



PRESIDENT'S REPORT

To The Kentucky State University
Board of Regents

October 26, 2012



WHAT'S NOT CHANGING AT KSU

Our Commitment To Our Students

In the State of the University address, I spoke about "KSU: A Work in Progress – Still." In that address and in the op-ed piece preceding it, I spoke about what was happening on our campus in terms of the capital additions and the technology improvements. I also addressed why continuing to do what we have always done is not good enough anymore in the face of our "new normal." Exactly what is that new normal? It is:

- operating with diminishing resources
- students who often come underprepared
- infrastructures in need of substantial upgrading
- a culture that does not always see students as its primary concern
- students who need more financial assistance

To help us succeed in our new environment, we are reorganizing our administration and carefully relooking at our budget to make up for the loss in students that KSU and many historically black colleges and universities saw this fall. For KSU, the drop in enrollment resulted in a \$4.8 million negative impact on this year's budget, assuming no additional students in the spring. Many of the students who pre-registered but failed to enroll were short of money. Their Pell grants were smaller; more of their Parent Plus Loans were denied because of new federal regulations regarding qualifications. Even more students faced a high hurdle meeting the satisfactory academic progress standard. This meant they were unable to receive financial aid until they came back into compliance, and they also didn't have money to pay for their classes until they became eligible again for financial aid.

I laid out a five-point plan to help us overcome the obstacles /challenges we are facing. Our roadmap will make us stronger and better able to compete financially as an in-

stitution and will help us better prepare our students academically and retain and graduate more of them.

1. All activities and programs should be critical to KSU's mission.
2. We must identify and confront all issues impacting student success, retention, and graduation/completion.
3. Our organizational structure must be realigned to be efficient and we must reduce unnecessary institutional rules and the time it takes to earn a degree.
4. Academic programs at KSU must be efficient and should optimize the use of our faculty. Developmental/supplemental education must be transformed as quickly as possible so college credit counts upfront. Online programs must grow. The use of technology must expand.
5. KSU must spend efficiently on Financial Aid and increase the opportunities for need based assistance; we must also increase the number of transfer students and the amount of aid going to them.

If we follow the five-point plan, be transparent and present data on a regular basis to ourselves, our Board of Regents and to outside agencies such as the Council on Postsecondary Education, I have no doubt that we will show consistent and sustained improvement.

Despite all the change going on around us, one thing has not changed – our commitment to our students. For 126 years, students have arrived at Kentucky State University with sometimes little more than a dream of what the future could hold for them. Kentucky State University was not an "end place," but rather a starting place for them on their journey toward the one thing that would make a profound

difference in their lives – a college education.

As I have interacted with students all over campus, asking them about how they are doing and about their dreams, certainly fewer of them may be first-generation college students than 126 years ago, but still 60 percent or so are coming as the first in their families to attend college.



Some come with no encouragement from home. They are dropped off without a way to get back home. They come despite the fact that they have no money and little support. Others come ready to jump in. Their families have scraped together all the money they can spare for their children to attend Kentucky State University. Some students don't have book money or are looking always for those free meals on



campus because they have little available money for much beyond the necessities.

When you see these students on campus, most of them still have smiles on their faces because they are in classrooms with dedicated professors who often eagerly await the start of classes in the fall because they want to challenge the students –



and sometimes be challenged by them. As I look back over the 8 ½ years I have been at KSU and all the students I've met, I tend to see their talent and their potential for success.

Within the last month, one of our graduates returned to campus to help us secure internships and possible grants with government agencies. Another was at the Student Town Hall meeting as a graduate student who was also working full-time. That work had given her a new perspective about how important her studies at KSU had been. She could now see that we were not being "hard" on her, but rather preparing her for the world outside that expects much of her every day on her job.

It is very clear to me that since 1886, KSU has made a

tremendous difference in the quality of life that our graduates have and in the ways they served the communities they live in and the people they touch. That point was never clearer than in the speech given by our Founder's Day speaker Brigadier General Henry Huntley, who is a graduate of KSU. He is a sterling example of what our students are capable of when they leave KSU. Other students, including Mr. and Ms. Kentucky State University and our student regent, represent the university well in their spoken remarks and how they try to ensure that the university is even better for the students coming behind them.

