



AGENDA

EASTERN KENTUCKY UNIVERSITY
BOARD OF REGENTS

QUARTERLY MEETING

December 10, 2020



Eastern Kentucky University
Board of Regents

Quarterly Meeting
Agenda

December 10, 2020

Via Video Teleconference*

Public Viewing Link: <https://epresence.eku.edu/bor-meeting>

9:00 a.m.

- I. Call to Order
- II. Information Items
 - A. Audit Report (**Pete Ugo, Crowe, LLP**)..... 2
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 - 2. Student Success & Enrollment Update (**Dr. Tanlee Wasson**)
 - 3. Financial Update (**Barry Poynter**)..... 120
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 - b. Staff Council Update 130
 - 2. Eyouel Mekonnen, SGA President;
 - 3. Dr. David T. McFaddin, President;
 - 4. Lewis Diaz, J.D., Chair of the Board;
- III. Action Items
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 - K. Approval of the Contract for President (**Lewis Diaz**)
- IV. Executive Session
- V. Adjournment

*In accordance with OAG 20-05, no primary physical location is identified.
The general public may view the meeting at the following website: <https://epresence.eku.edu/bor-meeting>

EASTERN KENTUCKY UNIVERSITY
Richmond, Kentucky

FINANCIAL STATEMENTS
June 30, 2020 and 2019

Draft

EASTERN KENTUCKY UNIVERSITY

FINANCIAL STATEMENTS
June 30, 2020 and 2019

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INDEPENDENT AUDITOR'S REPORT

To the Board of Regents
Eastern Kentucky University
Richmond, Kentucky
and
Secretary of Finance and
Administration Cabinet of the
Commonwealth of Kentucky

Report on the Financial Statement

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of the Eastern Kentucky University (the "University"), a component of the Commonwealth of Kentucky, as of and for the years ended June 30, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We did not audit the financial statements of Eastern Kentucky University Foundation, Inc., which represents the entire discretely presented component unit of the University. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for Eastern Kentucky University Foundation, Inc., is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audits and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of the University, as of June 30, 2020 and 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 17, the Schedule of the University's Proportionate Share of the Net Pension Liability on page 93, the Schedule of the University's Pension Contributions on page 94, the Schedule of the University's Proportionate Share of the Net OPEB Liability on page 98, and the Schedule of the University's OPEB Contributions on page 99 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Louisville, Kentucky
<>, 2020

Introduction

Eastern Kentucky University (“EKU” or the “University”) is a public institution of higher learning located in central Kentucky and serving primarily the eastern region of the Commonwealth. Many EKU students are the first in their families to attend college.

EKU is wrapping up the most comprehensive revitalization in its history, with several new residence halls, academic facilities and other buildings opening in recent years or in the near future on the main campus. The University, which also boasts regional campuses in Corbin and Manchester, offers a diverse range of degree programs at the associate, baccalaureate, master’s and doctoral levels. The University’s prominent programs include Aviation, Criminal Justice, Education, Environmental Health Science, Forensic Science, Game Design, Homeland Security, Nursing, Occupational Therapy and PGA Golf Management. The nationally prominent Honors Program consistently leads the nation in the number of student presenters at the National Collegiate Honors Council. The institution offers four doctoral programs: Educational Leadership and Policy Studies, Nursing Practice, Occupational Therapy and Clinical Psychology.

Nearly 90 percent of EKU graduates are Kentucky residents, and 75 percent of the University’s degree holders are employed in Kentucky after graduation, giving EKU the title of “Kentucky’s University.” In Fall 2019, the University welcomed nearly 15,000 students, with a growing number attracted to EKU Online programs, often ranked among the nation’s most affordable. The University’s four-year graduation rate has more than doubled in the last eight years, and recent freshman classes are the best-prepared academically in the institution’s history.

The University has consistently ranked in the top tier of Regional Universities in the South as published by *U.S. News & World Report* for the past nine years. In addition, *Forbes Magazine* has rated Eastern among “America’s Best Colleges” for 11 consecutive years. EKU is home to almost 1,200 military-affiliated students and their dependents and has been ranked no lower than 17th nationally seven of the past eight years in the annual “Best for Vets” survey by Military Times *EDGE* magazine.

EKU has also received the Minority Access Diversity Institution Award for seven consecutive years and was the only regional university in Kentucky to receive the 2017 Higher Education Excellence in Diversity (HEED) Award from *Insight into Diversity* magazine. The University also earned national distinction among the “Great Colleges to Work For” five of the last 10 years, according to the annual report on the academic workplace by the *Chronicle of Higher Education*.

The University has generated record amounts of private support in recent years and is well ahead of pace as it enters the public phase of its current comprehensive campaign. EKU has been recognized for five consecutive years for Contributions to the Public Good from *Washington Monthly* magazine and was ranked second by the magazine among public universities in Kentucky in its 2017 “Best Bang for the Buck” survey.

The audited financial statements for the fiscal year 2020 for Eastern Kentucky University, and the statements for the Eastern Kentucky University Foundation, Inc. (the “Foundation”), an affiliated organization and component unit of the University, are included in this report. This section, Management’s Discussion and Analysis (“MD&A”), is intended to provide an overview of the University’s financial position at June 30, 2020, with selected comparative information for the years ended June 30, 2019 and 2018. The MD&A should be read in conjunction with the accompanying financial statements and notes.

Financial Highlights

At June 30, 2020, Eastern Kentucky University's financial position decreased as reflected in the Statement of Net Position.

- Total assets decreased by \$16.8 million to \$636.4 million at June 30, 2020, compared to \$653.2 million at June 30, 2019. The major factors affecting this include an increase in net capital assets being depreciated of \$45.7 million and an increase in current assets of \$6.7 million, offset by a decrease in capital assets not being depreciated of \$45.3 million and a decrease in restricted cash of \$23.1 million.
- Deferred outflows decreased by \$23.7 million to \$36.6 million at June 30, 2020, compared to \$60.3 million at June 30, 2019. The decrease is attributed to a decrease in deferred outflows related to pensions and OPEB.
- Overall liabilities decreased by \$86.1 million to \$474.9 million at June 30, 2020, compared to \$561.0 million at June 30, 2019. This decrease is primarily the result of a \$69.3 million decrease in Net Pension and OPEB Liability.
- Deferred inflows decreased by \$21.9 million to \$240.0 million at June 30, 2020, compared to \$261.9 million at June 30, 2019. The decrease is attributed to a decrease in KERS/KTRS pensions.
- Total net position at June 30, 2020 increased \$67.5 million to \$(41.8) million. The greatest factor affecting this increase was a decrease in Net Pension & OPEB Liability.

Using the Annual Report

This annual report consists of a series of financial statements that have been prepared in accordance with Governmental Accounting Standards Board ("GASB") Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis – for Public Colleges and Universities*. The financial statements consist of Statements of Net Position as of June 30, 2020 and 2019, the Statements of Revenues, Expenses, and Changes in Net Position, and the Statements of Cash Flows for the fiscal years then ended. These statements reflect both the financial position of the University as of the end of the 2020 and 2019 fiscal years, as well as the results of operating and nonoperating activities and cash flows. Also included are the financial statements for the Foundation, which are presented in this report in accordance with GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units – an amendment of GASB Statement No. 14*.

Reporting Entity

The University is a component unit of the Commonwealth of Kentucky (the "Commonwealth").

Statement of Net Position

The Statement of Net Position provides a snapshot of the financial position of the University at the end of the fiscal year. In this statement, assets and liabilities are segregated into their current and noncurrent components with net position reported as capital, restricted, or unrestricted. Unrestricted net position is further designated for specific purposes as noted in this discussion and in the notes to the financial statements.

Assets – Total assets at June 30, 2020, decreased to \$636.4 million compared to \$653.2 million at June 30, 2019.

Cash and Cash Equivalents – Total cash and cash equivalents at June 30, 2020, totaled \$71.1 million; \$14.7 million less than the June 30, 2019, level of \$85.8 million. This decrease is attributable primarily to a decrease of restricted cash and cash equivalents of \$23.1 million.

Investments – The Foundation holds and manages investments owned by the University. At June 30, 2020, the market value of investments held by the Foundation on behalf of the University was \$20.3 million compared to \$20.5 million at June 30, 2019, a decrease of \$200 thousand.

Capital Assets – The historical cost, less accumulated depreciation, of the University's capitalized assets was \$513.7 million as of June 30, 2020, a net increase after depreciation of \$460 thousand from the \$513.2 million balance at June 30, 2019. Depreciation expense for the fiscal year totaled \$22.9 million.

Other Asset Categories – The balances in the various other asset categories were essentially unchanged at June 30, 2020, compared to June 30, 2019, with the exception of accounts receivable (net of allowance) which decreased in total by \$1.5 million; loans to students, which decreased in total by \$658 thousand; inventories, which increased by \$53 thousand; and prepaid interest, which decreased in total by \$221 thousand.

Deferred Outflows –The deferred outflows for the year ended June 30, 2020, totaled \$36.6 million and represent the unamortized deferred refunding balance of bonds, as well as the contributions to the KTRS and KERS pension and KTRS and KERS OPEB. This is a decrease of \$23.7 million under the June 30, 2019 balance of \$60.3 million.

Liabilities – Total liabilities at June 30, 2020, were \$474.9 million compared to \$561.0 million at June 30, 2019. This decrease of \$86.1 million is primarily attributable to a decrease in Net Pension and OPEB Liability from fiscal year 2020 of \$69.3 million.

Bonds Payable and Capital Lease Obligations – In total, bonds payable and capital lease obligations decreased by \$9 million as of June 30, 2020, compared to June 30, 2019. At June 30, 2020, the total bonds payable and capital lease obligations were \$132.9 million versus \$141.9 million at June 30, 2019. This decrease is attributable to the principal payments made on the bonds.

Other Liability Categories – At June 30, 2020, the balances in various other liability categories decreased by \$7.8 million to \$53.7 million compared to \$61.5 million at June 30, 2019. The majority of the balances in this category are comprised of accounts payable, interest payable, payroll/benefits liabilities, external contracts and grants, and unearned revenues associated with tuition and fees billed in June 2020, for summer school classes, as well as unearned revenues associated with the Case Dining Hall agreement.

Deferred Inflows –The deferred inflows for the year ended June 30, 2020, totaled \$240.0 million and represent the KTRS and KERS pension, KTRS and KERS OPEB, as well as a Service Concession for Housing projects constructed as part of the P3 initiative on campus. This decrease of \$21.9 million is primarily attributed to KTRS and KERS pension, compared to the June 30, 2019 deferred inflows balance of \$261.9 million.

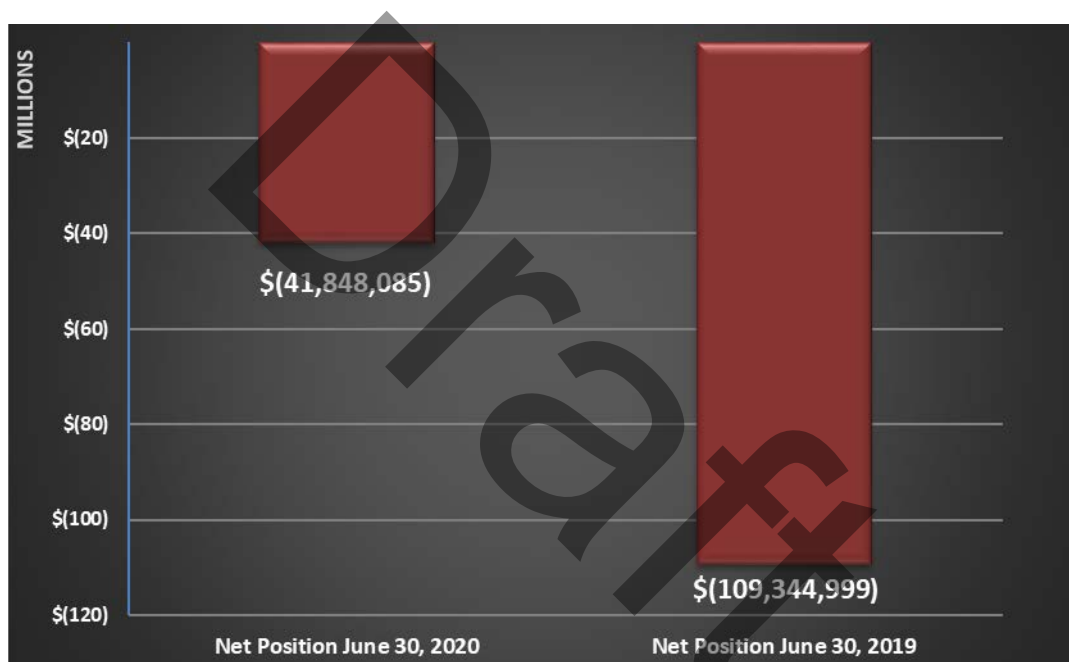
Net Position – Total Net Position at June 30, 2020, was \$(41.8) million; an increase of \$67.5 million from June 30, 2019.

Net Investment in Capital Assets – Net position invested in capital assets increased by \$17.9 million as of June 30, 2020 to \$282.2 million compared to the June 30, 2019, level of \$264.3 million. The primary contributing factor to this increase was a decrease of Construction in Progress.

Restricted Net Position – In total, restricted net position decreased by \$24.4 million to \$49.7 million at June 30, 2020, compared to \$74.1 million at June 30, 2019. The net decrease is primarily attributable to the decrease in restricted expendable for capital projects of \$22.3 million.

Unrestricted Net Position – Unrestricted net position increased by \$74.0 million to \$(373.8) million at June 30, 2020, compared to the June 30, 2019 unrestricted net position of \$(447.8) million. This increase is primarily attributable to the KTRS and KERS pension expense adjustments.

The chart below illustrates the net position for the years ended June 30, 2020 and 2019:



Unrestricted Net Position

A portion of net position is considered unrestricted. The unrestricted net position may be designated for certain uses, but does not have formal governmental, donor, or other restrictions. The balances for unrestricted net position at June 30 are shown below with the respective designations indicated.

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Inventories	\$ 326	\$ 273	\$ 278
Outstanding encumbrances	799	1,250	2,844
Departmental commitments	3,570	9,520	9,832
Designated projects and contingency reserves	32,764	17,092	12,304
Health care self-insurance reserve	3,000	3,000	3,000
Auxiliary working capital	5,469	5,784	4,792
University capital projects	1,000	1,000	11,199
KTRS Pension	(171,759)	(214,884)	(255,822)
KERS Pension	(187,284)	(206,038)	(197,481)
KTRS OPEB	(26,610)	(27,356)	(27,287)
KERS OPEB	<u>(35,096)</u>	<u>(37,430)</u>	<u>(36,999)</u>
Total unrestricted net position	<u>\$ (373,821)</u>	<u>\$ (447,789)</u>	<u>\$ (473,340)</u>

The following are the major components reflected in the Statements of Net Position:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
ASSETS			
Current assets	\$ 82,312	\$ 75,604	\$ 67,408
Capital assets – net	513,650	513,190	498,085
Other noncurrent assets	<u>40,430</u>	<u>64,400</u>	<u>88,396</u>
Total assets	<u>\$ 636,392</u>	<u>\$ 653,194</u>	<u>\$ 653,889</u>
DEFERRED OUTFLOWS			
Unamortized deferred refunding balance	\$ 205	\$ 261	\$ 395
KTRS/KERS Pensions	29,469	52,707	91,212
KTRS/KERS OPEB	<u>6,938</u>	<u>7,374</u>	<u>10,133</u>
Total deferred outflows	<u>\$ 36,612</u>	<u>\$ 60,342</u>	<u>\$ 101,740</u>
LIABILITIES			
Current liabilities	\$ 38,648	\$ 43,964	\$ 42,076
Noncurrent liabilities	<u>436,228</u>	<u>516,991</u>	<u>674,702</u>
Total liabilities	<u>\$ 474,876</u>	<u>\$ 560,955</u>	<u>\$ 716,778</u>
DEFERRED INFLOWS			
Service Concession - Housing	\$ 63,997	\$ 66,367	\$ 68,737
Other Deferred Inflows	7,130	7,390	7,650
KTRS/KERS Pensions	145,960	175,919	113,676
KTRS/KERS OPEB	<u>22,889</u>	<u>12,250</u>	<u>1,396</u>
Total deferred inflows	<u>\$ 239,976</u>	<u>\$ 261,926</u>	<u>\$ 191,459</u>

	<u>2020</u>	<u>2019</u>	<u>2018</u>
NET POSITION			
Net investment in capital assets	\$ 282,242	\$ 264,327	\$ 235,410
Restricted – expendable	37,399	61,785	72,989
Restricted – nonexpendable	12,333	12,333	12,333
Unrestricted	<u>(373,822)</u>	<u>(447,789)</u>	<u>(473,340)</u>
Total net position	<u>\$ (41,848)</u>	<u>\$ (109,344)</u>	<u>\$ (152,608)</u>

Statements of Revenues, Expenses, and Changes in Net Position

The Statements of Revenues, Expenses, and Changes in Net Position reflect the operating, nonoperating, and capital revenues and expenses of the University. The increase in total net position is a result of these activities.

Operating Results – As indicated in the Statement of Revenues, Expenses, and Changes in Net Position, there was a net loss of \$48.3 million from operations for the fiscal year ended June 30, 2020, prior to consideration of state appropriations and other net nonoperating revenues. This is compared to a loss of \$70.4 million from operations for the fiscal year ended June 30, 2019.

Operating Revenues

Below is a summary of operating revenues for fiscal year 2020 as compared to fiscal years 2019 and 2018:

	<u>Year ended June 30,</u>		
	<u>2020</u>	<u>2019</u>	<u>2018</u>
Tuition and fees	\$ 150,873	\$ 152,593	\$ 157,426
Scholarships and discounts	<u>(63,607)</u>	<u>(64,220)</u>	<u>(64,922)</u>
Net tuition and fees	87,266	88,373	92,504
Grants and contracts	43,598	46,418	49,048
Other revenues	<u>16,140</u>	<u>22,840</u>	<u>25,942</u>
Total education and general fund	147,004	157,631	167,494
Auxiliaries	21,158	25,220	25,414
Scholarships and discounts	<u>(6,516)</u>	<u>(10,480)</u>	<u>(12,610)</u>
Net auxiliaries	14,642	14,740	12,804
Total operating revenues	<u>\$ 161,646</u>	<u>\$ 172,371</u>	<u>\$ 180,298</u>

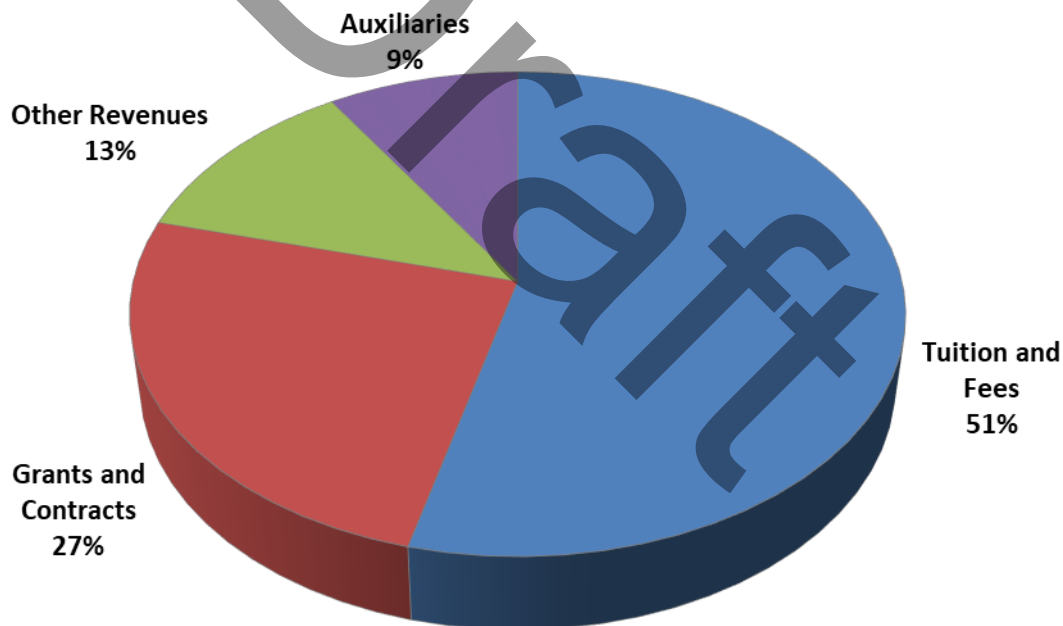
Tuition and Fees – Income from student tuition and fee assessments, shown net of the tuition discount, was \$87.3 million for the fiscal year ended June 30, 2020, compared to \$88.3 million for the fiscal year ended June 30, 2019. The decrease of \$1.1 million in net tuition and fees reflects principally a decrease in gross tuition and fee revenue during the year ended June 30, 2020.

