

**Board of Regents Meeting**  
**Northern Kentucky University, Student Union, Room 104**  
**November 8, 2017**

Regent Richard Boehne, Chair, called the regular meeting of the Board of Regents to order at 1:00 pm, Wednesday, November 8, 2017.

**Roll Call:** Richard Boehne, Richard L. Boyce, Sami Dada, Normand Desmarais, Ashley Himes, Terry Mann, Dennis Repenning, W. Lee Scheben, Gregory Shumate, Arnie D. Slaughter.  
Absent: Andr Ward.

Other Attendees: Gerard St. Amand, Ben Jager, Wendy Peek, Tammy Knochelmann, Ken Bothof, Eric Gentry, Sue Hodges Moore, Daniel Nadler, Sue Ott Rowlands, Kathleen Roberts, Kim Scranage, Mike Hales, Kevin Kirby, Cindy Reed, Mary Kishman, Tracey Sigler, Tracy Insko, Chris Bowling, Jonathan Erion, Mark Brackman, Allen Cole, Christian Gamm, Melissa Gorbandt, Sara Kelley, Samantha Langley, Russ Kerdolff, Kathy Stewart, Leah Stewart, Syed Zaidi, Jason Vest, Mary Paula Schuh, Gina Rittinger, Chad Ogle, Mark Hansel, Adam Branscum, Brice Hamill, Jennifer Moeves, Kelsey Haskins, Ryan Padgett, Blaine Gilmore, Diana Sims, Sam Rosenstiel, Janel Bloch, Tiffany Freytag, Anna Wright, Randy Ruttenburg, Jude Noel.

Regent Richard Boyce seconded Regent Terry Mann’s motion to approve the minutes of the September 6, 2017 Board of Regents meeting. (**Motion carried**)

**Presidential Comments:**

**Intro:**

Thanks, Rich.

In the 2 months since our last regularly scheduled Board meeting, I have spent the most significant part of my time on resource matters – both internally and externally. The primary focus of these resource matters has been on our state appropriation and on the KERS pension situation. Let me touch on both of those.

**State Appropriation:**

First, our state appropriation. Recall that in the last biennium, all universities experienced a 4.5% (~\$2.2M) cut in their FY17 state appropriation. However, NKU received an additional \$5.1M in recurring state appropriations in FY18 to address our historical underfunding. That happened because the CPE first identified the extent of our historical underfunding (\$10.7M) and the Governor put the entire \$10.7M into his budget request to the General Assembly. The legislative process reduced that to \$5.1M, with a pledge (not legally enforceable) to address the remainder next biennium. That next biennium is now!

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Recall also that during that same legislative session, a performance-based funding model was adopted for KY higher education.

This time around, after weeks of sometimes contentious meetings among all the university presidents and the CPE staff, the Council last Friday approved a budget request to submit to the Governor that included a performance-based \$5.1M operating fund increase in NKU's state appropriation, as part of a larger request that included more limited operating fund increases to a few other universities.

New money appropriated for this purpose is essential to address the funding disparity among the Kentucky public universities. This is so because although the performance-based funding model contemplates moving money among the universities to address any performance-based funding disparity from year-to-year, the model is phased in over 4 years, with this year having a full 100% stop loss – meaning that no school can lose any money, so no school can gain money unless new money is appropriated.

A strong advocacy effort will be required to ensure these additional funds are appropriated.

In addition to a performance-based funding increase in operating funds for NKU and a few others, the Council also included in their budget submission the following:

- a. A request for funds to offset the projected increase in KY retirement system pension costs for each of the comprehensive universities (neither UK nor UL participate in the Kentucky retirement system);
- b. A request for Bucks for Brains funding – funds designed to serve as matching funds for private gifts to support certain endowments or capital projects;
- c. And, a request for funds to support capital preservation – to enable universities to address the large backlog of deferred maintenance projects.

Considering the state of Kentucky's finances, support for all these CPE requests is unlikely. However, despite the state's budget woes, in conversations with a number of legislators and the Governor's office, there seems to be support at a minimum for addressing the remainder of NKU's and WKU's underfunding. Again, a strong advocacy effort will be required to keep this issue as a top priority in this legislative session. We will need you, our campus community and our region to come together again to finish the job.