Homecoming reminded me that first-generation students are often faced with academic challenges. One of those students who left and came back was in the first class that doubled in 2006; I had him in a freshman orientation class. Every class meeting I had to call him by name, tell him to remove his hoodie and raise his head up off the desk. It was wonderful seeing him come back after graduating from KSU last year. He has a job and a life that would not have been possible without Kentucky State University. More importantly, he has a "voice" he found while at Kentucky State University and an alma mater that will be his forever. KSU helped many people like him overcome the many challenges they faced.

We have students who come to us sometimes easily intimidated and often overwhelmed when they are faced with new academic standards and challenges.

Kentucky State University implemented the Academics with Attitude program a little more than three years ago to help many of these students who come to us underprepared. As an intervention system, AWA is making some progress in helping the students with the largest hurdles to overcome, but more needs to be done to help assimilate and retain these students who need three or more supplemental courses.

Additionally, we have often not placed as much focus on those students who come to us needing only one or two classes in supplemental education. We





intellectual challenges they will face. We must graduate more students and those students must be well-prepared academically.

We know that the 2012 and 2013 cohorts will be the years that we hit bottom in terms of our retention and graduation rates. Now is the time that we begin our march upward, despite all the challenges we have to face. All students of the 2007, 2008 and 2009 cohorts will be pulled to see if they are in school – and if not, why. Intrusive assistance will be offered to bring some students back in to the university and to keep the students we have.

KSU must challenge those who come to us well prepared to become better, and we must help those who are underprepared to get much better if they are to reach their full potential. This means that we will be expanding our commitment to recruit across the spectrum of abilities that exist beyond this campus. If a young student is committed to succeeding, KSU wants to serve as their vehicle for success.

The cornerstone of KSU's success will lie in how well we develop our mentoring programs, how we evaluate our academic programs to ensure they are still relevant and how we meet the overall needs of our students. Additionally, we must put more money not only in the hands of the very brightest but more need-based assistances in the hands of those who might have struggled but are winning the battle toward acquiring a quality education – if we can assist them a little more.

KSU stands ready to continue to help our students “Enter to Learn ... and Go Out to Serve.” The changes we are implementing will help make us successful and will make it possible for more students to graduate from KSU well prepared in the next four to five years. What's not changing at KSU is our commitment to our students.

must do much better with them. The library is now open every night until midnight. We have added *Smart Thinking* and *Grade Results* used to help students with their studies 24/7. New and better living and learning communities are being developed for our residence halls and we will have a new Innovation Center in the Whitney Young Residence Hall to help students who need assistance.

General research and KSU specific data indicate that enrollment was down this fall in large measure because students lacked the money. Most historically black colleges and universities were impacted harder than some other institutions because of the makeup of our students and their families. We are revamping all of our scholarship programs as well as our *Green to Gold Work Program* to serve more of these students. We will offer assistance to students who have a bill and can demonstrate that they are willing to work to pay it off within the time period, and they are still eligible for financial aid. Money certainly does not solve all problems, but in these instances with our students, it will help.

With all the programs identified and the changes we are making to improve student success and retention, with more peer mentors and a student ombudsman, better and more extensive advising, with personal and career counseling, and with more opportunities for skill building and intellectual opportunities, KSU will work to put in place a campus culture of completion where *everyone* has an active role in engaging and helping our students.

While Kentucky State University remains true to its original mission of proving access to opportunity for not only the children of slaves, but now to African American students in general and to any other student who sees the value of a quality education. Additionally, KSU is embracing its responsibility of better preparing our students to meet the



KSU: A WORK IN PROGRESS... STILL

State of the University Address, Presented October 4, 2012, Carl H. Smith Auditorium in Bradford Hall

Since coming to Kentucky State University in 2004 as its 13th president, I have stood before you – students, faculty, staff, alumni, members of the Frankfort community and the KSU extended family – nine times to deliver the State of the University Address. This address will be a bit different than those I've done in the past, however, because these are different times. While I will certainly highlight the progress we have made in the past year, I will spend even more time focusing on the tremendous challenges before us and the opportunities that await us at the end of the journey under this, our new "normal" situation.

