Kentucky State University

Board of Regents

RESOLUTION OF THE BOARD OF REGENTS

Whereas, the Board of Regents of Kentucky State University ("KSU" or the "University") as created by Kentucky Revised Statutes 164.310 has the statutory authority to govern, manage and operate KSU;

Whereas, the Board of Regents has entrusted the day-to-day administration and operation of KSU to President Raymond M. Burse ("President");

Whereas, by virtue of his position as President of Kentucky State University, Raymond M. Burse is the Chief Administrative and Academic Officer of KSU;

Whereas, among the duties of the KSU President is to recommend policies and actions to the Board of Regents;

Whereas, the Board has requested that the President update, centralize, manage, and maintain all university policies and procedures;

Whereas, the Kentucky State University Faculty Handbook is a policy manual of the Board;

Whereas, on April 25, 2003, the KSU Board approved the division of several provisions of the Faculty Handbook into administrative regulations which do not require Board approval for amendments and/or changes;

Whereas, President Burse recommends that all university policies require Board approval for amendments; and

NOW, THEREFORE BE IT RESOLVED AND APPROVED that the Board of Regents rescinds its April 25, 2003, action regarding the Faculty Handbook and from this date require that all amendments and/or changes to all university policies be approved by this body.

This the 7th day of November 2014.

Karen W. Bearden, Chair

BUDGET REDUCTION AND REORGANIZATION WORKING PLAN
NOVEMBER 7, 2014

Kentucky State University faces significant challenges financially and academically. Financially, the current fiscal year operating budget has a deficit of approximately $7 Million. Academically, the institution's enrollment, retention and graduation rates are at unacceptable levels. All the financial and academic problems must be addressed while continuing to run and operate the institution. Increased enrollment in the short term will help to cure some ills but that cannot happen soon enough to relieve the deficit spending. Getting the faculty complement to be congruent with the level of enrollment must occur but cannot occur soon enough given that over 60% of the faculty at KSU is tenured. (In some cases individuals without terminal degrees were granted tenure and some others who hold tenure are in areas for which there are no programmatic needs.) Thus, the institution is left to do budget reductions through curtailing expenditures and the elimination of positions. Suggestions of across-the-board salary and pay reductions as well as furloughs have not been received as the way to proceed. What follows is a budget reduction plan which helps to reduce the deficit but does not get KSU to a balanced budget. These recommendations are to be enacted and taken while other actions and approaches are studied further. What is presented is a working budget plan which will be updated as additional actions are evaluated and approved by the Board on recommendation of the President.

			FY 15	FY 16
I.		**REVENUE SHORTFALL**		
	A.	Enrollment Drop	$3,873,469	$3,873,469
	B.	Housing Drop	$1,390,503	$1,390,503
	C.	Budgeted Deficit	$1,500,000	-
	D.	Student with PIO	$1,582,756	-
	E.	Students without PIO	$2,038,670	-
	F.	Destiny/Legacy change to non-resident	-	(1,220,443)
		TOTAL	$8,994,895	$4,043,529
	G.	Contingency Not Used	$ 750,000	-
	H.	Unbudgeted Positions	$ 38,000	-
	I.	E&G Expenditure Run Rate Savings	$1,686,979	$1,686,979
	J.	Auxiliary Expenditure Run Rate Savings	$1,862,846	$1,862,846
		TOTAL	$4,337,825	$3,549,825
	K.	Other Opportunities		
		Discount Tuition Rates to State Government Employees		