In addition, there is strong support by the Governor and the General Assembly to address the Kentucky retirement system challenge in some fashion. That takes me to my second item

### **Pension Reform**

The current pension system for most of our staff (excluding faculty and senior administrators) is KERS. NKU's current employer contribution into KERS is set at 49.5% of the employee's salary for FY18. Meaning for every dollar we pay an employee in salary, we contribute fifty

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cents to KERS. The total annual cost to NKU for KERS this FY (FY18) is \$18.3M, up from just \$3.3M in FY09. That represents an increase of \$15M in our annual cost in just 9 years – over 500% increase – an effective \$15M budget cut. Twice as large as all the direct cuts in our state appropriation during that time.

Think about this, an extra \$15M annual contribution (an average of about an extra \$20K per employee in KERS), to provide absolutely no increase in any employee pension benefit – just to fund the benefit the employee already had. This is by far the greatest cause of our limited ability over this period to provide much in the way of salary increases.

We have been told that if there are no changes to the pension system, the employer's contribution rate will increase from 49.5% to 84% next year. This would increase NKU's KERS contribution by over \$12M to a total of \$31M per year, an increase of 70% in one year. An extra average per KERS employee of about \$15K, once again to provide absolutely NO increase in any employee's pension benefits – just to fund the benefits the employee already had.

However, the Governor and legislative leaders have committed to making major changes this year to reform the system. A draft bill is now under consideration by the General Assembly in anticipation of a special legislative session expected to be called by the Governor.

Although the bill as currently written may not represent what is ultimately passed, there appears to be strong support for some core provisions related to KERS. For example,

1. All new employees would go into a defined contribution plan. This means a 401(k)-type plan where the employee contributes a percentage of their salary with a percentage match by NKU into a fund that belongs to the employee. This is the type of system our faculty and senior administrators have had for years.
  - a. Although the current draft legislation contemplates the state having its own defined contribution plan, we've requested employees be able to participate in our TIAA defined contribution plan just like our faculty and senior administrators.
  - b. A valuable characteristic of the defined contribution plan is that it is portable – meaning employees get to keep their money if they move to another job with another employer.
  - c. Also, if the extra \$15M that NKU has had to pay into KERS instead went into employees 401(k) type retirement plan, that would have directly increased each employee's retirement benefits, unlike all this money we have poured into KERS which didn't increase any employee's pension benefits.
2. In addition to affecting new employees, Tier III employees (those who started their employment after January 1, 2014 would be transferred from KERS to a defined contribution plan. Roughly 30% of our employees in KERS are Tier III employees. (i.e., about 30% of our staff salary dollars are for Tier 3 employees);

3. We are advised further that other employees in KERS would have an option to change from KERS to a defined contribution plan;
4. Once it is known which employees remain in KERS, the state will calculate the full actuarial cost of the benefits for these employees and current retirees to determine our full liability – that liability will then be financed over 30 years and we will be provided our annual required contribution that presumably will be fixed for 30 years. We've requested more details from the state budget office regarding how we can estimate that cost.
5. Universities would have the option to exit the KERS system entirely by the paying immediately the current actuarial cost for all existing KERS pension obligations (for current retirees and current employees whose KERS benefits would be fixed/frozen upon the transfer). That cost would presumably be less than the actuarial cost for the option where many of our employees remain in KERS. We've requested from the state budget office information regarding how we can estimate that cost and regarding our ability to finance this cost.
6. All this relates to non-hazardous employees. Our NKU police officers are in KERS, but in the hazardous employee program which is significantly different and has to be evaluated differently.

We expect this bill draft to experience some amendments, and we'll keep tracking what is happening to understand fully what the legislation's impact is on NKU's cost, but also how every provision affects our employees.

We want to understand, if we as the employer have an option, what our relative costs are, but also what impact our choice would have on our employees. This is important so we can consider the total impact before making a choice.

We also want to understand the impact of choices our employees may have, so we can appropriately counsel them to help them make the best decision.

This is a very fluid process. I'll keep you updated as much as possible as we learn more.

### **First Amendment**

In recent times, our campus has become noticeably more politically active – and that's a good thing for a university. But with that activism, comes a greater likelihood of conflict among people of competing views. And with that there comes a need for an understanding by all members of our community of the ground rules regarding free speech.

In response to this growing activism, over the past month or so I received a number of communications from students, faculty, and staff objecting to virtually every expression of views on various topics and demanding that the university prohibit certain speakers, certain views, or certain means of expression on campus. These objecting voices demanded that the university protect them from exposure to people, views, or expressions they found offensive.