Grants and Contracts – For the fiscal year ended June 30, 2020, there was \$43.6 million recognized revenue from all grants and contracts compared to \$46.4 million for the year ended June 30, 2019; a decrease of \$2.8 million. Revenues recognized from external grants and contracts can vary significantly from one fiscal year to the next given variations in new awards, awards ending their grant cycle, and amounts recognized for activities occurring in a given year.

Auxiliaries – Auxiliary enterprises consist of University functions provided for the academic and physical well-being of students. While these functions are not directly related to providing educational services, they are important for student convenience and support. Like tuition and fees, housing revenues are reported net of scholarships and financial aid that directly offset these costs to students. In the Statements of Revenues, Expenses, and Changes in Net Position, \$14.6 million is reported for net auxiliary revenues for the year ended June 30, 2020, compared to \$14.7 million for the year ended June 30, 2019. The majority of auxiliary revenues for both fiscal years is attributable to student residence hall fees.

Other Operating Revenues – Revenues in the various categories that make up other operating revenues can vary widely from year to year when unexpected revenues come into the University. For the fiscal year ended June 30, 2020, total other operating revenues were \$16.1 million compared to \$22.8 million for June 30, 2019, a decrease of \$6.7 million.

Source of Operating Revenues – Fiscal Year 2020



Operating Expenses

Educational and General – Educational and general expenses are those expenditures associated with both academic instruction and support of the educational mission of the University. These include expenditures related to both operational activities and those activities where funding is restricted for specific purposes, such as external contracts and grants. Educational and general expenditures include instructional costs, expenditures related to public service, academic support services such as libraries, student services including health services and student activities, administrative costs for the University, the maintenance and operation of the University's physical facilities, financial and scholarship expenses not directly related to tuition or housing, and debt service expenditures. For the fiscal year ended June 30, 2020, educational and general expenditures totaled \$256.7 million compared to \$254.8 million for the fiscal year ended June 30, 2019; an increase of \$1.9 million.

Auxiliaries – As indicated above, auxiliary enterprises are essential student service activities that do not directly impact educational and general operations. The total auxiliary expenditures for the year ended June 30, 2020, were \$18.2 million, compared to \$19.9 million for the year ended June 30, 2019.

Below is a summary of operating expenditures for fiscal year 2020, compared to fiscal years 2019 and 2018:

	Year ended June 30,		
	<u>2020</u>	<u>2019</u>	<u>2018</u>
Instruction, academic support and libraries	\$ 102,136	\$ 110,017	\$ 117,860
Research and public service	33,570	42,141	43,985
Student services	17,604	18,424	20,100
Institutional support and operations and maintenance of plant	54,566	45,610	54,865
Student financial aid	23,629	15,482	14,443
Depreciation	22,891	22,919	19,991
Other operation expenses	<u>2,350</u>	<u>228</u>	<u>1,302</u>
Total educational and general expenses	256,747	254,821	272,546
Auxiliaries	18,171	19,860	21,796
Pension expense adjustments	(61,879)	(32,381)	11,382
OPEB expense adjustments	<u>(3,080)</u>	<u>500</u>	<u>2,927</u>
Total operating expenses	<u>\$ 209,959</u>	<u>\$ 242,800</u>	<u>\$ 308,651</u>

Instruction, Academic Support, and Libraries – The total expenditures of these three areas, which directly relate to teaching, academic, and faculty support, decreased \$7.9 million to \$102.1 million for the year ended June 30, 2020, compared to \$110 million for the year ended June 30, 2019.

Research and Public Service – Expenditures in these categories are primarily related to external contracts and grants activity. These activities can vary significantly from year to year due to both timing of awards and project completions. For the fiscal year ended June 30, 2020, total expenditures related to research and public service was \$33.6 million, compared to \$42.1 million for the fiscal year ended June 30, 2019; a decrease of \$8.5 million.

Student Services – Expenditures for student services for fiscal year 2020 decreased by \$820 thousand to \$17.6 million compared to \$18.4 million in fiscal year 2019. The student services function includes expenditures for many activities contributing to student development outside the instructional setting.

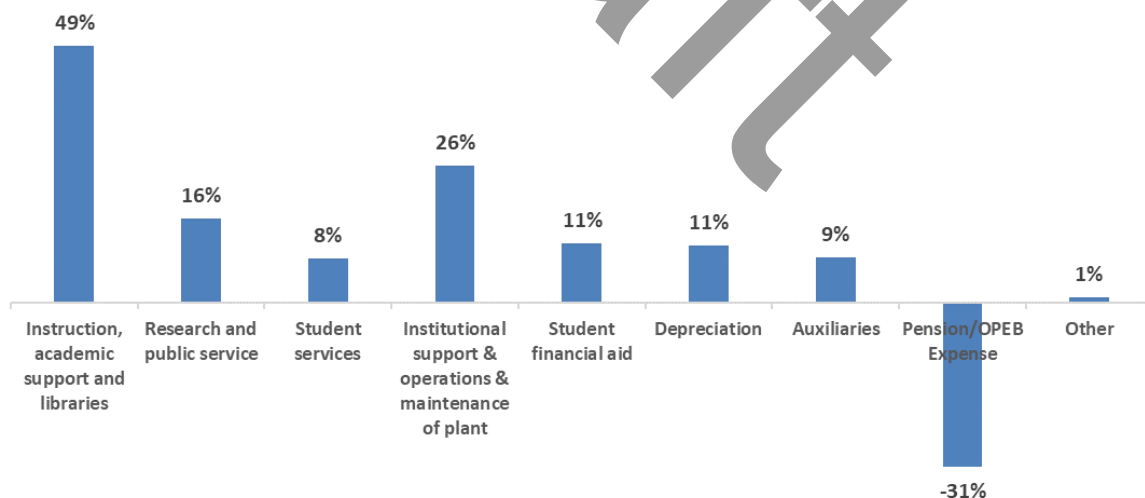
Institutional Support and Operations and Maintenance of Plant – These functions provide physical and administrative support for the University and include administrative offices, physical plant operations, noncapital maintenance expenses, utility expenses, technology support, legal, property and liability insurance, and other similar operational support costs. For the fiscal year ended June 30, 2020, the expenditures for these areas totaled \$54.5 million compared to \$45.6 million for the year ended June 30, 2019; an increase of \$9 million.

Student Financial Aid – Tuition and fees, as well as certain auxiliary revenues, are shown net of financial aid from all sources directly awarded to fund those respective areas. As a result, the financial aid expense shown on the Statement of Revenues, Expenses, and Changes in Net Position for the fiscal years highlighted is relatively low in relationship to the total amounts expended for financial aid both from governmental sources and institutional sources. For fiscal year 2020, the total financial aid expenditure was \$93.8 million compared to \$90.2 million for fiscal year 2019, an increase of \$3.6 million as shown in the table on the following page.

Pension Expense Adjustments – Upon adoption of GASB Statement No. 68 Accounting and Financial Reporting for Pensions, the University reports Pension Expense on the Statement of Revenues, Expenses, and Changes in Net Position. For the fiscal year ending June 30, 2020, the University recorded \$(61.9) million of Pension Expense Adjustments. This is a \$29.5 million decrease from the fiscal year ending June 30, 2019 Pension Expense Adjustments of \$(32.4) million. These expense adjustments do not include actual contributions to the plan.

OPEB Expense Adjustments – Upon adoption of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the University reports OPEB Expense on the Statement of Revenues, Expenses, and Changes in Net Position. For the fiscal year ending June 30, 2020, the University recorded \$(3.1) million of OPEB Expense Adjustments. For the fiscal year ending June 30, 2020, the University recorded \$500 thousand of OPEB Expense Adjustments. These expense adjustments do not include actual contributions to the plan.

Major Areas of Operating Expense – Fiscal Year 2020



Net student financial aid reported on the Statement of Revenues, Expenses, and Changes in Net Position reflect the residual financial aid paid directly to the students. The net student financial aid for the year ended June 30, 2020, was \$23.6 million, an increase of \$8.1 million compared to \$15.5 million for the year ended June 30, 2019. The increase represents an approximately \$2.7 million dollar housing refund due to closing campus and the distribution of \$4.8 million dollars of CARES emergency student funding

The information below shows the gross dollars associated with financial aid support:

	Year ended June 30,		
	<u>2020</u>	<u>2019</u>	<u>2018</u>
Tuition and fee discount	\$ 63,607	\$ 64,220	\$ 64,922
Auxiliary enterprises discount	6,516	10,480	12,610
Student financial aid expense	<u>23,629</u>	<u>15,482</u>	<u>14,443</u>
Total student financial aid expense	<u>\$ 93,752</u>	<u>\$ 90,182</u>	<u>\$ 91,975</u>

Non-Operating Revenues/Expenses

State Appropriations – Funding from state appropriations for operations and debt service for the fiscal year ended June 30, 2020 was \$63.8 million. This was a decrease of \$435 thousand from the prior year ending June 30, 2019 amount of \$64.2 million.

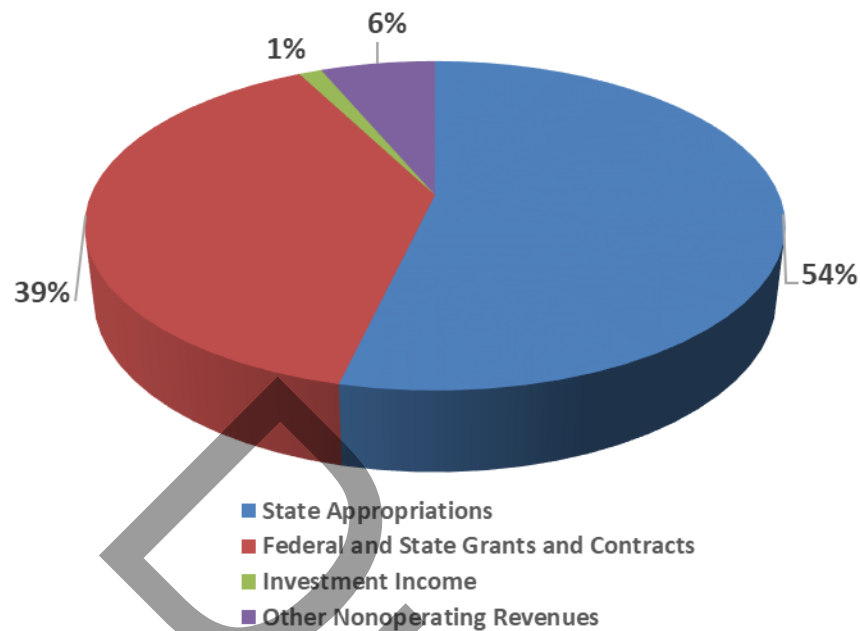
Investment Income – Total investment income for the fiscal years ended June 30, 2020 and 2019, was \$1.5 million and \$3.2 million, respectively; a decrease of \$1.7 million.

Federal and State Grants and Contracts – Total federal and state grant revenue for the fiscal year ended June 30, 2020, was \$46.0 million, compared to \$43.4 million from fiscal year 2019. This was an increase from prior year revenue of \$2.6 million.

Other Non-Operating Revenues – Other non-operating revenues totaled \$7.5 million for the year ended June 30, 2020, an increase of \$131 thousand compared to \$7.4 million from the prior year ended June 30, 2019.

Other Non-Operating Expenses – Other non-operating expenses totaled \$144 thousand for the year ended June 30, 2020, a decrease of \$520 thousand compared to \$664 thousand from the prior year ended June 30, 2019.

Major Sources of Non-Operating Revenues – Fiscal Year 2020



Capital Support – For the year ended June 30, 2020, the University received funds from the Commonwealth totaling \$1.2 million for new capital projects, compared to fiscal year 2019 when the University received funds from the Commonwealth totaling \$1.1 million for new capital projects.

	Year ended June 30,		
	2020	2019	2018
Operating revenues	\$ 161,646	\$ 172,371	\$ 180,299
Operating expenses	<u>209,959</u>	<u>242,799</u>	<u>308,651</u>
Operating loss	(48,313)	(70,428)	(128,352)
Nonoperating revenues – net	<u>114,645</u>	<u>112,607</u>	<u>90,686</u>
Gain (loss) before capital appropriations	66,332	42,179	(37,666)
Capital appropriations	<u>1,165</u>	<u>1,084</u>	<u>10,633</u>
Change in net position	67,497	43,263	(27,033)
Net position – beginning of year	<u>(109,345)</u>	<u>(152,608)</u>	<u>(125,575)</u>
Net position – end of year	<u>\$ (41,848)</u>	<u>\$ (109,345)</u>	<u>\$ (152,608)</u>

Statements of Cash Flows

The Statements of Cash Flows provides information related to cash sources and uses during the fiscal year. The Statement focuses on three areas: cash generated and utilized from operations; noncapital and capital financing activities; and investing activities. Additionally, there is a reconciliation section in the Statement whereby the net cash used in operations is reconciled to the loss from operations reflected in the Statements of Revenues, Expenses, and Changes in Net Position.

The following is summary information from the Statements of Cash Flows:

	Year ended June 30,		
	<u>2020</u>	<u>2019</u>	<u>2018</u>
Cash provided by (used in)			
Operating activities	\$ (95,466)	\$ (86,545)	\$ (88,549)
Noncapital financing activities	114,518	111,648	108,833
Capital and related financing activities	(35,834)	(49,374)	(15,265)
Investing activities	<u>2,035</u>	<u>2,837</u>	<u>1,205</u>
Net change in cash and cash equivalents	(14,747)	(21,434)	6,224
Cash and cash equivalents – beginning of year	<u>85,845</u>	<u>107,279</u>	<u>101,055</u>
Cash and cash equivalents – end of year	<u>\$ 71,098</u>	<u>\$ 85,845</u>	<u>\$ 107,279</u>

Capital Asset and Debt Administration

During fiscal years 2020 and 2019, the following projects were completed by the University:

	Year ended June 30,	
	<u>2020</u>	<u>2019</u>
RCF 1622 Student Rec & Wellness Center	\$ 38,365	\$
RCF 1623 Powell Bldg Student Center	23,392	
Relocate Underground Utilities for Student Rec Center	93	
RCF 1778 Student Rec Center Site Prep (Raze Dupree & Todd Halls)	1,100	
RCF2153 Telford Hall replace pipes	599	
RCF2145 ECU Roy Kidd Statue Wall	173	
RCF2418 Model Lab School-Signage	50	
RCF2140 Model HVAC installation for 3 areas	226	
Vicker's Lot Turaround Spot Paving	29	
RCF 2567 Roark Chiller Replacement	111	
Design Student Recreation and Wellness Center	205	
RCF2145 KY 52 Lancaster Avenue Drainage		20
RCF 2200 Model Gym Bleachers		36
Loading Dock / Truck Driveway Center for Arts		38
HVAC Controls Upgrade Foster Bldg.		44
RCF 2069 Football Laundry Room		58
A.B. Carter HVAC upgrade		81
RCF 1972 HVAC KSP Digital Forensics Memorial Hall		81
RCF 1869 NSB Solar Panel System (Roof)		92
RCF 1982 Ramsey Heat Plant Boiler # 4		111
RCF 1944 Arlington HVAC		122
Stratton Sewer Pump Station		143
Martin Parking Lot		174
RCF 1858 Robotic Milker Meadowbrook Farm - Grant 50%		397
RCF 1793 Clay Hall Chiller		232
RCF 1733 Donovan Annex Boiler		294
Replace Steam Lines between manholes 35 & 36		388
RCF 1604 Summit St Parking Lot (tiered)		498
NSB Phase 2 AV/IT Infrastructure		651
RCF 1800 Telford Makeup Air Handling Unit		686
RCF 1763 Telford Air Handling Units (2) Lobby Area		736
RCF 1791 Softball Hitting/Pitching Facility		1,693
RCF 1791 Baseball Hitting/Pitching Facility		1,799
Renovate/Improve Athletic Facilities – Softball		2,124
Renovate/Improve Athletic Facilities – Baseball		5,033
RCF 1606 Telford Hall AC Equipment		4,991
Renovate/Improve Athletic Facilities – Football		10,165
Science Building-Phase 2 and 3		58,816
Total	<u>\$ 64,343</u>	<u>\$ 89,503</u>

The following projects were still in process at June 30, 2020:

	Total Expenditures Through June 30, 2020	Estimated Cost to Complete at June 30, 2020
Begley Bldg. Sewer Lift Station	\$ 28	\$ 294
RCF 1711 Bypass Pedway	472	2,528
RCF 1825 Softball Renov Phase II Build concessions/restrooms	262	31
RCF 1847 Commonwealth 13th Flr Renovation	75	579
Coates Exterior Repairs	28	-
RCF 1987 Begley Bldg. Sewer Lift Station	419	49
RCF 2572 Wallace Entries Brick Repair/Replacement	283	580
RCF 2560 Combs Boiler/Heat Exchange Replacement	22	203
RCF 2525 Ramsey Heat Plant Boiler Replacement	409	262
RCF 2500 Tom Samuel Track resurfacing	738	266
RCF 2371 Alumni Col Chiller replacement	15	422
Total	<u>\$ 2,751</u>	<u>\$ 5,214</u>

Long-term debt at June 30, 2020, was \$132.9 million compared to \$141.9 million at June 30, 2019. The \$9 million decrease is the result of the decrease to bonds payable for payments of principal owed on bonds in fiscal year 2020.

Economic and Other Factors Impacting Future Periods

The following is a brief discussion of economic and other factors that could have an impact on the University in the future:

- In March 2020, the World Health Organization declared the novel coronavirus 19 (COVID-19) outbreak a world-wide pandemic. Accordingly, in the same month, Eastern Kentucky University declared an official State of Emergency, enacting the public health guidelines issued by the Governor, the Centers for Disease Control (CDC), and local health agencies. Steps were taken to reduce the campus residential population, and employees whose jobs permitted working remotely were encouraged to do so. The impact of this public health emergency remains fluid and could potentially negatively impact the financial resources of the University. However, as of the date of these statements, there has been little impact to University's financial position as a result of the COVID-19 pandemic. As of this writing, the University continues to operate in a State of Emergency.
- The level of state-appropriated funds received by the University will continue to be a major factor in the future of the University. Presently, state-appropriated funds represent just over one-fourth of the University's education and general budget. And subsequent to June 30, 2020, in early September, the University received a letter from the State Budget Director's office in conjunction with the Council on Post-secondary Education (CPE), requesting that the University prepare a proposed plan that includes an 8% cut to our state appropriation. For EKV, an 8% cut represents approximately \$5.3 million.
- In addition to the state appropriation, the balance of the University's education and general budget must come from other sources, primarily student tuition revenue. The Council on Postsecondary

Education determines a ceiling on annual tuition increases at state universities, which may limit the ability of the University to generate additional tuition revenues. Improving the affordability of a college education for our students remains vitally important to Eastern; with every tuition increase, there must be a corresponding focus and analysis of financial aid available to our students.

