

**MINUTES**  
**Kentucky Community and Technical College System**  
**Board of Regents Meeting**  
**March 13, 2009**

**Board Members Present:**

Mr. Richard A. Bean, Board Chair	Mr. Jackie B. Cecil
Dr. Joseph B. Wise, III, Board Vice Chair	Mr. Porter G. Peeples, Sr.
Ms. Johnna Reeder, Board Secretary	Mr. Michael D. Quillen
Mr. Randall Barnes	Ms. Marcia L. Roth
Mr. Mark D. Brooks	Mr. Larry D. Savage
Mr. Paul C. Callan, Jr.	Mr. Thomas O. Zawacki
Ms. Ginger M. Carroll	

**Board Member Participating VIA ITV:**

Ms. Brenda R. Corey

**CALL TO  
ORDER**

KCTCS Board of Regents Chair Bean called to order the meeting of the Kentucky Community and Technical College System Board of Regents at 8:30 a.m. (ET), March 13, 2009. The meeting was held in Conference Room 102 at the KCTCS System Office in Versailles, Kentucky. Chair Bean announced that the press was notified of the meeting on March 5, 2009, and that Hon. J. Campbell Cantrill, KCTCS General Counsel, would serve as parliamentarian.

Chair Bean welcomed KCTCS faculty and staff who travelled from all over the state to attend the meeting, noting that it is important to every member of the KCTCS Board of Regents that KCTCS faculty and staff are welcome to attend Board meetings. He further noted that the location of the meeting was moved from the normal location in a smaller board room to accommodate a large number of visitors.

Chair Bean reviewed the Board's meeting procedures, noting that KCTCS Board of Regents meetings are open to all members of the public and meeting protocol complies with state statutes, the Board's Bylaws, and Robert's Rules of Order (current edition). While visitors are welcome to attend Board meetings, they are not permitted to speak unless invited by the presiding officer. If unruly conduct or annoyances occur, the behavior is acknowledged; and the disruptive participant is given a warning. If the behavior persists, the participant is removed from the meeting. Chair Bean noted that a warning given to one person would be considered a warning to all others and that disruptive participants would be removed without further warning.

Chair Bean announced that Ms. Corey would participate in the Board's deliberations via interactive video teleconference (ITV), noting that Ms. Corey planned to attend the Board meeting but was unable to do so because of illness. There being a quorum present, Board business began with the approval of the minutes from the last meeting.

**APPROVAL OF MINUTES**

MOTION: Mr. Zawacki moved and Mr. Peeples seconded that the December 5, 2008, KCTCS Board of Regents meeting minutes be approved.

Dr. Wise and Mr. Callan requested that page 10 of the draft minutes be modified to note that Faculty Regents Quillen and Callan discussed reasons to maintain faculty tenure-track employment.

VOTE: The minutes were approved as corrected.

**ADDITIONS OR CHANGES TO THE AGENDA**

Chair Bean called for additions or changes to the agenda. Hearing none, the meeting continued with the next item on the agenda.

**WELCOME AND INTRODUCTION OF MEETING GUESTS**

Chair Bean thanked KCTCS President Michael B. McCall and his staff for hosting the Board's March 12-13, 2009, meetings. He welcomed numerous guests to the meeting, including faculty from across the System as well as several members of the press.

**PRESENTATION: KCTCS ONLINE**

Chair Bean called on President McCall to make a presentation on *KCTCS Online*. Several staff from the KCTCS System Office assisted with the presentation/demonstration, including KCTCS Vice President Jay Box and Assistant Chancellor Gloria McCall with testimonials from *KCTCS Online* students Ms. Linda Morefield and Ms. Vikki Parman. *KCTCS Online* has been piloted since early 2009 and will be rolled out on March 23, 2009.

*KCTCS Online* evolved out of e-learning research occurring in 2006 and CEO dialogues. The program is designed to run parallel to traditional distance learning offerings and to enhance the flexible delivery of workforce solutions via virtual learning. *KCTCS Online* brings 24/7 delivery of the Business Administration and Information Technology programs (other programs will be added in the future) that are built upon competency-based curriculum delivered in modularized courses. *KCTCS Online* has a target audience of approximately 1.3 million adults between the ages of 19 and 54 who work, have family responsibilities, are comfortable with the Internet, inclined to seek education for a career change or promotion, and who enjoy an individualized approach to learning delivered on a schedule tailored to them.

*KCTCS Online* provides a full array of student services online. Some of the initiative's key features include:

- Modular approach.
- 100 percent online.
- Credit for prior learning.
- Self-paced learning.
- Affordable courses delivered by accredited colleges.

*KCTCS Online* is the virtual learning initiative of FACET, the 2008-09 annual leadership focus of President McCall. FACET brings "Focused Action on the Commonwealth's Educational Transformation" and is based on the *KCTCS Plan for a Competitive Commonwealth 2008-2020* (also known as the "KCTCS Business Plan"). The KCTCS Business Plan focuses on the specific mission and mandates issued to KCTCS and addresses the mission critical components of Workforce Education, Transfer Education, and College and Workforce Readiness.