II.		EXPENDITURES	FY 15	FY 16
	A.	**Contract and Vendor Payments** KSU spends approximately $50 million annually with vendors and contractors. Seventy-five percent of the spending is with 34 vendors. (Attachment A) Realization of potential savings is not estimable at this time, but a 10% savings will generate $3.8 million. All vendor relationships and contracts are being reviewed. Additionally, a University practice of encumbering funds for a variety of activities, approved and unapproved, at the beginning of each fiscal year will terminate, providing a truer picture of actual expenditures.		
		CONTRACT AND VENDOR PAYMENTS TOTAL	$ --	$ --
	B.	**External Relations and Development** Seven positions will be eliminated in External Relations and Development. Eliminated positions are from staff performing work duplicative of work in other offices and/or work that should be in other offices. Also included are positions covering work that the University has no need for. Institutional research will move to the President's Office and will join other data resources under a centralized function supporting the University from dispersed locations. Retirement options will be discussed with retirement eligible employees. The job descriptions for the Communications Office positions will be revised to meet the new objectives and approaches of the office. Present		

		incumbents will be allowed to apply for the new positions. All other positions will be evaluated and assessed for need and fit.		
.		EXTERNAL RELATONS AND DEVELOPMENT TOTAL	$ 325,677	$ 572,253
	C.	**<u>Information Technology</u>** The structure of IT will be reformed around major functions – infrastructure, application services, and core services. This will allow our existing resources to be dedicated to one service rather than being responsible for everything. This represents only part of what is needed as "Banner is broken". We are exploring options for fixes but want a fix which delivers what companies market (ease of operation and industry leading best practices) and can be easily adapted to our needs. To enhance customer service we will add a live operator to allow IT and the One-Stop Shop to perform their intended and stated purposes. All campus IT resources (E&G, grant and contract funded) will report to IT from their dispersed locations.		
		INFORMATION TECHNOLOGY TOTAL	($ 71,982)	($ 143,964)
	D.	**<u>Student Success and Enrollment Management</u>** SSEM will be renamed Student Affairs and will take on the traditional role of student affairs with additions that drive customer service. Two positions will be eliminated. The Office of Enrollment Services will be eliminated as well as the positions in		

		that office. Positions from other functions (External Relations, Enrollment Services) will be reassigned to functions needing to improve customer service (Registrar and Financial Aid). Student Life/Activities will be evaluated to determine if programs our students need and want are being delivered and driven.		
		STUDENT AFFAIRS TOTAL	$ 96,086	$ 192,173
	E.	**Academic Affairs** The position of Provost will be eliminated to create the position of Vice President for Academic Affairs and Dean of the University. Subordinate positions in that office will be determined by an assessment of need and the determined academic direction. Eight positions in Academic Affairs will be eliminated. All employment agreements will go to 9 months. All Chairs and Coordinators will be on 9-month contracts, and the University will contract as needed for summer services. All dean positions in the University will be eliminated. All adjunct positions will be eliminated until each full-time faculty member has a full teaching load or discipline expertise is needed and not found in our existing faculty complement. All support functions in Academic Affairs will be evaluated for performance delivery and impact on student performance, retention and graduation rates.		
		ACADEMIC AFFAIRS TOTAL	$ 490,359	$1,365,073

	F.	**Athletics** Institutional support to Athletics will be reduced ratably over the next 18 months.		
		ATHLETICS TOTAL	$ 167,000	$ 333,000
	G.	**Finance** One position will be eliminated. Current collection contracts will be eliminated for usefulness and deliveries. Contact with the Department of Revenue has been made and test files are being share. The internal audit function will be brought back in-house.		
		FINANCE TOTAL	$ 40,201	$ 67,161
	H.	**President's Office** A new organization named "Facilities and Maintenance Operations" will be created by merging the positions of Director of Facilities with Associate Vice President for Capital Planning, Construction and Facilities headed by a Director who will report to the President. The position of Assistant for Security and Risk will be created to manage campus risk, risk assessment and University Police.		
		PRESIDENT'S OFFICE TOTAL	($ 97,500)	($ 195,000)
	I.	**Other Items** Eliminate sick leave credit to KTRS	$ 250,000	$ 125,000
		Suspend tenure and promotion for the 2014-2015 academic year. All term contracts for faculty members will not be renewed at the end of their		