- The various campus facility improvements that have taken place over the last several years have enhanced student success, and are transforming the living and learning experience for our students. The new Student Recreation & Wellness Center and the renovated and updated Powell Student Center projects were completed and came online in fiscal year 2020. Construction of a pedway across the bypass has now begun and this project will round out the major projects in the Center for Student Life initiative.
- The Performance Based Funding model has been implemented in Kentucky. The University's entire state appropriation is incorporated into the performance-funding model, with receipt of any/all state funds contingent upon performance. The budgetary and financial challenges presented by placing the University's entire state appropriation into this model are significant.
- The University's Strategic Plan, *Make No Little Plans: A Vision for 2020* has been extended for two years through 2022. During the upcoming fiscal year, the University will embark on the development of a new, updated comprehensive strategic plan that will supersede the current plan.
- Given the ongoing and often conflicting pressures for revenue generation, the goal of maximizing affordability for our students, and the goal of continually strengthening our core educational mission, the University must continue to seek additional revenue from other sources. Other sources include unrestricted annual gifts, the Eastern Kentucky University Foundation, and funds generated through University research and entrepreneurial activities. The University remains committed to continuing to seek more and better ways to operate as efficiently as possible and continually reduce expenses.
- The Commonwealth's economic health is inextricably linked with the national and international economy. With the ongoing COVID-19 pandemic, the current U.S. economic outlook is mixed at best. Although national economic growth has picked up in the third quarter of 2020, the effects of the sharp economic contraction in second quarter of 2020 are still being felt nationally, in the Commonwealth, and locally. Overall unemployment has reached record levels nationwide. The aforementioned cut to the University's state funding is a result of a diminished revenue outlook for Kentucky—again due to the economic impacts of the ongoing COVID-19 pandemic.
- Finally, in addition to the foregoing multitude of other, extraordinary economic factors currently impacting the University, the state's current pension obligations continue to weigh heavily and add uncertainty for the Commonwealth's economic recovery.

Requests for Information

This financial report is designed to provide a general overview of Eastern Kentucky University's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Senior Vice President for Finance & Administration, Eastern Kentucky University, Coates CPO 35A, 521 Lancaster Avenue, Richmond, KY 40475.

EASTERN KENTUCKY UNIVERSITY
STATEMENTS OF NET POSITION
June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Current Assets		
Cash and cash equivalents	53,751,403	\$ 45,362,894
Accounts receivable – net of allowance of \$4,950,677 and \$3,088,023 for 2020 and 2019	26,565,758	28,056,468
Loans to students – net of allowance of \$1,053 and \$1,929 for 2020 and 2019	495,364	517,692
Inventories	325,958	272,635
Prepaid expenses	<u>1,174,182</u>	<u>1,394,689</u>
Total current assets	<u>82,312,665</u>	<u>75,604,378</u>
Noncurrent Assets		
Restricted cash and cash equivalents	17,346,635	40,482,070
Investments	20,285,936	20,484,587
Loans to students – net of allowance of \$5,948 and \$12,790 for 2020 and 2019	2,797,297	3,432,987
Capital assets – net of accumulated depreciation of \$310,027,275 and \$287,845,149 for 2020 and 2019	499,370,476	453,602,700
Capital assets not being depreciated	<u>14,279,457</u>	<u>59,587,554</u>
Total noncurrent assets	<u>554,079,801</u>	<u>577,589,898</u>
Total Assets	<u>636,392,466</u>	<u>653,194,276</u>
Deferred Outflows		
Unamortized deferred refunding loss balance	204,636	261,364
KTRS/KERS pension	29,469,198	52,707,203
KTRS/KERS OPEB	<u>6,938,242</u>	<u>7,374,075</u>
Total deferred outflows	<u>36,612,076</u>	<u>60,342,642</u>
Total Assets and Deferred Outflows	<u>\$ 673,004,542</u>	<u>\$ 713,536,918</u>

EASTERN KENTUCKY UNIVERSITY
STATEMENTS OF NET POSITION
June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
LIABILITIES AND NET POSITION		
Current Liabilities		
Accounts payable	\$ 6,323,990	\$ 13,263,473
Accrued interest	608,108	956,040
Accrued salaries and benefits	5,676,975	3,936,855
Accrued compensated absences	2,624,717	2,911,260
Payroll withholding payable	860,540	911,299
Refundable deposits	70,387	359,378
Assets held for others	309,520	307,057
Unearned revenue	13,067,766	12,263,541
Bonds payable	9,106,630	9,055,494
Total current liabilities	<u>38,648,633</u>	<u>43,964,397</u>
Noncurrent Liabilities		
Unearned revenue	24,129,032	26,541,935
Bonds payable, noncurrent portion	98,291,586	107,329,565
Leases payable, noncurrent portion	25,500,000	25,500,000
Net pension liability	242,552,439	297,710,091
Net OPEB liability	45,754,748	59,910,311
Total noncurrent liabilities	<u>436,227,805</u>	<u>516,991,902</u>
Total liabilities	<u>474,876,438</u>	<u>560,956,299</u>
Deferred Inflows		
Service concession – housing	63,996,756	66,367,006
Other deferred inflows	7,129,949	7,389,892
KTRS/KERS pension	145,959,795	175,918,887
KTRS/KERS OPEB	22,889,689	12,249,833
Total deferred inflows	<u>239,976,189</u>	<u>261,925,618</u>
Net Position		
Net investment in capital assets	282,241,805	264,326,511
Restricted		
Expendable for capital projects	29,202,196	51,535,636
Expendable for loans to students	2,187,823	4,059,997
Expendable for scholarships	2,506,484	2,863,072
Expendable for institutional support	3,502,250	3,326,390
Unexpendable for permanent endowment	12,332,772	12,332,772
Unrestricted	<u>(373,821,415)</u>	<u>(447,789,377)</u>
Total net position	<u>(41,848,085)</u>	<u>(109,344,999)</u>
Total Liabilities, Deferred Inflows and Net Position	<u>\$ 673,004,542</u>	<u>\$ 713,536,918</u>

EASTERN KENTUCKY UNIVERSITY FOUNDATION, INC.
STATEMENTS OF FINANCIAL POSITION
June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 11,424,556	\$ 2,453,156
Pledges receivable – net	756,795	477,716
Cash surrender value of life insurance	176,977	172,500
Total current assets	<u>12,358,328</u>	<u>3,103,372</u>
Noncurrent assets		
Investments	70,386,838	77,692,302
Pledges receivable – net	605,043	1,030,016
Property and equipment – net	689,025	703,149
Other noncurrent assets	46,747	49,896
Total noncurrent assets	<u>71,727,653</u>	<u>79,475,363</u>
Total Assets	<u>\$ 84,085,981</u>	<u>\$ 82,578,735</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 21,000	\$ 24,109
Due to University	215,038	360,760
Total current liabilities	<u>236,038</u>	<u>384,869</u>
Noncurrent liabilities		
Deferred gift liabilities	327,791	350,743
Assets held for others	20,285,936	20,484,587
Total noncurrent liabilities	<u>20,613,727</u>	<u>20,835,330</u>
Total Liabilities	<u>20,849,765</u>	<u>21,220,199</u>
Net assets		
Without donor restrictions		
Board designated endowment	5,393,899	4,931,566
Undesignated	1,405,863	869,807
Total net assets without donor restrictions	<u>6,799,762</u>	<u>5,801,373</u>
With donor restrictions		
Purpose restrictions	23,728,235	23,991,385
Perpetual in nature	32,708,219	31,565,778
Total net assets with donor restrictions	<u>56,436,454</u>	<u>55,557,163</u>
Total net assets	<u>63,236,216</u>	<u>61,358,536</u>
Total Liabilities and Net Assets	<u>\$ 84,085,981</u>	<u>\$ 82,578,735</u>

EASTERN KENTUCKY UNIVERSITY
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
Years ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
OPERATING REVENUES		
Tuition and fees – net	\$ 87,266,314	\$ 88,373,243
Federal grants and contracts	28,175,030	25,355,714
State grants and contracts	11,973,210	15,507,689
Nongovernmental grants, contracts, and gifts	3,449,564	5,554,237
Sales and services of educational activities	5,619,787	6,595,893
Auxiliary enterprises – housing	10,433,792	9,321,159
Auxiliary enterprises – other	4,208,494	5,419,193
Other operating revenues	<u>10,519,818</u>	<u>16,243,849</u>
Total operating revenues	<u>161,646,009</u>	<u>172,370,977</u>
OPERATING EXPENSES		
Educational and general		
Instruction	79,647,546	85,330,882
Research	699,890	803,691
Public service	32,870,585	41,337,474
Libraries	3,430,014	3,859,362
Academic support	19,058,748	20,826,355
Student services	17,603,915	18,423,658
Institutional support	26,066,038	22,180,908
Operations and maintenance of plant	28,500,304	23,429,098
Depreciation	18,718,678	17,934,103
Student financial aid	23,628,705	15,481,988
Auxiliary enterprises		
Housing and other auxiliaries	18,170,907	19,859,598
Depreciation	4,172,476	4,984,803
Pension expense adjustments	(61,878,896)	(32,381,373)
OPEB expense adjustments	(3,079,717)	500,481
Other operating expenses	<u>2,349,995</u>	<u>228,423</u>
Total operating expenses	<u>209,959,188</u>	<u>242,799,451</u>
Operating loss	(48,313,179)	(70,428,474)
NONOPERATING REVENUES (EXPENSES)		
State appropriations	63,753,600	64,189,000
Federal and state grants and contracts	46,007,910	43,354,141
Investment income	1,495,115	3,193,708
Interest expense	(3,998,845)	(4,863,988)
Other nonoperating revenues	7,530,550	7,399,251
Other nonoperating expenses	<u>(143,700)</u>	<u>(664,478)</u>
Net nonoperating revenues	<u>114,644,630</u>	<u>112,607,634</u>
Gain (loss) before capital appropriations	66,331,451	42,179,160
Capital appropriations	<u>1,165,463</u>	<u>1,083,554</u>
Change in net position	67,496,914	43,262,714
Net position – beginning of year	<u>(109,344,999)</u>	<u>(152,607,713)</u>
Net position – end of year	<u>\$ (41,848,085)</u>	<u>\$ (109,344,999)</u>

EASTERN KENTUCKY UNIVERSITY FOUNDATION, INC.
STATEMENTS OF ACTIVITIES
Years ended June 30, 2020 and 2019

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND OTHER SUPPORT						
Contributions	\$ 99,613	\$ 2,395,657	\$ 2,495,270	\$ 205,401	\$ 2,280,271	\$ 2,485,672
Income from investments - net of investment expenses of \$157,591 and \$208,158 for 2020 and 2019, respectively	148,724	1,560,367	1,709,091	185,997	1,423,973	1,609,970
Net realized and unrealized gains on investments	264,443	808,653	1,073,096	286,989	1,901,967	2,188,956
Other income - net	116,596	26,022	142,618	69,807	27,044	96,851
	629,376	4,790,699	5,420,075	748,194	5,633,255	6,381,449
Net assets released from restrictions	3,911,408	(3,911,408)	-	4,104,911	(4,104,911)	-
Total revenues, gains, and other support	4,540,784	879,291	5,420,075	4,853,105	1,528,344	6,381,449
EXPENSES						
Support for the University	3,361,331	-	3,361,331	3,721,231	-	3,721,231
Management and general	181,064	-	181,064	162,781	-	162,781
Total expenses	3,542,395	-	3,542,395	3,884,012	-	3,884,012
Change in net assets	998,389	879,291	1,877,680	969,093	1,528,344	2,497,437
Net assets - beginning of year	5,801,373	55,557,163	61,358,536	4,832,280	54,028,819	58,861,099
Net assets - end of year	\$ 6,799,762	\$56,436,454	\$63,236,216	\$ 5,801,373	\$55,557,163	\$61,358,536

EASTERN KENTUCKY UNIVERSITY
STATEMENTS OF CASH FLOWS
Years ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
OPERATING ACTIVITIES		
Tuition and fees	\$ 90,777,170	\$ 88,897,316
Grants, contracts and gifts	39,812,219	41,958,153
Payments to suppliers	(83,850,748)	(65,546,290)
Payments for utilities	(7,651,330)	(8,078,255)
Payments to employees	(112,966,982)	(121,186,500)
Payments for benefits	(34,288,172)	(41,481,799)
Payments to students	(18,636,433)	(15,332,783)
Loans issued to students and employees	(4,335)	(4,335)
Collections of loans to students and employees	794,196	794,196
Auxiliary enterprise charges		
Residence halls	10,665,714	8,929,056
Other	4,208,494	5,419,193
Sales and services of educational activities	5,619,787	6,595,893
Other receipts	<u>10,054,075</u>	<u>12,490,983</u>
Net cash used in operating activities	(95,466,343)	(86,545,172)
NONCAPITAL FINANCING ACTIVITIES		
State appropriations	63,753,600	64,189,000
Other nonoperating revenues	<u>50,764,567</u>	<u>47,458,721</u>
Net cash provided by noncapital financing activities	114,518,167	111,647,721
CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of capital assets	(21,576,756)	(34,611,303)
Principal paid on bonds payable and capital leases	(14,125,000)	(8,270,000)
Interest paid on bonds payable and capital leases	(7,190,787)	(7,576,349)
Proceeds on issuance of bonds payable	5,892,872	-
Capital appropriations	<u>1,165,463</u>	<u>1,083,554</u>
Net cash used in capital and related financing activities	(35,834,208)	(49,374,098)
INVESTING ACTIVITIES		
Interest on investments	<u>2,035,458</u>	<u>2,837,112</u>
Net cash provided by investing activities	<u>2,035,458</u>	<u>2,837,112</u>
Increase (decrease) in cash and cash equivalents	(14,746,926)	(21,434,437)
Cash and cash equivalents – beginning of year	<u>85,844,964</u>	<u>107,279,401</u>
Cash and cash equivalents – end of year	<u>\$ 71,098,038</u>	<u>\$ 85,844,964</u>

EASTERN KENTUCKY UNIVERSITY
STATEMENTS OF CASH FLOWS
Years ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES		
Operating loss	\$ (48,313,179)	\$ (70,428,474)
Depreciation expense	22,891,154	22,918,906
Contributed capital assets	(26,450)	(1,530,000)
Changes in operating assets and liabilities		
Accounts receivable – net	1,490,708	(5,453,266)
Loans to students – net	658,019	789,861
Inventories	(53,323)	4,884
Prepaid expenses	220,507	(619,805)
Accounts payable	(6,939,483)	1,793,405
Accrued liabilities	1,402,819	(1,023,346)
Refundable deposits	(232,286)	318,728
Assets held for others	2,463	(19,328)
Unearned revenue	(1,608,679)	(1,415,845)
Deferred outflows – KTRS/KERS Pension	23,238,005	38,505,218
Deferred outflows – KTRS/KERS OPEB	435,833	2,757,904
Deferred inflows – KTRS/KERS Pension	(29,959,092)	62,243,148
Deferred inflows – KTRS/KERS OPEB	10,639,856	10,854,160
Net pension liability	(55,157,652)	(133,129,739)
Net OPEB liability	<u>(14,155,563)</u>	<u>(13,111,583)</u>
Net cash flows used in operating activities	<u>\$ (95,466,343)</u>	<u>\$ (86,545,172)</u>
Supplemental cash flows information		
Capital asset acquisitions in accounts payable	734,647	4,528,312
Contributed capital assets	26,450	1,530,000

NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations – Eastern Kentucky University (the “University”) is a regional, coeducational, public institution of higher education offering general and liberal arts programs, pre-professional and professional training in education and various other fields at both the undergraduate and graduate levels. Located in Richmond, Kentucky, the University has a distinguished record of over eleven decades of educational service to the Commonwealth of Kentucky (the “Commonwealth”).

Reporting Entity – The University is a component unit of the Commonwealth and is included in the basic financial statements of the Commonwealth. The University’s financial statements, as defined by Statement No. 14 and amended by Statement No. 61 of the Governmental Accounting Standards Board (“GASB”), include the financial operations and financial position of Eastern Kentucky University Foundation, Inc. (the “Foundation”), which is a corporation formed for educational, charitable and public purposes in accordance with the provisions of KRS 273.010 and a discretely presented component unit of the University. Specifically, it was founded to cooperate with the University and with the Board of Regents of the University (the “Board”) in the promotion of the educational, civic, and charitable purpose of the University and Board in any lawful manner deemed appropriate by the Board. This purpose includes the encouragement of scholarship and research, the promotion of the prestige, expansion, and development of the University, including the development of its physical plant, its faculty and the assistance of its students and alumni. Certain officers of the Foundation are also officers of the University. The Foundation is included in the University’s financial statements as a component unit as it is organized exclusively to benefit the University by generating funding and performing the University’s development activities. The separate financial statements of the Foundation can be obtained by written request to the Eastern Kentucky University Foundation, Jones 324 Coates CPO 19A, 521 Lancaster Avenue, Richmond, Kentucky 40475.

Basis of Accounting and Presentation – The financial statements of the University have been prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities from exchange and exchange-like transactions are recognized when the exchange transaction takes place, while those from government-mandated nonexchange transactions (principally federal and state grants and state appropriations) are recognized when all applicable eligibility requirements are met. Internal activity and balances are eliminated in the preparation of the financial statements. Operating revenues and expenses include exchange transactions and program-specific, government-mandated nonexchange transactions. Investment income and interest expense from government-mandated nonexchange transactions that are not program specific (such as state appropriations) are included in nonoperating revenues and expenses.

Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses and other changes in Net Position during the reporting period. Actual results could differ from those estimates.

Cash Equivalents – The University considers all liquid investments with original maturities of three months or less to be cash equivalents. Funds held by the Commonwealth are considered cash equivalents and are carried at cost, which approximates market value.

Restricted Cash and Cash Equivalents – Restricted cash is restricted for the purchase of capital assets.

NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Investments and Investment Income – Investments in equity and debt securities are carried at fair value determined using quoted market prices. Investments in nonnegotiable certificates of deposit, money market accounts, and repurchase agreements are carried at cost, which approximates market value. Amounts due for debt service in the upcoming year represent short-term investments; all other investments are classified as long-term.

The University's investments held with the Foundation are governed by the Foundation's investment policies that determine permissible investments by category. The holdings include U.S. and foreign equity securities as well as alternative investments.

Investment income consists of interest and dividend income, realized gains and the net change for the year in the fair value of investments carried at fair value.

Accounts Receivable – Accounts receivable consist primarily of tuition and fee charges to students, charges for auxiliary enterprise services provided to students, faculty and staff and receivables from federal, state and private agencies for grants and contracts. Accounts receivable are recorded net of estimated uncollectible amounts. Estimated uncollectible amounts are determined by considering a number of factors, including the length of time accounts receivable are past due, previous loss history and the condition of the general economy and the industry as a whole.

Loans to Students – The University makes loans to students under various federal and other loan programs. Such loans receivable are recorded net of estimated uncollectible amounts.

Inventories – Inventories are stated at the lower of cost or market determined on the first-in, first-out method.

Capital Assets – Capital assets are recorded at cost at the date of acquisition. Gifts are recorded at acquisition value at the date of donation. The University's capitalization policy includes all items with a unit cost of \$5,000 or more and an estimated useful life of greater than one year. Renovations to buildings, infrastructure and land improvements that significantly increase the value or extend the useful life of the structure are capitalized. Routine repairs and maintenance are charged to operating expense in the year in which the expenses are incurred.

Depreciation of capital assets is computed on a straight-line basis over the estimated useful lives of the assets; generally, 40 years for buildings, 15–20 years for land improvements, 25 years for infrastructure, 10 years for library books, and 3–15 years for equipment.

Costs incurred during the construction of capital assets are recorded as construction in progress and are not depreciated until placed into service. The University capitalizes interest as a component of capital assets constructed for its own use. Total interest incurred for the years ended June 30, 2020 and 2019 was \$5,978,488 and \$6,486,549, of which \$1,979,643 and \$1,622,562 was capitalized.