## **CHAIR'S REPORT**

Chair Bean reported on the following:

- KCTCS Foundation, Inc. Board of Directors. The KCTCS Foundation Board met on Wednesday, December 10, 2008, at the KCTCS System Office in Versailles. The Foundation Board voted to diversify its cash deposits among several banks with a \$250,000 limit per bank. 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 Bean, Carroll, Cecil, Corey, Roth, and 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 and Henderson Community College board of directors meetings. He noted that he plans to attend other local college board meetings in March and throughout the spring to thank the boards for their work in support of KCTCS.

**PRESIDENT'S  
REPORT**

President 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 fiscal year 2009 federal 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. Detailed information on the number of credentials awarded was presented also.

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

**CONSENT  
AGENDA**

RECOMMENDATION: That the following items listed under the KCTCS Board of Regents Consent Agenda be approved:

1. Academic Affairs and Curriculum Committee
  - J-1. Action: Ratification of New Credit Certificate Programs. Each of the new programs is applicable toward at least one degree program.
  - J-2. Action: KCTCS Colleges' Candidates for Credentials. For the period of October 14, 2008, through January 6, 2009, there were 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.
2. Finance, Technology, and Human Resources Committee
  - K-3. Action: Ratification of Personnel Actions. The personnel actions presented for ratification followed policy and procedures.

Chair Bean noted that the items on the Consent Agenda were discussed separately during committee meetings of the KCTCS Board of Regents. He asked whether any regent would like to discuss or remove an item from the consent agenda. Hearing no objections, the Consent Agenda was approved by unanimous consent.

**RECESS**

The KCTCS Board of Regents recessed at 9:44 a.m. (ET) and reconvened at 9:55 a.m. (ET).

**EXECUTIVE COMMITTEE**

Executive Committee Vice Chair Wise presented the committee's report to the KCTCS Board of Regents.

**ACTION: REVISED MISSION STATEMENT FOR OWENSBORO COMMUNITY AND TECHNICAL COLLEGE**

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

It is the policy of KCTCS that a college mission statement is to be reviewed annually and that the mission statement is to be submitted to the KCTCS Board of Regents for approval at least once every three years. Dr. Wise noted that Dr. Paula Gastenveld, Owensboro Community and Technical College President/CEO, discussed the proposed revised mission statement with the Executive Committee. The College Assembly of Owensboro Community and Technical College recommended the mission statement on January 13, 2009. The Owensboro Community and Technical College Administrative Council recommended the mission statement on January 8, 2009. The mission statement was endorsed by the Owensboro Board of Directors on January 15, 2009.

**MOTION:** On behalf of the Executive Committee, Dr. Wise moved that the KCTCS Board of Regents approve a revised mission statement as presented in the agenda materials for Owensboro Community and Technical College.

**VOTE:** The motion was approved unanimously.

**ACTION: ONGOING POLICY REVIEW – REVISION 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**

**RECOMMENDATION:** That the KCTCS Board of Regents approve the proposed revision of *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 proposed revisions were presented as an information item at the December 4-5, 2008, KCTCS Board of Regents meetings. The ongoing policy review process updates KCTCS policies as needed to keep them current, to reflect legislative changes, to refine policies by streamlining and restructuring where needed, and to place policies appropriately. Revisions to KCTCS Board of Regents Policy 6.3 are needed to align the policy with *Kentucky Administrative Regulations (KAR)*. Specific revisions include:

- Changing the section number in the policy title to align with current *Kentucky Administrative Regulations*.
- Changing the hearing officer's "decision" to a "recommendation."
- Adding to whom the recommendation is to be made ("to the KCTCS Chancellor") and who will make the final decision (the "KCTCS Chancellor").
- Deleting the phrase "or any other person, who has direct or indirect interest in the outcome of the hearing," as it is redundant (per legal advice).

**MOTION:** On behalf of the Executive Committee, Dr. Wise moved that the KCTCS Board of Regents approve the proposed revision of *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.*

**VOTE:** The motion was approved unanimously.

**INFORMATION:  
KCTCS BOARD  
OF REGENTS  
2010 REGULAR  
MEETING  
CALENDAR**

It was reported that the Executive Committee discussed quarterly meetings to be held in March, June, September, and December 2010. It was also reported that the Executive Committee discussed whether the Board's meeting format should be changed, including whether to continue the two-day meeting format on Thursdays and Fridays. It was further reported that the Executive Committee preferred to maintain the current meeting format, including holding meetings on Thursdays and Fridays. As a result of the committee's discussion, all Board members were asked to check their calendars and let staff know if they had conflicts with meetings on:

- 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.

