# KENTUCKY COUNCIL ON POSTSECONDARY EDUCATION
# EXECUTIVE COMMITTEE

September 19, 2023 – 8:30 a.m. ET
CPE Offices, 2nd floor Boardroom, 100 Airport Road, Frankfort, KY 40601

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**I.    Call to Order and Roll Call**

**II.   Action Items**

**III.  CPE President Update**

**IV.   Other Business**

**V.    Adjournment**

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| Who: | Kentucky Council on Postsecondary Education |
| Meeting Type: | Executive Committee |
| Date: | June 28, 2023 |
| Time: | 1:30 p.m. ET |
| Location: | Virtual Meeting via ZOOM Webinar |

## CALL TO ORDER

The Executive Committee of the Kentucky Council on Postsecondary Education met Wednesday, June 28, 2023, at 1:30 p.m., ET.  The meeting occurred virtually via ZOOM webinar. Chair Madison Silvert presided.

## ROLL CALL

Council member attendance
- Attended: CB Akins, Eric Farris, Karyn Hoover, and Madison Silvert.
- Did not attend: Kellie Ellis.

Heather Faesy, CPE's senior associate for Board Relations, served as recorder of the meeting minutes.

## APPROVAL OF REGULATIONS FOR HEALTHCARE WORKFORCE INVESTMENT FUND

Mr. Travis Powell, CPE Vice President and General Counsel, and Dr. Leslie Sizemore, CPE Executive Director of Healthcare Workforce Initiatives presented two new regulations for approval.

At its June 9, 2023, meeting, the full Council approved a delegation request granting the Executive Committee the authority to act on its behalf and approve these proposed regulations in order to meet the July 1, 2023, deadline for promulgation in accordance with House Bill 200 (2023).

Enacted during the 2023 Regular Session of the Kentucky General Assembly, House Bill 200 created the Kentucky Healthcare Workforce Investment Fund to be administered by CPE to enable CPE, postsecondary healthcare programs, and healthcare providers and facilities to match public and private dollars to award scholarships to eligible students and healthcare incentives to eligible healthcare programs. It is anticipated that funding for the programs will be in the next biennium.

The legislation requires CPE to reserve at least 65% of the fund for eligible healthcare scholarships and to establish a process to establish contractual partnerships as outlined in 13 KAR 5:010, Healthcare Training Scholarships. The bill also requires CPE to reserve up to 35% of the fund for healthcare program incentives and to establish a process to determine the criteria for issuance as outlined in 13 KAR 5:020, Healthcare Program Incentives. Administratively, the bill directed CPE to promulgate regulations by July 1, 2023, and requires that CPE submit draft regulations to the Interim Joint Committee on Education and the Interim Joint Committee on Health, Welfare and Family Services 30 days prior for comment and consideration.

Pursuant to the requirements of the bill, now codified in KRS 164.0401-.0404, members of the statutorily-required committees were provided with draft regulations for review on May 19. Feedback was requested by June 19 in order to provide any necessary revisions to the draft regulations before the July 1 deadline. A webinar was held for multiple stakeholder groups on April 27 to discuss the legislation. A survey also was distributed to the public to capture feedback which informed the development of the regulations. Feedback was considered and incorporated in the proposed revisions.

MOTION: Rev. Akins moved the Executive Committee approve 13 KAR 5:010, Healthcare Training Scholarships, and 13 KAR 5:020, Healthcare Program Incentives, on behalf of the full Council.  Mr. Farris seconded the motion.

VOTE: The motion passed.

## ADJOURNMENT

The Executive Committee adjourned at 1:45 p.m., ET.

Who:                 Kentucky Council on Postsecondary Education
Meeting Type:     Executive Committee
Date:                June 7, 2023
Time:                6:30 p.m. ET
Location:          Cumberland Falls State Park, DuPont Lodge, Riverview Restaurant

## CALL TO ORDER

The Executive Committee of the Kentucky Council on Postsecondary Education met Wednesday, June 7, 2023, at 6:30 p.m., ET.  The meeting occurred in the private dining room of the DuPont Lodge at Cumberland Falls State Park. Chair Madison Silvert presided.

## ROLL CALL

All members were in attendance:  CB Akins, Kellie Ellis, Eric Farris, Karyn Hoover, and Madison Silvert.

