Madam Chairman, I need you to
8 clarify that. I thought all of
9 the presidents, plus the cabinet
10 members got the \$30,000.

11 MS. HENSON: No. Lake Henderson gets 12 and
12 JCTC gets 24. Other questions?

13 MS. ??: So it's up to them now?

14 MS. HENSON: But the cabinet members to retain
15 them, because they could make a
16 lot more in other communities.
17 Questions? So do I hear a
18 consensus that we agree on the
19 executive supplement of \$50,000?

20 MS. FINAN: No.

21 MS. HENSON: Okay. So Karen?

22 MS. FINAN: It's too much. (Inaudible)

23 MS. HENSON: Okay. For example -- for the
24 Regents, Karen said, that's too
25 much.

1 MS. FINAN: Yes.

2 MS. HENSON: Okay. All right.

3 MR. CZARAPATA And for Lisa and Chris, Karen is
4 a trooper she's lost her voice,
5 but she's made it here and she's
6 participating.

7 MS. HENSON: Other thoughts? Lisa, your
8 thoughts about an executive
9 supplement?

10 MS. DESMARAIS: Are we splitting this motion?

11 MS. HENSON: Yes.

12 MS. DESMARAIS: -- I guess. My question, so the
13 first motion is the executive
14 supplement \$50,000 payable
15 annually; correct?

16 MS. HENSON: Right. Uh-huh, (affirmative).
17 What are your thoughts on that?
18 We're still discussing.

19 MS. DESMARAIS: I just wanted to make sure I
20 understood it. That's all.

21 MS. HENSON: So what comments do you have?

22 MS. DESMARAIS: None at this time.

23 MS. HENSON: Okay. Anybody else? Marsha?

24 MS. ROTH: I want to point out that in the
25 Committee Report it said, "During

1 discussion all committee members
2 reached the unanimous decision of
3 President Box's compensation, the
4 contract needed some revisions to
5 recognize him and the significant
6 work he has completed in his
7 tenure," and so, I'd like to
8 speak to that. Serving as chair
9 for four years, Dr. Box has more
10 than amazed me in his ability to
11 not only do work in the system to
12 keep the student's interests and
13 need above everybody else, to be
14 contingent of the hard work of
15 the faculty of the staff and
16 still do the duty that he needs
17 to do to make sure that --
18 especially in the beginning, we
19 repaired the standing of KCTCS in
20 this Commonwealth. And in order
21 to do that he had to do something
22 that we don't seem to be able to
23 do either statewide or nationally
24 and that is talk to people on
25 both sides of the aisle. And any

1 of us who have been to Frankfort
2 can tell you that KCTCS is
3 standing, is in great shape, that
4 people hold up to Box by -- they
5 understand his integrity, his
6 committee, his passion for this
7 system and they applaud what he's
8 done to make us what we all want
9 to be, which is a world class
10 institution. That doesn't happen
11 because he takes this as a job
12 that doesn't require more than 80
13 hours a week. When you compare
14 his salaries with the other, even
15 in addition to \$50,000, he has
16 not been compensated in my mind
17 in a way that reflects the value
18 that he has to this system. He
19 is a point of pride for me when I
20 say I'm Chair of the Board of
21 Regents, when I did, to hear
22 exactly what people thought about
23 Dr. Box. When you have someone
24 who is a star you have to
25 compensate them. It's great that

1 this Board every year that I've
2 done the evaluations tells me how
3 much they appreciate and reflect
4 on the good work that he's done.
5 That's not enough. It's just not
6 enough. That's worth -- that's
7 worth (Inaudible). You have to
8 compensate people in order to
9 retain them. You have to
10 compensate people in order to
11 reflect what their value is to
12 this system. To me the \$50,000
13 executive allowance is pretty
14 much a no-brainer. If every
15 single president of this system
16 gets an executive allowance, if
17 every member of the cabinet gets
18 an executive allowance, what
19 we're doing and what I would be
20 happy to tell anyone who
21 questioned was putting Dr. Box in
22 the same place as other people
23 who we count on to keep us going
24 in the right direction. And yet,
25 if you don't have the person at

1 the top showing the leadership
2 and the guidance then it almost
3 doesn't matter what everybody
4 else does and in order to, again,
5 reflect how much we value this
6 president that we are very lucky
7 to have hired, I believe this is
8 the least we could do. I will
9 also tell you, from a point of
10 history, that I served on the
11 search committee as did Chair
12 Henson and I think anybody -- any
13 other member of the Board of
14 Regents? We had (Inaudible), so
15 we had a search committee; right,
16 and it was big, was it not? And
17 we had -- we had staff who was
18 the national search committee
19 group (Inaudible) and the
20 provided us with national
21 candidates and we had one or two
22 local candidates and Dr. Box was
23 head and shoulders above anybody
24 that we saw and I believe we got
25 him at a bargain and now it's

1 time for us to step in and say,
2 after five years he shouldn't be
3 a bargain, he should be
4 compensated the way his work has
5 been for this organization.

6 MS. HENSON: So thank you, Marcia. Any other
7 thoughts about executive
8 supplement or the amount?

9 MR. ???: I've got a question for
10 (Inaudible). Do we vote on this
11 and then can you come back at
12 another proposal going forward,
13 because I heard a chairman that
14 she thought that it was too much,
15 the \$50,000? I mean can you make
16 another motion for less than the
17 50,000?