**UPDATE: 2009  
KCTCS  
LEGISLATIVE  
AGENDA**

Dr. Wise called attention to a legislative update handout distributed at the meeting. He reported that House Bill (HB) 126, sponsored by Representative Carl Rollins and Representative Sal Santoro and related to electrician licensing, was passed by the 2009 General Assembly and was signed by Governor Steve Beshear on March 11, 2009. Dr. Wise noted that President McCall also reported on other legislation affecting KCTCS, including:

- Senate Joint Resolution 49 and House Bill 314: Transfer of Academic Credit.
- House Bill 439 and House Joint Resolution 131: Corrections Education.
- House Resolution 187: KCTCS Tenure Policies.
- House Bills 144 and 143: State Revenue Proposal and Budget Reduction Authorization. These bills were enacted by the General Assembly and signed by the Governor on February 13, 2009.
  - HB 144 increased taxes on tobacco products and instituted a sales tax on packaged alcohol, providing additional revenue.
  - HB 143 enables the Governor to implement a budget reduction plan for fiscal year 2008-09 that will balance the Commonwealth's budget deficit. The Governor's budget reduction plan will result in a 2 percent cut for postsecondary education institutions. The approximate amount of the fiscal year 2008-09 budget reduction for KCTCS will be \$4.4 million.

- House Bill 292: Kentucky State Budget 2008-10. The bill is awaiting signature by Governor Beshear and would amend the Kentucky state budget for 2008-10 by making technical corrections and reauthorizing capital projects, including the Maysville Community and Technical College Licking Valley project.
- HB 433: 2008-10 State Operating and Capital Budget Project Amendments. The bill passed the House of Representatives on March 10, 2009, and is expected to be voted upon by the Senate on March 12 or March 13. If enacted, the bill would amend the Kentucky state budget to include an authorization for the:
  - Purchase and improvement of property at the Downtown Campus of Jefferson Community and Technical College.
  - Construction of a Child Development Center at the Cumberland Campus of Southeast Kentucky Community and Technical College in fiscal year 2008-09.

Dr. Wise thanked KCTCS Vice President Tim Burcham and KCTCS Director of Governmental Affairs Lori Davis for their work with the General Assembly and service as KCTCS Legislative Liaisons. It was noted that it is important for all KCTCS faculty and staff to work together to promote the KCTCS legislative initiatives, including those that are core to the *KCTCS Mission*.

**UPDATE: KCTCS  
DIVERSITY  
PLANNING**

Dr. Wise noted that one of the four *KCTCS Strategic Plan 2006-10* goals is to “expand diversity and global awareness.” He further noted that KCTCS System Director for Cultural Diversity Natalie Gibson discussed the diversity planning process with the Executive Committee. The discussion at the committee included a review of various statistics, including minority enrollment and employment. Dr. Wise noted that the committee emphasized the importance of defining “minority” broadly to be inclusive of the state’s various minority populations, including Hispanic, Asian/Pacific Islander, Native American, and African Americans. It was noted that KCTCS already has adopted such a definition and is refining reporting metrics to communicate progress toward cultural diversity.

**EFFICIENCY,  
EFFECTIVENESS,  
AND  
ACCOUNTABILITY  
COMMITTEE (EEA)**

Efficiency, Effectiveness, and Accountability Committee Chair Quillen presented the committee’s report to the Board of Regents.

**INFORMATION:  
KCTCS  
STRATEGIC PLAN  
2010-16**

Mr. Quillen reported that the EEA Committee is a committee of the whole Board that is responsible for advising KCTCS and recommending action on policies related to accountability. During the December 5, 2008, KCTCS Board of Regents meeting, it was noted that the committee would review the *KCTCS Values, Vision, and Mission* statements as well as draft strategic goal statements for 2010-16.

KCTCS has a significant responsibility to meet the goals of the *Kentucky Postsecondary Education Improvement Act of 1997 (Act)* and using that as a framework has made tremendous strides toward achieving its vision to be the best community and technical college system in the nation. The state is now at the half-way point in terms of the Act's long-term 2020 goals, and KCTCS needs to continue moving toward the goals:

- Educated and trained workforce.
- Global competitiveness.
- Standard of living above the national average.
- Lifelong learning.

In achieving those goals, it is vital to recognize the importance of the *KCTCS Plan for a Competitive Commonwealth* (the KCTCS Business Plan) and the development of a *KCTCS Strategic Plan 2010-16* (the current strategic plan concludes June 30, 2010).

Mr. Quillen reported that at the EEA Committee meeting, President McCall led exercises using Appreciative Inquiry to gather input for the *KCTCS Strategic Plan 2010-16*. After the Board approves the *KCTCS Values, Mission, Vision*, and 2010-16 strategic goals, the EEA Committee will meet in September to work on core indicators.

**ACADEMIC  
AFFAIRS AND  
CURRICULUM  
COMMITTEE**

Academic Affairs and Curriculum Committee Chair Savage presented the committee's report to the Board of Regents.

Mr. Savage reported that the committee recessed to join the Finance, Technology, and Human Resources Committee for its discussion of the proposed revision to *KCTCS Board of Regents Policy 2.0 – Employment*.