Those responses, and also a more physical response that damaged an approved display on campus, convinced me that it was important to remind our campus community of what the law requires and permits of a public university related to free speech. I sent an email message to our campus community explaining how the First Amendment to the U.S. Constitution applies on a public university campus.

Protecting free speech rights of people on our campus, regardless of how much we might disagree with the views expressed, and regardless of whether the speaker is a student, employee, invited guest, or simply a person choosing to come to campus to speak in our public spaces, is not our choice – it is the law. We do not have the choice to limit speech because it offends others or triggers unpleasant memories in others.

As individuals on a public campus, we have no legally protected right to be shielded from views we find offensive. Our own views on any given topic do not limit other people's rights to share opposing views, either verbally or visually, however disagreeable they might be to us. Indeed, the very intent of the First Amendment is to protect views that might represent minority or unpopular positions from the power of the majority and the state to suppress.

A public university is the ideal place for the free exchange of views and for the battle of ideas – this exchange being essential for the preservation of a free and democratic society.

As we continue to encounter the expression of competing ideas that the 1<sup>st</sup> Amendment protects, I hope that we as a community can grow to respectfully and thoughtfully engage in these important discussions.

On a more upbeat note, great things happening on campus. Let's turn first to Norse Athletics.

### **Norse Athletics**

Senior Macy Hamblin of the women's soccer team was recently named the Horizon League Player of the Year for the third consecutive time. She is only the second player in league history to earn this tremendous honor.

On the Men's soccer team, junior Jim Barkei was just named as the Horizon League Goalkeeper of the Year.

The men's basketball program has continued to ride the momentum from last season's exciting finish. As a result, season ticket sales are up 75% from this time last year. [That means the team will have approximately 600 new Norse fans cheering in the stands every game this season.]

Additionally, the team was recently ranked #11 in the collegeinsider.com mid-major preseason poll. This is the highest ranking in any poll since the team reclassified to Division I. The team took care of business against Urbana on Saturday in an exhibition game. Regular season play kicks off on Friday at the BB&T Arena at 7pm against East Tennessee State.

The Women's basketball team also held court in their exhibition game over the weekend defeating Asbury College. They open up regular season play at home on Saturday at 1pm against Kent State. Good luck to both teams this weekend.

### **College highlights**

1. There is also similarly momentous activity happening in our colleges. On October 19, students from our Cybersecurity program through the College of Informatics were invited to participate in a "capture the flag" competition through the US Bank Strength in Security Conference. Teams from NKU competed remotely against their counterparts from the University of Minnesota. The students put their web security, computer forensics, and general problem-solving skills to the test. The teams from NKU swept through the competition placing 1<sup>st</sup>, 2<sup>nd</sup>, and 3<sup>rd</sup>. Congratulations to the students as well as Dean Kevin Kirby and his team for continuing to put NKU on the national map regarding cybersecurity.
2. That same day while our informatics students were remotely representing the university, the College of Education and Human Services was busy hosting the Young Women's LEAD Conference on campus. The conference is for Greater Cincinnati and Northern Kentucky high school girls to come together and focus on topics such as leadership, education, and development. It is designed so these girls can connect with nationally recognized speakers, local business leaders, and one another to embrace their strengths to reach their full potential. Organizers expected 600 attendees, but over 900 students attended the event from 35 different area high schools. Congratulations to Dean Cindy Reed and everyone affiliated with this event for drawing such positive attention to the good work being done here.
3. On Friday, NKU is hosting the inaugural conference of the Ohio River Valley Addiction Research Consortium (ORVARC). ORVARC's mission is to increase collaboration among researchers, regardless of institutional and disciplinary boundaries, in an effort to address opioid addiction in the Ohio River Valley. The conference will focus on evidence-based research on neonatal abstinence syndrome (NAS), basically the impact of babies born to addicted moms. There will be nearly 200 attendees from 19 universities in Kentucky, Ohio, Indiana, West Virginia, and Tennessee.
4. Finally, also on Friday, our Veteran's Resource Center will lead a Veterans Day flag raising ceremony at noon at the flag pole outside Nunn Hall, followed by an MRE lunch! Recognizing that Veterans Day is a time to honor all veterans, I think we have to consider paying particular attention to the young men and women who volunteer to serve today. We are in probably the most dangerous time to serve in the military since the migration to an all-volunteer military following the Vietnam War. Today's young men and women who enter military service know the enormous dangers confronting them, yet they still volunteer to serve. They are models of courage and selfless service who are true inspirations to all of us. I invite all of you to attend the flag raising ceremony to honor these young men and women.