Compensated Absences – University employees begin to accumulate annual vacation allocations from the beginning date of employment; however, accrued vacation is not granted until three months of employment have been completed. The maximum accumulation of vacation leave is limited to the number of days that can be accumulated in one year, based on the length of service. Employees are paid their accumulated vacation upon termination, subject to certain limitations.

NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

University policy permits most employees to accumulate vacation that may be realized as paid time off or, in limited circumstances, as a cash payment. Expense and the related liability are recognized when vacation benefits are earned whether the employee is expected to realize the benefit as time off or in cash. Sick leave benefits expected to be realized as paid time off are recognized as expense when the time off occurs and no liability is accrued for such benefits employees have earned but not yet realized. Compensated absence liabilities are computed using the regular pay in effect and related benefit costs at the Statement of Net Position date.

Unearned Revenue – Unearned revenue represents student fees, advances on grants and contract awards for which the University has not met all of the applicable eligibility requirements, and construction costs for a building provided by the University's dining partner.

Pensions and Other Postemployment Benefits (OPEB) – For purposes of measuring the net pension and OPEB liabilities, deferred outflows and inflows of resources related to pensions and OPEB, and pension and OPEB expense, information about the fiduciary net position of the Kentucky Teachers' Retirement system (KTRS) and the Kentucky Employees Retirement System (KERS) and additions to /deductions from KTRS' and KERS' fiduciary net position have been determined on the same basis as they are reported by KTRS and KERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Outflows and Inflows of Resources – Deferred outflows represent the consumption of resources that are applicable to a future reporting period, but do not require any further exchange of goods or services. Deferred outflows of resources in the University's financial statements consist of the unamortized deferred refunding loss balance and pension and OPEB related unamortized balances. Deferred inflows consist of the KTRS and KERS pension and OPEB related unamortized balances as well as amounts related to service concession arrangements.

Net Position – Under the provisions of GASB Statement No. 63, resources of the University are classified for accounting and reporting purposes into the following net position categories:

Net investment in Capital Assets: Represents the University's investment in capital assets, net of accumulated depreciation and outstanding debt obligations related to the acquisition, construction, or improvement of those assets.

Restricted – Expendable: Represents resources the University is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties.

Restricted – Unexpendable: Represents resources the University is legally or contractually obligated to retain in perpetuity.

Unrestricted: The unrestricted component of net position represents assets, deferred outflows, liabilities and deferred inflows whose use by the University is not subject to externally imposed stipulations. Unrestricted net position may be designated for specific purposes by action of management or the Board. Substantially all unrestricted resources are designated for academic and research programs and initiatives, capital projects and operating reserves.

NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Operating and Nonoperating Revenues and Expenses – Operating activities as reported on the Statements of Revenues, Expenses and Changes in Net Position are those activities that generally result from exchange transactions, such as payments received for providing services and payments made for services or goods received. Primarily all of the University's expenses are from exchange transactions. Certain revenue streams are recorded as nonoperating revenues, as required by GASB standards, including state appropriations, federal Pell grant revenue, gifts and investment income. In addition, interest expense is shown as a nonoperating expense.

Release of Restricted Resources – When an expense or outlay is incurred for which both restricted and unrestricted resources are available, the University's policy is to allow each departmental unit the flexibility to determine whether to first apply restricted or unrestricted resources based on the most advantageous application of resources in the particular circumstances.

Scholarship Discounts and Allowances – Student tuition and fee revenues, and certain other revenues from students, are reported net of scholarship allowances in the Statements of Revenues, Expenses, and Changes in Net Position. Scholarship allowances are the difference between the stated charge for goods and services provided by the University and the amount that is paid by students and/or third parties making payments on the students' behalf. Certain government grants, such as Pell grants, and other federal, state, or nongovernmental programs, are recorded as either operating or nonoperating revenues in the University's financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the University has recorded a scholarship allowance. The scholarship allowances on tuition and fees and on housing for the years ended June 30, 2020 and 2019 were \$63,606,779 and \$64,220,071 and \$4,962,549 and \$9,010,668, respectively. Payments made directly to students are presented as student financial aid expenses in the Statements of Revenues, Expenses, and Changes in Net Position.

Adoption of New Accounting Pronouncements – During fiscal year 2020, the University adopted the following accounting pronouncements:

- GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. This Statement was issued to provide temporary relief to governments as a result of the COVID-19 pandemic. This statement was effective immediately and postponed the required implementation dates of certain statements and implementation guides.

Recent Accounting Pronouncements - As of June 30, 2020, the GASB has issued the following statements not yet implemented by the University.

- GASB Statement No. 84, *Fiduciary Activities*, effective for periods beginning after December 15, 2019.
- GASB Statement No. 87, *Leases*, effective for periods beginning after June 15, 2021
- GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, effective for periods beginning after December 15, 2020.
- GASB Statement No. 90, *Majority Equity Interests, an amendment of GASB Statements No. 14 and No. 61*, effective for periods beginning after December 15, 2019.

NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

- GASB Statement No. 91, *Conduit Debt Obligations*, effective for periods beginning after December 15, 2021.
- GASB Statement No. 92, *Omnibus 2020*, effective for periods beginning after June 15, 2021.
- GASB Statement No. 93, *Replacement of Interbank Offered Rates*, effective for periods beginning after June 15, 2021.
- GASB Statement No. 94, *Public-Private and Public-Private Partnerships and Availability Payment Arrangements*, effective for periods beginning after June 15, 2022.
- GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, effective for periods beginning after June 15, 2022.
- GASB Statement No. 97, *Certain Component Units Criteria, and Accounting and Financial Reporting for Internal Revenue Code (IRC) Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*, effective for periods beginning after June 15, 2021.

The University's management has not yet determined the effect these statements will have on the University's financial statements.

Income Taxes – As a state institution of higher education, the income of the University is generally exempt from federal and state income taxes under Section 115(1) of the Internal Revenue Code, as amended, and a similar provision of state law. However, the University is subject to federal income tax on any unrelated business taxable income.

NOTE 2 – DEPOSITS, INVESTMENTS AND INVESTMENT RETURN

The Commonwealth treasurer requires that all state funds be insured by the Federal Deposit Insurance Corporation ("FDIC"), collateralized by securities held by the cognizant Federal Reserve Bank or invested in U.S. government obligations. The University's deposits with the Commonwealth treasurer are pooled with funds of other state agencies and then, in accordance with statutory limitations, placed in financial institutions or invested as the Commonwealth treasurer may determine, in the state's name.

The University requires that balances on deposits with financial institutions to be insured by the FDIC or collateralized by securities held by the cognizant Federal Reserve Bank, in the University's name.

Custodial credit risk for deposits is the risk that, in the event of a bank failure, the University's deposits may not be returned to the University. As a means of limiting its exposure to losses from custodial credit risk, the University's deposits and investments are held by the Commonwealth treasurer, collateralized by securities in the University's name, and insured by the FDIC or in the University's name.

NOTE 2 – DEPOSITS, INVESTMENTS AND INVESTMENT RETURN (Continued)

Deposits as of June 30, 2020 and 2019 consisted of:

	<u>2020</u>	<u>2019</u>
Depository accounts		
Local bank deposits – collateral held as a pledge in the University's name	\$ 35,443,960	\$ 29,322,789
Cash on hand	18,593	19,489
State investment pool – uninsured and uncollateralized	<u>35,635,485</u>	<u>56,502,686</u>
Total deposits	<u>\$ 71,098,038</u>	<u>\$ 85,844,964</u>

Deposits at June 30, 2020 and 2019 as presented on the Statement of Net Position include:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 53,751,403	\$ 45,362,894
Restricted cash and cash equivalents	<u>17,346,635</u>	<u>40,482,070</u>
Total deposits	<u>\$ 71,098,038</u>	<u>\$ 85,844,964</u>

Investments at June 30, 2020 and 2019 consisted of:

	<u>2020</u>	<u>2019</u>
Restricted assets held by the Foundation	\$ 20,285,936	\$ 20,484,587
Total investments	<u>\$ 20,285,936</u>	<u>\$ 20,484,587</u>

Investments in U.S. government securities and the collateral for repurchase agreements are registered in the name of Eastern Kentucky University or held in the University's name by its agents and trustees. The University may legally invest in direct obligations of, and other obligations guaranteed as to principal, the U.S. Treasury and U.S. agencies, and instrumentalities and in bank repurchase agreements. It may also invest to a limited extent in equity securities.

University investments held by the Eastern Kentucky University Foundation, Inc. are comprised of the Regional University Excellence Trust Fund and Programs of Distinction endowments (see Note 9). Assets held by the Foundation are invested primarily in an investment pool managed by the Foundation and are carried at fair value.

NOTE 2 – DEPOSITS, INVESTMENTS AND INVESTMENT RETURN (Continued)

The assets in the Foundation investment pool at June 30, 2020 and 2019 are invested as follows:

	<u>2020</u>	<u>2019</u>
Percentage of pool invested in:		
Cash equivalents – trustee	5%	1%
Registered investment companies equity funds	70	71
Registered investment companies fixed income funds	24	26
Alternative investments	<u>1</u>	<u>2</u>
Total	<u>100%</u>	<u>100%</u>

The University categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below. Refer to Note 15 B. for a description of those investments.

The fair value of financial instruments as of June 30, 2020 and 2019 is as follows:

Fair Value Measurements at June 30, Using:				
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>2020</u>				
Eastern Kentucky University Foundation, Inc. Investment fund at net asset value per share	\$ 20,285,936	\$ -	\$ -	\$ -
Total investments	<u>\$ 20,285,936</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>2019</u>				
Eastern Kentucky University Foundation, Inc. Investment fund at net asset value per share	\$ 20,484,587	\$ -	\$ -	\$ -
Total investments	<u>\$ 20,484,587</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 2 – DEPOSITS, INVESTMENTS AND INVESTMENT RETURN (Continued)

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The University does not have a formal policy to specifically limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The money market mutual funds are presented as an investment with a maturity of less than one year because they are redeemable in full immediately.

Credit Risk – Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. Credit quality ratings provide information about the investment's credit risk. The University does not have a formal policy that would limit its investment choices. However, investments are required to be in compliance with Commonwealth statute.

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. The University does not have a formal policy for concentration of credit risk.

Investment Income – Investment income for the years ended June 30, 2020 and 2019 was \$1,495,115 and \$3,193,708, respectively, consisting primarily of an unrealized gains and loss of investments.

NOTE 3 – ACCOUNTS RECEIVABLE

Accounts receivable are recorded net of estimated uncollectible amounts and consist of the following at June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Student tuition and fees	\$ 7,771,271	\$ 9,448,621
Auxiliary enterprises	1,313,737	1,488,954
Federal, state and private grants and contracts	20,328,755	18,007,928
Other state agencies	28,198	28,198
Other	<u>2,074,474</u>	<u>2,170,790</u>
Total	31,516,435	31,144,491
Less allowance for uncollectible accounts	<u>(4,950,677)</u>	<u>(3,088,023)</u>
Accounts receivable – net	<u>\$ 26,565,758</u>	<u>\$ 28,056,468</u>

NOTE 4 – CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2020, is as follows:

	Balance - June 30, 2019	Additions	Reductions	Transfers	Balance – June 30, 2020
Capital assets not being depreciated					
Land	\$ 8,186,328	\$ -	\$ -	\$ -	\$ 8,186,328
Historical treasures and works of art	1,838,492	-	-	172,804	2,011,296
Livestock for educational purposes	188,548	88,690	-	-	277,238
Construction in progress	49,374,186	18,791,251	(16,052)	(64,344,790)	3,804,595
Total capital assets not being depreciated	59,587,554	18,879,941	(16,052)	(64,171,986)	14,279,457
Other capital assets					
Land improvements	62,266,425	-	-	29,473	62,295,898
Buildings	599,291,768	723,404	-	64,140,892	664,156,064
Leasehold improvements	556,987	-	(431,410)	-	125,577
Equipment	31,022,830	2,312,101	(237,598)	17,673	33,115,006
Library books	48,309,839	1,455,776	(60,409)	-	49,705,206
Total other capital assets	741,447,849	4,491,281	(729,417)	64,188,038	809,397,751
Less accumulated depreciation for					
Land improvements	(37,862,171)	(2,864,806)	-	-	(40,726,977)
Buildings	(185,525,156)	(16,500,692)	-	-	(202,025,848)
Leasehold improvements	(523,248)	(12,558)	431,410	-	(104,396)
Equipment	(22,510,786)	(2,168,540)	217,211	-	(24,462,115)
Library books	(41,423,788)	(1,344,560)	60,409	-	(42,707,939)
Total accumulated depreciation	(287,845,149)	(22,891,156)	709,030	-	(310,027,275)
Other capital assets – net	453,602,700	(18,399,875)	(20,387)	64,188,038	499,370,476
Total capital assets – net	\$ 513,190,254	\$ 480,066	\$ (36,439)	\$ 16,052	\$ 513,649,933

NOTE 4 – CAPITAL ASSETS (Continued)

Capital assets activity for the year ended June 30, 2019, is as follows:

	Balance - June 30, <u>2018</u>	<u>Additions</u>	<u>Reductions</u>	<u>Transfers</u>	Balance – June 30, <u>2019</u>
Capital assets not being depreciated					
Land	\$ 8,186,328	\$ -	\$ -	\$ -	\$ 8,186,328
Historical treasures and works of art	308,492	1,530,000	-	-	1,838,492
Livestock for educational purposes	391,027	-	(202,479)	-	188,548
Construction in progress	<u>105,012,530</u>	<u>33,884,138</u>	<u>(19,098)</u>	<u>(89,503,384)</u>	<u>49,374,186</u>
Total capital assets not being depreciated	113,898,377	35,414,138	(221,577)	(89,503,384)	59,587,554
Other capital assets					
Land improvements	61,150,086	35,430	-	1,080,909	62,266,425
Buildings	511,990,282	20,125	(744,529)	88,025,890	599,291,768
Leasehold improvements	556,987	-	-	-	556,987
Equipment	29,106,512	1,749,877	(230,144)	396,585	31,022,830
Library books	<u>46,958,254</u>	<u>1,433,625</u>	<u>(82,040)</u>	<u>-</u>	<u>48,309,839</u>
Total other capital assets	649,762,121	3,239,057	(1,056,713)	89,503,384	741,447,849
Less accumulated depreciation for					
Land improvements	(34,430,988)	(3,431,183)	-	-	(37,862,171)
Buildings	(169,885,220)	(15,978,826)	338,890	-	(185,525,156)
Leasehold improvements	(510,690)	(12,558)	-	-	(523,248)
Equipment	(20,577,277)	(2,161,683)	228,174	-	(22,510,786)
Library books	<u>(40,171,172)</u>	<u>(1,334,656)</u>	<u>82,040</u>	<u>-</u>	<u>(41,423,788)</u>
Total accumulated depreciation	<u>(265,575,347)</u>	<u>(22,918,906)</u>	<u>649,104</u>	<u>-</u>	<u>(287,845,149)</u>
Other capital assets – net	<u>384,186,774</u>	<u>(19,679,849)</u>	<u>(407,609)</u>	<u>89,503,384</u>	<u>453,602,700</u>
Total capital assets – net	<u>\$ 498,085,151</u>	<u>\$ 15,734,289</u>	<u>\$ (629,186)</u>	<u>\$ -</u>	<u>\$ 513,190,254</u>

NOTE 5 – UNEARNED REVENUE

Unearned revenue as of June 30, 2020 and 2019 is as follows:

	<u>2020</u>	<u>2019</u>
Unearned summer school revenue and activity fees	\$ 4,968,756	\$ 4,997,904
Unearned grants and contracts revenue, current	5,093,434	7,265,637
Unearned grants and contracts revenue, noncurrent	<u>27,134,607</u>	<u>26,541,935</u>
Total	<u>\$ 37,196,797</u>	<u>\$ 38,805,476</u>

NOTE 6 – BONDS PAYABLE AND CAPITAL LEASE OBLIGATIONS

Long-term liabilities as of June 30, 2020, and long-term activity for the year ended June 30, 2020 are summarized as follows:

	Balance - July 1, 2019	Additions	Reductions	Refunding	Balance - June 30, 2020	Balance Due Within One Year
Revenue bonds payable	\$ 97,550,000	\$ -	\$ (3,835,000)	\$ (5,700,000)	\$ 88,015,000	\$ 3,995,000
General receipts refunding bonds	14,005,000	5,265,000	(4,590,000)		14,680,000	4,445,000
Capitalized lease obligations	25,500,000	-	-	-	25,500,000	-
Unamortized bond premium	4,830,059	627,872	(754,715)	-	4,703,216	666,630
	<u>\$ 141,885,059</u>	<u>\$ 5,892,872</u>	<u>\$ (9,179,715)</u>	<u>\$ (5,700,000)</u>	<u>\$ 132,898,216</u>	<u>\$ 9,106,630</u>

Long-term liabilities as of June 30, 2019, and long-term activity for the year ended June 30, 2019 are summarized as follows:

	Balance - July 1, 2018	Additions	Reductions	Refunding	Balance - June 30, 2019	Balance Due Within One Year
Revenue bonds payable	\$ 102,055,000	\$ -	\$ (4,505,000)	\$ -	\$ 97,550,000	\$ 4,375,000
General receipts refunding bonds	17,770,000	-	(3,765,000)	-	14,005,000	4,030,000
Capitalized lease obligations	25,500,000	-	-	-	25,500,000	-
Unamortized bond premium	5,572,046	-	(741,987)	-	4,830,059	650,494
	<u>\$ 150,897,046</u>	<u>\$ -</u>	<u>\$ (9,011,987)</u>	<u>\$ -</u>	<u>\$ 141,885,059</u>	<u>\$ 9,055,494</u>

General Receipts Revenue Bonds – On August 2, 2007, the University sold \$12,920,000 of Eastern Kentucky University General Receipts and Refunding Bonds, Series 2007A, with a net interest rate of 4.41%. The proceeds of this bond issue provided funding for the renovation of the Sidney Clay Residence Hall and the refunding of the Eastern Kentucky University Housing System Revenue Bonds. The bonds mature in varying amounts through May 1, 2027. All of the revenues of the University, except federal and state grants and contracts, RUETF endowment matching grants, POD endowment, capital appropriations, and federal capital support are pledged for debt service on these bonds. During fiscal years 2020 and 2019, \$0 and \$105,000 of principal and \$0 and \$4,463 of interest were paid on the bonds. Total outstanding principal at June 30, 2020 was \$0. These bonds were partially refunded during fiscal year 2017. See Series 2016A paragraph in this footnote.

On April 1, 2009, the University sold \$12,095,000 of Eastern Kentucky University General Receipt Bonds, Series 2009A, at a net interest cost of 3.98%. The proceeds of this bond issue provided funding for the renovation of the Walters Residence Hall and the construction of intramural fields. The bonds mature in varying amounts through May 1, 2028. During fiscal years 2020 and 2019, \$0 and \$730,000 of principal and \$0 and \$256,979, respectively, of interest were paid on the bonds. Total outstanding principal at June 30, 2020 and 2019 was \$0 and \$5,700,000, respectively. These bonds were refunded during fiscal year 2020. See Series 2019A paragraph in this footnote.

NOTE 6 – BONDS PAYABLE AND CAPITAL LEASE OBLIGATIONS (Continued)

On December 8, 2011, the University sold \$21,480,000 of Eastern Kentucky University General Receipt Bonds, Series 2011A, at a net interest cost of 3.74%. The proceeds of this bond issue provided funding for a new residence hall. The bonds mature in varying amounts through October 1, 2031. During fiscal years 2020 and 2019, \$960,000 and \$930,000 of principal and \$542,725 and \$568,750, respectively, of interest were paid on the bonds. Total outstanding principal at June 30, 2020 and 2019 was \$14,405,000 and \$15,365,000, respectively.