**INFORMATION:  
PROPOSED POLICY  
REVISION – KCTCS  
BOARD OF  
REGENTS POLICY  
4.12  
COLLABORATIVE  
PROGRAM  
DEVELOPMENT**

Mr. Savage reported that in 2006 the faculty curriculum approval process underwent a change as a result of an accreditation recommendation from the Commission on Colleges of Southern Association of Colleges and Schools (SACS). The process was revised to ensure final curriculum approval at the college level rather than the System level. Since implementation of that change, there has been increased duplication, increased use of multiple prefixes within disciplines, and greater divergence from common course numbering within the System. The proposed policy revision is designed to address those issues, improve the effectiveness of transfer, and work toward the Council on Postsecondary Education's goal to double the number of baccalaureate degree holders in the Commonwealth. The proposed revision addresses "credit creep" by revising total credit hour limits for programs.

The proposed policy revision would:

- Charge the KCTCS President (or designee) with developing curriculum frameworks which shall include (but not be limited to) the consistent use of prefixes, common course numbering, and the elimination of unnecessary duplication in all KCTCS curricula.

- Set total credit hour limits as follows:
  - Associate in Science: 60 credit hours (eliminating 72 credit hour maximum).
  - Associate in Arts: 60 credit hours (eliminating 72 credit hour maximum)
  - Associate in Applied Science: 60-68 credit hours (rather than current 60-76).
  - Diploma: 36-60 credit hours (rather than current 36-68).
  - Certificate: 12-36 credit hours (no change).
- Set a two year time line for existing programs to come into compliance with the revised credit hour requirements.

It was noted that 105 of the 161 KCTCS AAS programs/options would be impacted by the proposed policy revision.

**UPDATE: THE  
KENTUCKY PLAN  
FOR EQUAL  
OPPORTUNITIES**

Mr. Savage reported that the *KCTCS Degree Program Eligibility Report* is an annual assessment developed by the Council on Postsecondary Education (CPE) that describes institutional success in implementing strategies to achieve the objectives of *The Kentucky Plan for Equal Opportunities*. The assessment is part of CPE's monitoring of progress under *The 1997-2002 Kentucky Plan for Equal Opportunities*, which promotes compliance with *Title VI* of the federal *Civil Rights Act of 1964*. Based on the level of compliance with the four (4) objectives, CPE assigns colleges one (1) of three (3) degree program eligibility status categories, as follows:

- "Automatic" eligibility status equals continuous progress in at least 3 of 4 objectives.
- "Quantitative waiver" eligibility status equals continuous progress in 2 of 4 objectives.
- "Qualitative waiver" eligibility status equals continuous progress in 0 or 1 of 4 objectives.

Fifteen (15) colleges made continuous progress toward at least three (3) of four (4) objectives and, therefore, achieved a status of automatic eligibility. Of those 15, nine (9) colleges achieved all four (4) objectives and six (6) colleges made continuous progress toward three (3) of the four (4) objectives. One KCTCS college, Ashland Community and Technical College, achieved qualitative waiver eligibility status for calendar year 2009. The college achieved one (1) of the four (4) objectives and is eligible to apply for a qualitative waiver.

Based on an *unofficial snapshot* of data as of November 2008, it is anticipated that for calendar year 2010:

- Thirteen (13) colleges likely will show continuous progress toward at least three (3) of four (4) objectives and, therefore, will be eligible for automatic eligibility status for calendar year 2010.
- Two colleges likely will achieve two (2) of the four (4) objectives for calendar year 2010 and will be eligible to request a quantitative waiver.
- One college likely will achieve one (1) of four (4) objectives and will be eligible to apply for a qualitative waiver for calendar year 2010.

**UPDATE:  
BACCALAUREATE  
STUDENT  
TRANSFER**

Mr. Savage reported that the committee discussed baccalaureate student transfer. He noted that the Transfer Initiative update provided by President McCall in the *FACET Report* to the Board was comprehensive and reflected information discussed at the committee meeting.

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

Finance, Technology, and Human Resources Committee Chair Zawacki presented the committee's report to the KCTCS Board of Regents.

**ACTION: POLICY  
REVISION –  
KCTCS BOARD OF  
REGENTS  
POLICY 2.0 KCTCS  
EMPLOYMENT  
STATUS**

**RECOMMENDATION:** That the KCTCS Board of Regents approve the proposed revision of *KCTCS Board of Regents Policy 2.0 KCTCS Employment*.

Chair Bean welcomed guests to the meeting, expressing appreciation for their attendance and interest. It was noted that KCTCS Board of Regents meetings are open to all members of the public and meeting protocol complies with state statutes, the *KCTCS Board of Regents Bylaws*, and Robert's Rules of Order; therefore, visitors are welcome to attend but are not permitted to speak unless invited by the presiding officer.

Chair Bean called on Mr. Zawacki to present this item. He noted that the members of the Academic Affairs and Curriculum Committee participated in the Finance, Technology, and Human Resources Committee's discussion of this item. Since 2001, the KCTCS Board of Regents has been engaged in reviewing and discussing the faculty appointment process. At the September 2008 Board meeting, the Finance, Technology, and Human Resources Committee requested that a recommendation regarding the faculty appointment and tenure process be brought forward at a future Board meeting.

From 2001-02 to the present, KCTCS has incurred several budget reductions totaling over \$31 million. The reductions have put significant pressure on KCTCS human resource expenses because those expenses represent the majority of the KCTCS budget. KCTCS needs the ability to manage these expenditures, including the ability to eliminate programs that are not cost effective or consistent with KCTCS goals.