This concludes my remarks.

**B. Presidential Reports:**

**1. Facilities Management Report (Senior Vice President Sue Hodges Moore)**

- a. Health Innovation Center/Founders Hall Renovation
- b. Parking Lots A and K Reconstruction
- c. Condensate Leak Repair
- d. Ceramics and Sculpture Building HVAC Replacement
- e. Energy Savings Performance Contract
- f. Norse Hall, Norse Commons, and Woodcrest Water Heater Replacements
- g. Business Academic Center Roof Restoration
- h. Phasing out of the Schroeder Key System Phase 2 of 2
- i. Incubator Two Roof Restoration
- j. Science Center Roof Restoration
- k. Kentucky Hall Renovation
- l. Sustainability
- m. US 27 Development
- n. North Connector Road

**2. Research, Grants, and Contracts Report (July 1, 2017 – September 30, 2017) (Provost and Executive Vice President Sue Ott Rowlands).**

During the July 1, 2017 through September 30, 2017 time period, 19 grants were awarded. The total amount of money awarded was \$2,542,524. For the Fiscal year 2017 – 2018, the cumulative total number of grants awarded is 19 totaling \$2,542,524.

**3. Fundraising Report (July 1, 2017 through September 30, 2017) (Vice President Eric Gentry).**

The Fundraising Report summarized fundraising resources committed from July 1, 2017 through September 30, 2017 totaling \$3,222,394 in support of the university.

**4. Annual Financial Report (Senior Vice President Sue Hodges Moore).**

The Report was reviewed by the Board of Regents Audit Committee in accordance with Article III (D) (2) of the Board of Regents Bylaws.

**C. Presidential Recommendations:**

**Consent Agenda Items:** A motion was made by Regent Terry Mann and seconded by Regent Arnie Slaughter to approve the following Presidential Recommendations as listed; C-1 through C-18. **(Motion carried)**

**1. Academic Affairs Personnel Actions:**

**a. Faculty Appointments:**

**Mr. Nicholas Brummer**, from temporary lecturer in the Communication Program in the College of Informatics to renewable assistant professor of practice, effective August 14, 2017; **Mr. Kevin Corea**, lecturer and retention specialist in the departments of Mathematics and Statistics and World Languages and Literature, effective January 8, 2018; **Dr. Abdou Ndoye**, Vice Provost for Assessment, to associate professor with tenure in the Department of Teacher Education effective, effective September 1, 2017; **Ms. Nicole Perrone**, lecturer and retention specialist for theatre in the School of the Arts, effective August 14, 2017; **Mr. William Charles Slaven**, to renewable professor of practice in the Business Informatics Program in the College of Informatics, effective August 14, 2017; **Ms. Hallie Sylvestro**, lecturer (non-tenure track temporary) in the Department of Counseling, Social Work, and Leadership, effective September 1, 2017; **Ms. Emily Taylor**, from advisor in the College of Informatics Advising Center to renewable lecturer in the Computer Science Program in the College of Informatics, effective August 14, 2017.

**b. Transitions:**

**Dr. Carol Ryan**, from Associate Dean of Academic Affairs in the College of Education and Human Services effective June 30, 2018. Upon completion of sabbatical (two semesters), Dr. Ryan will return to the Department of Kinesiology and Health as Associate Professor in Fall 2019; **Ms. Rebecca Volpe**, from Director of the Small Business Development Center to Director of the Small Business Development Center and lecturer of accounting (non-tenure-track temporary) in the Department of Accounting and Business Law in the Haile/US Bank College of Business, effective October 1, 2017.

**c. Departures:**

**Ms. Stacey Schaff**, lecturer, (non-tenure track renewable) in the College of Education and Human Services Advising Center, effective September 27, 2017.

**d. Temporary Faculty Appointments:**

**Dr. Katherine Elrick**, visiting assistant professor, (non-tenure track) in the Department of English in the College of Arts and Sciences, effective Fall 2017; **Ms. Darci Guriel**, lecturer in the Department of Computer Science in the College of Informatics effective October 1, 2017; **Mr. Charles Heath**, lecturer of marketing (non-tenure-track temporary) in the Department of Marketing, Sports Business, and Construction Management in the Haile/US Bank College of Business, effective August 14, 2017; **Mr. Kenneth Roth**, lecturer in the Department of Computer Science in the College of Informatics effective August 14, 2017; **Ms. Davette Shorter**, lecturer of marketing (non-tenure-track temporary) in the Department of Marketing, Sports Business, and Construction Management in the Haile/US Bank College of Business, effective August 14, 2017.



