

Minutes
Kentucky Community and Technical College System
Board of Regents
Executive Committee Meeting
March 12, 2020

Committee Members Present:

- Dr. Gail R. Henson, Committee Chair
- Dr. Angela Fultz
- Ms. Marcia L. Roth
- Mr. James Lee Stevens
- Mr. Mark A. Wells

Committee Members Absent:

- Ms. Lisa V. Desmarais, Committee Vice Chair

Call to Order:

KCTCS Board of Regents Chair Gail Henson called to order the meeting of the Kentucky Community and Technical College System Board of Regents Executive Committee at 11:52 a.m. (ET) on March 12, 2020. The meeting was held in Room 102 B of the KCTCS System Office, Versailles. The press was notified of the meeting on March 4, 2020. Hon. Michael Murray, KCTCS General Counsel, served as parliamentarian.

There being a quorum present, the meeting began.

Approval of Minutes:

Chair Henson asked if there were any corrections to the December 5, 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 changes or additions to the agenda.

Information: KCTCS Board of Regents 2021 Regular Meeting Calendar

According to KRS 164.340, the KCTCS Board of Regents is mandated to meet quarterly. Board compliance with this mandate has evolved into a two-day meeting format on Thursdays and Fridays with the meetings scheduled to avoid holidays in March, June, September, and December. The Board has held special meetings as necessary under the conditions set forth in Section 4 of the *KCTCS Board of Regents Bylaws*.

Chair Henson asked Regents to review their calendars and let staff know by April 24, 2020, whether they are available to attend meetings on March 18-19, 2021; June 10-11, 2021; September 16-17, 2021; and, December 2-3, 2021. The proposed dates do not conflict with federal or religious holidays.

Chair Henson noted that the Board's 2021 regular meeting calendar would be adopted at the June 12, 2020, Board of Regents meeting and locations would be announced once a new President is hired.

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

Action: Revision of Mission Statement for Gateway Community and Technical College

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

Chair Henson called on President Box to present the agenda item. President Box introduced Dr. Fernando Figueroa, GCTC President/CEO, who assisted with the presentation.

President Box 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 is reviewed annually and submitted to the KCTCS Board of Regents for approval at least once every three years.

Dr. Figueroa noted that on August 2, 2019, the faculty and staff of GCTC began the process of reviewing their mission statement. After the review, responses were shared with the Office of Institutional Planning, Research, and Effectiveness. In September 2019, the results were shared with the GCTC Board of Directors for feedback. Students, alumni, faculty and staff and community members were able to provide additional input by way of a survey. The results from that survey were compiled into three revised statements and voted on by the college community for final selection. Based upon those results, the chosen statement was then approved by the GCTC Board of Directors.

Chair Henson called for discussion, there being none, and she called for the motion.

MOTION: Dr. Fultz moved, and Ms. Roth seconded, that the Executive Committee recommend that the KCTCS Board of Regents approve a revised mission statement for Gateway Community and Technical College (GCTC) as presented in the agenda materials.

VOTE: The motion was approved unanimously.

Chair Henson moved to the next agenda item.

Information: Kentucky Employees Retirement System (KERS) Resolutions for Determination

Chair Henson noted that this agenda item is presented as information only. She indicated that no vote will be taken during this meeting about whether KCTCS should stay in or opt out of KERS.

Chair Henson shared that President Box and Vice President Followell held an informational workshop that provided detailed information and allowed discussion around the considerations surrounding KERS and KCTCS's future with the pension system. Based upon the information provided in the workshop, there were two resolutions presented as information only for the Committee to review. The Resolution Authorizing Cessation in KERS (Attachment A), would allow KCTCS to withdraw from KERS. The Resolution Authorizing Continued Participation in KERS (Attachment B), would allow KCTCS to continue as it does now, in KERS.

Chair Henson noted that per KERS 61.522(8), the Board of Regents must pass a resolution to voluntarily cease participation in KERS and submit the resolution to the Kentucky Retirement System (KRS) on or before April 30, 2020. She shared there were too many unknowns for the Executive Committee, and the full Board, to make a determination about opting out or staying in KERS. Until the General Assembly adjourns on April 16, the Board cannot be 100 percent sure what will happen with KERS and the various bills and provisions affecting the issue.

Chair Henson shared that in the best interest of the Executive Committee and the full Board there will need to be a special meeting after the General Assembly's adjournment on April 16 and before the required notification to KRS on April 30 to determine the path ahead for KCTCS.

Chair Henson asked the Committee to hold two possible dates for a special meeting on their calendars. The dates are Thursday, April 23, 2020 and Friday, April 24, 2020. The meeting would be held at the KCTCS System Office and participation via Skype is permissible, but video conferencing must be enabled to cast votes. She shared that there would be two separate meetings. There would be an Executive Committee meeting and following the conclusion of that meeting, one for the full Board.

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

Update: 2020 KCTCS Legislative Session

Chair Henson called on KCTCS President Jay K. Box to present the item. Governmental Affairs Specialist Brian Perry assisted with the presentation.