Heather Faesy, CPE's senior associate for Board Relations, served as recorder of the meeting minutes.

## APPROVAL OF THE MINUTES

The minutes of the March 31, 2023, Committee meeting were approved as distributed.

## 2023-24 CPE AGENCY BUDGET

Ms. Lee Nimocks, Senior Vice President and Chief of Staff, presented the 2023-24 CPE Agency budget for approval.  The proposed budget was primarily a continuation budget from the prior year.  The General Assembly appropriated $18.2 million in state General Fund to CPE for next fiscal year - $8.2 million of that is for Operating Budget (strategic initiatives and regular operating) and includes about $1.0 million for raises (8% last year and 6% this upcoming year).  As with other state agencies, most of the funding is for personnel ($7.5 million).  The other differences between the previous year and 2023-24 is the additional $100,000 from Operating restricted funds to pay for the conference room upgrades and $100,000 additional restricted funds for Licensure to support staffing expenses.

Discussion among the Committee focused on the one-time funding for the Healthcare Workforce Initiative and plans to help fund that in the future, the percentage of pass-through

funds the agency receives, and the additional amount of funding that's needed to fully fund our initiatives in future years.

MOTION: Rev. Akins moved the Executive Committee approve the 2023-24 CPE Agency Budget and recommend final approval by the Council at its June 9, 2023, meeting.  Ms. Hoover seconded the motion.

VOTE: The motion passed.

## CPE PRESIDENT UPDATE

CPE President Aaron Thompson provided an agency update that focused on recent meetings with legislators regarding CPE's efforts and potential legislation to be filed in the next session, how CPE staff are preparing and planning for the 2024-26 biennium budget request, the work staff are doing toward the SJR 98 study, and recent progress and work occurring at Kentucky State University.

## HEALTHCARE WORKFORCE INVESTMENT FUND – RECOMMENDATION TO DELEGATE APPROVAL TO EXECUTIVE COMMITTEE

Mr. Travis Powell, CPE's Vice President and General Counsel, presented CPE staff's recommendation that the Council delegate its authority to the Executive Committee to approve 13 KAR 5:010, Healthcare Training Scholarships, and 13 KAR 5:020, Healthcare Program Incentives, at a special-called meeting to be scheduled later in June 2023.

Administratively, HB 200 bill directs CPE to promulgate necessary regulations by July 1, 2023 and requires that CPE submit draft regulations to the Interim Joint Committee on Education and the Interim Joint Committee on Health, Welfare and Family Services 30 days prior for comment and consideration. Pursuant to the requirements of the bill, members of the statutorily-required committees were provided with draft regulations for review on May 19, 2023. Feedback was requested by June 19, 2023, in order to provide any necessary revisions to the draft regulations before the July 1 deadline.

Next steps include the potential revision of the draft regulations based on any feedback received. Staff will present a request to the Council at its June 9, 2023, meeting to request the approval of the final regulations be delegated to the Executive Committee.

## 2022-23 ANNUAL REVIEW OF THE AGENCY'S WORK

Ms. Nimocks and President Thompson provided an overview of the agency's annual review of work that will be presented to the Council during its retreat on June 8, 2023. Topics discussed in more detail included how CPE plans to focus targeted efforts more regionally, the staff's work on the performance funding model review, and the impact the SJR 98 study is having on staff's capacity to complete other work.

## ADJOURNMENT

The Executive Committee adjourned at 8:25 p.m., ET.

**TITLE:**      Revised Meeting Schedule – 2023-24 Council Meetings

**DESCRIPTION**:        Staff recommends the Executive Committee approve the revised meeting schedule for the remainder of the 2023-24 academic year, and recommend approval by the full Council at its September 19, 2023 meeting.

**PRESENTER:**        Lee Nimocks, Sr. Vice President and Chief of Staff

Per KRS 164.011(9), the Council is required to meet quarterly, but may meet more upon the call of the chair.  In order to conduct its business efficiently, the Council typically meets five times per year and standing committees meet prior to each Council meeting.