Some of you may remember that the title of my inaugural address was *KSU: A Work in Progress*. That theme came from the title of the painting done in 2004 by one of our students, Yvette Hardy. Her work won the national Verizon art contest. It is a painting of a young girl getting her hair braided. The braids are so integral that you wonder how it is possible to keep the design in mind and ever get it done. The theme this morning – *KSU: A Work in Progress ... Still* – is purposeful in that my goal is to remind us that while we have done much, there is much yet to do. Let's talk first about some of the things we have accomplished.

Look around you. As you walked to this meeting this morning, you could see some of the things we have done. When you entered this auditorium, you walked down aisles



with new carpeting; you took a seat in chairs that are new, and I must add should not snag your dresses, pants or suit. Some of you may have noticed that

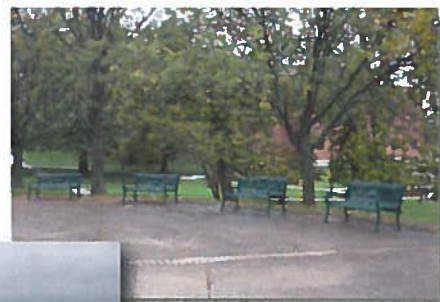
the railings on each side of the stage are new and distinctive with the KSU logo imbedded in them. The curtains will be replaced soon, and there will also be new technology added for viewing presentations like this one.

Additionally, we are preparing to redo the small auditorium. It will become a seminar room, still capable of staging plays and smaller productions, but one that can also be used for some of the larger classes in the business program or other programs. The seats will be replaced, along with

the carpet and curtains.

After homecoming is over, a remodel of Bradford Hall's foyer will begin. There will be a reception desk, new ceiling tiles, lobby seating and signature entrances to the business school and to the music department.

Around the campus near the library and close to Chandler and Kentucky halls and the health



center, you have seen new green park benches. There is the area planted by the chiller facilities by Dr. Tamara Sluss and her students that deals with sustainability of the area.

Another area in front of the motor pool building suffered from very bad erosion. Funds given by the university allowed that group to plant trees to beautify and to help stabilize the area.

We have added several more new SMART classrooms. All classrooms in the Business College area of Bradford Hall have been repainted, new blinds and flooring have been installed and the faculty offices are being upgraded. We have added 70 plus new parking spaces, with an additional 100 plus parking spaces to be added this fiscal year. New blinds have been put up in most of the faculty offices in Carver Hall.

Perhaps the most dramatic addition, however, is the new front gate entrance and the guard station. The entrance contains some architectural features that will tie in with the Cheaney walkway and help unify the campus. The guard station will help direct visitors to visitor parking and will give



us a way of knowing who is on our campus. It will also afford us a way to quickly lock down the campus in an emergency.

The primary reason for this construction addition is not for security at this time, because it cannot be staffed 24/7 due to budget concerns. Let me say to the students in this audience and to faculty and staff across the entire campus: No financial aid or tuition money was used to fund this project. The project began in 2010, and the money was sent down to the state. A very small amount of money, primarily for planning, came from lapsed money left from other capital projects. Title III monies funded some of the security used in the construction, and auxiliary money funded the remaining costs.

Every campus has different pockets of money to use for capital projects. When you hear talk that education and general-fund money was used, stop and correct that person because you now have the facts.

To make certain that I leave no stone unturned with respect to funding of these capital projects, let me also say that we have not used educational and general-fund money to fund the other facelift projects around the campus. Most of those have been funded by auxiliary funds. The Russell Court Apartments will get a new roof later this fall, and then construction will begin as we redo the apartments. Initially, only a one-bedroom unit and a two-bedroom unit will be redone. The tenants will then have an opportunity to pick their finishes and choose what they want as we proceed to renovate, apartment by apartment, with auxiliary funds.

Students, we have used a portion of our tuition increases to raise financial aid and need-based assistance by more than \$300,000 this past year. Those funds were used specifically and directly to help you afford to stay in school and to provide more transfer scholarships for students from community colleges. Our tuition continues to be the lowest of the comprehensive institutions.

This year we also completed the implementation of our Banner System. While we still need to bring online a few remaining non-core units and do training on a consistent basis, the basic system is up and operating. While it may not seem like it to those who use it every day, actually it has

been a conversion with fewer problems than most other schools have experienced.