18 MR. CZARAPATA: Yes, you can.

19 MR. ???: What's the proper procedure?

20 MS. HENSON: We can amend the motion.

21 MR. CZARAPATA: We can amend the motion, yes.
22 And in fact, we do need to amend
23 this motion if we're going to
24 vote on them --

25 MS. HENSON: Okay.

1 MR. CZARAPATA: -- separately.

2 MS. HENSON: Okay. So point of order, I think
3 I'll separate the motion.

4 MR. CZARAPATA: I think -- yes.

5 MS. FINAN: (Inaudible).

6 MS. HENSON: So would you like me to entertain
7 a motion that we separate?

8 MR. ???: Yes, I would.

9 MR. CZARAPATA: Yeah.

10 MR. ???: I'd like to separate them.

11 MR. CZARAPATA: And I think we need to address
12 the competence of the members on
13 the video to understand her
14 comment.

15 MS. HENSON: Lisa and Chris, what was -- Karen
16 said was that the overall package
17 combination was too rich, so I'm
18 going to propose that we have a
19 motion to separate the executive
20 supplement suggestion from the
21 deferred compensation. Do I have
22 a motion to that effect?

23 MR. ???: (Inaudible).

24 MS. HENSON: Okay. Do I have a second? Do I
25 have a second to separate the

1 motion.

2 MR. STEVENS: Repeat the motion.

3 MS. HENSON: The motion that we would consider
4 each item individually. So we'll
5 consider executive supplement
6 first and vote on that and that
7 way we'll look at the issue of
8 deferred compensation as a
9 separate motion.

10 MR. CZARAPATA: So I second that we separate the
11 motions and consider them
12 independent.

13 MS. HENSON: Any discussion on that? All
14 those in favor say aye. Opposed?
15 Okay. All right. So let's go
16 back to the --

17 MR. CZARAPATA: The motion carried.

18 MS. HENSON: The motion carried. Okay. So
19 let's look at the idea of he
20 executive supplement. So We've
21 made the recommendation and this
22 is with -- in conjunction with
23 Wendell Followell's research
24 knowing that the cabinet is given
25 \$30,000. So any discussion about

1 the \$50,000 or another
2 suggestion?

3 MS. DESMARAIS: Chair Henson?

4 MS. HENSON: Yes.

5 MS. DESMARAIS: I would just like to say I
6 listened carefully to the
7 thoughts and words of Chair Roth
8 and I agree with one of the
9 statements she made which is that
10 in order to keep people you do
11 need to compensate them
12 (Inaudible) and I would like to
13 reiterate that those words in
14 reference to our faculty and our
15 staff.

16 MS. HENSON: Okay.

17 MS. DESMARAIS: And we have not been able to, in
18 the last couple of years, do
19 certain things for our faculty
20 and staff that we would like to
21 do, and I think that's an
22 important point for the Board to
23 consider.

24 MS. ???: Point of clarification. We only
25 have one employee, so taking up

1 the situation with faculty and
2 staff, and I think you know how
3 much this board historically has
4 cared about the salary and
5 situation with the faculty and
6 staff. That is not the subject
7 of what we're talking about now.
8 This board has one staff member
9 and it is the president of the
10 organization, and so, to -- so I
11 believe that money is the water
12 to throw in compensation for
13 faculty and staff, because that
14 is not something that this board
15 has total responsibility for.

16 MS. DESMARAIS: It was only a comment, it is not
17 intended to take action. I
18 understand clearly we have one
19 employee in the cabinet.

20 MS. HENSON: And, Lisa and to all, the
21 question about faculty and staff
22 raise is a really important one.
23 Each percentage of raise -- each
24 percent of an increase cost \$2.5
25 million to the system and because

1 the state appropriation has been
2 cut each year for the past 11
3 years and we're in a time of
4 performance funding and a lot of
5 money is tied up with the pension
6 debt, the Board of Regents wanted
7 to give a raise this year to the
8 employees, staff/faculty, but it
9 was not possible to provide a
10 recurring increase among other
11 things, because the uncertainty
12 of the pension, the limited
13 tuition increase and the one-
14 third rate of dual credit. I
15 think we're losing \$15 million,
16 is that right, because of dual
17 credit. So it is undisputed that
18 a salary increase is well
19 deserved for all the hard work.
20 So the best we could do is not
21 add to the base, but to give
22 everybody a one time payment of
23 \$1,000 in October for those that
24 met the specific criteria. The
25 additional one time payment

1 reflects the role in KCTCS's
2 accomplishments. The one time
3 payment of \$5.8 million that this
4 will cost will come from reserves
5 and not from the recurring
6 operating budget. So the
7 discussion of executive
8 compensation is one thing. The
9 need for a raise is on the table.
10 The CPE budget request is going
11 in the last part of October/first
12 part of November. All these
13 factors have to align. Our tasks
14 today is to deal with our
15 fiduciary responsibilities of Jay
16 Box's contract. Other thoughts?
17 Damon, do you have anything else
18 to say?

19 MR. ALLEN: So I felt based on the motion
20 we're discussing whether or not
21 to increase the executive
22 allowance (Inaudible). And what
23 I've heard some of the Regents
24 say that they think the package
25 in totality is probably too rich,

1 but I'd just ask the other
2 Regents, just on the executive
3 allowance, is there a number,
4 besides zero that we could agree
5 upon, and if zero is the number
6 that is the number, and just say
7 that's the number and just
8 realize that sends a message.
9 But we need to make a decision,
10 it's either zero or something
11 greater than zero and we need to
12 decide.

