

Executive Summary

Kentucky Community and Technical College System (KCTCS)
Board of Regents Meeting – March 13, 2009
KCTCS System Office
Versailles, Kentucky

Meeting highlights:

- **Approved 2009-10 tuition rates for academic year 2009-10.**

The KCTCS Board of Regents approved the tuition rates listed below for academic year 2009-10:

	<u>2009-10</u>
In-State Students	\$125
Out-of-State Students	
From Contiguous Counties	250
Other Out-of-State Students	425

Affordability is of primary concern to the KCTCS Board of Regents. For academic year 2009-10, the KCTCS Board-approved in-state per credit hour tuition rate is a \$4 increase above the academic year 2008-09 tuition rate. The tuition ceiling for all public postsecondary institutions was established by the Council on Postsecondary Education (CPE) at its March 6, 2009, meeting. The KCTCS Board-approved 2009-10 tuition rate is within the CPE tuition parameters.

Following state appropriations, tuition is the second largest source of revenue for KCTCS. Additional tuition revenue for 2009-10 generated by tuition rate growth (\$5.6 million) will be available to the KCTCS Board of Regents in developing the 2009-10 KCTCS operating budget. As the largest provider of postsecondary education and workforce training in the state, KCTCS remains committed to providing Kentuckians with a low-cost, quality education in their own communities.

- **Discussed 2009-10 KCTCS budget scenarios.**

The KCTCS Board of Regents considered and discussed various scenarios for the development of the System's 2009-10 operating budget. As a result of continuing decline in state revenues, the KCTCS budget has been reduced seven times for a total of \$35.9 million since 2001. Reductions in the KCTCS 2008-09 state appropriation resulted in no salary increases for faculty and staff; 240 fewer full-time and part-time positions; a decrease in programs and services; and for the first time in the System's 10-year history, a 3.1 percent decline in 2008 fall enrollment. A 2009-10 KCTCS annual budget proposal will be presented to the KCTCS Board of Regents for consideration at the June 12, 2009 meeting.



KCTCS is an equal opportunity employer and education institution.

- **Approved changes to two KCTCS Board of Regents Policies related to human resources:**
 - ***KCTCS Board of Regents Policy 2.0 Kentucky Community and Technical College System Employment***
 - ***KCTCS Board of Regents Policy 3.7 KCTCS Retirement Plan Policies***

The KCTCS Board of Regents approved changes in the employment status categories and 403(b) retirement benefits for new KCTCS faculty and staff appointed effective on or after July 1, 2009. A new employment model for community and technical college personnel was adopted in order to meet the demands of a constantly changing, dynamic economy. The policy revisions provide KCTCS the flexibility to manage, including the ability to eliminate programs that are not cost effective or consistent with KCTCS goals.

- ***KCTCS Board of Regents Policy 2.0 Kentucky Community and Technical College System Employment***
 Since 2001, the KCTCS Board of Regents has been engaged in reviewing and discussing faculty appointment issues. KCTCS has successfully used term contracts since the 2004-05 academic year, continuing to attract and retain quality faculty while maintaining quality educational experiences for its students. The approved policy regarding employment status provides for two employment status categories – term contract and “at will” – for employees appointed effective on or after July 1, 2009. This change in policy does not impact current employees, that is, employees whose appointment was effective prior to July 1, 2009. KCTCS faculty will continue to have the same rights and privileges through existing organizational policies regarding academic freedom, promotion, and shared governance. KCTCS policies assure faculty and staff due process rights. The change reflects the different expectations and needs of the new generation of faculty and staff being hired, permitting KCTCS to continue building a strong foundation for the future. In addition, the change in the employment policy will allow KCTCS to expand statewide economic growth by providing responsive and flexible education and workforce training solutions for the state’s businesses and industries.

This change in policy does not impact current employees.

- ***KCTCS Board of Regents Policy 3.7 KCTCS Retirement Plan Policies***
 A change to the employee retirement policy (KCTCS Board Policy 3.7) was also approved for new employees appointed effective on or after July 1, 2009, and will result in a projected 10-year savings of more than \$60 million. The policy change eliminates 403(b) plan retiree health benefits and requires a five-year vesting period for a new employee to be eligible to receive accrued benefits from employer contributions to 403 (b) plans (defined contribution plans). New employees may select retiree health benefits by choosing either of the defined benefits plans – the Kentucky Teachers Retirement System (KTRS) or the Kentucky Employee Retirement System (KERS) – as their retirement system.