		current term. All tenure track faculty members with less than three years of service will be given notice of non-reappointment prior to December 15, 2014. All tenure- track faculty members with three or more years of service will be given notice of non-reappointment prior to May 1, 2015. In all cases each faculty member will be evaluated for retention based on fit, performance and programmatic need during the teach out period of their employment. Once the procedure is developed and approved by the Board of Regents, all tenured faculty members will be evaluated using the approved post-tenure procedures and policy.		
		Reduce Overtime		
		The University will create a pool of funds to be made available to those who are retirement eligible to retire. Employees who retire will be paid three to six months salary depending on length of KSU service. Priority will be given to tenured faculty members not supported by any grant. Program will be available until the University determines it has reduced its recurring obligation to a level which allows it to operate efficiently.		
		RETIREMENT POOL TOTAL	($ 250,000)	($ 250,000)
III.		**Reorganization**		
		Approve the structure set forth in attached organizational chart, Attachment B.		
		GRAND TOTAL	$ 949,841	$2,135,626

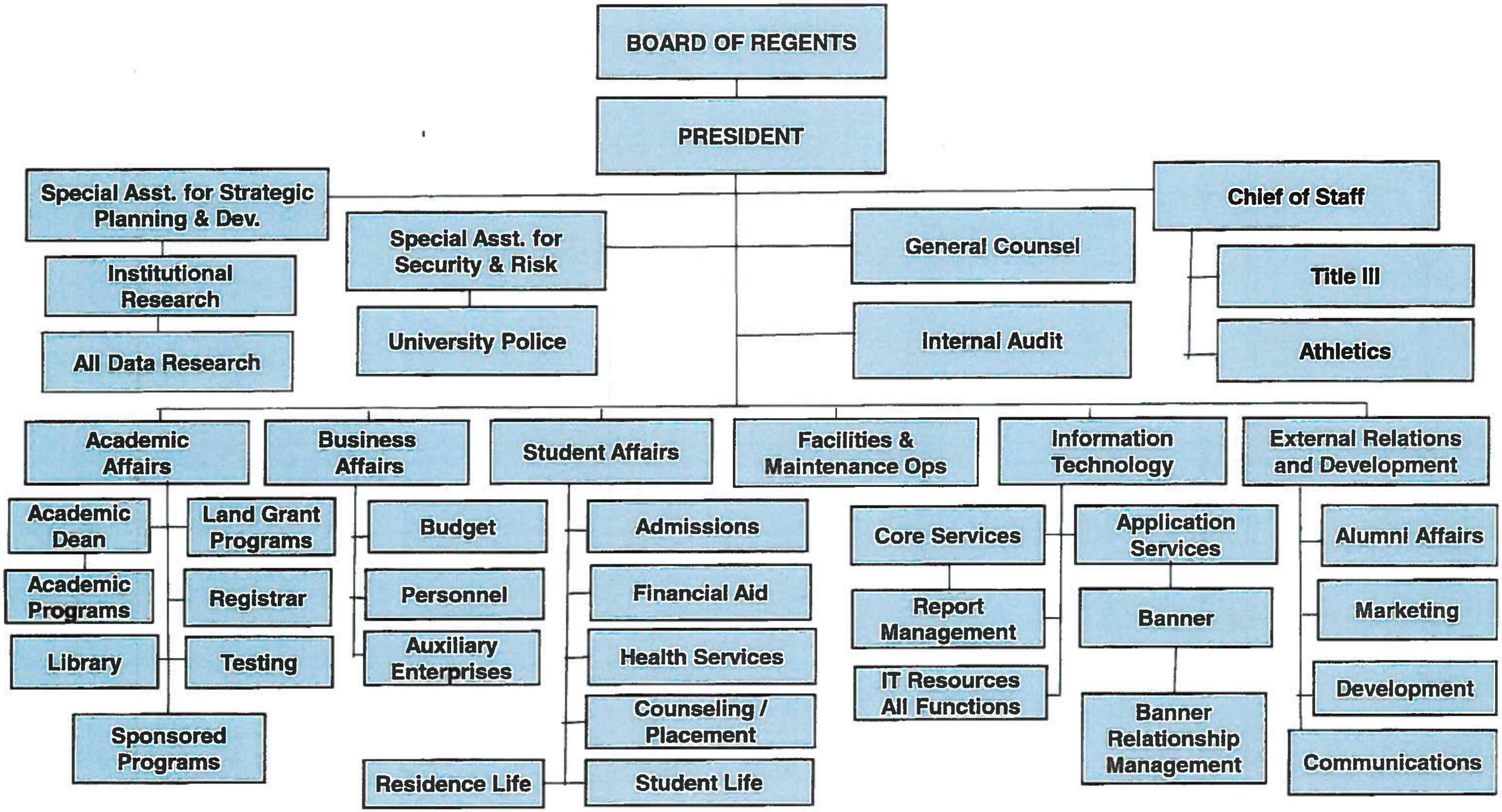
ATTACHMENT A

TOP 75% VENDOR PAYMENTS

Vendor Name	Number of Transaction Payments to Vendor in Last 12 Months	Sum of Payments to Vendor in Last 12 Months	Cumulative Total	% of Spend	Cumulative % of Spend	Count
KY State Treasurer	45	$13,921,814	$13,921,814	27.7%	27.7%	1
Frankfort Electric & Water Plant Board	40	$5,277,209	$19,199,023	10.5%	38.2%	2
Aramark Campus Services	47	$2,248,442	$21,447,465	4.5%	42.6%	3
University of KY	20	$2,072,956	$23,520,421	4.1%	46.8%	4