The Council approved the 2023-24 meeting schedule at its January 27, 2023, meeting.  Since that time, additional legislative requirements were tasked to CPE and one of the dates needed to be postponed. Revisions for approval are as follows in red:

| PROPOSED DATES | MEETING TYPE |
|---|---|
| Oct 23, 2023  (Mon) | ASI Committee – 10am<br>Finance Committee – 1pm |
| ~~Oct 27, 2023 (Fri)~~<br>Nov 17, 2023 (Fri) | Work session and business meeting |
| Jan 15, 2024 (Mon) | ASI Committee – 10am<br>Finance Committee – 1pm |
| Jan 18-19, 2024  (Thurs-Fri) | Work session and business meeting |
| Mar 25, 2024  (Mon) | ASI Committee – 10am<br>Finance Committee – 1pm |
| Mar 28-29, 2024  (Thurs-Fri) | Work session and business meeting |
| Jun 10, 2024  (Mon) | ASI Committee – 10am<br>Finance Committee – 1pm |
| Jun 20-21, 2024  (Thurs-Fri) | Work session and business meeting |

*The Executive Committee meetings will be scheduled/requested by the Chair.

**TITLE:**     Revisions to the Policy for New Board Member Orientation and Education Program

**DESCRIPTION**:       Staff recommends the Executive Committee approve the proposed
                       revisions to the policy regarding the new board member orientation and
                       education program and recommend approval by the full Council at its
                       September 19, 2023, meeting.

**PRESENTER:**        Lee Nimocks, Sr. Vice President and Chief of Staff

**PROPOSED REVISIONS**

Staff review the Policy for New Board Member Orientation and Education Program and training
programs periodically to ensure all statutory requirements are met as well as current practices
are documented. The following revisions are proposed to clarify program delivery and updated
timelines, and a copy of the proposed revisions is included in materials.

- Section 2 - Updated language to reflect current practices regarding in-person versus
  online delivery of the program.
- Section 4 - Updated submission dates
- Section 5 - Updated to reflect current continuing education opportunities.

**BACKGROUND INFORMATION**

During the 2016 legislative session a bill was passed requiring all new institutional and CPE
board members to complete an orientation and education program within their first year of
appointment. The measure affected several statutes and those went into effect on July 1, 2016.

More specifically, it includes the following provisions:
- The plan must be developed in cooperation with the public campuses, be
  comprehensive and contain continuing education elements.
- New members must receive 6 instructional hours on content that includes their role, the
  statewide strategic agenda, campus specific information, basic fiduciary responsibilities,
  and overall ethic and legal considerations for boards.
- The program must be deliverable both in person and electronically.
- All new members must complete it within one year of appointment and CPE must report
  those who do not do so to the legislature.
- Board members from private institutions must be invited to participate, but are not
  required to do so.

Following the passage of the bill, a work group comprised of CPE staff, Council members, university and KCTCS board liaisons, and the president of AIKCU met to provide input on the development of the policy and implementation plan.  The resulting policy was presented to the Council and originally approved at its November 2016 meeting.

# New Board Member Orientation and Education Program
# for the Council on Postsecondary Education and Institutional Governing Boards

Approved by the Council:        proposed changes for Sept 2023
Effective Date:                        September 19, 2023

*Previous Actions*
*Original Approval:  November 18, 2016*
*Amended:  April 16, 2021*

# New Board Member Orientation and Education Program: Policy and Procedures

## History

During the 2016 legislative session, a bill was passed requiring all new institutional and CPE board members to complete an orientation and education program within their first year of appointment. The measure affected several statutes and those went into effect on July 1, 2016.

More specifically, it included the following provisions:

- CPE must develop in cooperation with the public campuses a comprehensive orientation and education program for new board members and continuing education programs for all appointed and elected board members.
- For new members, the orientation shall include six instructional hours covering the following:
    - the role of the council and governing board members;
    - the statewide strategic agenda and the strategic implementation plan;
    - the respective institution's mission, budget and finances, strategic plan, and priorities;
    - institutional policies and procedures;
    - board fiduciary responsibilities;
    - legal considerations including open records and open meetings requirements;
    - ethical considerations arising from board membership; and
    - board member removal and replacement provisions of KRS 63.080.
- The orientation program must be developed in a way that allows new members to complete the requirements electronically or in person.
- Board members must complete the orientation within one year of appointment or election.
- CPE must provide a report to the legislature listing all new board members who do not complete the required orientation.
- Governing board members of private colleges and universities licensed by CPE must be invited to participate.