President Box asked Mr. Perry to present the 2020 Bill Tracker and the 2020 Budget Tracker handouts to the Committee.

Mr. Perry noted that the 2020 General Assembly began on January 7, with Sine Die set for April 15. There are a number of bills that are being monitored in addition to the biennial budget. As of now, the Governor and the House has released their proposed budgets. The Senate version would be released next. A Conference Committee will likely be needed to resolve the differences in the three budget versions.

Mr. Perry shared that KCTCS has had a steady presence at the Capitol during this legislative session. He has attended committee meetings weekly and President Box has been meeting with legislators on a weekly basis.

President Box noted that he along with the college Presidents attend four different “Eat and Greets” in the Capitol Annex cafeteria. These events were hosted by KCTCS and they all had a record turnout of legislators.

Chair Henson called for discussion, there being none she announced the next meeting.

Next Meeting:

The next meeting of the KCTCS Board of Regents Executive Committee will be held on June 11, 2020, at the KCTCS System Office in Versailles.

Adjournment:

Mr. Stevens moved that the meeting adjourn. Mr. Wells seconded the motion.

VOTE: The motion was approved unanimously, and the meeting adjourned at 12:17 p.m. (ET).

June 11, 2020

Date Approved by the
KCTCS Board of Regents

SIGNATURE ON FILE

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

SIGNATURE ON FILE

Wendy Fletcher, DNP, APRN, FNP-BC, FAANP
Secretary
KCTCS Board of Regents

SIGNATURE ON FILE

Jay K. Box, Ed.D.
KCTCS President



**Kentucky Community and Technical College System (KCTCS)
Board of Regents**

**Resolution Authorizing Cessation in the Kentucky Employees Retirement
System**

WHEREAS, the KCTCS is a participating institution in the defined benefit public pension plan known as the Kentucky Employees Retirement System (KERS); and

WHEREAS, through passage of House Bill 1, effective with Governor Matt Bevin's signature on July 24, 2019, the Kentucky General Assembly provided a statutory framework for participating institutions to continue or cease participation in the KERS; and

WHEREAS, the KCTCS Board of Regents is charged with the governance and overall well-being of the KCTCS, including the provision of benefits such as retirement benefits and the plans that provide such benefits; and

WHEREAS, the KCTCS Board of Regents authorized the KCTCS staff and administration to research and analyze the financial, institutional, and individual impact of continuing or ceasing participation in the Kentucky Employees Retirement System (KERS) for any and all employees hired before December 31, 2013 who elected to participate in the defined benefit plan known as the KERS; and

WHEREAS, the KCTCS Board of Regents has been provided the research and analysis undertaken through and by the KCTCS Administrative Services responsible for budget, treasury, and human resources; and

WHEREAS, the KCTCS Board of Regents has reviewed the research and analysis and has undertaken open discussion, entertained public input, and engaged in serious deliberation of the potential effects, both positive and negative, that continuing or ceasing participation will likely or potentially have on the KCTCS, its employees, and its students; and

WHEREAS, in its review, discussion, and deliberation, the KCTCS Board of Regents has weighed the long-term financial and employment impact, including the institution's ethical and fiscal obligations to all employees, regardless of enrollment in a defined benefit or defined contribution plan; and

WHEREAS, the KCTCS Board of Regents must, pursuant, to 2019 Special Session House Bill 1 and through KRS 61.522(8) resolve to voluntarily cease participation in the KERS and upon such resolution must submit the official, formal declaration of the KCTCS Board of Regents to voluntarily cease participation of the KCTCS in the KERS to the KERS Board on or between April 1, 2020 and April 30, 2020; and

WHEREAS, in order to comply with the requirements KRS 61.522(8) and formal notice of cessation, the KCTCS Board of Regents must declare the following:

- 1) KCTCS shall voluntarily cease participation in the Kentucky Employees Retirement System; and
- 2) KCTCS shall not cause, permit, or assert that employees, specifically nonhazardous employees, hired prior to June 30, 2020, or any KCTCS employees hired prior to January 1, 2014 who have participated since hiring in the KERS, are able to continue to elect or participate in the KERS, and shall make known to all employees seeking to participate or assert participation that such participation is not permitted as a result of KCTCS' voluntary cessation of participation; and
- 3) All KCTCS employees hired prior to June 30, 2020, and/ or January 1, 2014 shall no longer earn service credit and benefits after KCTCS' official cessation date of June 30, 2020; and
- 4) KCTCS acknowledges voluntary cessation is irrevocable, and shall make no attempt or assertion that it will or plans to rescind this cessation resolution after submission on April 30, 2020; and
- 5) KCTCS understands and acknowledges it is subject to the requirements and restrictions of KRS 61.522 and all administrative regulations that serve to enact KRS 61.522; and
- 6) KCTCS further affirms and agrees that voluntary cessation in the KERS, pursuant to KRS 61.522(8), shall require that KCTCS pay the actuarial cost of ceasing participation as set by KERS and also shall require that KCTCS pay any and all administrative costs associated with its voluntary cessation of participation; and
- 7) KCTCS shall cooperate with KERS to educate its employees about the KCTCS' decision to elect voluntary cessation, the effects of that election on the employees' retirement accounts, and the employees' options regarding their retirement accounts; and
- 8) KCTCS affirms that it will not mandate, force, or require its employees to seek or take a refund of their accumulated account balance as defined by KRS 61.510(41), nor shall KCTCS retaliate against any employees who chooses not to take refunds of their accumulated account balance as defined in KRS 61.510(41); and
- 9) KCTCS will hold harmless the Commonwealth and the KERS, including board members and employees of the KERS, from damages, attorney's fees and costs of legal claims for any cause of action brought by any member or retired member of the ceasing employer related to the cessation of the employer; and