On July 3, 2012, the University sold \$27,700,000 of Eastern Kentucky University General Receipts Refunding Bonds, 2012 Series A bonds, at an effective interest rate of 3.49% to advance refund Consolidated Education Revenue Bonds Series V (June 1, 2004, which refinanced outstanding Housing Revenue Series bonds and provided additional funding for the replacement of the campus underground electrical system) of \$8,790,000 and a master lease (September 25, 2008 for an energy savings performance contract) of \$21,863,227. The 2012 Series A bond agreement includes certain covenants and guidelines related to the University's indebtedness.

The net proceeds of \$31,350,000 (including the Original Issuer's Premium) of the 2012 Series A Bonds were used (after payment of underwriting fees, insurance, and other issuance costs) to purchase U.S. government securities. Those securities were deposited to an irrevocable trust with an escrow agent to provide for all future debt service payments on those Series V bonds and the energy savings lease. As a result, the Series V bonds and energy savings lease are considered to be defeased and the liabilities for these obligations have been removed from the statement of Net Position. The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$1,407,906. This difference, reported under GASB 65 (see Note 1) as a deferred outflow, is being charged to operations through the year 2024 using the effective-interest method. The University completed the advance refunding to reduce its total debt service payments over the next 12 years. The resulting savings on a present value basis is approximately \$2.35 million.

During fiscal years 2020 and 2019, \$3,020,000 and \$2,880,000 of principal and \$482,000 and \$626,000 of interest were paid on the bonds. The outstanding principal at June 30, 2020 and 2019 is \$6,620,000 and \$9,640,000, respectively.

On April 7, 2015, the University sold \$14,280,000 of Eastern Kentucky University General Receipt Bonds, Series 2015A, at a net interest cost of 3.26%. The proceeds of this bond issue provided funding for various athletic projects. The bonds mature in varying amounts through April 1, 2035. During fiscal years 2020 and 2019, \$570,000 and \$545,000 of principal and \$455,394 and \$477,194 of interest were paid on the bonds. Total outstanding principal at June 30, 2020 and 2019 was \$11,610,000 and \$12,180,000, respectively.

On March 2, 2016, the University sold \$5,825,000 of Eastern Kentucky University General Receipt Bonds, Series 2016A, at a net interest cost of 2.15% to refund a portion of the 2007 Series A Bonds (August 2, 2007, which refinanced outstanding Housing Revenue Series bonds).

The refunding resulted in a gross savings between the reacquisition price and the net carrying amount of the old debt. The University completed the refunding to reduce its total debt service payments over the next 11 years. The resulting savings on a present value basis is approximately \$438,507. As of June 30, 2019, the refinanced bonds had been defeased. The University has removed the defeased amount from its accounts. This refunding was a noncash transaction and therefore is excluded from the statement of cash flows.

NOTE 6 – BONDS PAYABLE AND CAPITAL LEASE OBLIGATIONS (Continued)

During fiscal years 2020 and 2019, \$1,010,000 and \$885,000 of principal and \$95,938 and \$113,638, respectively, of interest were paid on the bonds. Total outstanding principal at June 30, 2020 and 2019 was \$3,355,000 and \$4,365,000, respectively.

On April 5, 2017, the University sold \$46,140,000 of Eastern Kentucky University General Receipt Bonds, Series 2017A, at an adjusted true interest cost of 3.43%. The bonds mature in varying amounts through April 1, 2037. During fiscal years 2020 and 2019, \$1,595,000 and \$1,520,000 of principal and \$1,765,906 and \$1,841,906, respectively, of interest were paid on the bonds. Total outstanding principal at June 30, 2020 and 2019 was \$41,525,000 and \$43,120,000, respectively.

On January 23, 2018, the University sold \$21,860,000 of Eastern Kentucky University General Receipt Bonds, Series 2018A, at an adjusted true interest cost of 3.03%. The bonds mature in varying amounts through October 1, 2037. During fiscal years 2020 and 2019, \$710,000 and \$675,000 of principal and \$864,163 and \$898,788 of interest were paid on the bonds. Total outstanding principal at June 30, 2020 and 2019 was \$20,475,000 and \$21,185,000, respectively.

The proceeds of the Eastern Kentucky University General Receipt Bonds, Series 2017A and Series 2018A, provide funding for the project listed in the Budget Act *Construct Student Life Facilities*. The project includes (i) the construction of a new student recreation facility with a fitness center and other amenities, (ii) the construction of a pedway over the Robert Martin Bypass connecting north and south campus, and (iii) renovations of the Powell Student Union building.

On August 27 2019, the University sold \$5,265,000 of Eastern Kentucky University General Receipt Bonds, Series 2019A, at a net interest cost of 1.782% to refund the 2009 Series A Bonds

The refunding resulted in a gross savings between the reacquisition price and the net carrying amount of the old debt. The University completed the refunding to reduce its total debt service payments over the next 9 years. The resulting savings on a present value basis is approximately \$588,141. As of June 30, 2020, the 2009 Series A Bonds had been defeased. The University has removed the defeased amount from its accounts.

During fiscal years 2020, \$560,000 of principal \$140,259 of interest were paid on these new bonds. Total outstanding principal at June 30, 2020 was \$4,705,000.

Capital Lease Obligations – The University has capitalized certain buildings and equipment under various capital lease agreements. In June 2000, the University entered into a financing/lease agreement with the Commonwealth of Kentucky State Property and Buildings Commission to finance the Law Enforcement Basic Training Complex (“Project #66”) in the amount of \$20,350,000. During the 2002 fiscal year, the University entered into a second financing/lease agreement to finance the Law Enforcement Physical Skills Training Facility (“Project #75”) in the amount of \$7,075,000. In October 2003, the University entered into a \$12,990,000 lease agreement with the Commonwealth of Kentucky State Property and Buildings Commission (“Project #80”), the proceeds of which were used primarily to retire \$12,655,000 in lease payments due on the Project #66 lease agreement. During fiscal year 2018, all the capital lease agreements with the Commonwealth of Kentucky State Property and Buildings Commission were retired, and the State assumed ownership of the associated buildings and related debt.

NOTE 6 – BONDS PAYABLE AND CAPITAL LEASE OBLIGATIONS (Continued)

During fiscal year 2016, the University modified the previous Grand Campus lease as part of a value-added benefit for the public private partnership residence hall project. The lease is extended to a total of 31.5 years with lease payments totaling \$115,580,549 over that period, with the University taking ownership at the end of the term. Grand Campus is an approximately 16-acre property adjacent to campus that holds 2 separate student housing dormitories containing a total of 512 bedrooms. The dormitories also have separate bathrooms, common areas, swimming pool, clubhouse, and parking lot among other amenities.

During fiscal years 2020 and 2019, \$0 and \$0 of principal and \$2,844,403 and \$2,788,631, respectively, of interest were paid on the capital leases.

The principal maturities and interest repayment requirements on bonds and capital leases are as follows:

Years ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 9,106,630	\$ 6,976,066	\$ 16,082,696
2022	7,758,530	6,659,492	14,418,022
2023	6,531,014	6,401,103	12,932,117
2024	6,738,850	6,194,423	12,933,273
2025	6,134,403	5,974,926	12,109,329
2026-2030	31,378,422	26,926,312	58,304,734
2031-2035	30,275,786	21,592,582	51,868,368
2036-2040	16,397,029	15,442,554	31,839,583
2041-2045	11,051,779	11,383,702	22,435,481
2046-2048	<u>7,525,773</u>	<u>3,321,141</u>	<u>10,846,914</u>
	<u>\$ 132,898,216</u>	<u>\$ 110,872,301</u>	<u>\$ 243,770,517</u>

Assets under capital leases at original cost totaled \$25,500,000 with accumulated depreciation of \$3,771,875 and \$3,134,375 at June 30, 2020 and 2019, respectively. This includes only Grand Campus Properties.

NOTE 7 – SERVICE CONCESSION ARRANGEMENT

On February 8, 2016, the University entered into an agreement with a third party that qualifies for treatment as a service concession arrangement as defined in GASB 60, *Accounting and Financial Reporting for Service Concession Arrangements*. Under the terms of the agreement, the University leases land to the third party and the third party constructed student housing, whereby the University is the owner of the constructed building with no obligation for construction costs. Once construction of the building was complete and ready for use, the University leased it back to the third party and entered into a manage and maintain agreement for cost and revenue sharing. Due to the age and condition of the current housing stock, the University entered the agreement with the expectation of attracting more students and to retain current students. The buildings were completed in July 2017 and recorded as a capital asset with a book value of \$71,107,507, and a useful life of 40 years. As of June 30, 2020 and 2019, the buildings had a net book value of \$65,922,584 and \$67,700,272 and the service concession had a carrying balance of \$63,996,756 and \$66,367,006, respectively.

NOTE 8 – DESIGNATIONS OF UNRESTRICTED NET POSITION

Unrestricted net position is designated for specific purposes by action of the Board or University management or may otherwise be limited by contractual agreements. Commitments for the use of unrestricted net position at June 30, 2020 and 2019 are as follows:

	<u>2020</u>	<u>2019</u>
Inventories	\$ 325,958	\$ 272,635
Outstanding encumbrances	798,747	1,249,663
Departmental commitments	3,570,254	9,520,386
Designated projects and contingency reserves	32,763,593	17,091,863
Health care self-insurance reserve	3,000,000	3,000,000
Auxiliary working capital	5,469,263	5,783,919
University capital projects	1,000,000	1,000,000
KTRS Pension	(171,759,386)	(214,884,106)
KERS Pension	(187,283,492)	(206,037,668)
KTRS OPEB	(26,610,006)	(27,355,982)
KERS OPEB	<u>(35,096,346)</u>	<u>(37,430,087)</u>
Total	<u>\$ (373,821,415)</u>	<u>\$ (447,789,377)</u>

NOTE 9 – ASSETS HELD BY OTHERS

The Regional University Excellence Trust Fund ("RUETF") was created by the Kentucky General Assembly with the passage of the Postsecondary Education Improvement Act of 1997 ("House Bill 1"). The RUETF Endowment Match Program, also known as "Bucks for Brains", provides state funds on a dollar-for-dollar match basis. Funds are endowed for the purposes of supporting endowed chairs and professorships. House Bill 1 also established two Eastern Kentucky University endowments for the support of nationally recognized Programs of Distinction ("PODs") for the College of Justice and Safety and for potential future additional Programs of Distinction. The College of Justice and Safety POD was liquidated in 2010 to fund an addition to the Stratton Building.

The total fair market value of the Eastern Kentucky University RUETF and POD endowment as of June 30, 2020 and 2019 was \$20,285,936 and \$20,484,587, respectively.

The portion of the RUETF endowment representing the value of the funding received from the Kentucky General Assembly, plus unexpended earnings thereon, was \$18,341,506 and \$18,522,233 as of June 30, 2020 and 2019, respectively, and is included in restricted assets held by the Foundation (see Note 2).

The fair market value of the Eastern Kentucky University POD endowments as of June 30, 2020 and 2019 was \$1,944,430 and \$1,962,354, respectively, and is included in restricted assets held by the Foundation (see Note 2).

NOTE 10 – RELATED-PARTY TRANSACTIONS

The University and the Foundation are related parties. The University authorizes the Foundation to solicit contributions on its behalf. In the absence of donor restrictions, the Foundation has discretionary control over the amounts and timing of its distributions to the University. In addition, the Foundation incurs expenses for salaries of certain University staff; however, the salaries are paid by the University.

	<u>2020</u>	<u>2019</u>
Funds disbursed by the University on behalf of the Foundation:		
For employee salaries and benefits	\$ 290,861	\$ 209,778
For other expenses	1,181,054	1,836,504
For scholarships	1,466,096	1,322,952
Funds held by the Foundation on behalf of or for the benefit of the University as of June 30	20,285,936	20,484,587
Funds due to the University by the Foundation	221,071	314,827

NOTE 11 – PENSION AND OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS

Kentucky Teachers' Retirement System

Plan Description – All full-time University faculty members and certain other staff occupying a position requiring certification or graduation from a four-year college or university as a condition of employment are covered by the Kentucky Teachers' Retirement System (KTRS), a cost sharing - multiple employer public employee retirement system. KTRS is a defined benefit plan providing for retirement, disability, death benefits and health insurance. Participants have a fully vested interest after the completion of 60 months of service, 12 of which are current service.

KTRS issues a publicly available financial report that includes financial statements, required supplementary information, and detailed information about the pension plan's fiduciary net position. That report may be obtained by writing to Kentucky Teachers' Retirement System, 479 Versailles Road, Frankfort, Kentucky, 40601, by calling (502) 573-3266, or visiting the website at <https://trs.ky.gov/>.

Basis of Accounting: For purposes of measuring the net pension and OPEB liabilities, deferred outflows of resources and deferred inflows of resources related to pension and OPEB, pension and OPEB expense, information about the fiduciary net position of the Kentucky Teachers' Retirement System of the State of Kentucky (KTRS) and additions to/deductions from KTRS's fiduciary net position have been determined on the same basis as they are reported by KTRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

NOTE 11 – PENSION AND OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS (Continued)

Pension Plan Information

Pension Benefits Provided: The information below summarizes the major retirement benefit provisions of KTRS plan. It is not intended to be, nor should it be interpreted as, a complete statement of all benefit provisions:

	Tier 1 Participation Prior to <u>July 1, 2008</u>	Tier 2 Participation on or After <u>July 1, 2008</u>
Covered Employees:	University faculty and professional staff that do not choose the Optional Retirement Plan (Deferred Contribution)	University faculty and professional staff that do not choose the Optional Retirement Plan (Deferred Contribution)
Benefit Formula:	Final Compensation X Benefit Factor X Years of Service	
Final Compensation:	Average of the highest 5 annual salaries reduced 5% per year from the earlier of age 60 or the date 27 years of service would have been completed. Average of the highest 3 annual salaries if age 55 with 27 or more years of service. The minimum annual service allowance for all members is \$440 multiplied by credited service.	Average of the highest 5 annual salaries reduced 6% per year from the earlier of age 60 or the date 27 years of service would have been completed. Average of the highest 3 annual salaries if age 55 with 27 or more years of service. The minimum annual service allowance for all members is \$440 multiplied by credited service.
Benefit Factor:	Non-University members: 2.00% for service prior to 7/1/1983; 2.50% for service after 7/1/1983; 2.00% if participation after 7/1/2002 and less than 10 years; 2.50% if participation after 7/1/2002 and more than 10 years; 3.00% if retire after 7/1/2004 with more than 30 years. University members: 2.0% for each year of service.	Non-University members: 1.70% if less than 10 years; 2.00% if greater than 10 years, but no more than 20 years; 2.30% if greater than 20 years, but no more than 26 years; 2.50% if greater than 26 years, but no more than 30 years; 3.00% for service greater than 30 years. University members: 1.50% if less than 10 years; 1.70% if greater than 10 years, but less than 20 years; 1.85% if greater than 20 years, but less than 27 years; 2.00% if greater than 27 years.
Cost of Living Adjustment (COLA):	1.5% annually additional ad hoc increases must be authorized by the General Assembly.	
Unreduced Retirement Benefit:	Any age with 27 years of Kentucky service. Age 55 with 5 years of Kentucky service.	Any age with 27 years of Kentucky service. Age 60 with 5 years of Kentucky service. Age 55 with 10 years of Kentucky service.
Reduced Retirement Benefit:	Must be retired for service or disability to be eligible. Retired members are given a supplement based upon a contribution supplement table approved by the KTRS Board of Trustees. The retired member pays premiums in excess of the monthly supplement.	

NOTE 11 – PENSION AND OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS (Continued)

Contributions - Benefit and contribution rates are established by state statute. Per Kentucky Revised Statutes 161.540, 161.550 and 161.565, contribution requirements of the active employees and the participating organizations are established and may be amended by the KTRS Board. For the fiscal year ended June 30, 2020 and 2019, University employees were required to contribute 7.625% of their annual covered salary for retirement benefits. The University was contractually required to contribute 15.87% (14.06% allocated to pension, 1.78% allocated to medical insurance and 0.03% allocated to life insurance) of covered payroll for the fiscal years ended June 30, 2020 and 2019. The actuarially determined amount, when combined with employee contributions, is expected to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

The University has met 100% of the contribution funding requirement for the fiscal years ended June 30, 2020 and 2019. Total current year contributions recognized by the Plan were \$8,377,516 (\$7,144,522 related to pension and \$1,232,944 related to OPEB) for the year ended June 30, 2020. The OPEB contributions amount does not include the implicit subsidy. In addition, the Commonwealth of Kentucky contributes ad hoc annual cost of living adjustments provided by the General Assembly for KTRS retirees. This contribution totaled \$7,667,694 for the year ended June 30, 2020.

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions - At June 30, 2020 and 2019, the University reported a liability for its proportionate share of the net pension liability that reflected a reduction for pension support provided to the University by the Commonwealth of Kentucky. The amount recognized by the University as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the University were as follows:

	<u>2020</u>	<u>2019</u>
University's proportionate share of the net pension liability	\$ 86,450,077	\$ 97,174,796
Commonwealth of Kentucky's proportionate share of the net pension liability associated with the University	<u>93,677,114</u>	<u>72,297,288</u>
	<u>\$ 180,127,191</u>	<u>\$ 169,472,084</u>

The net pension liability was measured as of June 30, 2020 and 2019. The University's proportion of the net pension liability was based on actual contributions to the pension plan during the measurement period. At June 30, 2020 and 2019, University's proportion was 0.66% and 0.71%, respectively, and the Commonwealth of Kentucky's proportion associated with the University was 0.71% and 0.53%, respectively.

NOTE 11 – PENSION AND OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS (Continued)

For the year ended June 30, 2020 and 2019, the University was allocated pension expense of \$(45,372,454) and \$(530,192) and revenue of \$9,320,311 and \$8,410,279, respectively. At June 30, 2020 and 2019, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<u>2020</u>		
Net difference between projected and actual earnings on investments	\$ -	\$ 725,202
Change in assumptions	7,326,722	46,033,783
Differences between expected and actual experience	257,727	5,515,285
Changes in proportionate share of contributions	<u>4,359,228</u>	<u>52,123,397</u>
	11,943,677	104,397,667
Contributions subsequent to the measurement date	<u>7,144,522</u>	-
	<u>\$ 19,088,199</u>	<u>\$ 104,397,667</u>
<u>2019</u>		
Net difference between projected and actual earnings on investments	\$ -	\$ 2,401,876
Change in assumptions	16,369,882	77,539,941
Differences between expected and actual experience	787,688	9,792,591
Changes in proportionate share of contributions	<u>8,797,787</u>	<u>61,078,507</u>
	25,955,357	150,812,915
Contributions subsequent to the measurement date	<u>7,148,247</u>	-
	<u>\$ 33,103,604</u>	<u>\$ 150,812,915</u>

At June 30, 2020, the University reported \$7,144,522 as deferred outflows of resources related to pensions resulting from University contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the following fiscal year. Deferred outflows and deferred inflows of resources at June 30, 2020, related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2021	\$ (46,826,604)
2022	(31,705,635)
2023	(12,784,480)
2024	<u>(1,137,271)</u>
	<u>\$ (92,453,990)</u>

NOTE 11 – PENSION AND OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS (Continued)

Actuarial assumptions - The total pension liability in the June 30, 2019 and 2018 measurement was determined by using the following actuarial valuations, applied to all periods included in the measurement:

Actuarial valuation date	June 30, 2018 and 2017
Inflation	3.00%
Salary increases	3.50% - 7.30%, average, including inflation
Investment rate of return	7.50%, net of pension plan investment expense, including inflation
Municipal bond index rate	3.50% and 3.89%
Single equivalent interest rate	7.50%

The rates of mortality for the period after service retirement are according to the RP-2000 Combined Mortality Table for Males and Females, as appropriate, with adjustments for mortality improvements based on a projection of Scale BB to 2025, set forward 2 years for males and 1 year for females.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2010 - June 30, 2015 adopted by the KTRS Board on November 19, 2016.