The proposed policy revision regarding employment status provides for two employment status categories – term contract and “at will” – for employees appointed effective on or after July 1, 2009. Under the revision, future KCTCS faculty will continue to have the same rights and privileges afforded to faculty in other higher education institutions through existing organizational

policies regarding academic freedom, promotion, shared governance and due process. The proposed changes are for individuals appointed on or after July 1, 2009. This change in policy does not impact current employees.

MOTION: On behalf of the Finance, Technology, and Human Resources Committee Mr. Zawacki moved that the KCTCS Board of Regents approve the proposed revision of *KCTCS Board of Regents Policy 2.0 KCTCS Employment*.

Chair Bean initiated the discussion by providing each regent 15 minutes to speak on the proposed policy revision.

Dr. Wise commented that flexibility already exists within the System for KCTCS college presidents to offer term contract or tenure-track contracts and expressed uncertainty as to whether the proposed policy revision would provide additional flexibility. Emails he received from tenured faculty indicate that having the option to earn tenure is important for future faculty.

Mr. Savage noted that he appreciated and carefully reviewed the emails and information sent to him. He further noted that over the years he has discussed the issue with a family member holding tenure. Mr. Savage believes that issues associated with tenure transcend academia and impact how the U.S. workforce will remain competitive. He further noted that the issue is more of an emotional issue than a practical issue.

Ms. Roth noted that a vote in favor of the proposed policy revision should not be misconstrued as a vote against or as disrespect toward faculty or other educators. She further noted that after much discussion and review of the emails and materials sent to her, she thought this would be the correct vote for this time and that the vote was being cast with an eye toward the future. Ms. Roth commented that newcomers seeking employment as college or university faculty are hindered from obtaining faculty positions because of the number of tenure positions. She stated her belief that in order to remain competitive, academia needs to be open to new faculty having new ideas and new thoughts. If KCTCS is to stay competitive, then the pipeline must be open to new faculty.

Mr. Callan noted that he believed flexibility exists within the System under the current policy. He briefly discussed internal and external expectations placed upon KCTCS college faculty. Mr. Callan noted that he believed a faculty's commitment is more tenuous if the faculty is not vested in the community and that being vested in the college's community fosters long-term commitments. He further noted that continuing status, tenured, and tenure-track faculty have vested interest in and commitment to the community. Mr. Callan also noted that tenured and continuing status faculty can be dismissed with just cause following due process and that supervisors are responsible for ensuring

accountability of faculty. He further noted that faculty on annual contracts may be less likely to engage in academic debate and express views contrary to administration's views, or those of the status quo, for fear that their contracts may not be renewed. Mr. Callan noted that he believed that eliminating the tenure-track employment option for faculty will hinder KCTCS colleges' ability to attract and retain the best and brightest faculty.

Mr. Barnes proposed offering four-year contracts to term contract faculty achieving seven or more years of service with KCTCS.

Mr. Brooks, Mr. Cecil, and Mr. Zawacki chose not to comment on the proposed policy revision.

Ms. Corey noted that the proposed policy revision does not take anything away from current faculty and that it puts all new faculty on a level playing field while providing flexibility to meet the needs of business and industry.

Ms. Carroll noted that she respected all faculty, regardless of whether they were tenured, on tenure-track, or term contract faculty. She further noted that her mind has changed several times over the course of the Board's discussion of the issue.

Mr. Peoples noted that he appreciated those who sent email or called and that he responded to most of them. He also noted that he is comfortable with the due diligence he has followed that led him to the vote he will cast on the issue.

Mr. Quillen noted that the Board has been discussing tenure for some time. He provided his perspectives on tenure research and statistics along with the historical and academic aspects of tenure, expressing his beliefs that: literature favors retaining tenure, one-year contracts result in faculty being hired who lack a long-term commitment to a college or the teaching profession, being a college faculty member is more than a job, hiring faculty on a tenure-track communicates to a new faculty member that an institution is making a commitment to and investment in the person and is interested in the person's success, faculty on tenure-track become more involved in the institution and do a job-and-one-half or do two jobs, and flexibility already exists under the current policy.

**RECESS**

The KCTCS Board of Regents recessed at 11:07 a.m. (ET) and reconvened at 11:18 a.m. (ET).

Ms. Reeder noted that she reconsidered her perspective on the proposed policy revision several times and asked for clarification regarding the purpose of tenure, due process, tenure rights, requirements for tenured faculty who are being reassigned as a result of program deactivation, and how tenure might impact the System's ability to achieve its fiduciary responsibility and workforce readiness

goals and to be responsive to business and industry needs. It was noted that the change in the Board's employment policy would allow KCTCS flexibility to expand statewide economic growth by providing responsive and flexible education and workforce training solutions for the state's businesses and industries. If a program taught by tenured faculty is deactivated, KCTCS must find work for the tenured faculty with compensation at least equal to what they received while teaching in the program before it was deactivated, regardless of the jobs to which they are reassigned. KCTCS cannot require the reassigned tenured faculty to obtain additional training or job skills because tenured faculty own the right to stay employed. Term contracts allow KCTCS to be more responsive to the rapidly changing academic and occupational technical program needs and demands, enhancing the Commonwealth's ability to compete in the global marketplace.