- 10) The KCTCS Board of Regents shall cause delivery of this official and formal resolution of cessation in KERS participation to the appropriate KCTCS Administrative Staff on or before April 30, 2020, and shall direct submission to the KERS no later than April 30, 2020; and
- 11) The KCTCS Board of Regents acknowledges that in the event a resolution to cease participation in the Kentucky Employee Retirement System is not received by the KERS prior to April 30, 2020, the KCTCS will continue to participate in the KERS and shall pay, pursuant to state law, the full actuarially determined contributions for fiscal years occurring on or after July 1, 2020.

WHEREAS, the KCTCS Board of Regents, having done its due diligence in considering all available research, financial modeling, and projected costs, finds the best interest of KCTCS lies in ceasing participation in the KERS.

NOW, THEREFORE, BE IT RESOLVED, by the KCTCS Board of Regents that:

The KCTCS Board of Regents authorizes KCTCS to cease participation in the KERS effective June 30, 2020; and

The KCTCS Board of Regents, in furtherance of its decision to cease participation in the KERS, hereby resolves and declares each of the matters described as items 1) through 11) in the ninth recital paragraph hereof; and

The KCTCS Board of Regents, in furtherance of its decision to cease participation in the KERS, directs the KCTCS President and Administrative Staff to take all action and execute all necessary documents for KCTCS' timely exit from the KERS, specifically but not solely, the KCTCS President and Administrative Staff shall communicate this resolution to the Kentucky Retirement Systems no later than April 30, 2020.

ADOPTED this the 13th day of March 2020.

Gail Henson, Chair
KCTCS Board of Regent

Note: The attached resolution has been submitted to Gail Henson, Chair of the KCTCS Board of Regents, for her signature as it was adopted by the Board on March 13, 2020.

Hannah H. Rivera, Esquire
Assistant Secretary to the Board of Regents



**Kentucky Community and Technical College System (KCTCS)
Board of Regents**

**Resolution Authorizing Continued Participation in the Kentucky Employees
Retirement System**

WHEREAS, the KCTCS is a participating institution in the defined benefit public pension plan known as the Kentucky Employees Retirement System (KERS); and

WHEREAS, through passage of House Bill 1, effective with Governor Matt Bevin's signature on July 24, 2019, the Kentucky General Assembly provided a statutory framework for participating institutions to continue or cease participation in the KERS; and

WHEREAS, the KCTCS Board of Regents is charged with the governance and overall well-being of the KCTCS, including the provision of benefits such as retirement benefits and the plans that provide such benefits; and

WHEREAS, the KCTCS Board of Regents authorized the KCTCS staff and administration to research and analyze the financial, institutional, and individual impact of continuing or ceasing participation in the Kentucky Employees Retirement System (KERS) for any and all employees hired before December 31, 2013 who elected to participate in the defined benefit plan known as the KERS; and

WHEREAS, the KCTCS Board of Regents has been provided the research and analysis undertaken through and by the KCTCS Administrative Services responsible for budget, treasury, and human resources; and

WHEREAS, the KCTCS Board of Regents has reviewed the research and analysis and has undertaken open discussion, entertained public input, and engaged in serious deliberation of the potential effects, both positive and negative, that continuing or ceasing participation will likely or potentially have on the KCTCS, its employees, and its students; and

WHEREAS, in its review, discussion, and deliberation, the KCTCS Board of Regents has weighed the long-term financial and employment impact, including the institution's ethical and fiscal obligations to all employees, regardless of enrollment in a defined benefit or defined contribution plan; and

WHEREAS, the KCTCS Board of Regents, having done its due diligence in considering all available research, financial modeling, and projected costs, finds the best interest of KCTCS lies in continuing participation in the KERS.

NOW, THEREFORE, BE IT RESOLVED, by the KCTCS Board of Regents that:

The President and Administrative Staff of the KCTCS are hereby directed to take all action necessary to affirm and continue participation of the KCTCS in the public pension plan known as the Kentucky Employee Retirement System for those employees hired on or before December 31, 2013 who elected upon their employment to participate in and who currently participate in the KERS.

ADOPTED this the 13th day of March 2020.

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

Note: The attached resolution has been submitted to Gail Henson, Chair of the Board of Regents, for her signature as it was adopted by the Board on March 13, 2020.

Hannah H. Rivera, Esquire
Assistant Secretary to the Board of Regents