The long-term expected return on plan was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>June 30, 2019</u>	
	<u>Target Allocation</u>	<u>Long-Term Nominal Rate of Return</u>
U.S. Equity	40 %	4.2%
Non U.S. Equity	22 %	5.2%
Fixed Income	15 %	1.2%
Additional Categories*	8 %	3.2%
Real Estate	6 %	3.8%
Private Equity	7 %	6.3%
Cash	<u>2 %</u>	0.9%
Total	<u>100.0%</u>	

NOTE 11 – PENSION AND OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS (Continued)

<u>Asset Class</u>	<u>June 30, 2018</u>	
	<u>Target Allocation</u>	<u>Long-Term Nominal Rate of Return</u>
U.S. Equity	40%	4.2%
Non U.S. Equity	22%	5.2%
Fixed Income	15%	1.2%
Additional Categories*	8%	3.3%
Real Estate	6%	3.8%
Private Equity	7%	6.3%
Cash	<u>2%</u>	0.9%
Total	<u>100.0%</u>	

*Includes hedge funds, high yield and non U.S. developed bonds and private credit strategies

Changes in Assumptions and Benefit Terms Since Prior Measurement Date – The total pension liability as of June 30, 2019 reflects the assumed municipal bond index rate decrease from 3.89 percent to 3.50 percent. The Single Equivalent Interest Rate (SEIR) remained at 7.50 percent. The impact of this change in the discount rate is a change in assumption that is added to expected TPL to determine the final TPL at June 30, 2019. The total pension liability as of June 30, 2018 reflects the assumed municipal bond index rate increase from 3.56% to 3.89%, resulting in a change in the Single Equivalent Interest Rate (SEIR) from 4.49% to 7.50%. The impact of this change in the discount rate is a change in assumption that is added to expected total pension liability to determine the final total pension liability at June 30, 2018.

Changes Since Measurement Date - There were no changes between the measurement date of the collective net pension liability and the University reporting date that are expected to have a significant effect on the University's proportionate share of the collective net pension liability.

Discount rate - The discount rate used to measure the TPL was 7.50 percent at June 30, 2019 and 2018. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and that employer contributions will be made at the actuarially determined contribution rates for all fiscal years in the future. Based on those assumptions, at the June 30, 2019 measurement date, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE 11 – PENSION AND OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS (Continued)

Sensitivity of the University's proportionate share of the net pension liability to changes in the discount rate - The following tables present the net pension liability of the University as of June 30, 2020 and 2019, calculated using the discount rate, as well as what the University's net pension liability (in thousands) would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2020		
	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Proportionate share of the Collective Net Pension Liability (<i>in thousands</i>)	\$ 110,306	\$ 86,450	\$ 66,262

	June 30, 2019		
	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Proportionate share of the Collective Net Pension Liability (<i>in thousands</i>)	\$ 124,568	\$ 97,175	\$ 74,138

Medical Insurance Plan

Plan Description - In addition to the OPEB benefits previously described, Kentucky Revised Statute 161.675 requires KTRS to provide post-employment healthcare benefits to eligible members and dependents. The KTRS Medical Insurance benefit is a cost-sharing multiple employer defined benefit plan with a special funding situation. Changes made to the medical plan may be made by the KTRS Board of Trustees, the Kentucky Department of Employee Insurance and the General Assembly.

Benefits Provided - To be eligible for medical benefits, the member must have retired either for service or disability. The KTRS Medical Insurance Fund offers coverage to members under the age of 65 through the Kentucky Employees Health Plan administered by the Kentucky Department of Employee Insurance. KTRS retired members are given a supplement to be used for payment of their health insurance premium. The amount of the member's supplement is based on a contribution supplement table approved by the KTRS Board of Trustees. The retired member pays premiums in excess of the monthly supplement. Once retired members and eligible spouses attain age 65 and are Medicare eligible, coverage is obtained through the KTRS Medicare Eligible Health Plan.

Contributions - In order to fund the post-retirement healthcare benefit, seven and one-half percent (7.50%) of the gross annual payroll of members is contributed. Three and three-quarters percent (3.75%) is paid by member contributions and three quarters percent (.75%) from state appropriation and three percent (3.00%) from the employer. The state contributes the net cost of health insurance premiums for members who retired on or after July 1, 2010 who are in the non-Medicare eligible group. Also, the premiums collected from retirees as described in the plan description and investment interest help meet the medical expenses of the plan. For the years ended June 30, 2020 and 2019, the University contributed \$1,217,152 and \$1,230,145 to the KTRS medical insurance plan.

NOTE 11 – PENSION AND OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs

- At June 30, 2020 and 2019, the University reported a liability of \$21,503,000 and \$25,293,000 for its proportionate share of the collective net OPEB liability that reflected a reduction for state OPEB support provided to the University. The collective net OPEB liability was measured as of June 30, 2019 and 2018. The University's proportion of the net OPEB liability was based on actual contributions to the OPEB plan during the measurement period. At June 30, 2019 and 2018, the University's proportion was 0.73 % and 0.73% and the Commonwealth of Kentucky's proportion associated with the University was 0.33% for both years.

The amount recognized by the University as its proportionate share of the OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the University were as follows:

	<u>2020</u>	<u>2019</u>
University's proportionate share of the net OPEB liability	\$ 21,503,000	\$ 25,293,000
State's proportionate share of the net OPEB liability associated with the University	<u>9,592,000</u>	<u>12,379,000</u>
Total	<u>\$ 31,095,000</u>	<u>\$ 37,672,000</u>

For the year ended June 30, 2020 and 2019, the University was allocated OPEB expense of \$773,000 and \$1,892,000 and revenue of \$320,000 and \$869,000 for support provided by the State. At June 30, 2020 and 2019, the University reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<u>2020</u>		
Difference between expected and actual experience	\$ -	\$ 5,205,000
Changes of assumptions	572,000	-
Net difference between projected and actual earnings on OPEB plan investments	91,000	-
Changes in proportion and differences between University contributions and proportionate share of contributions	<u>176,000</u>	<u>1,553,000</u>
	839,000	6,758,000
University contributions subsequent to the measurement date	<u>1,217,152</u>	-
Total	<u>\$ 2,056,152</u>	<u>\$ 6,758,000</u>

NOTE 11 – PENSION AND OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
<u>2019</u>		
Difference between expected and actual experience	\$ -	\$ 1,296,000
Changes of assumptions	348,000	-
Net difference between projected and actual earnings on OPEB plan investments	-	103,000
Changes in proportion and differences between University contributions and proportionate share of contributions	-	1,904,000
	348,000	3,303,000
University contributions subsequent to the measurement date	1,230,145	-
Total	\$ 1,578,145	\$ 3,303,000

Of the total amount reported as deferred outflows of resources related to OPEB, \$1,230,145 resulting from University contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the collective net OPEB liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the University's OPEB expense as follows:

Year ended June 30:	
2021	\$(1,163,000)
2022	(1,163,000)
2023	(1,117,000)
2024	(1,126,000)
2025	(863,000)
Thereafter	(487,000)
	<u>\$ (5,919,000)</u>

Actuarial Assumptions - The total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

NOTE 11 – PENSION AND OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS (Continued)

Valuation date	June 30, 2018 and 2017
Measurement date	June 30, 2019 and 2018
Inflation	3.00%
Real wage growth	0.50%
Wage inflation	3.50%
Salary increases	3.50% - 7.20%, including inflation
Investment rate of return	8.00%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rate	Pre-65: 7.50% and 7.75% decreasing to an ultimate trend rate of 5.00% by FY2024. Post-65: 5.50% and 5.75% decreasing to an ultimate trend rate of 5.00% by FY2021.
Medicare Part B premiums	2.63% and 0.00% increasing to an ultimate rate of 5.00% by FY 2031 and 2030.
Municipal bond index rate	3.50% and 3.89%
Discount rate	8.00%
Single equivalent interest rate	8.00%, net of OPEB plan investment expense, including inflation

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, rates of plan participation, and rates of plan election used in the June 30, 2018 valuation were based on the results of the most recent actuarial experience studies for the University, which covered the five-year period ending June 30, 2015. The remaining actuarial assumptions used in the June 30, 2018 valuation of the MIF were based on a review of recent plan experience done concurrently with the June 30, 2018 valuation. The health care cost trend rate assumption was updated for the June 30, 2018 valuation and was shown as an assumption change in the TOL roll forward while the change in initial per capita claims costs were included with experience in the TOL roll forward.

The long-term expected rate of return on OPEB plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return for each major asset class, as provided by TRS's investment consultant, are summarized in the following table:

Asset Class	June 30, 2019		June 30, 2018	
	Target Allocation	30 Year Expected Geometric Rate of Return	Target Allocation	30 Year Expected Geometric Rate of Return
Global Equity	58.00%	5.10%	58.00%	4.60%
Fixed Income	9.00%	1.20%	9.00%	1.20%
Real Estate	6.50%	3.80%	5.50%	3.80%
Private Equity	8.50%	6.30%	6.50%	6.30%
Other Additional Categories*	17.00%	3.20%	20.00%	3.30%
Cash (LIBOR)	1.00%	0.90%	1.00%	0.90%
Total	100%		100%	

* Modeled as 50% High Yield and 50% Bank Loans

NOTE 11 – PENSION AND OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS (Continued)

Discount Rate - The discount rate used to measure the total OPEB liability was 8.00%. The projection of cash flows used to determine the discount rate assumed that the employer contributions will contribute the Actuarially Determined Contribution (ADC) in accordance with the MIF's funding policy determined by a valuation performed on a date two years prior to the beginning of the fiscal year in which the ADC applies. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the University's proportionate share of the net OPEB liability to changes in the discount rate - The following table presents the University's proportionate share of the collective net OPEB liability of the System, calculated using the discount rate, as well as what the University's proportionate share of the collective net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2020		
	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
University's net OPEB liability (MI) (in thousands)	\$ 25,473	\$ 21,503	\$ 18,178

	June 30, 2019		
	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
University's net OPEB liability (MI) (in thousands)	\$ 19,913	\$ 25,293	\$ 14,539

Sensitivity of the University's proportionate share of the collective net OPEB liability to changes in the healthcare cost trend rates – The following presents the University's proportionate share of the collective net OPEB liability, as well as what the University's proportionate share of the collective net OPEB liability would be if it were calculated using healthcare cost trend rates that were 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	June 30, 2020		
	1% Decrease	Current Trend Rate	1% Increase
University's net OPEB liability (in thousands)	\$ 17,504	\$ 21,503	\$ 26,420

NOTE 11 – PENSION AND OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS (Continued)

	June 30, 2019		
	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
University's net OPEB liability (in thousands)	\$ 14,081	\$ 25,293	\$ 20,560

OPEB Plan Fiduciary Net Position – Detailed information about the OPEB plan's fiduciary net position is available in the separately issued TRS financial report.

Changes of benefit terms – With the passage of House Bill 471, the eligibility for non-single subsidies (NSS) for the KEHP-participating members who retired prior to July 1, 2010 is restored, but the state will only finance, via its KEHP "Shared Responsibility" contributions, the costs of the NSS related to those KEHP-participating members who retired on or after July 1, 2010. This change occurred in the prior year, while there were no other changes in the current year.

Changes to assumptions or other inputs – Updated health care trend rates were implemented.

Life Insurance Plan

Plan Description – Life Insurance Plan – KTRS administers the life insurance plan as provided by Kentucky Revised Statute 161.655 to eligible active and retired members. The KTRS Life Insurance benefit is a cost-sharing multiple employer defined benefit plan. Changes made to the life insurance plan may be made by the KTRS Board of Trustees and the General Assembly.

Benefits Provided – KTRS provides a life insurance benefit of five thousand dollars payable for members who retire based on service or disability. KTRS provides a life insurance benefit of two thousand dollars payable for its active contributing members. The life insurance benefit is payable upon the death of the member to the member's estate or to a party designated by the member.

Contributions - In order to fund the post-retirement life insurance benefit, 0.03 percent of the gross annual payroll of members is contributed by the state. In addition, KCTCS contributes 0.04 percent of each participants covered compensation. For the years ended June 30, 2020 and 2019, the University contributed \$15,842 and \$15,873 to the KTRS life insurance plan.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs - At June 30, 2020 and 2019, the University reported a liability of \$498,000 and \$457,000 for its proportionate share of the collective net OPEB liability, respectively. The collective net OPEB liability was measured as of June 30, 2019. The University's proportion of the net OPEB liability was based on actual contributions to the OPEB plan during the measurement period. At June 30, 2019 and 2018, the University's proportion was 1.61% and 1.62%.

NOTE 11 – PENSION AND OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS (Continued)

For the years ended June 30, 2020 and 2019, the University was allocated OPEB expense of \$87,000 and \$75,000. At June 30, 2020 and 2019, the University reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
<u>2020</u>		
Difference between expected and actual experience	\$ -	\$ 12,000
Changes of assumptions	-	-
Net difference between projected and actual earnings on OPEB plan investments	104,000	-
Changes in proportion and differences between University contributions and proportionate share of contributions	<u>-</u>	<u>15,000</u>
	104,000	27,000
University contributions subsequent to the measurement date	<u>15,842</u>	<u>-</u>
Total	<u>\$ 119,842</u>	<u>\$ 27,000</u>
	Deferred Outflows of Resources	Deferred Inflows of Resources
<u>2019</u>		
Difference between expected and actual experience	\$ 125,000	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on OPEB plan investments	-	10,000
Changes in proportion and differences between University contributions and proportionate share of contributions	<u>-</u>	<u>12,000</u>
	125,000	22,000
University contributions subsequent to the measurement date	<u>15,873</u>	<u>-</u>
Total	<u>\$ 140,873</u>	<u>\$ 22,000</u>

NOTE 11 – PENSION AND OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS (Continued)

Of the total amount reported as deferred outflows of resources related to OPEB, \$15,842 resulting from University contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the collective net OPEB liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the University's OPEB expense as follows:

Year ended June 30:	
2021	\$ 37,000
2022	37,000
2023	17,000
2024	2,000
2025	(5,000)
Thereafter	<u>(11,000)</u>
	<u>\$ 77,000</u>

Actuarial Assumptions – The total OPEB liability in the June 30, 2019 and 2018 actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	June 30, 2018 and 2017
Measurement Date	June 30, 2019 and 2018
Investment rate of return	7.50% net of OPEB plan investment expense, including inflation.
Projected salary increases	3.50 – 7.20%, including inflation
Inflation rate	3.00%
Real Wage Growth	0.50%
Wage Inflation	3.50%
Municipal Bond Index Rate	3.50% and 3.89% for 2018 and 2017
Discount Rate	7.50%
Single Equivalent Interest Rate	7.50%, net of OPEB plan investment expense, including inflation.

Mortality rates were based on the RP-2000 Combined Mortality Table projected to 2025 with projection scale BB and set forward two years for males and one year for females is used for the period after service retirement and for dependent beneficiaries. The RP-2000 Disabled Mortality Table set forward two years for males and seven years for females is used for the period after disability retirement. The demographic actuarial assumptions for retirement, disability incidence, withdrawal, rates of plan participation, and rates of plan election used in the June 30, 2018 valuation were based on the results of the most recent actuarial experience studies for the System, which covered the five-year period ending June 30, 2015.

The remaining actuarial assumptions (e.g. initial per capita costs, rate of plan participation, rates of plan election, etc.) used in the June 30, 2018 valuation were based on a review of recent plan experience done concurrently with the June 30, 2018 valuation.

The long-term expected rate of return on OPEB plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

NOTE 11 – PENSION AND OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS (Continued)

Changes in assumptions or benefit terms as of June 30, 2019 included a change to the investment rate of returns, municipal bond index rate, discount rate, and single equivalent interest rate noted in the table above.

The target allocation and best estimates of arithmetic real rates of return for each major asset class, as provided by TRS's investment consultant, are summarized in the following table:

Asset Class*	June 30, 2019		June 30, 2018	
	Target Allocation	30 Year Expected Geometric Rate of Return	Target Allocation	30 Year Expected Geometric Rate of Return
U.S. Equity	40.00%	4.30%	40.00%	4.20%
International Equity	23.00%	5.20%	23.00%	5.20%
Fixed Income	18.00%	1.20%	18.00%	1.20%
Real Estate	6.00%	3.80%	6.00%	3.80%
Private Equity	5.00%	6.30%	5.00%	6.30%
Other Additional Categories**	6.00%	3.20%	6.00%	3.30%
Cash (LIBOR)	2.00%	0.90%	2.00%	0.90%
Total	100%		100%	

* As the life insurance plan investment policy is subject to change, the above reflects the pension allocation and returns that achieve the target 7.5% long-term rate of return. ** Modeled as 50% High Yield and 50% Bank Loans.

Discount rate - The discount rate used to measure the total OPEB liability for life insurance was 7.50%. The projection of cash flows used to determine the discount rate assumed that the employer contributions will contribute the Actuarially Determined Contribution (ADC) in accordance with the LIF's funding policy determined by a valuation performed on a date two years prior to the beginning of the fiscal year in which the ADC applies. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the University's proportionate share of the net OPEB liability to changes in the discount rate - The following tables present the University's proportionate share of the collective net OPEB liability of the System, calculated using the discount rate, as well as what the University's proportionate share of the collective net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2020		
	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
University's net OPEB (LI) liability (in thousands)	\$ 736	\$ 498	\$ 306

NOTE 11 – PENSION AND OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS (Continued)

	June 30, 2019		
	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
University's net OPEB (LI) liability (in thousands)	\$ 696	\$ 457	\$ 261

OPEB plan fiduciary net position – Detailed information about the OPEB plan's fiduciary net position is available in the separately issued KTRS financial report.

Kentucky Employees Retirement System

Plan Description - The University contributes to the Kentucky Employees' Retirement System (KERS), a cost-sharing, multiple-employer defined benefit pension plan administered by the Kentucky Retirement System (KRS), an agency of the Commonwealth. Under the provisions of Kentucky Revised Statute Section 61.645, the Board of Trustees ("KRS Board") of KRS administers the KERS, County Employees Retirement System and State Police Retirement System. Although the assets of the systems are invested as a whole, each system's assets are used only for the payment of benefits to members of that plan, and a pro rata share of administrative costs, in accordance with the provisions of Kentucky Revised Statute Sections 16.555, 61.570, and 78.630.

KRS issues a publicly available financial report that includes audited financial statements and audited required supplementary information for KERS. The report may be obtained by writing to Kentucky Retirement System, Perimeter Park West, 1260 Louisville Road, Frankfort, Kentucky 40601, or it may be found at the KRS website at www.kyret.ky.gov.

Basis of Accounting: For purposes of measuring the net pension and OPEB liabilities, deferred outflow of resources and deferred inflow of resources related to pensions and OPEB, pension and OPEB expense, information about the fiduciary net position of KERS and additions to/deductions from KERS's fiduciary net position have been determined on the same basis as they are reported by KERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 11 – PENSION AND OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS (Continued)

Pension Benefits Provided: The information below summarizes the major retirement benefit provisions of KERS-Non-Hazardous and Hazardous plans. It is not intended to be, nor should it be interpreted as, a complete statement of all benefit provisions:

Non-Hazardous

	Tier 1 Participation Prior to <u>9/1/2008</u>	Tier 2 Participation <u>9/1/2008 through 12/31/13</u>	Tier 3 Participation <u>1/1/2014</u>
Benefit Formula	Final Compensation X Benefit Factor X Years of Service		Cash Balance Plan
Final Compensation	Average of the highest 5 fiscal years (must contain at least 48 months). Includes lump-sum compensation payments (before and at retirement).	5 complete fiscal years immediately preceding retirement; each year must contain 12 months. Lump-sum compensation payments (before and at retirement) are not to be included in creditable compensation.	No Final Compensation
Benefit Factor	1.97% or 2.0% for those retiring with service for all months between 1/1998 and 1/1999.	10 years or less = 1.10%. Greater than 10 years, but no more than 20 years = 1.30%. Greater than 20 years, but no more than 26 years = 1.50%. Greater than 26 years, but no more than 30 years = 1.75%. Additional years above 30 = 2.00% (2.00% benefit factor only applies to service earned in excess of 30 years).	No benefit factor. A life annuity can be calculated in accordance with actuarial assumptions and methods adopted by the board based on member's accumulated account balance.
Cost of Living Adjustment (COLA)	No COLA unless authorized by the Legislature. If authorized, the COLA is limited to 1.5%. This impacts all retirees regardless of Tier.		
Unreduced Retirement Benefit	Any age with 27 years of service. Age 65 with 48 months of service. Money purchase for age 65 with less than 48 months based on contributions and interest.	Rule of 87: Member must be at least age 57 and age plus earned service must equal 87 years at retirement to retire under this provision. Age 65 with 5 years of earned service. No month purchased calculations.	
Reduced Retirement Benefit	Any age with 25 years of service. Age 55 with 5 years of service.	Age 60 with 10 years of service. Excludes purchased service (exception: refunds, omitted, free military).	No reduced retirement benefit.