Ms. Reeder expressed appreciation for the communication she received from faculty related to the proposed policy revision. She also expressed disappointment, noting that since becoming a regent four years ago, the two other times she has heard from faculty and staff both related to their personal well being, their personal status, or their representation concerning the Board. Ms. Reeder noted that she has spent many hours working with the Board and students to understand the issues that affect them and what would make the System better. She further noted that she hoped that the Board and faculty would be having open dialog on other subjects and that the Board would be receiving information from faculty for other reasons, including inadequate state funding levels and KCTCS baccalaureate student transfer issues.

Ms. Reeder commented that she disagrees with the notions that a tenured faculty brings more long-term vested interest into the community than a term contract employee and that tenured or tenure-track faculty more willingly go above and beyond. She noted that in the business community, others who are not afforded tenure or tenure-track positions excel and go above and beyond daily. Ms. Reeder further noted that she opposes equal pay systems and prefers that faculty and staff be paid on the basis of their job performance and be given merit bonuses. Ms. Reeder expressed the belief that those faculty who have a passion for teaching in higher education will do so regardless of whether they have tenure or any other guarantee of a job because they believe in what they do. She further expressed an interest in working with the Board, faculty, and staff to get the KCTCS funding level where it should be in order to reward faculty and staff and ensure quality educational opportunities for students.

Chair Bean thanked all KCTCS faculty and staff, noting that he believes each employee, regardless of their employment status, gives their best to move the System forward. He expressed the belief that great teachers will always be great teachers, whether they are tenured or not. Chair Bean noted that KCTCS Board of Regents policies provide academic freedom and due process for all. He asked whether the quality of the faculty applicant pool has been impacted by the increased use of term contracts at KCTCS colleges.

It was noted that the KCTCS hires qualified faculty and is proud of the 71 faculty hired on term contracts over the last year. Chair Bean restated the motion and called for a roll call vote on the motion.

RESTATED MOTION: That the KCTCS Board of Regents approve the proposed revision of *KCTCS Board of Regents Policy 2.0 KCTCS Employment*.

VOTE: By roll call vote, the motion was approved with Regents Bean, Brooks, Carroll, Cecil, Corey, Peeples, Reeder, Roth, Savage, and Zawacki voting in favor of the motion. Regents Barnes, Callan, Quillen, and Wise voted against the motion.

**ACTION: POLICY  
REVISION – KCTCS  
BOARD OF  
REGENTS  
POLICY 3.7 KCTCS  
RETIREMENT PLAN  
POLICIES**

RECOMMENDATION: That the KCTCS Board of Regents approve the proposed revision of *KCTCS Board of Regents Policy 3.7 KCTCS Retirement Plan Policies*.

Mr. Zawacki noted that the proposed policy revision was presented as an information item at the December 4-5, 2008, KCTCS Board of Regents meetings. The proposed policy revision to *KCTCS Board of Regents Policy 3.7 Kentucky Community and Technical College System Retirement Plan Policies* includes the following:

- 1) For new hires on and after July 1, 2009, a five-year vesting period (60 months) of continuous service is established to be eligible to receive the employee's accrued benefits derived from employer contributions.
- 2) For new hires on and after July 1, 2009, retiree health benefits will not be available to 403 (b) plan retirees.
- 3) Updates in the paragraphs related to the *Omnibus Budget Reconciliation Act of 1993 (OBRA)*.

The proposed revision responds to the *Governmental Accounting Standards Board (GASB) Statement 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, which established new accounting standards for reporting post-retirement benefits. The GASB accounting standards have a significant impact on the financial position of KCTCS. This impact amounted to an additional \$16.3 million liability in fiscal year 2007-08. Comparable liabilities will occur in subsequent years. The proposed policy revision can reduce KCTCS financial liabilities significantly.

With KCTCS policies, employees have a choice of retirement plans. Based on individual needs, an employee can select either a defined benefit plan (Kentucky Teachers Retirement System or "KTRS" and the Kentucky Employee Retirement System or "KERS") or a defined contribution plan. The defined benefit plans still maintain an option for post-retirement health benefits. The estimated 10- year cost savings for this policy revision is over \$57 million. The proposed changes are for individuals hired on or before July 1, 2009. The policy change does not impact current employees.

The change in vesting for the 403(b) plan is consistent with the vesting schedules of the defined benefit plans available to KCTCS employees (KTRS and KERS). A vesting period is comparable with the state retirement system. Under the proposed revision if an employee terminates with less than five years of participation in the 403(b) plan, all employer contributions would be returned to KCTCS.

The proposed changes are for individuals hired on or after July 1, 2009. This change in policy does not impact current employees for either vesting or the post-employment health insurance benefits. Employees with effective hire or appointment dates on or after July 1, 2009, may choose a defined benefits plan and still have access to post-retirement healthcare benefits.