Additionally, HB 15 requires CPE to review and approve all existing board orientation programs at the public universities and KCTCS.

## Affected Statutes

- KRS 164.020(25) - Powers and duties of the Council
- KRS 164.011(13) - Council on Postsecondary Education -- Membership -- Terms -- Meetings

- [KRS 164.131 (1)(b)](#) - Board of Trustees of University of Kentucky -- Membership – Terms
- [KRS 164.321(9)](#) - Boards of Regents of Eastern Kentucky, Morehead State, Murray State, Western Kentucky, Kentucky State, and Northern Kentucky Universities, and Kentucky Community and Technical College System -- Membership – Terms
- [KRS 164.821(1)(a)](#) - Board of Trustees of University of Louisville -- Membership -- Terms

# Section 1: Orientation and Education Program Curriculum

As required by HB 15, all new appointees to public university boards, the KCTCS board, and the CPE board shall participate in a new member orientation and education program that focuses both on the state's higher education goals as well as institution-specific matters. To facilitate this process, the delivery of the new member orientation shall be shared by the CPE, KCTCS and the respective university boards in two parts.

A.  **State-level Orientation:** The following shall be included in a comprehensive orientation program. Some elements may be delivered by organizations with specific expertise in board development and higher education (e.g., Association of Governing Boards).

- Higher education governance in Kentucky and the role and function of CPE.

- The statewide strategic agenda and related accountability system.

- Characteristics of an effective governing board.

- Kentucky's open records and open meetings requirements.

- The biennial budget development process and performance funding.

- Fiduciary responsibilities of board members.

- Shared governance in higher education.

- Regional accreditation.

- Ethical considerations arising from board membership and causes and considerations for board member removal, per KRS 63.080.

B.  **Campus and KCTCS Orientation:** The following shall be included in an orientation program for new board members developed and delivered by each campus and KCTCS:

- Institutional mission, vision, and values, by-laws, and if applicable, the standing delegation of authority.

- The university or KCTCS strategic plan and related accountability system.

- Budget and finances, including a review of all sources of revenue and expenditures relevant to the institution's mission.

- Board-relevant policies and procedures that affect the students, staff, and board members, including information regarding student privacy/FERPA regulations.

- The board's fiduciary responsibility and specific board rules as they pertain to open records and open meetings. (As required, the campus shall provide copies and obtain necessary confirmation of receipt of any documents required to be distributed by the Attorney General.)

- Review of conflict of interest and ethical considerations as they apply to Kentucky's board members.

- Access to historically relevant board actions, including but not limited to the previous two (2) years of meeting minutes.

- If applicable, an overview of the institution's foundation, including but not limited to the foundation's mission, membership, financial statements, how the foundation supports the institution, and how the foundation's board interacts with the campus's governing board.

- If applicable, the board's role, responsibilities, and limitations regarding NCAA regulations.

# SECTION 2: Delivery Methods

The orientation and education program must be developed in a way that allows the new member to complete the requirements electronically or in person.

A. **State-level Orientation Programs:** The state-level orientation and training program will be offered to all newly appointed and elected members electronically. Assessment checks are incorporated as part of the program to ensure retention of the information, and CPE will notify the applicable institutional board liaison upon the board member's completion of the program. An in-person option may be available as a stand-alone session or as part of the Governor's Conference on Postsecondary Education Trusteeship.

  1. In-Person Delivery Method: The program will be offered as a stand-alone session or as part of the Governor's Conference on Postsecondary Education Trusteeship. The program will be offered in a central part of the state and may feature national, state, and local guest speakers. There is no assessment required for this option; attendance and participation will suffice for the requirement of completion.

  2. Online Delivery Method: The program will be offered through the completion of an online program if a new appointee is unable to attend or if it is not feasible to hold the training in person due to a state or national emergency. Assessment checks are incorporated as part of the program to ensure retention of the information, and CPE will notify the applicable institutional board liaison upon the board member's completion of the program.

B. **Campus Orientation Programs:** The campus's orientation program may be delivered in a method at the discretion of the individual campus, and the board liaison shall notify CPE of the date of completion of each appointee.

# SECTION 3:  Annual Certification Report

As prescribed by KRS 164.020(25)(a)(3), CPE will provide an annual report to the Governor and Legislative Research Commission of those new board members who do not complete the required orientation and education program.