13 MS. ??: I just have a comment and it's
14 just for my own clarity. I
15 didn't know until just this past
16 week about any of the executive
17 allowance and (Inaudible). It
18 might be helpful, it would be at
19 least to me, I'm just a slow
20 learner, but it might be helpful
21 to reconvene the meeting and have
22 that discussion once everybody
23 has all of the data in front of
24 them, in an effort to be fair. I
25 mean I kind of feel like I came

1 prepared to make a vote and now
2 we're doing something completely
3 different and it's kind of an on
4 the fly, I don't like that
5 feeling. I would rather have
6 some time to talk through it and
7 learn more about the way these
8 compensation packages are set up.
9 I certainly was not aware that --
10 my understanding walking in here
11 today was all the presidents and
12 the cabinet all got \$30,000 and
13 now I'm hearing that's not the
14 case. And so, again, just
15 (Inaudible) so I can better
16 understand it, because I
17 absolutely agree Dr. Box is --
18 he's doing a stellar job, but I
19 need to understand that a little
20 bit better.

21 MS. FINAN: It's hard to put (Inaudible).

22 MS. ???: Right.

23 MS. FINAN: (Inaudible).

24 MS. ?: (Inaudible) really. And so, if
25 you do one vote then maybe you

1 don't feel like you're being fair
2 the second vote.

3 MS. FINAN: Right, exactly.

4 MS. ??:
5 I still like the idea of being
6 able to look at it as a package,
7 whatever that package is going to
8 be, but again, with the
9 transparency of, where are we
10 agreeing with this. You know,
11 when I look at this, and again,
12 I'm slow on the uptake, but when
13 I look at this I see #4 on the
14 list, which I think isn't bad
15 (Inaudible) and all that, but
16 obviously there's more to the
17 story that I don't understand and
18 I would like to understand that
19 to be more, you know, to make
20 sure I'm making a fair vote.

21 MS. HENSON: John?

22 MS. ??:
23 And the other thing is that I
24 hate when you try to tie money to
25 someone's work, it's very fair.
You know, I work (Inaudible) and
we have some stellar physicians

1 and stellar nurse practitioners
2 and fantastic nurses that we
3 can't pay anything near what
4 they're worth, just because the
5 resources are so scarce and I
6 feel like we're kind of in that
7 situation here, given the state
8 of Kentucky's problems
9 financially right now, maybe it's
10 just bad timing. But I certainly
11 would not want Dr. Box to think
12 that (Inaudible) yes or no on a
13 compensation package says
14 anything about what I think his
15 worth is, as a president, as a
16 person or anything else. So --
17 MS. HENSON: Thank you. John?
18 MR. MCDERMOTT: I would like to (Inaudible) that
19 I feel that in my short time here
20 on this board and getting to know
21 Dr. Box and what he has done for
22 the KCTCS system that he is
23 someone who deserves to be
24 recognized in some manner that he
25 should receive some type of

1 additional compensation, and I
2 know that he is our sole employee
3 of the Board and that it is our
4 fiduciary responsibility to
5 address his salary. I do also
6 believe that (Inaudible) receive
7 from Governor Bevin and from
8 (Inaudible) and the General State
9 of Education of Kentucky that the
10 members of the Commonwealth that
11 we serve and represent feel that
12 our education system is in a time
13 of financial crisis and that
14 money is tight and that is across
15 the Board. And I personally move
16 to split these items, because I
17 feel that we could probably all
18 (Inaudible) that we should
19 recognize Dr. Box in someway
20 through an increase and in that
21 (Inaudible) executive supplement
22 that seems like a very reasonable
23 direct unquestionable way to do
24 so, and I also agree that in
25 conjunction with the secondary

1 rule of handcuffs that the
2 perception that will be seen by
3 members of the Commonwealth and
4 to our faculty (Inaudible)
5 unfairly treating our executive.
6 Now, I don't necessarily agree
7 that's an overly ridiculous
8 amount or by any means he is not
9 deserving an amount where there
10 are funds available for us to
11 give. However, I think that you
12 could maybe discuss something
13 more long term and perhaps
14 continue on and making a
15 (Inaudible) revisit this in an
16 additional year or an additional
17 two years and try to gradually
18 bring up the amount that we're
19 giving Dr. Box.

20 MS. HENSON: Wendell, where is the money --
21 where would the money come from
22 for the deferred compensation or
23 from the executive supplement,
24 where does it come from now?

25 MR. FOLLOWELL: We do have certain (Inaudible).

1 It'll be state appropriation as
2 well as tuition and fees, so it's
3 a general fund. (Inaudible). We
4 do have the resources to be able
5 to accomplish that, that's not an
6 issue.

7 MS. HENSON: Marcia?

8 MS. ROTH: I believe we also have to take
9 into consideration the salary
10 that needs to be paid for this
11 job. In other words, if for some
12 reason we have to go out and hire
13 again what are we going to have
14 to pay for an unknown person to
15 come in and start from scratch
16 and take this job? And it will
17 be, I would guarantee you, and I
18 think Damon might agree with me
19 and Gail for (Inaudible) of this
20 meeting of people who not only
21 are within this system, but also
22 see within the industry and other
23 colleges are paying, we would be
24 paying more. I think with the
25 \$50,000 allowance we still have a

1 budget. We have someone who
2 knows what he's doing, knows how
3 to navigate the very rocky fields
4 in this state given the timeframe
5 he had. We're talking about a
6 compensation package, and I'm
7 happy to separate it, but
8 speaking just for this part of it
9 that I think we ought to be very
10 comfortable telling anybody that
11 passed that this executive
12 allowance is, again, with an
13 addition to his salary for the
14 job that he's doing and the job
15 that the -- the salary that is
16 required for the job he is doing
17 we are getting value for our
18 money.