Xerox Corporation	2	$1,903,792	$25,424,214	3.8%	50.5%	5
AT&T	15	$1,488,351	$26,912,565	3.0%	53.5%	6
Ellucian Company LP	5	$1,121,378	$28,033,943	2.2%	55.7%	7
Neace Lukens Inc	6	$1,102,013	$29,135,956	2.2%	57.9%	8
Dell Marketing LP	31	$961,856	$30,097,811	1.9%	59.8%	9
University of Louisville	8	$940,784	$31,038,595	1.9%	61.7%	10
Johnson Controls Inc	14	$757,259	$31,795,853	1.5%	63.2%	11
Columbia Gas of KY	10	$562,817	$32,358,670	1.1%	64.3%	12
Fisher Scientific	36	$509,281	$32,867,951	1.0%	65.3%	13
IBM Corporation	4	$443,555	$33,311,506	0.9%	66.2%	14
Knight School of Welding LLC	2	$411,080	$33,722,586	0.8%	67.0%	15
LI-COR Inc	2	$320,794	$34,043,380	0.6%	67.7%	16
Kroger Limited Partnership	68	$293,885	$34,337,265	0.6%	68.3%	17
US Bank	2	$289,310	$34,626,575	0.6%	68.8%	18
OfficeMax	102	$260,526	$34,887,101	0.5%	69.3%	19
Blackboard Inc	2	$259,908	$35,147,008	0.5%	69.9%	20
Lowe's Home Centers Inc	58	$250,803	$35,397,811	0.5%	70.4%	21
Securitas Security Services	1	$218,003	$35,615,814	0.4%	70.8%	22
Blackbaud Inc	5	$215,367	$35,831,181	0.4%	71.2%	23
Robert Half Management Resources	11	$208,866	$36,040,047	0.4%	71.6%	24
AJ's Complete Lawn Care LLC	3	$206,482	$36,246,529	0.4%	72.0%	25
Creative Image Technologies	13	$197,189	$36,443,717	0.4%	72.4%	26
Auburn University	2	$187,608	$36,631,326	0.4%	72.8%	27
PerkinElmer Health Sciences	3	$181,325	$36,812,651	0.4%	73.2%	28
NEC Corporation of America	7	$179,634	$36,992,285	0.4%	73.5%	29
Apple Inc	22	$154,749	$37,147,034	0.3%	73.8%	30
Xpedx LLC	2	$143,923	$37,290,957	0.3%	74.1%	31
Pearson Education Inc	2	$141,600	$37,432,557	0.3%	74.4%	32
Alpha Mechanical Service Inc	5	$141,220	$37,573,777	0.3%	74.7%	33
Diners Club	84	$141,057	$37,714,834	0.3%	75.0%	34

ATTACHMENT B

REORGANIZATION CHART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