We also completed

the restoration of the historic Old Federal Building. This was done with a \$1 million grant written by Dr. Anne Butler and funded by the federal government's historic preservation funds. We need to raise an additional \$2.5 million to \$4 million to complete the interior restoration and add more restrooms. Our aquatic vessel is finally under construction, with an expected delivery date of May 2013. We are also working on the construction of a discovery center, which will cost \$1.5 million. Visitors to the center will have hands-on experience related to water and Kentucky history before they go on the boat for the research they will be conducting. We will have to do fundraising for that project.

The Rosenwald Center for Families and Children, which will be the first Leeds-certified building on our campus, is finally completed. We are currently searching for a child care center director, and we plan to open the in January 2013. The center will be open year-round with services for children six weeks to 12 or 13 years old. Extracurricular activities will be built into the program to provide activities for adults, like how to prepare nutritious meals for a family, to activities for the students like dance, music and art. Additionally, the Aquaculture Research Technology Laboratory construction was also completed, and the building is being fully utilized by both our faculty and student researchers. We also updated the road leading into our research farm. These projects were funded with money from our federal construction allocation.

We also added a very simple project, the Thoroughbred Mile, a mile-long walking pathway around campus that will help us keep fit and hopefully help keep some of our insurance costs down.

Today, we are starting the work to make the classrooms in Hathaway, Carver and Bradford halls keyless. This work should be concluded over the next week to 10 business days. This work is funded by Title III money.

Perhaps, one of our most significant undertakings has been to begin the first capital campaign that we know of at Kentucky State University. With a goal of 12.5 million to fund scholarships in the STEM areas, endow professorships and update our athletic complex, we have raised a little more than \$4 million to date, and we hope to be at the halfway point, \$6 million by the end of this fiscal year. Some construction will begin on some of these projects next year.



These are just some of the things that have changed our campus. Now, let's move a bit deeper and look at why "sometimes our best has not been quite good enough."

It is easy to not push as hard as we might need to because sometimes we get too comfortable. We like the status quo. We say, but we have always done it this way. And I say, if we continue to do what we have always done the same way, we get the same results. We can't let the fact that we have been recognized by *U.S. News and World Report* as one of the top HBCUs and by *Princeton Review* as one of the outstanding schools in the Southeast for the past several years lull us into a false sense of comfort and contentment.

I'm here today to remind us that what we have considered good is not nearly good enough if we are to face the future as the Commonwealth's only HBCU – fully prepared to not only succeed, but to thrive and prepare the next generation of students the Commonwealth and this nation needs.

All universities, especially small, comprehensive ones like KSU must rethink their business model.

College enrollment has been generally up over the last 20 years. It is now clear that our tax system has not kept pace with the money needed to fund that growth. Many institutions of higher education and HBCUs like KSU are especially hit hard.

We have experienced reductions in federal appropriations like Title III, which went from \$2.6 million to \$2.1 million. KSU now receives approximately 38.1 percent of its operating budget from the Commonwealth of Kentucky. Funding at that level has moved away from us being state supported and rapidly toward being state assisted. Since 2005, KSU has lost 11.57 percent of its funding, or more than \$3,081,000. This is in spite of the fact that the Commonwealth of Kentucky has been more steadfast in its support of higher education than states like California, which have cut higher education as much as 50 percent in recent years.

Kentucky's investment in higher education, like in most states, is however dropping. That drop is largely due to the rising costs of health insurance, Medicare and the construction of prisons. More recently, the list has come to include the rise in the amount of our unfunded pension liability.

At every turn, federal government and the state are asking us to produce more graduates by 2020 and to do so with less money. They also expect us to get students through quicker. I know, and you do too, that the education of our students can't be the third or fourth highest priority on the list of things that are important to us as a community and as a society.

The university certainly has a role to play in managing its institutional cost structures – and maybe to change them, as KSU is doing. KSU is reducing spending where it is not

creating value, considering consolidating or eliminating programs for the first time in many years and taking advantage of economies where possible. Like most institutions, our greatest cost is in our people.