19 MS. HENSON: We haven't heard from several
20 people. Anybody who hasn't
21 spoken, want to say anything?

22 MR. GIRDLER: Chair Henson?

23 MS. HENSON: Yes. Hi Chris.

24 MR. GIRDLER: This is Chris. Can you all hear
25 me okay?

1 MS. HENSON: Yes.

2 MR. GIRDLER: I'd like to just say a few words
3 as well, if that's all right.

4 MS. HENSON: Absolutely.

5 MR. GIRDLER: I just -- I want to echo what
6 some of the brighter board
7 members had said about the
8 confusion and not that it was
9 intentional whatsoever, but what
10 seems to be a little bit of a
11 lack of transparency as far as
12 knowing what is being paid to
13 some of the other regional
14 institutions out there. And I do
15 agree that this is no reflection
16 of Dr. Box's work or his
17 accomplishments. I think that
18 Dr. Box has done a very
19 commendable job. I think he did
20 a great job at Hazard Community
21 College prior to coming to
22 Versailles as a matter of fact.
23 But my -- my opinion is that it's
24 simply the timing of this. Of
25 course, I'm new to the

1 organization itself, but given
2 the past funding issues that the
3 institution and higher ed has had
4 overall, it was mentioned earlier
5 that resources are scarce. I
6 think that goes without saying.
7 You know, we're going into a
8 budget year within the
9 legislative session coming up
10 very soon. You know, it's just
11 so many uncertainties of what
12 future funding is going to be. I
13 think we, as a board, may need to
14 know a little bit more of the lay
15 of the land going forward and
16 just something for all of us to
17 consider, but I do want to echo
18 some of those comments that were
19 made earlier today. Thank you
20 Chairs.

21 MS. HENSON: Thank you.

22 MS. ROTH: Chris and Lisa, did you get the
23 -- the chart that showed the
24 compensation of other colleges in
25 Kentucky and the presidents of

1 those, did you get that?

2 MR. GIRDLER: Yes, I have a copy of it.

3 MS. ROTH: Do you have it in front of you?

4 MR. GIRDLER: I said regional, I meant the
5 other KCTCS campuses.

6 MS. ROTH: No, I'm not talking about that.
7 I'm talking about UK, UofL,
8 Eastern, Northern.

9 MR. GIRDLER: Yes, ma'am. I'm aware of that.

10 MS. HENSON: Okay. The question I think that
11 we have to remember is our
12 responsibility is only for Dr.
13 Box's compensation.

14 MR. GIRDLER: When the presidents are hired
15 they are offered a package that
16 the package for their
17 compensation, executive
18 allowance, that's negotiated by
19 Dr. Box and that was negotiated
20 before by Dr. McCall, so that --
21 that's not really in our scope of
22 conversation. The fact that we
23 didn't know about it, we don't
24 know about a lot of people's
25 salaries. So that's really not

1 -- we have no -- on --

2 MS. ROTH: Responsibility.

3 MS. HENSON: -- responsibility or oversight of
4 that practice. Now, we can come
5 back at a later time to talk
6 about that practice, but that is
7 not our -- in the scope of our
8 fiduciary responsibility, it's
9 totally counter to it. I would
10 just use my example from working
11 in churches. In churches we give
12 the pastor an allowance -- we
13 give the pastor a base salary,
14 but because the salaries are so
15 low and we want to keep the tax
16 liability down we give a housing
17 allowance; we give a book
18 allowance; we give a professional
19 development allowance, etcetera.
20 So it adds to opportunities for
21 the pastor. So the base does not
22 change, but those other
23 allowances change. So that's --
24 I think of ministry and I have
25 four siblings that are ministers

1 that base -- you keep that base
2 kind of sacred, but you say, "We
3 will encourage you to come to our
4 church because of these other
5 things." So this is done in
6 business and it's done in the
7 pastorate and it's done as
8 practice. So our proposal is to
9 give an executive supplement to
10 Dr. Box. So we can talk about --
11 because he has not had one,
12 everybody else has. So what
13 amount would be appropriate if
14 not 50?

15 MS. ROTH: 50,000 is on the table.

16 MS. HENSON: 50,000 is on the table. Do we
17 have any other discussion about
18 that?

19 MS. DESMARAIS: Chair Henson?

20 MS. HENSON: Yes.

21 MS. DESMARAIS: I'd like to say I appreciate your
22 comments (Inaudible), because I
23 think they're very clear. I'm a
24 little concerned about, worried
25 about, the next president

1 (Inaudible), you don't think that
2 is the matter at hand right now?
3 Certainly if Dr. Box were to
4 retire or move on it would be a
5 selection committee appointed and
6 then that committee would need to
7 worry about the next person's
8 package. So I appreciate you
9 bringing the group back to the
10 matter at hand, which is the
11 proposal for 50,000 for the
12 current sitting president, and
13 so, (Inaudible). I appreciate
14 it.

15 MS. HENSON: Thank you. Is there any other
16 discussion or questions? So we
17 will vote on this motion for an
18 addition of an annually recurring
19 executive supplement of \$50,000
20 payable immediately. And I'll
21 ask for a role call vote. Amy?
22 Oh, Mike Murray will do that.

23 MR. MURRAY: So the motion is to make an
24 additional executive supplement
25 for Dr. Box in the amount of

1 \$50,000. If we're ready for the
2 vote, Madam Chair, I'll call the
3 role.
4 MS. HENSON: Yes.
5 MR. MURRAY: Damon Allen?
6 MR. ALLEN: I.
7 MR. MURRAY: Lisa Desmarais?
8 MS. DESMARAIS: No.
9 MR. MURRAY: Karen Finan?
10 MS. FINAN: No.
11 MR. MURRAY: Wendy Fletcher?
12 MS. FLETCHER: No.
13 MR. MURRAY: Angela Fultz, abstained.
14 MS. HENSON: (Inaudible).
15 MR. MURRAY: Chris Girdler?
16 MR. GIRDLER: No.
17 MR. MURRAY: Mary Kinney, abstained. Don
18 McDermott?
19 MR. MCDERMOTT: Aye.
20 MR. MURRAY: Marcia Roth?
21 MS. ROTH: Aye.
22 MR. MURRAY: James Lee Stevens?
23 MR. STEVENS: No.
24 MR. MURRAY: Jackie Teehan?
25 MS. TEEHAN: Aye.