# SECTION 4: Review and Approval of New Member Campus Orientation programs

Per KRS 164.020(25)(c), CPE must review and approve the orientation programs of each public university and the Kentucky Community and Technical College System for their governing board members to ensure that all programs and information adhere to the provisions of HB 15 (2016).

A. The campus new member orientation programs shall be reviewed for approval every 5 years beginning March 2017 (see Attachment A – Submission Form). CPE will notify the campus in writing upon review and approval.  If the submission is incomplete, the campus will receive a list of required items.

   Future formal submission dates are tentatively set for the following dates:
   - March 31, 2022
   - March 31, 2027
   - March 31, 2032

B. If a program undergoes a substantial revision, the campus shall submit a Revised Submission prior to its regularly scheduled review date.  Upon CPE approval, the revised submission will go into effect for the remaining duration of the five-year period.

C. The campus's governing board is encouraged to review its orientation program on a regular basis.  If formally approved by the board, it should be indicated on the submission form.

# SECTION 5: Continuing Education Programs

CPE provides a variety of continuing education opportunities to all board members at CPE, public and private institutions, which includes but is not limited to the following:

A. The annual or biennial Trusteeship Symposium conference, which features national speakers and local experts on relevant and time-sensitive topics of interest to postsecondary education board members, campus leadership, policy leaders, and members of the Kentucky General Assembly.

B. Open access to the online board orientation and education program to all board members.

C. Regular meetings of the board chairs and vice chairs of the public institutions.

D.C. 24/7 website access to CPE's latest research publications, infographics, blog posts, press releases, and the interactive data center.

E.D. Webinars open to the general public regarding national and state issues, newly released reports or popular topics of interest.

**TITLE:**     Modifications to the Kentucky State University Management Improvement Plan

**RECOMMENDATION**:     Council staff recommends the Executive Committee approve the proposed modifications to the Kentucky State University Management Improvement Plan in accordance with HB 250 (2022), and recommend final approval by the Council at its September 19, 2023, meeting.

**PRESENTER:**     Travis Powell, Vice President and General Counsel

**SUPPORTING INFORMATION**

In the process of completing the first two quarterly reports for the Kentucky State University (KSU) Management Improvement Plan, review of the Examination of financial Operations and Internal Policies and Controls of KSU issued by the Kentucky Auditor of Public Accounts (APA), and engaging with new KSU President Dr. Koffi Akakpo on his vision for the university, CPE staff has identified proposed modifications to the Plan, including but not limited to the allocation of $10 million in incentive funding for completion of Objectives and Deliverables.

Recommended modifications and funding allocations are outlined below.

**Add the following new Objectives, corresponding Deliverables, Deadlines for Completion, and Funding Allocations:**

- Objective:  Develop a plan for a new college of business, engineering, and technology
    - Deliverable:  Submission and acceptance of the plan that includes, but is not limited to, a detailed rationale supporting the proposal containing relevant data and milestones and objectives with a corresponding timetable.
    - Deadline:  Q3 2024
    - Funding:  $2,225,000 dedicated for this purpose
    - Rationale:  President Akakpo has proposed the idea to the KSU Board of Regents of creating a college of engineering at KSU to help meet the ever-growing need for engineers in Kentucky and close the gaps on underrepresented minority graduates in the engineering field.  There are significant funding opportunities both from the federal government and private donors to support the growth of such a program at HBCU's and these funds would provide seed funding to begin developing the program and the physical and human infrastructure to support it.  KSU currently offers a 3-year pre-engineering program from which this new program would be built.

- Objective: Create a center for Global Learning and International Student Services
  - Deliverable: Submission of the plan that includes, but is not limited to, a detailed rationale supporting the proposal containing relevant data and milestones and objectives with a corresponding timetable.
  - Deadline: Q3 2024
  - Funding: $235,000 dedicated for this purpose
  - Rationale: KSU currently has no coordinated function to assist in the recruitment and retention of international students and this funding would provide start-up assistance for a center for Global Learning and International Student services. International students have unique needs to support their enrollment, including but not limited to issues surrounding student visas, and this new center would be dedicated to addressing those issues both on the front end and throughout their enrollment. In addition, the center would seek partnerships with government and nonprofit organizations from other countries to recruit international students and create exchange programs for existing KSU students.