NOTE 11 – PENSION AND OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS (Continued)

Hazardous

	Tier 1 Participation Prior to <u>9/1/2008</u>	Tier 2 Participation <u>9/1/2008 through 12/31/13</u>	Tier 3 Participation <u>1/1/2014</u>
Benefit Formula	Final Compensation X Benefit Factor X Years of Service	Cash Balance Plan	
Final Compensation	Highest 3 fiscal years (must contain at least 24 months). Includes lump-sum compensation payments (before and at retirement).	3 highest salaries; each year must contain 12 months. Lump-sum compensation payments (before and at retirement) are not to be included in creditable compensation.	No Final Compensation
Benefit Factor	2.49%	10 years or less = 1.30%. Greater than 10 years, but no more than 20 years = 1.50%. Greater than 20 years, but no more than 26 years = 2.25%. Greater than 25 years = 2.50%.	No benefit factor. A life annuity can be calculated in accordance with actuarial assumptions and methods adopted by the board based on member's accumulated account balance.
Cost of Living Adjustment (COLA)	No COLA unless authorized by the Legislature. If authorized, the COLA is limited to 1.5%. This impacts all retirees regardless of Tier.		
Unreduced Retirement Benefit	Any age with 20 years of service. Age 55 with 60 months of service.	Any age with 25 years of service. Age 60 with 60 months of service.	Any age with 25 years of service. Age 60 with 60 months of service.
Reduced Retirement Benefit	Age 50 with 15 years of service.	Age 50 with 15 years of service.	No reduced retirement benefit.

OPEB Benefits Provided: The information below summarizes the major retirement benefit provisions of KERS-Non-Hazardous and Hazardous plans. It is not intended to be, nor should it be interpreted as, a complete statement of all benefit provisions:

Insurance Tier 1: Participation began before 7/1/2003

Benefit Eligibility: Recipient of a retirement allowance

Benefit: The percentage of member premiums paid by the retirement system are dependent on the number of years of service. Benefits also include duty disability retirements, duty death in service, non-duty death in service and surviving spouse of a retiree.

Insurance Tier 2: Participation began on or after 7/1/2003, but before 9/1/2008

NOTE 11 – PENSION AND OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS (Continued)

Benefit Eligibility: Recipient of a retirement allowance with at least 120 months of service at retirement

Benefit: The system provides a monthly contribution subsidy of \$10 (Non-hazardous) and \$15 (Hazardous) for each year of earned service. The monthly contribution is increased by 1.5% each July 1. Benefits also include duty disability retirements, duty death in service and non-duty death in service.

Insurance Tier 3: Participation began on or after 9/1/2008

Benefit Eligibility: Recipient of a retirement allowance with at least 180 months of service at retirement

Benefit: Tier 3 insurance benefits are identical to Tier 2, except Tier 3 members are required to have at least 180 months of service in order to be eligible.

Contributions: The University is required to contribute at an actuarially determined rate determined by Statute. Per Kentucky Revised Statute Section 78.545(33) normal contribution and past service contribution rates shall be determined by the KRS Board on the basis of an annual valuation last preceding July 1 of a new biennium. The KRS Board may amend contribution rates as of the first day of July of the second year of a biennium, if it is determined on the basis of a subsequent actuarial valuation that amended contribution rates are necessary to satisfy requirements determined in accordance with actuarial bases adopted by the KRS Board.

For the fiscal years ended June 30, 2020 and 2019, participating employers in the Nonhazardous plan contributed 49.47% (41.06% allocated to pension and 8.41% allocated to OPEB) as set by KRS, respectively, of each Nonhazardous employee's creditable compensation. For the fiscal years ended June 30, 2020 and 2019, participating employers in the Hazardous plan contributed 36.85% (34.39% allocated to pension and 2.46% allocated to OPEB) as set by KRS, respectively, of each Hazardous employee's creditable compensation. These percentages are inclusive of both pension and insurance payments for employers. Administrative costs of KRS are financed through employer contributions and investments earnings. The University met 100% of the contribution funding requirement for the fiscal years ended June 30, 2020 and 2019. Total current year contributions recognized by the Plan were \$4,943,382 (\$4,149,952 related to pension and \$793,430 related to OPEB) and \$8,186,259 (\$6,840,451 related to pension and \$1,345,808 related to OPEB) for the years ended June 30, 2020 and 2019. The OPEB contribution amounts do not include the implicit subsidy reported in the amount of \$298,290 and \$313,722 for years ended June 30, 2020 and 2019.

Members whose participation began before 9/1/2008:

Nonhazardous contributions equal 5% and Hazardous contributions equal 8% of all creditable compensation. Interest paid on the members' accounts is currently 2.5%; and per statute shall not be less than 2.0%. Member entitled to a full refund of contributions with interest.

Members whose participation began on or after 9/1/2008:

Nonhazardous contributions equal to 6% and Hazardous contributions equal 9% of all creditable compensation, with 5% (Non-hazardous) and 8% (Hazardous) being credited to the member's account and 1% deposited to the KRS 401(h) Account. Interest paid on the members' accounts will be set at 2.5%. Member is entitled to a full refund of contributions and interest in their individual account, however, the 1% contributed to the insurance fund is non-refundable.

NOTE 11 – PENSION AND OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS (Continued)

Members whose participation on or after 1/1/2014

Nonhazardous contributions equal to 6% and Hazardous contributions equal 9% of all creditable compensation, with 5% (Non-hazardous) and 8% (Hazardous) being credited to the member's account and 1% deposited to the KRS 401(h) Account. Interest paid on the members' accounts will be set at 2.5%. Member is entitled to a full refund of contributions and interest in their individual account, however, the 1% contributed to the insurance fund is non-refundable.

Pension Information

Total Pension Liability: The total pension liability (TPL) for KERS measured as of June 30, 2019 and 2018 was determined using the actuarial valuation as of June 30, 2018 and 2017. This valuation used the following actuarial methods and assumptions applied to all prior periods included in the measurement:

Valuation date	June 30, 2018 and 2017 (rolled forward)
Experience study	July 1, 2013 – June 30, 2018
Actuarial cost method	Entry age normal
Amortization period	Level percentage payroll, closed
Remaining amortization period	25 years
Asset valuation method	20% of the difference between the market value of assets and the expected actuarial value of assets is recognized
Inflation	2.30%
Salary increase	3.55% to 19.55%, varies by service
Investment rate of return	5.25 percent

The mortality table used for active members is PUB-2010 General Mortality table projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010. The mortality table used for healthy retired members is a system-specific mortality table based on mortality experience from 2013-2018, projected with the ultimate rates from MP-2014 mortality improvement scale using a base year of 2019. For disabled members, the mortality table used is PUB-2010 Disabled Mortality table, with a 4-year set forward for both male and female rates, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010.

Discount rate assumptions:

- (a) **Discount Rate:** The discount rate used to measure the total pension liability was 5.25% (Non-hazardous) and 6.25% (Hazardous), which remained the same from prior year.
- (b) **Projected Cash Flows:** The projection of cash flows used to determine the discount rate assumed the local employers and plan members would contribute the statutorily determined contribution rate of projected compensation over the remaining 26-year amortization period of the unfunded actuarial accrued liability. The actuarial determined contribution rate is adjusted to reflect the phase in of anticipated gains on actuarial value of assets over the first four years of the projection period.

NOTE 11 – PENSION AND OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS (Continued)

- (c) **Long-Term Rate of Return:** The long-term expected rate of return was determined by using a building-block method in which best-estimate ranges of expected future real rate of returns are developed for each asset class. The ranges are combined by weighting the expected future real rate of return by the target asset allocation percentage. The target allocation and best estimates of arithmetic real rate of return for each major asset class are summarized in the tables below.
- (d) **Municipal Bond Rate:** The discount rate determination does not use a municipal bond rate.
- (e) **Periods of Projected Benefit Payments:** The long-term assumed rate of return was applied to all periods of projected benefit payments to determine the total pension liability.
- (f) **Assumed Asset Allocation:** The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Non-hazardous

<u>Asset Class</u>	<u>June 30, 2019</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	15.75%	4.30%
Non-US Equity	15.75	4.80
Private Equity	7.00	6.65
Specialty Credit/High Yield	15.00	2.60
Core Bonds	20.50	1.35
Cash	3.00	0.20
Real Estate	5.00	4.85
Opportunistic/Absolute Return	3.00	2.97
Cash	15.00	4.10
Total	<u>100.0%</u>	<u>3.52%</u>

Hazardous

<u>Asset Class</u>	<u>June 30, 2019</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	18.75%	4.30%
Non-US Equity	18.75	4.80
Private Equity	10.00	6.65
Specialty Credit/High Yield	15.00	2.60
Core Bonds	13.50	1.35
Cash	1.00	0.20
Real Estate	5.00	4.85
Opportunistic/Absolute Return	3.00	2.97
Cash	15.00	4.10
Total	<u>100.0%</u>	<u>3.89%</u>

NOTE 11 – PENSION AND OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS (Continued)

Non-hazardous

	June 30, 2018	
<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Large Cap	8.50%	4.50%
US Mid Cap	5.00	4.50
US Small Cap	4.00	5.50
International Developed	12.50	6.50
Emerging Markets	5.00	7.25
Global Bonds	10.00	3.00
Global Credit	10.00	3.75
High Yield	3.00	5.50
Emerging Market Debt	4.00	6.00
Real Estate	5.00	7.00
Absolute Return	10.00	5.00
Real Return	10.00	5.00
Private Equity	10.00	6.50
Cash	3.00	1.50
Total	<u>100.0%</u>	<u>5.13%</u>

Hazardous

	June 30, 2018	
<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Large Cap	5.00%	4.50%
US Mid Cap	6.00	4.50
US Small Cap	6.50	5.50
International Developed	12.50	6.50
Emerging Markets	5.00	7.25
Global Bonds	4.00	3.00
Global Credit	2.00	3.75
High Yield	7.00	5.50
Emerging Market Debt	5.00	6.00
Illiquid Private	10.00	8.50
Real Estate	5.00	9.00
Absolute Return	10.00	5.00
Real Return	10.00	7.00
Private Equity	10.00	6.50
Cash	32.00	1.50
Total	<u>100.0%</u>	<u>6.09%</u>

NOTE 11 – PENSION AND OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS (Continued)

The long-term expected rate of return on pension plan assets was established by the KRS Board of Trustees at 5.25% (Non-hazardous) and 6.25% (Hazardous) based on a blending of the factors described above.

- (g) **Sensitivity Analysis:** This paragraph requires disclosure of the sensitivity of the net pension liability to changes in the discount rate. The following presents the University's allocated portion of the Non-hazardous net pension liability ("NPL") of the System, calculated using the discount rate, as well as what the University's allocated portion of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current rate:

	June 30, 2020		
	1% Decrease (4.25%)	Current Discount Rate (5.25%)	1% Increase (6.25%)
The University's net pension liability - Non-hazardous (in thousands)	\$ 174,419	\$ 152,149	\$ 133,745
	June 30, 2019		
	1% Decrease (4.25%)	Current Discount Rate (5.25%)	1% Increase (6.25%)
The University's net pension liability - Non-hazardous (in thousands)	\$ 224,845	\$ 197,365	\$ 174,479

The following presents the University's allocated portion of the Hazardous net pension liability ("NPL") of the System, calculated using the discount rate, as well as what the University's allocated portion of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current rate:

	June 30, 2020		
	1% Decrease (5.25%)	Current Discount Rate (6.25%)	1% Increase (7.25%)
The University's net pension liability – Hazardous (in thousands)	\$ 5,097	\$ 3,953	\$ 3,013
	June 30, 2019		
	1% Decrease (5.25%)	Current Discount Rate (6.25%)	1% Increase (7.25%)
The University's net pension liability – Hazardous (in thousands)	\$ 4,055	\$ 3,169	\$ 2,434

NOTE 11 – PENSION AND OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS (Continued)

Employer's Portion of the Collective Net Pension Liability: The University's proportionate share of the Non-hazardous net pension liability, as indicated in the prior table, is \$152,149,362, or approximately 1.08% as of June 30, 2020 and \$197,365,884, or 1.45% as of June 30, 2019. The University's proportionate share of the Hazardous net pension liability, as indicated in the prior table, is \$3,953,000, or approximately 0.72% as of June 30, 2020 and \$3,169,411, or 0.63% as of June 30, 2019. The net pension liabilities were distributed based on 2019 and 2018 actual employer contributions to the plan.

Measurement Date: June 30, 2019 is the actuarial valuation date and measurement date upon which the total pension liability is based.

Changes in Assumptions and Benefit Terms: The KERS Board of Trustees adopted new actuarial assumptions based on an actuarial experience study for the period ending June 30, 2018. Key assumption changes include an increase to the salary increase assumptions for individual members and replacing the base retiree mortality tables with a KERS-specific mortality table developed using the actual mortality experience of non-disabled retirees in KERS. Mortality tables for disabled retirees and active members were updated with Public Retirement Mortality tables. In addition, termination rates and rates of disability incidence were increased. Retirement rates were decreased slightly for members with a participation date prior to July 1, 2003. For members with a participation date on or after July 1, 2003, retirement rates were set equal to 80% of the retirement rates applicable for the pre July 1, 2003 participants for ages below 65.

House Bill 1, which passed during the 2019 special legislative session, allows certain employers in the KERS nonhazardous plan to elect to cease participating in the system as of June 30, 2020. Since employer's elections were unknown at the time of the actuarial valuation and the legislation was enacted after the June 30, 2019 measurement date, no adjustments were made to the Total Pension Liability to reflect this legislation. House Bill 265, which passed during the 2018 legislative session, allowed certain employers within the KERS non-hazardous system to contribute less than the actuarially determined contribution in the 2018/2019 fiscal year. Since this is not expected to be an ongoing contribution education, determining the KERS non-hazardous employers' proportionate share based on the employers' actual contributions would not be reflective of the employers' long-term contribution effort. Instead, the proportionate share calculations for employers of the KERS non-hazardous system were based on the employers' covered payroll provided for fiscal year ending June 30, 2019, which would result in the same proportionate share allocation if all participating employers contributed the same contribution rate.

Changes Since Measurement Date: There were no changes between the measurement date of the collective net pension liability and the employer's reporting date.

Pension Expense: The University was allocated pension expense of \$(16,208,358) and \$14,424,374 related to the KERS Non-Hazardous and \$1,617,412 and \$ 1,218,382 related to the KERS Hazardous for the years ended June 30, 2020 and 2019, respectively.

NOTE 11 – PENSION AND OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS (Continued)

Deferred Outflows and Deferred Inflows: Since certain expense items are amortized over closed periods each year, the deferred portions of these items must be tracked annually. If the amounts serve to reduce pension expense they are labeled as deferred inflows. If they will increase pension expense, they are labeled deferred outflows. The amortization of these amounts is accomplished on a level dollar basis, with no interest included in the deferred amounts. Experience gains/losses and the impact of changes in actuarial assumptions, if any, are amortized over the average remaining service life of the active and inactive System members at the beginning of the fiscal year. Investment gains and losses are amortized over a fixed five-year period. Deferred inflows and outflows as of the Measurement Date include:

Non-hazardous

	Deferred Outflows of Resources	Deferred Inflows of Resources
<u>2020</u>		
Difference between expected and actual experience	\$ 899,884	\$ -
Change of assumptions	4,632,615	-
Changes in proportion and differences between employer contributions and proportionate shares of contributions	-	41,170,755
Differences between expected and actual investment earning on plan investments	-	310,022
	5,532,499	41,480,777
Contributions subsequent to the measurement date	3,725,518	-
Total	<u>\$ 9,258,017</u>	<u>\$ 41,480,777</u>
	Deferred Outflows of Resources	Deferred Inflows of Resources
<u>2019</u>		
Difference between expected and actual experience	\$ 1,405,820	\$ 552,036
Change of assumptions	8,813,943	-
Changes in proportion and differences between employer contributions and proportionate shares of contributions	1,231,788	24,488,203
Differences between expected and actual investment earning on plan investments	188,422	-
	11,639,973	25,040,239
Contributions subsequent to the measurement date	6,425,801	-
Total	<u>\$ 18,065,774</u>	<u>\$ 25,040,239</u>

NOTE 11 – PENSION AND OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS (Continued)

Deferred outflows of resources resulting from employer contributions subsequent to the measurement date of \$3,725,518 will be recognized as a reduction of net pension liability in the year ending June 30, 2021. The remainder of the deferred outflows and deferred inflows of resources are amortized over three to five years with remaining amortization as follows:

Year ending June 30:	
2021	\$ (25,554,258)
2022	(10,285,830)
2023	(99,421)
2024	<u>(8,769)</u>
	<u>\$ (35,948,278)</u>

Hazardous

	Deferred Outflows of Resources	Deferred Inflows of Resources
<u>2020</u>		
Difference between expected and actual experience	\$ 75,206	\$ -
Change of assumptions	277,048	-
Changes in proportion and differences between employer contributions and proportionate shares of contributions	346,294	13,382
Differences between expected and actual investment earning on plan investments	<u>-</u>	<u>67,969</u>
	698,548	81,351
Contributions subsequent to the measurement date	<u>424,434</u>	<u>-</u>
Total	<u>\$ 1,122,982</u>	<u>\$ 81,351</u>
	Deferred Outflows of Resources	Deferred Inflows of Resources
<u>2019</u>		
Difference between expected and actual experience	\$ 163,037	\$ -
Change of assumptions	288,031	-
Changes in proportion and differences between employer contributions and proportionate shares of contributions	672,107	25,889
Differences between expected and actual investment earning on plan investments	<u>-</u>	<u>39,844</u>
	1,123,175	65,733
Contributions subsequent to the measurement date	<u>414,650</u>	<u>-</u>
Total	<u>\$ 1,537,825</u>	<u>\$ 65,733</u>

NOTE 11 – PENSION AND OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS (Continued)

Deferred outflows of resources resulting from employer contributions subsequent to the measurement date of \$414,650 will be recognized as a reduction of net pension liability in the year ending June 30, 2020. The remainder of the deferred outflows and deferred inflows of resources are amortized over three to five years with remaining amortization as follows:

Year ending June 30:	
2021	\$ 431,412
2022	194,817
2023	(14,723)
2024	<u>5,691</u>
	<u>\$ 617,197</u>

Pension Plan Fiduciary Net Position: Detailed information about the pension plans' fiduciary net position is available in the separately issued pension plan financial reports.

OPEB Information

Total OPEB Liability: The total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation date	June 30, 2018 and 2017 (rolled forward)
Measurement date	June 30, 2019 and 2018
Price inflation	2.30%
Payroll growth rate	0.00%
Salary increases	3.30% to 15.30%, varies by service
Investment rate of return	6.25%
Healthcare trend rates	
Pre-65	7.00% beginning January 1, 2020, decreasing to an ultimate trend rate of 4.05% over 12 years.
Post-65	5.00%, beginning January 1, 2020, decreasing to an ultimate trend rate of 4.05% over 10 years.

The mortality table used for active members is PUB-2010 General Mortality table projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010. The mortality table used for healthy retired members is a system-specific mortality table based on mortality experience from 2013-2018, projected with the ultimate rates from MP-2014 mortality improvement scale using a base year of 2019. For disabled members, the mortality table used is PUB-2010 Disabled Mortality table, with a 4-year set-forward for both male and female rates, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010.