1 MR. MURRAY: Tammy Thompson, abstained. Mark
2 Wells, abstained. Chair Henson?
3 MS. HENSON: Aye.
4 MR. MURRAY: The vote is 4 to 5. The motion
5 fails.
6 MS. HENSON: Okay. So I would ask, is there a
7 middle ground that we can find
8 for the executive supplement?
9 I'm opening it up to that.
10 MR. STEVENS: I recommend this -- since there's
11 several questions about the
12 compensation, that this item be
13 pulled from the agenda and
14 brought back after a lot of the
15 questions have been answered
16 about the one year/two years or
17 what it is to be discussed at a
18 later date.
19 MS. HENSON: I think that doing nothing sends
20 the wrong message to Dr. Box. Do
21 we think that he's doing a good
22 job? Yes, the evaluations say
23 so. Were you all invited to the
24 August 5th meeting? Yes. Was
25 there press invited? Yes. Did

1 you all get the agenda materials
2 a week ago? Yes. And so, I'm
3 perplexed that there weren't any
4 questions that came at any of
5 those times. So what questions
6 have we not answered that we can
7 answer, because we have Wendell
8 here, we have Damon here, we have
9 Marcia here. Barry Bishop is on
10 a plane, otherwise he would have
11 been here and P.J. Peoples is in
12 a meeting. So what other
13 questions can we answer to help
14 you, so we can say we acknowledge
15 to Dr. Box what a good job you're
16 doing?

17 MS. FINAN: I think there is confusion
18 (INAUDIBLE 15:29:46 through
19 15:30:11).

20 MS. HENSON: So what dollar amount would be
21 good for an executive supplement.

22 MS. ROTH: Are you talking about the
23 executive supplement?

24 MS. FINAN: I'm talking about the whole
25 package.

1 MS. HENSON: Okay. But the motion --

2 MS. ROTH: (Inaudible).

3 MS. HENSON: -- that just failed is only on
4 executive supplement.

5 MR. STEVENS: And I've asked for a motion to
6 remove those and answer those
7 questions, because we have
8 questions about the second
9 compensation and whether it's
10 carried over and this and that
11 and till we get those answers
12 then we can bring them back and
13 make a decision and we can make
14 it retroactive (Inaudible)
15 retroactive this year.

16 MS. HENSON: So in terms of point of order,
17 Mike, tell us what the options
18 are procedurally.

19 MR. MURRAY: James Lee suggested that this be
20 pulled from the agenda, so if
21 that is a motion it needs to be
22 made and seconded. If the
23 discussion is that you want to
24 find out from the other members
25 of the Board what questions needs

1 to be asked that discussion needs
2 to be had. I understand there is
3 confusion or was confusion coming
4 in today. And so, I think one of
5 those questions is, exactly what
6 is the amount proposed.

7 MS. FINAN: (Inaudible).

8 MR. MURRAY: Or a revisionment.

9 MS. FINAN: (Inaudible).

10 MS. HENSON: We can --

11 MS. ROTH: You're uncomfortable voting for
12 the first portion of this because
13 you don't -- because there's
14 confusion about the second
15 portion though; right? Is that
16 what you're telling me?

17 MR. STEVENS: No.

18 MS. ROTH: Okay. Then I'm confused about
19 your confusion.

20 MS. ???: What are the executive allowances
21 of the other university
22 presidents, are they this
23 (Inaudible)?

24 MS. HENSON: That's not our purview. That's
25 not our purview.

1 MS. ROTH: No, she means -- she said the
2 university. You mean like EKU
3 and --
4 MS. ???: Yes, the universities.
5 MS. ROTH: All the perks and different comps
6 are on the list, although I
7 somehow keep --
8 MS. HENSON: I gave that out to you yesterday.
9 MS. ???: I saw -- well, (Inaudible) I'm
10 looking and I saw --
11 MS. HENSON: People handle things differently,
12 like some people get a bonus of
13 \$50,000, some people get
14 different compensation. So
15 people do things differently and
16 we can't speak for other schools,
17 we just want to establish a
18 practice.
19 MS. ROTH: I think you have to look at what
20 compensation is that's --
21 MS. ???: (Inaudible).
22 MS. ROTH: -- competitive.
23 MS. ???: And I understand what you're
24 saying now, but (Inaudible).
25 MS. ROTH: No, look at the other schools,

1 but you don't look at them for --
2 they may compensate their
3 presidents in a different way
4 than we're suggesting we're
5 compensating Dr. Box. So I will
6 look for the bottom line on all
7 of them, rather than, you know,
8 is this piece there or not there.