- Objective: Digitization of Student Records
  - Deliverable: Contract award to qualified vendor.
  - Deadline: Q3 2024
  - Funding: $90,000 dedicated for this purpose
  - Rationale: The vast majority of KSU's student records are not in a digital format which is necessary to meet best practices in this area and assist the registrar's office in the effective administration of student records. These funds would assist in funding a project to digitize student records and convert them to a secure format that is easily searchable and accessible.

- Objective: Completion of a 5-year budget for the university
  - Deliverable: Completion of a five-year budget and presentation to the KSU Board of Regents and/or its Finance Committee.
  - Deadline: Q4 2024
  - Funding: N/A
  - Rationale: A five-year budget helps an institution plan and set goals and priorities for the institution's future. Future annual budgets will not be prescribed by the five-year budget, but this document, and the process of creating it, will help the institution determine the resources it needs to meet future goals and objectives.

- Objective: Incorporate National Association of College and University Business Officers (NACUBO) Financial Accounting and Reporting Manual for Higher Education (FARM) as a guiding document for all business procedures.
  - Deliverable: Implement training program for business procedures
  - Deadline: Q1 2025
  - Funding: N/A

- Rationale: This is an existing Objective with a new proposed Deliverable. Once business procedures are updated, a comprehensive training program should be initiated to ensure that new procedures are implemented and followed with fidelity.

- Objective: Create a tracking system for the Board of Regents for resolutions passed with regular updates on implementation
    - Deliverable: Implemented tracking system.
    - Deadline: Q1 2025
    - Funding: N/A
    - Rationale: The APA report included this a recommendation due to failure of past administrations to implement board actions. While CPE expects the new administration to follow through with board directives, providing regular updates on that process in a formalized way improves transparency and helps keep the Board accountable to itself.

- Objective: Provide annual training to all staff, with a focus on select KSU policies, which should include, at a minimum, ethics, conflicts of interest, conflicts of commitment (as applicable).
    - Deliverable: Comprehensive train plan with modules, as applicable.
    - Deadline: Q4 2025 for all applicable policies, however once policies are finalized training should be planned, as applicable.
    - Funding: N/A
    - Rationale: The APA report included this a recommendation due to lack of staff understanding of institutional policies and procedures. The Plan currently contains Objectives and Deliverables related to the revision of policies and procedures, but training will ensure the follow-through required for resulting compliance.

**Release incentive funding for successful completion of the following current Objectives and Deliverables:**

- Objective: Determine an operating structure for a distinct KSU online subsidiary through an evaluation of the following:
  A separate administrative structure to increase autonomy and innovation in online learning;
  Potential financial aid issues associated with an online subsidiary;
  The effectiveness of a competency-based, eight-week model for online learning; and,
  The use of a case management model in which students and families are assigned one point of contact throughout the enrollment management process.
    - Deliverable: Summative report and implementation plan
    - Deadline: Q3 2024
    - Funding: $4,600,000 dedicated for this purpose

- Rationale: The primary basis for advocacy of incentive funding for KSU was the creation of a distinct, competency based online subsidiary of the institution. In FY 2023, the Council allocated $2.5 million for the project and the additional funding allocated here would fund services provided by KSU's online programming partner Magellan for FYs 2025 and 2026. Magellan was awarded a contract for this project through a competitive bid process on June 30, 2023.

- Objective: Complete the Banner accounting system optimization project and ADP payroll system transition to Banner.
  - Deliverable: Completed transition from ADP to Banner payroll module
  - Deadline: Q4 2024
  - Funding: $350,000 dedicated for this purpose
  - Rationale: Transitioning payroll into Banner will put KSU's financial and HR management functions into one system for ease of administration. Considering the biggest cost driver at any university is personnel, it is essential that these systems be integrated.

- Objective: Develop a campus master plan and a three to five-year capital project plan focused on asset preservation
  - Deliverable: Completed campus master plan and capital project plan
  - Deadline: Q2 2024
  - Funding: $500,000 to be used at the institution's discretion
  - Rationale: Capital planning is paramount to the success of any high functioning university with a significant physical footprint like KSU. This deliverable will allow the board to set priorities for new construction and, more importantly for KSU, asset preservation and maintenance. A campus master plan provides the framework for capital requests for the institution and helps set it on a path to meet the physical infrastructure needs of the students and the larger campus community.