In the Board’s fiduciary role, the future impact of *Governmental Accounting Standards Board (GASB) Statement 45*, which addresses post-employment benefits, was given serious consideration. Many employers have eliminated employer paid post-retirement health insurance benefits due to the financial impact, including the University of Kentucky (whose action became effective January 1, 2006). For KCTCS, the impact of GASB 45 resulted in a \$16.3 million annual increase over previous liabilities beginning with fiscal year 2007-08. Eliminating post-retirement health benefits for new employees choosing a defined contribution plan and who are appointed effective on or after July 1, 2009, will result in a 10-year accumulated cash savings projected at \$57.3 million.

The change in vesting for 403(b) plans is consistent with the vesting schedules of the defined benefit plans available to KCTCS employees participating in the state’s defined benefits plans, the KTRS and KERS. Establishment of the vesting period for new employees choosing a defined contribution plan and who are appointed effective on or after July 1, 2009, is projected to result in an accumulated cash savings over 10 years of more than \$3 million.

The policy change does not impact current employees.

- ***Approved changes to KCTCS Board of Regents Policy 6.3 Kentucky Community and Technical College System (KCTCS) Formal Hearing Procedures for the Determination of Residency Status Pursuant to 13 KAR 2:045, Section 17.***

The revisions are part of the ongoing policy review process to update KCTCS policies as needed to keep them current, reflect legislative changes, and refine policies by streamlining and restructuring where needed. Revisions to KCTCS Board of Regents Policy 6.3 related to the determination of residency status were needed to align the policy with *Kentucky Administrative Regulations* (KAR).

- ***Ratified personnel actions, new certificate programs, and KCTCS colleges' candidates for credentials.***

- ***Ratification of Personnel Actions***

The KCTCS Board ratified personnel actions, including academic appointments, administrative appointments, reappointments, terminal reappointments, leave of absences, retirements, and resignations.

- ***Ratified 3 new certificate programs.***

Each of the new certificates are applicable toward at least one degree program and are designed to be responsive to education and workforce needs in Kentucky, providing greater student access to quality programs. New certificate programs were approved or ratified for Bowling Green Technical College, Jefferson Community and Technical College, and West Kentucky Community and Technical College.

- ***Ratified KCTCS colleges' candidates for credentials.***

For the period of October 14, 2008, through January 6, 2009, the KCTCS Board of Regents ratified 2,501 credential requests (1,796 of which are unduplicated), including 1,757 certificates, 170 diplomas, 193 associate in arts, 82 associate in science, 299 associate in applied science, and 1 associate in applied technology. The credentials are to be awarded to the students upon certification that the requirements for the credentials have been satisfactorily completed.

- ***Approved a revised mission statement for Owensboro Community and Technical College.***

It is the policy of the KCTCS Board of Regents that each KCTCS college accredited by the Commission on Colleges of the Southern Association of Colleges and Schools (SACS) and under the jurisdiction of the KCTCS Board of Regents has a statement of purpose approved by the KCTCS Board. On January 8, 2009, the Owensboro Community and Technical College Administrative Council recommended the revised mission statement, and the College Assembly of Owensboro Community and Technical College recommended the revision on January 13, 2009. The mission statement was endorsed by the Owensboro Board of Directors on January 15, 2009.

Other Highlights:

- ***Chair's Report.***

KCTCS Board Chair Richard A. Bean reported on the following:

- The KCTCS Foundation, Inc. Board of Directors meeting on Wednesday, December 10, 2008, at the KCTCS System Office in Versailles. The Foundation Board voted to diversify its cash deposits among several banks so that each has no more than \$250,000. The Foundation Board also approved the transfer of \$110,000 from the Foundation to KCTCS to support salary, benefits, and related operational costs for the KCTCS Center for Excellence in Automotive Manufacturing. Discussion items at the Foundation's meeting included the KCTCS Endowment Match program and the KCTCS proposal to provide online dual credit.
- Nominating Committee Appointment. Chair Bean appointed Regents Richard Bean, Ginger Carroll, Jackie Cecil, Brenda Corey, Marcia Roth, and Joseph Wise to the committee, with Regent Wise serving as the committee's chair. The Nominating Committee was charged with identifying a slate of candidates for the Board's consideration at the June 12, 2009, KCTCS Board of Regents meeting. Current KCTCS Board Officers' (Chair, Vice Chair, and Secretary) terms expire June 30, 2009. Board Officers elected at the June Board meeting will serve two-year terms that begin July 1, 2009, and end June 30, 2011.
- Local Board of Directors Meetings. Chair Bean updated the KCTCS Board of Regents on his attendance at Bluegrass Community and Technical College's and Henderson Community College's local board of directors meetings. He noted that he plans to attend other colleges' local board meetings in March and throughout the spring to thank the boards for their work in support of KCTCS.