9 MS. HENSON: Okay. So --

10 MR. CZARAPATA: And also to give Dr. Fletcher a
11 little color, so it does vary --
12 so for example you take Eastern,
13 their president is getting
14 \$48,000 a month housing
15 allowance. So Dr. Box doesn't
16 get housing, their president
17 does. So you add it all up to
18 (Inaudible), it's really the
19 total compensation. So Eastern
20 gets 473,000, 48,000 in housing
21 and then 25,000 from the
22 foundation, so it's just couched
23 in different terms. But probably
24 the biggest thing on the
25 allowance is it does not accrue

1 for pension benefits, that's a
2 different thing. You know,
3 40,000/50,000 a day 10 years from
4 now is 60/65, 70,000 (Inaudible).
5 MS. ???: But what we're talking about
6 doesn't have (Inaudible) that she
7 said.
8 MR. CZARAPATA: Correct.
9 MS. ???: So it would not calculate into if
10 he left in two years, it doesn't
11 count into (Inaudible), he's
12 noting that kind of plan; right?
13 I mean just for me to understand.
14 MR. ALLEN?: I'm directing to Dr. (Inaudible),
15 I think that is the case.
16 MR. ???: (Inaudible).
17 MS. ???: Right.
18 MR. ???: (INAUDIBLE 15:34:17 through
19 15:34:57).
20 MS. ROTH: So for example, when -- if you
21 look at Northern Kentucky the
22 total compensation is \$470,000
23 for their president, so whether
24 or not you call it whatever you
25 call it, that's the total

1 compensation when our total
2 compensation is 379,000.

3 MS. HENSON: And just by comparison, if you
4 will, you know, revisit the
5 information from the former
6 president, whose salary was
7 \$709,000 with a \$90,000 housing
8 allowance and a \$43,000 car
9 allowance, you'd see what we have
10 is -- that was over the top. And
11 so, his salary that we offered
12 Jay was intentionally lower,
13 quite a bit lower, but because
14 there has been no increase except
15 for a tiny one in the past five
16 years, you know, it's time. And
17 how do we -- not saying anything
18 sends a message. So would --
19 could I entertain a motion.
20 Let's see, Damon, did you want to
21 suggest --

22 MR. ALLEN: So I was going to suggest a
23 motion that 30,000 and at least
24 Dr. Box is consistent with his
25 cabinet members; correct? Yes,

1 with the cabinet members. Is
2 there an appetite for the 30,000
3 bringing him in line with the
4 cabinet?

5 MS. ???: Mike, is the motion on the floor
6 still to defer the modification?

7 MS. HENSON: No, there's no -- that was not a
8 second.

9 MR. CZARAPATA: No, that was not made a motion
10 yet.

11 MS. HENSON: That was not made.

12 MR. CZARAPATA: And are you inviting discussion
13 or are you making a motion?

14 MR. ALLEN: Let's invite discussion first.
15 So is there appetite for 30,000?

16 MS. ROTH: One is for this year, the other
17 no matter what the end result of
18 this discussion is doesn't even
19 begin for two years and we're
20 talking about --

21 MS. HENSON: And that could --

22 MR. ALLEN: I think this second part needs
23 significant -- and more
24 discussion.

25 MS. ROTH: I do too.

1 MR. ALLEN: We weren't clear on what we came
2 out of the August 5th meeting
3 with.

4 MS. HENSON: And we can bring that back.

5 MR. ALLEN: Yeah.

6 MS. ROTH: But this is for now.

7 MS. HENSON: So any comment on having an
8 executive supplement of 30,000?

9 MS. FINAN: (INAUDIBLE 15:37:42 through
10 15:37:52).

11 MS. HENSON: Right. Okay. We hear that.
12 Anybody else? Okay. So do we
13 have that as a motion, Damon?

14 MR. ALLEN: I was hoping we'd have some
15 discussion.

16 MS. ROTH: He was hoping we'd just get a
17 feel for the Board, I think, and
18 we're not getting it.

19 MS. FINAN: What is the motion?

20 MR. MURRAY: No, motion has been made yet on
21 that. It's discussion.

22 MR. ALLEN: I guess I'm going (Inaudible)
23 discussion to consider 30,000 or
24 if the Board decides they want to
25 go back and do more research or

1 form a sub-committee of just
2 board members, something other
3 than just leave it kind of
4 hanging in the air. So what are
5 ideas from people who think the
6 package, you know -- who don't
7 like this recommendation, suggest
8 some alternatives, even if it is
9 convening a sub-committee and
10 coming back. I mean I don't want
11 to let the dog out of the fight.
12 I just want to make sure we're
13 doing the right thing and
14 everybody's view points are heard
15 and considered.

16 MR. STEVENS: I think that the (Inaudible)
17 KCTCS is very important and what
18 we decide today will affect the
19 (Inaudible) of KCTCS. Also the
20 (Inaudible) that we provide to
21 Dr. Box about how we feel about
22 him and his leadership is equally
23 important and I think we're all
24 very hesitant because it is a
25 difficult balancing act between

1 retaining him as president and
2 not misusing the funds that are
3 very scarce (Inaudible) that are
4 going to occur because of the
5 (Inaudible). I want to separate
6 these, because I agree that the
7 (Inaudible) especially when we're
8 looking at the (Inaudible) while
9 we are (Inaudible). However, in
10 terms of just having that
11 executive supplement (Inaudible)
12 I think that perhaps more than
13 30,000 would be appropriate if
14 his cabinet members are receiving
15 30,000, but keep in mind that we
16 should very much so discuss and
17 review and look at that second
18 portion (Inaudible), because I do
19 not believe that that's
20 necessarily what's best for the
21 Commonwealth at the moment.
22 (Inaudible).