**2. Non-Academic Personnel Actions:**

The following categories of non-academic personnel actions which occurred between August 8, 2017 and October 9, 2017 received approval by the Board of Regents: Activations/Rehires; Reassignments, Reclassifications, Title/Status Changes, Promotions; Transfers; Contract/Temporary to Regular & Regular to Contract; Departures; Retirements; Administrative/Executive.

**3. Major Gifts Acceptance:**

The Board of Regents officially accepted contributions totaling \$351,000 received by the NKU Foundation Inc. for the benefit of Northern Kentucky University during the period August 2, 2017 through September 30, 2017.

**4. CPE Accountability Metrics and Targets:**

The Board of Regents endorsed the targets that Northern Kentucky University (NKU) set for the accountability metrics required by the Council on Postsecondary Education (CPE).

**5. 2018-2020 Capital Budget:**

The Board of Regents adopted the 2018-2020 Capital Budget.

**6. Faculty Emeritus Status Appointments (Firak, Stavsky, Valuari):**

The Board of Regents approved the Emeritus status for the following individuals.

**Ms. Nancy Firak**, Professor of Law, Salmon P. Chase College of Law; **Mr. Mark Stavsky**, professor of Law, Salmon P. Chase College of Law; **Mr. John Valuari**, Professor of Law, Salmon P. Chase College of Law.

**7. Institute for Student Research and Creative Activity:**

The Board of Regents approved the Institute for Student Research and Creative Activity.

**8. Department of Chemistry Name Change:**

The Board of Regents approved the name change of the Department of Chemistry. The faculty of the Department of Chemistry requested to change their name to the Department of Chemistry and Biochemistry.

**9. New Bachelor of Science Degree in Health Communication:**

The Board of Regents approved the Bachelor's Degree in Health Communication for immediate implementation.

**10. Certificate in Addictions Research and Practice:**

The Board of Regents approved the Post Baccalaureate Certificate in Addictions Research and Practice approved for immediate implementation.

**11. Non-employee Participation on Sponsored Projects Policy:**

The Board of Regents approved the Non-Employee Participation on Sponsored Projects Policy.

**12. Financial Conflict of Interest Disclosure for Research Policy:**

The Board of Regents approved the Financial Conflict of Interest Disclosure for Research Policy.

**13. Establishing, Reviewing, and Discontinuing Centers and Institutes Policy:**

The Board of Regents approved the Establishing, Reviewing, and Discontinuing Centers and Institutes Policy.

**14. Responsible Conduct of Research Policy:**

The Board of Regents approved the Responsible Conduct of Research, Scholarship, and Creative Activity Training Policy.

**15. Credit for Prior Learning Policy:**

The Board of Regents approved the Credit for Prior Learning Policy, which replaces the Prior Learning Assessments and Advanced Standing Policies.

**16. Granting Honorary Degrees Policy:**

The Board of Regents approved that a policy be established for the granting of honorary degrees by Northern Kentucky University.

**17. Graduate Admission Categories Policy:**

The Board of Regents approved the Graduate Admission Categories Policy.

**18. Inclusive Excellence Plan:**

The Board of Regents approved the Northern Kentucky University 2022 Inclusive Excellence Plan.

**D. Executive Session:**

Regent Terry Mann seconded Regent Richard Boehne's motion to enter into executive session pursuant to KRS 61.810(1) (f) and (g) (**Motion carried**)

No other matters were discussed. No final action was taken.

**E. Board Self-Evaluation:**

Regent Terry Mann seconded Regent Richard Boehne's motion to move the Board Self-Evaluation to a future Board of Regents meeting.

At 3:23 p.m., Regent Richard Boyce seconded Regent Terry Mann's motion to adjourn. (**Motion carried**)

Signature On File  
**Wendy J. Peek**  
**Senior Administrative Assistant**  
**Office of the President**

Signature On File  
**Benjamin Jager**  
**Executive Assistant to the President/  
Secretary to the Board of Regents**

I, Lee Scheben, Vice Chair of the Board of Regents of Northern Kentucky University, certify that the foregoing is a true copy of the minutes of the regular meeting held on November 8, 2017, and that such matters are still in force and effect.

Signature On File  
**Lee Scheben**  
**Vice Chair of the Board of Regents**