- ***KCTCS President's Report.***

KCTCS President Michael B. McCall provided an update on current activities, including updates on the *FACET 2008-09* initiatives of Workforce Competitiveness, Virtual Learning, and Transfer. Some of the other activities and information highlighted included:

- Gold Louis Award for the KCTCS 10-year anniversary commemorative book, *Metamorphosis*.
- Three KCTCS colleges receiving more than \$3.2 million grants from the U.S. Department of Labor's Community Based Job Training (CBJT) funds.
- Four KCTCS colleges receiving earmark appropriations totaling \$571,000 in the *FY 2009 Omnibus Appropriations Bill*.
- Kentucky Coal Academy and the KCTCS Interactive Digital Center (IDC) receiving national awards (Mixed Media Public and Grand Prize categories) from the U.S. Department of Labor Mine, Safety and Health Administration for the simulation based training application for the CSE SR-100 Self-Contained Self Rescuers.
- KCTCS President's Leadership Seminar application review for the 2009-10 class.
- Marketing Plan update, including development of a public advocacy campaign that will be officially launched in August.
- KCTCS Legislative Luncheon on February 12, 2009, at the Capitol Annex.
- KCTCS Performance Measures update on Headcount Enrollment and Minority Enrollment.

The written report presented at the meeting is posted in its entirety on the KCTCS website at <http://www.kctcs.edu/organization/board/meetings/>

- ***Participated in a workshop to develop KCTCS Strategic Plan 2010-16 goals and to revise the KCTCS Mission, Vision, and Value Statements.***

At the workshop, the KCTCS Board of Regents reviewed and discussed draft values, mission, vision, and goals statements for the System's 2010-16 strategic plan. After the Board approves the 2010-16 strategic plan goals, values, mission, and vision statements at the June 12, 2009, KCTCS Board of Regents meeting, work will begin on identification of core indicators to measure progress toward goal attainment. The current *KCTCS Strategic Plan* concludes June 30, 2010. Work on the System's strategic plan for 2010-16 began in 2007 following an Appreciative Inquiry (AI) model.

- ***Reviewed and discussed proposed revisions to KCTCS Board of Regents Policy 4.12 Collaborative Program Development***

The revision of *KCTCS Board of Regents Policy 4.12 Policy on Collaborative Program Development* is proposed in order to establish lower total credit hour limits to address credit creep and affordability issues. It also includes a charge to develop curriculum frameworks, including the consistent use of prefixes, common course numbering, and the elimination of unnecessary duplication in all KCTCS curricula. The policy revision supports the transfer of KCTCS students, the KCTCS FACET Transfer Initiative, and the Council on Postsecondary Education's *Double the Numbers: Kentucky's Plan to Increase College Graduates*.

- ***Reviewed a proposed KCTCS Board of Regents 2010 Regular Meeting Calendar.***

Members of the KCTCS Board of Regents were asked check their availability to participate in regular meetings on the following dates:

- March 11-12, 2010
- June 17-18, 2010
- September 16-17, 2010
- December 9-10, 2010

The proposed dates do not conflict with federal holidays. The Board's 2010 regular meeting calendar will be adopted at the June 12, 2009, meeting.

- ***Received updates on the following items:***

- KCTCS Online
- KCTCS Diversity Planning
- KCTCS Compliance with the *Kentucky Plan for Equal Opportunities*
- 2009 Legislative Agenda
- Baccalaureate Student Transfer
- Supplier Diversity Enhancement
- KCTCS Quarterly Financial Report
- Technology Solutions
- *Fulfilling the Promise Campaign*

- ***Next meeting – June 12, 2009.***

The KCTCS Board of Regents will conduct its next regularly scheduled meeting on June 12, 2009, at the KCTCS System Office in Versailles, Kentucky.