23 MS. HENSON: Thank you. And, again, as we
24 take off our hats of the
25 constituents we were elected by

1 or appointed by and we think
2 about the message for the whole
3 Commonwealth for -- this is our
4 state institution, it's not my
5 institution as a private citizen
6 or yours as a student or yours as
7 a faculty or a staff, you know,
8 this is the state's and we were
9 at the Top 10 -- in the Top 10 in
10 three different big categories.
11 How do we show that? And so, the
12 first thing we can do is say,
13 let's put Dr. Box on the same
14 playing field with the cabinet.
15 So I think that's kind of what we
16 can do today and then we can come
17 back with more study about, do we
18 want to have a bonus or do we
19 want to have deferred
20 compensation. We had bonus as
21 the first idea. A lot of the
22 other presidents get a percentage
23 bonus, but this is more of the --
24 the deferred compensation was
25 more of a retention decision

1 instead of the bonus. But I'd
2 like us to consider acknowledging
3 making a public statement that we
4 give the executive supplement, so
5 I'd like to entertain a figure,
6 as you said, maybe more.

7 MR. STEVENS: I'd like to discuss 35,000, it is
8 a simple gesture that Dr. Box is
9 above his cabinet and that
10 (Inaudible), but it is not
11 excessive, it is not far and
12 beyond what is given to cabinet
13 members and it represents our
14 support to Dr. Box and, again,
15 (Inaudible). The implications of
16 (Inaudible).

17 MS. HENSON: Do I take that as a motion?

18 MR. STEVENS: (Inaudible).

19 MS. HENSON: Do we have a second?

20 MS. DESMARAIS: Madam Chair, what is the motion
21 please? I'm having a little
22 trouble hearing that.

23 MS. HENSON: That we provide a line item as a
24 recurring executive supplement of
25 \$35,000 payable immediately.

1 MS. DESMARAIS: The figure is 35?

2 MS. HENSON: Yes.

3 MS. DESMARAIS: Okay. Thank you for the
4 clarification.

5 MR. MURRAY: The motion has been made. We
6 need a second.

7 MS. HENSON: Who's the second, please? Damon?

8 MR. ALLEN: I voted for 50. I'll second 35.

9 MS. HENSON: Okay. Any discussion?

10 MS. FINAN: (Inaudible).

11 MS. HENSON: So what we will be doing is
12 coming back.

13 MS. FINAN: (Inaudible).

14 (OVER TALKING)

15 MS. HENSON: I think that we're going to -- as
16 a result of this vote we will go
17 back and appoint a sub-committee
18 to look at these other -- the
19 other part of the package.

20 MS. FINAN: (Inaudible)?

21 MS. HENSON: Yes.

22 MS. ALLEN: So you want to do it all at once?

23 MS. FINAN: I would do it all at once,
24 because I don't like not knowing
25 what the second part is.

1 MS. ALLEN: Okay. So can we just form a sub-
2 committee of the voting members
3 and take the next two weeks and
4 (Inaudible)?

5 MS. ROTH: I don't agree with that. I don't
6 agree with that. I think if we
7 leave this meeting without at
8 least a vote on this first
9 package, I think John has a very
10 good point about sending a
11 message and it's a negative
12 message if we leave this meeting
13 without one dime in compensation
14 added to Dr. Box. It's a
15 terrible message and I for one as
16 a board member am going to be
17 unable to justify that, about why
18 we needed to go back and study.
19 I understand that there's
20 confusion about the \$100,000. I
21 don't disagree that that needs to
22 be -- come back with a
23 recommendation that then we can
24 discuss. But I cannot believe
25 that \$35,000 for something of

1 this nature would be difficult to
2 vote on with or without the
3 second part of this message.
4 That \$35,000 does not make it too
5 rich a package, if you think
6 that, then there's no reason to
7 come back with anything in the
8 deferred comp area, because the
9 deferred comp is not -- it's
10 retention, it's trying to get Dr.
11 Box to stay here two years and
12 yet the message you're sending by
13 not voting him anything extra
14 this year is, we don't really
15 care if you stick around for two
16 years.

17 MS. FINAN: That's not true.

18 MS. ??: It is true. That's the message
19 you're sending.

20 (OVER TALKING) .

21 MS. ??: Maybe in our minds the message is
22 to the public to say that we are
23 trying our very best to be the
24 best stewards and in the same
25 time to be fair. What has

1 happened with this conversation,
2 and this is my point of view
3 only, is that the words that have
4 been used are trying to
5 manipulate and force a vote that
6 obviously there is not an
7 appetite for here today from
8 several members that who say, we
9 want more time with this, we want
10 more information for this and it
11 has nothing to do with sending
12 the wrong message.

13 MS. ??: But none of you came to the
14 meeting, asked the questions or
15 took the phone calls and I will
16 tell you as past board chair I
17 have lost patience with that. I
18 don't know what it is that makes
19 you happy.

20 MS. ??: Can I ask for a break please?

21 MS. HENSON: Okay. We'll take a five minute
22 break.

23 (BREAK)

24 MS. HENSON: So we have a motion on the floor
25 to have an addition of an

1 annually recurring executive
2 supplement of 35,000 payable
3 immediately. Is there any
4 further discussion? A modest
5 acknowledgment and putting Dr.
6 Box on the same level as the
7 cabinet. Okay. I'd like to call
8 for the vote and we'll do another
9 roll call vote.

10 MS. ??: What was the motion?

11 MS. HENSON: The addition of an annually
12 recurring executive supplement of
13 \$35,000 payable immediately.
14 Okay. Are you ready for the
15 vote? Okay. Oh, is there any
16 more discussion?

17 MR. MURRAY: Okay. If we are ready for the
18 vote. The motion is to add a
19 recurring executive supplement in
20 the amount of \$35,000 for Dr.
21 Box. Regent Allen?