MOTION: On behalf of the Finance, Technology, and Human Resources Committee, Mr. Zawacki moved that the KCTCS Board of Regents approve the proposed revision of *KCTCS Board of Regents Policy 3.7 KCTCS Retirement Plan Policies*.

VOTE: The motion was approved with Regents Barnes, Bean, Brooks, Carroll, Cecil, Corey, Peeples, Reeder, Roth, Savage, Wise, and Zawacki voting in favor of the motion. Regent Quillen voted against the motion. Regent Callan abstained from the vote.

**INFORMATION:  
2009-10 KCTCS  
BUDGET  
DEVELOPMENT  
SCENARIOS**

Mr. Zawacki noted that a revised agenda item was distributed at the meeting. It also was emailed to each regent on March 10, 2009. Discussion of 2009-10 budget scenarios was necessary at the March 12-13, 2009, Board of Regents meetings in order to provide guidance to the KCTCS President and his staff in the development of a proposed budget for consideration at the June 12, 2009, Board meeting.

The 2008-10 biennial budget enacted by the 2008 General Assembly included the following state appropriation amounts for KCTCS:

Fiscal year 2008-09	\$219,317,600
Fiscal year 2009-10	\$224,429,700

On December 12, 2008, Governor Steve Beshear released a plan to address the estimated 2008-09 revenue shortfall that included a 2 percent state appropriation reduction for postsecondary education institutions, including KCTCS. The 2009 General Assembly enacted House Bill 143 (HB 143), authorizing Governor Beshear to reduce the 2008-09 Executive Budget (including institutions of postsecondary education) based on November 2008 revised revenue estimates. A 2 percent reduction in 2008-09 amounts to \$4.4 million for KCTCS. The revised 2008-09 state appropriation for KCTCS is \$214,931,200. Thus far, there is no revised revenue estimate for 2009-10; however, it would be prudent to anticipate a budget reduction in 2009-10 if the national and state economies do not recover quickly.

Other factors affecting development of a 2009-10 budget include:

- Fixed Cost Increases in Employee Benefits and Utilities. Current estimates indicate that these employee benefit costs will increase by \$3.9 million in 2009-10, an 11 percent increase. Current estimates indicate that utilities and property insurance costs will increase by approximately \$0.9 million in 2009-10, a 6 percent increase. Thus, fixed costs in employee benefits and utilities and property insurance will increase by \$4.8 million in 2009-10.
- Employee Compensation Increases. Each 1.0 percent salary increase for full-time faculty and staff will cost \$2.4 million.
- Tuition Rates Increase. Following state appropriations for KCTCS, the second primary source of funds to support the KCTCS operating budget is tuition revenue. Each \$1 increase in the KCTCS tuition per credit hour rate for Kentucky residents (with corresponding rate increases for students from out-of-state) will produce approximately \$1.4 million in new tuition revenue.

**ACTION: 2009-10  
TUITION RATES**

**RECOMMENDATION:** That the KCTCS Board of Regents approve and report to the Council on Postsecondary Education (CPE) the following per credit hour tuition rates for 2009-10 for KCTCS colleges:

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

Mr. Zawacki noted that a revised agenda item was distributed at the meeting. It also was emailed to each member on March 10, 2009. KRS 164.020 gives the Council on Postsecondary Education (CPE) the authority to determine tuition rates for Kentucky’s state-supported universities and KCTCS. CPE established parameters for setting 2009-10 in-state and out-of-state tuition rates at its March 6, 2009, meeting.

The recommended 2009-10 tuition rates are consistent with CPE parameters for KCTCS. Estimated additional tuition revenue for 2009-10 generated by tuition rate growth is \$5.6 million (based on current enrollment) and will be available to the KCTCS Board of Regents in developing the 2009-10 KCTCS operating budget at its June 2009 meeting.

It was noted that:

- The estimated cost increases presented in the agenda item do not include cost of living or salary increases for staff and faculty (other than faculty who are being promoted).
- Students taking traditional online KCTCS courses pay in-state tuition rates. It was suggested that future discussions include the possibility of charging online students rates other than in-state tuition.
- The recommended tuition rates are below the amount KCTCS requested for 2008-09, which were not approved by CPE.

MOTION: On behalf of the Finance, Technology, and Human Resources Committee, Mr. Zawacki recommended that the KCTCS Board of Regents approve and report to the Council on Postsecondary Education (CPE) the following per credit hour tuition rates for 2009-10 for KCTCS colleges:

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

VOTE: The motion was approved with Regents Bean, Brooks, Callan, Carroll, Cecil, Corey, Peeples, Quillen, Reeder, Roth, Savage, Wise, and Zawacki voting in favor of the motion. Regent Barnes voted against the motion.