- Objective: Incorporate National Association of College and University Business Officers (NACUBO) Financial Accounting and Reporting Manual for Higher Education (FARM) as a guiding document for all business procedures.
  - Deliverable: Completed business procedures document
  - Deadline: Q2 2024
  - Funding: $250,000 to be used at the institution's discretion
  - Rationale: Updating procedures to conform with best practice is paramount to improving the business functions of any organization. This requirement will also help address many of the findings from the Auditor of Public Accounts (APA) report issued last spring.

- Objective: Improve the accounting and reporting system, as well as internal controls over financial reporting, and provide quarterly Generally Accepted Accounting Principles (GAAP) statements and other financial information to the Board of Regents.

- Deliverable: Revise and update Business Procedures Manual
- Deadline: Q2 2024
- Funding: $250,000 to be used at the institution's discretion
- Rationale: Updating procedures to conform with best practice is paramount to improving the business functions of any organization. This requirement will also address many of the findings from the Auditor of Public Accounts (APA) report issued last spring.

- Objective: Implement a formal accounting and reporting framework for endowment distributions.
  - Deliverables:
    - Review endowment agreements and recommend new agreements where needed
    - Correct accounting for prior withdrawals in 2019 and 2020 for accuracy
    - Correct accounting structure in Banner related to endowment accounts
    - Correct endowment reporting on FY 2021 and FY 2022 financial statements for accuracy
    - Review updated endowment investment policy for completeness and alignment with best practices
  - Deadline: Q4 2024
  - Funding: $500,000 to be used at the institution's discretion
  - Rationale: Considering KSU's current budget constraints, accessing endowment proceeds for scholarships and faculty fellowships will allow other resources to be used for other purposes. There are several deliverables tied to this objective and incentivizing this objective will help to accelerate its completion.

- Objective: Develop a system to manage institution-wide and program/departmental student cohorts to improve completion rates.
  - Deliverable: Summative report and Implementation Plan
  - Deadline: Q2 2024
  - Funding: $500,000 to be used at the institution's discretion
  - Rationale: While showing recent improvement, KSU's graduation and degree production student metrics are likely to regress in the near future due to failure of recent prior administrations to effectively manage student progress toward graduation. Incentivizing the completion of a comprehensive system to manage student success will make this important project an even higher priority and have a more immediate impact getting individual students the help they need to meet their educational goals each semester and ultimately graduate.

- Objective: Evaluate and revise internal budgetary controls and provide a quarterly budget to actual report to the Board of Regents.
  - Deliverables:
    - Master list of budgeted positions reconciled to departmental budgets monthly

- Monthly budget to actual reports for E&G, Auxiliaries, Land Grant Match, and Asset Preservation
- Budget projection prepared monthly for E&G, Auxiliaries, Land Grant Match, and Asset Preservation
  - Deadline: 20th of each month
  - Funding: See below
  - Rationale: See below

- Objective: Improve the accounting and reporting system, as well as internal controls over financial reporting, and provide quarterly Generally Accepted Accounting Principles (GAAP) statements and other financial information to the Board of Regents.
  - Deliverables:
    - Clearing accounts reconciled within 14 days of end of each month
    - Bank accounts reconciled within 14 days of end of each month
    - Monthly closing entries posted within 14 days of end of each month
    - Month closed by the 15th day of each month
    - Credit card account reconciliations
    - Statement of Revenues, Expenses and Changes in Net Position by 15th of each month (income statement)
    - Statement of Net Position by 15th of each month (cash flow and trial balance)
    - Balance of asset preservation fund reserves for month-end
    - Accounts payable aging summary
    - Monthly report of collection activity
    - Monthly report of outstanding student balances
  - Deadline: 20th of each month
  - Funding: $500,000 upon successful completion of all monthly deliverables in 3 consecutive months to be used at the institution's discretion
  - Rationale: The back-end accounting, finance, and budgeting functions at KSU must be completed timely and accurately in order for the institution to move toward financial stability. Virtually all university decisions have a budgetary impact and the financial information upon which those decisions are made must be solidified in order to be completely relied upon. Since the adoption of the Management Improvement Plan, KSU has struggled to meet all month deliverables each month and the award of incentive funding will reward sustained performance in this most important area.