This fall, like some of the institutions here in Kentucky, we experienced some downward changes in some categories of our enrollment. The final numbers are in and total enrollment is down 8 percent. Undergraduate enrollment went down 7.8 percent, from 2,490 to 2,296. Graduate enrollment went from 256 to 228. However, first-time transfer numbers are up 43.5 percent. Of note, when I surveyed many of the institutions in the HBCU community, all were either flat, because they had put money into paying off seniors' bills ranging from \$200,000 to \$700,000, or they were down 200 to 400 students each.

KSU's enrollment last fall was 2,747; and this fall it is 2,524, a difference of 222 students last year over this year. When you further add in the fact that we planned to grow by another 180 plus students this year, we are down with respect to our budget a little over 400 plus students.

We surveyed all 200 plus students who had preregistered but were not in our class. Over 70 percent didn't show up because they had an outstanding bill or no money to come back this fall. Many of them are working and hoping to return to school this spring or next fall. Another smaller percentage had personal reasons. But a sizable number of students had bad customer service experiences in areas across the campus; and without the ability to leave messages on our phone systems and get return calls concerning their problems. This means that we will put in place a rigorous customer-service plan and address updating how calls are handled – immediately.

The loss of 400 plus students from our budgeted number means that our revenue will be down \$4.8 million this fiscal year. We will present to our Board of Regents a revised budget later this month that will eliminate this deficit. Most of the money/savings will come from an immediate freeze on vacant positions and the related benefits. That will generate a little more than \$3 million. The remaining money to make up for this shortfall will come from the consolidation of some program services and the elimination of some positions.

Many of these jobs to be eliminated will be in areas not central to our mission and our strategic plan. Others will come from comparing our staffing to the best practice industry standards and aligning ourselves with them to operate more efficiently. The first reductions will take place around the first of November, after the Board of Regents has been thoroughly briefed. Some of the reductions will be offset by holding some of the new positions associated with our Title III umbrella programs open so qualified people

whose jobs may be eliminated can move over if they have the appropriate credentials. Faculty will essentially be uncut in this first round of reductions. We expect to reduce overloads and the use of adjuncts where appropriate based on enrollment.

We also have to make some additional adjustments in the 2013-2014 budget because we have \$2.5 million in this year's budget that will not be carried over into next year's budget. The bottom line is that we have to cut a total of a little more than \$7 million. That means that by the second round of adjustments in February, we will lose approximately 15 to 20 jobs. We are waiting for the spring's firm enrollment count to make those final adjustments. Any change in academic programs will also wait until next fall.

Now, let's look specifically at our strategic takeaways that will serve as the roadmap for KSU for the next three to five years, as we chart a new course to establish a culture of completion and to deal with the worst economic times since the Depression.

1 All activities and programs must be critical to KSU's mission. If it is not a part of the strategic plan we have built for ourselves, it probably needs to be evaluated, and maybe eliminated. We must recognize that we cannot be all things to all people. Our mission is to create access to a high-quality education for students who have historically been underrepresented in higher education, either because of their race or socioeconomic status.

2 We must identify and confront every issue impacting student success, retention, and graduation. Lagging completion rates are an issue here at KSU. We have to face that and aggressively address how we can improve our rates. While many of the reasons are financial, it is also true that the completion rates at KSU are negatively impacted by the fact that we have a large number of students who come out of high school not as well prepared for college as they should be. Let's own up to it and step up to provide more initial testing and more assistance for those students. More intrusive intervention and an ombudsman are being funded from Title III funds to make certain that we walk them and all students through to a satisfactory conclusion to their problems within 24 hours, whenever it is at all possible. Students are our business and we must serve them better.

3 Our organizational structure must be realigned to be efficient and we must reduce unnecessary institutional rules and the time it takes to earn a degree. Our organizational structure is being realigned to be more efficient and effective. That realignment will go to the board in October. We are also working to reduce unnecessary institutional rules that hinder completion and the time it takes to earn a degree.

We are reducing the number of student credit hours to graduation to 120 credit hours in most majors, and our liberal arts core is being evaluated with an expected outcome of reducing the number of hours in our liberal arts core down to 36-42 versus 53 hours. This will allow students more time for additional upper division courses in their major, which will make them better prepared for the marketplace when they graduate.

4 Our academic programs at KSU must be efficient and should optimize the use of our faculty. Academic programs that are not recruiting or graduating the minimum prerequisite number of graduates will evaluate their programs internally and be prepared with plans to improve, quickly, or be eliminated. That time is here.