**UPDATE: KCTCS  
QUARTERLY  
FINANCIAL  
REPORT**

Information for the second quarter of fiscal year 2008-09, which ended December 31, 2008, was derived from the Administrative Financial System. The Statement of Revenues and Expenditures reflects actual program and operational expenditures compared to the fiscal year 2009 budget approved by the Board of Regents June 13, 2008. Through the second quarter, total revenues were \$407 million, 61 percent of the budgeted revenue and appropriated funds. By the end of the second quarter, 88 percent of the budgeted tuition revenue was received. Current fund expenditures and budget reserve through the second quarter of fiscal year 2008-09 were \$311 million, 46 percent of the expenditures budgeted for the year. The state appropriation amount does not reflect the 2 percent budget reduction recently proposed by Governor Beshear and authorized in HB 143 enacted by the 2009 General Assembly. The Statement of Net Assets reflects the overall financial position of the System as of December 31, 2008, and includes assets, liabilities, and net assets.

**UPDATE:  
SUPPLIER  
DIVERSITY AND  
ENHANCEMENT**

Chair Zawacki called on President McCall to present the item. Mr. Walker assisted with the presentation. Two of the goals of the *KCTCS Strategic Plan 2006-10* include expanding diversity and global awareness and enhancing the economic development of Kentucky's communities. It was noted that it is difficult to ascertain the extent to which KCTCS business practices impact achievement of the strategic plan's diversity and global awareness goal because the business classifications of suppliers (whether a business is owned by a member of a minority, female, veteran, or physically challenged person) are not well documented.

To better monitor the contribution KCTCS business transactions make toward achieving the strategic plan diversity goal, KCTCS is implementing a supplier enhancement process. The supplier enhancement process includes:

- Updating the business classifications of KCTCS current suppliers.
- Contacting various state agencies, organizations, and businesses in the state to obtain their lists of minority suppliers to add to the KCTCS list.
- Purchasing a list of Kentucky's minority suppliers from Dunn and Bradstreet and adding suppliers who are not yet included on the KCTCS supplier source list to the KCTCS database.
- Identifying new minority suppliers within each college's area to reflect the diversity of businesses in geographic proximity to each college.

The Board discussed what constituted a "minority supplier." It was noted that minority suppliers are those who are members of the state's various minority populations, including Hispanic, Asian/Pacific Islander, Native American, and African Americans. KCTCS also is interested in ensuring that females, veteran-owned, and physically-challenged suppliers are included in the supplier diversity initiative.

The Board commended the administration for its leadership with this initiative and looks forward to KCTCS being a leader in minority supplier diversity.

**UPDATE:  
TECHNOLOGY  
SOLUTIONS**

Mr. Zawacki reported that it has been two years since the Information Technology unit was renamed Technology Solutions. His report included updates on the following:

- Enrollment in Online Courses Spring 2009. Preliminary headcount of students taking at least one online class rose from 19,037 for spring 2008 to 23,522 for spring 2009, representing an increase of 4,485 students (or 27 percent). Faculty teaching online classes increased to 847, representing a 19 percent increase from spring 2008 to spring 2009.
- Blackboard Technical Help Desk. The Blackboard Technical Help Desk, supported by Presidium Learning in Somerset, Kentucky, provided help desk assistance to an average 661 KCTCS calls per month during fall 2008 (August through December).
- Spring Registration Activity. On January 6, 2009, there were over 41,000 logins to the student system, which is comparable to January 2008 statistics.
- New Records System for the Fire Commission. The new system, titled FireHouse, will allow the Fire Commission's central office, its district coordinators, and local fire departments to more efficiently track the records of firefighters and fire departments from around the state. The scope of the transfer of records into the new system includes approximately: 80,000 fire fighter records; 4.5 million training records; and 920 fire department records.
- PeopleSoft Upgrade to Start Fall 2009. The upgrade will include a social networking feature for students and faculty.

**UPDATE:  
FULFILLING  
THE PROMISE  
CAMPAIGN**

Mr. Zawacki reported that the *Fulfilling the Promise Campaign* total is \$88.9 million with a goal of \$100 million. Six colleges have celebrated campaign closure: Ashland Community and Technical College, Hazard Community and Technical College, Henderson Community College, Madisonville Community College, Owensboro Community and Technical College, and Somerset Community College. Bluegrass Community and Technical College's campaign will begin late 2009.

Chair Bean thanked the Board for its attention and concern. It was noted that several regents attended the March 5, 2009, CPE dinner hosted by KCTCS. The dinner provided an opportunity to enhance KCTCS relationship with the state's postsecondary education coordinating board. It was further noted that former Governor Paul Patton, the father of KCTCS, is now the CPE Chair. Governor Patton brings great credibility and insight into the role of KCTCS in Kentucky's postsecondary education system.

***NEXT MEETING***

Chair Bean announced that the next regular meeting of the KCTCS Board of Regents would be June 12, 2009, at the KCTCS System Office in Versailles, Kentucky.

***ADJOURNMENT***

Ms. Carroll moved that the meeting adjourn. Mr. Barnes seconded the motion.

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

*6/12/09*

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Date Approved by the  
KCTCS Board of Regents

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Richard A. Bean, Chair  
KCTCS Board of Regents

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Johnna Reeder, Secretary  
KCTCS Board of Regents

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Michael B. McCall, Ed.D.  
KCTCS President