22 MR. ALLEN: Aye.

23 MR. MURRAY: Lisa Desmarais?

24 MS. DESMARAIS: No.

25 MR. MURRAY: Karen Finan?

1 MS. FINAN: No.

2 MR. MURRAY: Wendy Fletcher?

3 MS. FLETCHER: No.

4 MR. MURRAY: Angela Fultz, abstained. Chris
5 Girdler?

6 MR. GIRDLER: No.

7 MR. MURRAY: Mary Kinney, abstained. John
8 McDermott?

9 MR. MCDERMOTT: Aye.

10 MR. MURRAY: Marcia Roth?

11 MS. ROTH: Aye.

12 MR. MURRAY: James Lee Stevens?

13 MR. STEVENS: No.

14 MR. MURRAY: Jackie Teehan?

15 MS. TEEHAN: Aye.

16 MR. MURRAY: Tammy Thompson, abstained. Mark
17 Wells, abstained. Chair Henson?

18 MS. HENSON: I.

19 MR. MURRAY: The vote is 4 to 5. The motion
20 fails.

21 MS. HENSON: So with that I will suggest that
22 we have a compensation committee
23 reconvened to study this and
24 bring back a recommendation in
25 December. Is that -- can I just

1 do that or do we need to vote on
2 that?

3 MR. MURRAY: Yes, you may do that as the
4 Chair.

5 MS. HENSON: Okay. So we will reconvene. Is
6 there anything else logistically
7 we need to know about the
8 (Inaudible).

9 MR. MURRAY: Well, we're just on the first
10 portion of that and we still have
11 the second portion, which the
12 Board voted to amend, so we're
13 now on the second portion, which
14 is the deferred comp.

15 MR. CZARAPATA: Madam Chair, may I make a
16 recommendation? Based on the
17 discussion it sounds like there's
18 an appetite for a sub-committee
19 to be formed of just the voting
20 Regents to address this issue.
21 If (Inaudible). So my
22 recommendation would be we form a
23 sub-committee of the Board with
24 just the voting Regents to -- or
25 maybe that's to normal, but since

1 faculty can't vote.

2 MR. MURRAY: That's a recommendation.

3 MS. HENSON: Okay. It's a recommendation and
4 we'll take that under
5 consideration. So the
6 constitution of that sub-
7 committee should be voting
8 Regents, is that what you're
9 saying?

10 MR. ALLEN: That's what I think, but I don't
11 know how faculty (Inaudible). I
12 don't know enough about this
13 process, but I think at least it
14 needs to be the folks that get to
15 vote on it, so they can have all
16 their questions asked and
17 answered.

18 MS. HENSON: Okay. We'll consider that and
19 thank you for that
20 recommendation. Okay. Yes,
21 okay. Dr. Box?

22 MR. BOX: Okay. Regents, I know this has
23 been terribly uncomfortable for
24 you, it's been extremely
25 uncomfortable to me and I want to

1 make some things perfectly clear
2 to all of you. I did not request
3 any change to my compensation
4 package. You compensate me very
5 well and I appreciate and I am
6 honored and privileged every day
7 to serve as your president, every
8 single day. In my opinion this
9 conversation should stop and
10 desist and Madam Chair I would
11 suggest you do not form a
12 committee to address this. This
13 board has sent the message that
14 needs to be heard and that's --
15 understand that message. And so,
16 there's no reason to bring this
17 back to the Board again. I think
18 the -- I was fine. I will tell
19 you I had already listed with
20 Vice President Ben Mohler
21 anything that you did for my
22 compensation, if you voted on it,
23 my wife and I were going to set
24 up an endowment for the Student
25 Leadership Program at KCTCS,

1 because my compensation is fine.
2 And so, if you had done that
3 that's what my wife and I were
4 going to do, but in light of
5 these conversations for the last
6 couple of hours I would recommend
7 you do not consider any
8 adjustment to my compensation for
9 this next year. Thank you.
10 MS. HENSON: Thank you.
11 MR. FINAN: Dr. Box, that shows leadership to
12 me. Thank you.
13 MR. BOX: You're welcome.
14 MR. FINAN: Thank you for your comments.
15 MS. HENSON: Okay. The second part is
16 actually still on the table, the
17 addition of the \$100,000 in that
18 deferred compensation. So how
19 would you like to proceed with
20 that?
21 MS. ??: I would move to table it.
22 MS. HENSON: Okay. Damon, seconded it? Any
23 discussion? All those in favor
24 say I. Opposed? Okay. Thank
25 you. And thank you Dr. Box for

1 your graciousness. We have a
2 world class system and we want to
3 keep it that way. As board
4 members we're all part of a big
5 system from Pikeville to Paducah.
6 So we'll move on to the consent
7 agenda. Are there any changes to
8 the consent agenda? If there are
9 no additional changes I'd declare
10 approved by a unanimous consent.
11 I'd like to call on Angela Fultz,
12 Chair of the EEA Committee to
13 make her report.

14 MS. FULTZ: Since this was a committee of the
15 whole that met I'm going to make
16 this super brief, because
17 everyone has already heard about
18 Box's report and he briefed on
19 the work from President Trump's
20 American Workforce Policy
21 Advisory Board and the Kentucky
22 Chamber's Business Education
23 Round Table and of the main
24 recommendation that was made
25 during the committee meeting was

STATE OF KENTUCKY)
COUNTY OF FAYETTE)

I, BARBARA ANN LeROY, the undersigned Notary Public in and for the State of Kentucky at Large, certify that the foregoing transcript was prepared from a CD; that I was not present during the aforementioned matter; that the transcript was prepared under my direction and supervision and to the best of my ability to hear said CD.

My commission expires: March 9, 2023.

IN TESTIMONY WHEREOF, I have hereunto set my hand and seal of office on this the _____ day of _____, 2019.

BARBARA ANN LeROY, FAPR, RPR, CLVS, KYCCR
NOTARY PUBLIC, STATE-AT-LARGE, KENTUCKY
ID #617880