Developmental/supplemental education on our campus must be transformed as quickly as possible so college credit counts upfront for many of the students coming in underprepared. This can be done by designing hybrid courses that allow for some credit while students are in supplemental education courses. Our online program must grow – rapidly – as well as our use of technology to help in supplemental education and in our teaching in general. This is imperative.

5 KSU must spend efficiently on financial aid, increase the opportunities for need-based assistance and increase the number and amount of aid for transfer students. We also plan to aggressively address what we can do to assist more of our out-of-state students in reducing their costs. They leave owing \$40,000 plus on average more than in-state students. For a group of students who are 60 percent likely to remain in Kentucky and to expand the diversity of its human capital, something must be done to help them get through school with less debt.

We must also get more financial aid to our students – quicker. The Green to Gold campus work program will be expanded, and we will work to help reduce the number of students whose Free Application for Federal Student Aid files are pulled for verification because of initial errors or missing information. Another looming problem is the satisfactory academic performance issue where students can have an acceptable grade point average but not be able to receive funds because the number of hours earned when compared to the number of hours attempted does not meet our 75 percent threshold.

While a final decision has not been made, I will be strongly urging the administrative leadership to consider eliminating our current rolling admissions policy, a policy which means that Financial Aid never stops processing applications. If we stop mid July, for all but exceptionally qualified candidates, this would give us much-needed time for the processing and review of files in both the Admissions and Financial Aid offices. This would help speed up the timely processing and receipt of more student financial aid.

Sitting as an umbrella over these five key strategic points is our need to clearly tell our story better about who we are and how we succeed where others don't. Marketing ourselves and using social media is critical in recruiting and keeping students. We will add a position in this area, and we will fill our chief information officer position, even in these difficult times, because these jobs are on the frontline of our engagement strategy.

We will also establish matrices aligned with our core strategic objectives to measure whether we are succeeding. We will measure at every level what kind of outcomes we are achieving. These matrices will be presented at our October board meeting as well.

As I conclude, it is important to note that KSU is Frankfort's university. Our students contribute \$14 million in sales to the Frankfort economy annually and the university contributes more than \$40 million. What happens to KSU happens to Frankfort. So the city also has a role to play in our success.

It is important that the faculty, staff, alumni, groundskeepers, housekeepers and the community understand we all need to see the urgency in our taking action immediately.

If we go back to today's theme, "KSU: A work in Progress . . . Still," I hope you now see that this title was intended to convey the important message that while much has been done here at Kentucky State University despite the obstacles we have encountered, much remains to be done. The biggest barrier KSU faces is getting all of its stakeholders to understand that we are facing fundamental challenges un-

like any we have faced before. This is the new normal. Now is the time that we must remember that being good is simply not good enough this time. We must commit ourselves to action. Students, you must also commit yourselves – almost dedicate yourselves – to the fact that you came to KSU to get an education and that you don't plan on leaving KSU without a degree, that you don't plan on giving up your dreams and your futures.

If students are accepted into KSU and walk through our new gate, we must all believe that they can graduate, and we will all do everything in our collective power to see them march across the stage to get their diploma, at the most, in four to five years.

Fall is a time of change. So, it is most appropriate on this autumn day, as the leaves turn into brilliant colors of gold and red, that we focus on KSU's next three to five years and its long-term future, because our mission continues to be that we provide both access and opportunity. Everyone should leave the auditorium today committed to change and accountable for ensuring student success at KSU.

So, my message is not one of doom or gloom. Rather, I come to you with an earnest sense of optimism, and even determination. While we have faced many challenges, and I am sure there will be even more in the next two to two-and-one-half years as the national and state economies stabilize, we simply need to focus on the five big things that form our roadmap and never forget that it all depends on people, quality and training. We can't continue to work on the margin with 25 to 30 little things that won't make a profound difference.

Let's leave here today committed to KSU and its students not only surviving but thriving and committed to make certain that every student gets the excellent quality education he or she deserves and the Commonwealth and this nation need to be successful.

We are not going back – ever – to the way it was before. Our job now is to figure out how to make what we have work – and work much better.

We have a plan. Change starts today, with each one of you.