NOTE 11 – PENSION AND OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS (Continued)

Discount rate assumptions:

- (a) **Discount Rate:** The discount rate used to measure the total Non-hazardous OPEB liability was 5.73%, which was reduced from the 5.86% discount rate used in the prior year. The discount rate used to measure the total Hazardous OPEB liability was 5.66%, which was decreased from the 5.88% discount rate used in the prior year.
- (b) **Projected Cash Flows:** The projection of cash flows used to determine the discount rate assumed the local employers and plan members would contribute the actuarially determined contribution rate of projected compensation over the remaining 26-year amortization period of the unfunded actuarial accrued liability.
- (c) **Long-Term Rate of Return:** The long-term expected rate of return was determined by using a building-block method in which best-estimate ranges of expected future real rate of returns are developed for each asset class. The ranges are combined by weighting the expected future real rate of return by the target asset allocation percentage.
- (d) **Municipal Bond Rate:** The discount rate determination used a municipal bond rate of 3.13% as reported in Fidelity Index's "20 – Year Municipal GO AA Index" as of June 30, 2019.
- (e) **Period of Projected Benefit Payments:** Current assets, future contributions, and investment earnings are projected to be sufficient to pay the projected benefit payments from the retirement system. However, the cost associated with the implicit employer subsidy is not currently being included in the calculation of the system's actuarial determined contributions, and it is the actuary's understanding that any cost associated with the implicit subsidy will not be paid out of the system's trust. Therefore, the municipal bond rate was applied to future expected benefit payments associated with the implicit subsidy.

NOTE 11 – PENSION AND OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS (Continued)

- (f) **Assumed Asset Allocations:** The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>June 30, 2020</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	18.75 %	4.30 %
Non-US Equity	18.75	4.80
Private Equity	10.00	6.65
Specialty Credit/High Yield	15.00	2.60
Core Bonds	13.50	1.35
Cash	1.00	0.20
Real Estate	5.00	4.85
Opportunistic	3.00	2.97
Real Return	<u>15.00</u>	<u>4.10</u>
Total	<u>100.0%</u>	<u>31.82%</u>

<u>Asset Class</u>	<u>June 30, 2019</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Large Cap	5.00%	4.50%
US Mid Cap	6.0	4.50
US Small Cap	6.5	5.50
International Developed	12.5	6.50
Emerging Markets	5.0	7.25
Global Bonds	4.0	3.00
Global Credit	2.0	3.75
High Yield	7.0	5.50
Emerging Market Debt	5.0	6.00
Illiquid Private	10.0	8.50
Real Estate	5.0	9.00
Absolute Return	10.0	5.00
Real Return	10.0	7.00
Private Equity	10.0	6.50
Cash	<u>2.0</u>	<u>1.50</u>
Total	<u>100.0%</u>	<u>6.09%</u>

NOTE 11 – PENSION AND OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS (Continued)

The long-term expected rate of return on pension plan assets was established by the KRS Board of Trustees at 6.25% based on a blending of the factors described above.

Sensitivity Analysis: This paragraph requires disclosure of the sensitivity of the net OPEB liability to changes in the discount rate and changes in the healthcare cost trend rate.

Non-hazardous

The following presents the University's allocated portion of the Non-hazardous net OPEB liability of the System, calculated using the discount rate, as well as what the University's allocated portion of the System's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate for Non-hazardous:

	June 30, 2020		
	1% Decrease (4.73%)	Current Discount Rate (5.73%)	1% Increase (6.73%)
The University's Net OPEB liability – Non-hazardous (<i>in thousands</i>)	\$ 28,515	\$ 23,948	\$ 20,188

	June 30, 2019		
	1% Decrease (4.86%)	Current Discount Rate (5.86%)	1% Increase (6.86%)
The University's Net OPEB liability – Non-hazardous (<i>in thousands</i>)	\$ 40,324	\$ 34,368	\$ 29,412

The following presents the University's allocated portion of the Non-hazardous net OPEB liability of the System, calculated using the healthcare cost trend rate of percent, as well as what the University's allocated portion of the System's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate for Non-hazardous:

	June 30, 2020		
	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
The University's Net OPEB liability – Non-hazardous (<i>in thousands</i>)	\$ 20,345	\$ 23,948	\$ 28,305

	June 30, 2019		
	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
The University's Net OPEB liability – Non-hazardous (<i>in thousands</i>)	\$ 29,220	\$ 34,368	\$ 40,560

NOTE 11 – PENSION AND OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS (Continued)

Hazardous

The following presents The University's allocated portion of the Hazardous net OPEB liability of the System, calculated using the discount rate, as well as what the University's allocated portion of the System's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate for Hazardous:

	June 30, 2020		
	1% Decrease (4.66%)	Current Discount Rate (5.66%)	1% Increase (6.66%)
The University's Net OPEB liability – Hazardous <i>(in thousands)</i>	\$ 326	\$ (194)	\$ (614)
	June 30, 2019		
	1% Decrease (4.83%)	Current Discount Rate (5.83%)	1% Increase (6.83%)
The University's Net OPEB liability – Hazardous <i>(in thousands)</i>	\$ 209	\$ (208)	\$ (543)

The following presents the University's allocated portion of the Hazardous net OPEB liability of the System, calculated using the healthcare cost trend rate of percent, as well as what the University's allocated portion of the System's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate for Hazardous:

	June 30, 2020		
	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
The University's Net OPEB liability – Hazardous <i>(in thousands)</i>	\$ (564)	\$ (194)	\$ 257
	June 30, 2019		
	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
The University's Net OPEB liability – Hazardous <i>(in thousands)</i>	\$ (535)	\$ 208	\$ 196

Employer's Portion of the Collective OPEB Liability: The University's proportionate share of the Non-hazardous net OPEB liability, as indicated in the prior table, is \$23,947,615, or approximately 1.07% as of June 30, 2020 and \$34,368,478, or approximately 1.45% as of June 30, 2019. The University's proportionate share of the Hazardous net OPEB liability, as indicated in the prior table, is \$(193,867) or approximately 0.72% as of June 30, 2020 and \$(208,167), or approximately 0.63% as of June 30, 2019. The net OPEB liabilities were distributed based on 2019 and 2018 actual employer contributions to the plan.

NOTE 11 – PENSION AND OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS (Continued)

Measurement Date: June 30, 2018 is the actuarial valuation date and measurement date upon which the total pension liability is based.

Changes in Assumptions and Benefit Terms: For the fiscal year ended June 30, 2020, the KERS Board of Trustees adopted new actuarial assumptions. These assumptions were based on an actuarial experience study for the period ending June 30, 2018. Key changes include replacing the base retiree mortality tables with a KERS-specific mortality table developed using the actual mortality experience of non-disabled retirees in KERS. Mortality tables for disabled retirees and active members were updated with Public Retirement Mortality tables. In addition, termination rates and rates of disability incidence were increased. Retirement rates were decreased slightly for members with a participation date prior to July 1, 2003. For members with a participation date on or after July 1, 2003, retirement rates were set equal to 80% of the retirement rates applicable for the pre July 1, 2003 participants for ages below 65.

House Bill 1, which passed during the 2019 special legislative session, allows certain employers in the non-hazardous plan to elect to cease participating in the system as of June 30, 2020. Since employer's elections were unknown at the time of the actuarial valuation and the legislation was enacted after the June 30, 2019 measurement date, no adjustments were made to the Total OPEB Liability to reflect this legislation.

House Bill 265, which passed during the 2018 legislative session, allowed certain employers within the non-hazardous plan to contribute less than the actuarially determined contribution in the 2018/2019 fiscal year. Since this is not expected to be an ongoing contribution reduction, determining the non-hazardous employers' proportionate share based on the employers' actual contributions would not be reflective of the employers' long-term contribution effort. Instead, the proportionate share calculations for employers of the non-hazardous plan were based on the employers' covered payroll provided for fiscal year ending June 30, 2019, which would result in the same proportionate share allocation if all participating employers contributed the same rate.

Changes Since Measurement Date: There were no changes between the measurement date of the collective net OPEB liability and the employer's reporting date.

OPEB Expense: The University was allocated OPEB expense of \$(1,363,859) related to the KERS Non-Hazardous and \$58,990 related to the KERS Hazardous for the year ended June 30, 2020, and \$1,915,256 related to the KERS Non-Hazardous and \$71,506 related to the KERS Hazardous for the year ended June 30, 2019.

Deferred Outflows and Deferred Inflows: Since certain expense items are amortized over closed periods each year, the deferred portions of these items must be tracked annually. If the amounts serve to reduce OPEB expense they are labeled as deferred inflows. If they will increase OPEB expense they are labeled deferred outflows. The amortization of these amounts is accomplished on a level dollar basis, with no interest included in the deferred amounts. Experience gains/losses and the impact of changes in actuarial assumptions, if any, are amortized over the average remaining service life of the active and inactive System members at the beginning of the fiscal year. Investment gains and losses are amortized over a fixed five-year period. Deferred inflows and outflows as of the Measurement Date include:

NOTE 11 – PENSION AND OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS (Continued)

Non-hazardous

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<u>2020</u>		
Difference between expected and actual experience	\$ -	3,819,802
Change of assumptions	3,140,566	72,032
Changes in proportion and differences between employer contributions and proportionate shares of contributions	-	11,550,278
Differences between expected and actual investment earning on plan investments	<u>-</u>	<u>157,062</u>
	3,140,566	15,599,174
Contributions subsequent to the measurement date	<u>1,051,744</u>	<u>-</u>
Total	<u>\$ 4,192,310</u>	<u>\$ 15,599,174</u>
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<u>2019</u>		
Difference between expected and actual experience	\$ -	\$ 2,244,105
Change of assumptions	3,612,847	129,889
Changes in proportion and differences between employer contributions and proportionate shares of contributions	-	5,701,361
Differences between expected and actual investment earning on plan investments	<u>-</u>	<u>503,390</u>
	3,612,847	8,578,745
Contributions subsequent to the measurement date	<u>1,627,580</u>	<u>-</u>
Total	<u>\$ 5,240,427</u>	<u>\$ 8,578,745</u>

Deferred outflows of resources resulting from employer contributions subsequent to the measurement date of \$763,069, which includes the implicit subsidy reported of \$288,675, will be recognized as a reduction of net OPEB liability in the year ending June 30, 2021. The remainder of the deferred outflows and deferred inflows of resources are amortized over three to five years with remaining amortization as follows:

Year ending June 30:	
2021	\$(3,362,889)
2022	(3,362,889)
2023	(3,959,268)
2024	<u>(1,773,561)</u>
	<u>\$ (12,458,608)</u>

NOTE 11 – PENSION AND OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS (Continued)

Hazardous

	Deferred Outflows of Resources	Deferred Inflows of Resources
<u>2020</u>		
Difference between expected and actual experience	\$ -	\$ 346,124
Change of assumptions	529,962	2,872
Changes in proportion and differences between employer contributions and proportionate shares of contributions	-	44,364
Differences between expected and actual investment earning on plan investments	-	112,313
	<u>529,962</u>	<u>505,673</u>
Contributions subsequent to the measurement date	<u>39,976</u>	<u>-</u>
Total	<u>\$ 569,938</u>	<u>\$ 505,673</u>
	Deferred Outflows of Resources	Deferred Inflows of Resources
<u>2019</u>		
Difference between expected and actual experience	\$ -	\$ 169,545
Change of assumptions	382,680	3,072
Changes in proportion and differences between employer contributions and proportionate shares of contributions	-	7,572
Differences between expected and actual investment earning on plan investments	-	165,899
	<u>382,680</u>	<u>346,088</u>
Contributions subsequent to the measurement date	<u>31,950</u>	<u>-</u>
Total	<u>\$ 414,630</u>	<u>\$ 346,088</u>

Deferred outflows of resources resulting from employer contributions subsequent to the measurement date of \$29,661, which include the implicit subsidy reported of \$9,615, will be recognized as a reduction of net OPEB liability in the year ending June 30, 2021. The remainder of the deferred outflows and deferred inflows of resources will be amortized and recognized in the University's OPEB expense as follows:

Year ending June 30:	
2022	\$ 4,944
2023	4,944
2024	43,932
2025	(8,848)
2026	(18,946)
Thereafter	<u>(1,739)</u>
	<u>\$ 24,288</u>

NOTE 11 – PENSION AND OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS (Continued)

OPEB Plan Fiduciary Net Position: Detailed information about the OPEB plans' fiduciary net position is available in the separately issued OPEB plan financial reports.

Summary Pension Plan Information:

Summary Pension Plan Information as of June 30, 2020 and 2019:

	<u>KERS</u>	<u>KTRS</u>	<u>Total</u>
<u>2020</u>			
Net pension liability	\$ 156,102,362	\$ 86,450,077	\$ 242,552,439
Deferred outflows of resources	10,380,999	19,088,199	29,469,198
Deferred inflows of resources	41,562,128	104,397,667	145,959,795
Pension expense adjustments	(18,754,176)	(43,124,720)	(61,878,896)
<u>2019</u>			
Net pension liability	\$ 200,535,295	\$ 97,174,796	\$ 297,710,091
Deferred outflows of resources	19,603,599	33,103,604	52,707,203
Deferred inflows of resources	25,105,972	150,812,915	175,918,887
Pension expense adjustments	8,608,700	(40,990,073)	(32,381,373)

Summary OPEB Plan Information:

Summary OPEB Plan Information as of June 30, 2020 and 2019:

	<u>KERS</u>	<u>KTRS</u>	<u>Total</u>
<u>2020</u>			
Net OPEB liability	\$ 23,753,748	\$ 22,001,000	\$ 45,754,748
Deferred outflows of resources	4,762,248	2,175,994	6,938,242
Deferred inflows of resources	16,104,847	6,785,000	22,889,847
OPEB expense adjustments	(2,333,741)	(745,976)	(3,079,717)
<u>2019</u>			
Net OPEB liability	\$ 34,160,311	\$ 25,750,000	\$ 59,910,311
Deferred outflows of resources	5,655,057	1,719,018	7,374,075
Deferred inflows of resources	8,924,833	3,325,000	12,249,833
OPEB expense adjustments	431,223	69,258	500,481

NOTE 12 – RISK MANAGEMENT

The University is exposed to various risks of loss from torts, theft of, damage to or destruction of assets, business interruption, workers' compensation, employee injuries and illnesses, natural disasters and employee health and accident benefits. Commercial insurance coverage is purchased for claims arising from these risks, other than employee health. Settled claims have not exceeded this commercial coverage in any of the three preceding years. As a sovereign entity of the Commonwealth, the Kentucky Board of Claims handles tort claims on behalf of the University.

The University maintains a self-insurance program for employee's health insurance. Under this plan, the University pays premiums based on estimated claims. The University pays approximately 75% of the expenses of the plan for permanent full-time employees and their families. Expenses incurred to cover claims paid by the University under the plan for years ended June 30, 2020 and 2019 totaled \$11,789,963 and \$15,085,137, respectively. Administrative fees incurred for the years ended June 30, 2020 and 2019 were \$922,730 and \$1,120,249, respectively.

Changes in the liability for self-insurance at June 30, 2020 and 2019 are as follows:

	<u>2020</u>	<u>2019</u>
Liability – beginning of year	\$ 1,153,482	\$ 1,500,000
Accruals for current year claims and changes in estimate	13,031,884	13,821,889
Claims paid	(11,789,963)	(15,085,137)
Other costs	<u>(7,966)</u>	<u>916,730</u>
Liability – end of year	<u>\$ 2,387,437</u>	<u>\$ 1,153,482</u>

NOTE 13 – COMMITMENTS AND CONTINGENCIES

Construction Commitments – The estimated cost to complete construction projects under contract at June 30, 2020 and 2019, is approximately \$5,214,243 and \$28.0 million, respectively. The projects are to be financed principally by appropriations from the Commonwealth, proceeds from bonds, internal funds and gifts.

Claims and Litigation – The University is subject to various litigation and other claims in the ordinary course of business. University officials are of the opinion, based upon the advice of legal counsel, that the ultimate resolution of these matters will not have a material adverse effect on the University's financial position or results of operations.

Government Grants – The University is currently participating in numerous grants from various departments and agencies of the federal and state governments. The expenditures of grant proceeds must be for allowable and eligible purposes. Single audits and audits by the granting department or agency may result in requests for reimbursement of unused grant proceeds or disallowed expenditures. University management believes disallowances, if any, will not have a material adverse effect on the University's financial statements. Upon notification of final approval by the granting department or agency, the grants are considered closed.

NOTE 14 – OPERATING EXPENSES BY NATURAL CLASSIFICATION

Operating expenses by natural classification for the years ended June 30, 2020 and 2019 are as follows:

	<u>2020</u>	<u>2019</u>
Salaries and wages	\$ 112,955,355	\$ 121,144,006
Employee benefits	35,702,618	40,500,947
Supplies and other services	72,467,322	62,062,809
Travel	2,882,913	4,298,838
Depreciation	22,891,154	22,918,906
Student scholarships and financial aid	18,636,433	15,332,783
Utilities	7,651,330	8,078,255
Pension expense adjustments	(61,878,896)	(32,381,373)
OPEB expense adjustments	(3,079,717)	500,481
Other operating expenses	<u>1,730,676</u>	<u>343,799</u>
Total	<u>\$ 209,959,188</u>	<u>\$ 242,799,451</u>

NOTE 15 – EASTERN KENTUCKY UNIVERSITY FOUNDATION, INC.

A. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations - Eastern Kentucky University Foundation, Inc. (Foundation) is a corporation formed for educational, charitable, and public purposes in accordance with the provisions of KRS 273.0010. The Foundation is a component unit of Eastern Kentucky University (University). Specifically, the Foundation was founded to cooperate with the University and with the University's Board of Regents (Board) in the promotion of the educational, civic, and charitable purposes of the University and the Board in any lawful manner deemed appropriate by the Foundation's Board of Directors. This purpose includes the encouragement of scholarships and research, the promotion of the prestige, expansion, and development of the University's physical plant and faculty, and the assistance of its students and alumni.

Basis of Presentation - The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). Under financial reporting standards for not-for-profit organizations, net assets, revenues, expenses, and gains (losses) are classified based on the existence or absence of donor-imposed restrictions.

Use of Estimates - The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents - With the exception of short-term debt instruments which have been designated for investment purposes, the Foundation considers all highly liquid instruments with original maturities of three months or less to be cash equivalents. Throughout the year, the Foundation's cash and cash equivalents balances typically exceed the amount insured by the Federal Deposit Insurance Corporation.

Investments - Investments in equity securities having a readily determinable market value and all debt securities are carried at fair value. Income from investments consists of dividends and interest income net of related investment expenses. Other income from investments is reflected on the accompanying statements of activities as with or without donor restrictions based upon the existence and nature of any donor or legally imposed restrictions

Alternative investments, consisting of limited partnerships, are carried at estimated fair value provided by the management of the alternative investment funds as of year-end. Because alternative investments are not readily marketable, the estimated value is subject to uncertainty and, therefore, may differ from the value that would have been used had a ready market for the investments existed. The estimated fair value of the Foundation's alternative investments total approximately \$932,000 and \$1,174,000 as of June 30, 2020 and 2019, respectively.

The Foundation invests endowment matching funds for the Regional University Endowment Trust Fund (see Note 8) on behalf of the University. In addition, the Foundation also invests Programs of Distinction (see Note 8) related endowment funds on behalf of the University. Dividends and interest income and realized and unrealized gains and losses on investments are allocated between the Foundation and the University based on the percentage of investments owned.

NOTE 15 – EASTERN KENTUCKY UNIVERSITY FOUNDATION, INC. (Continued)

A. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

The Foundation previously adopted the Uniform Prudent Management of Institutional Funds Act (UPMIFA). Under UPMIFA, net appreciation (depreciation) on endowment fund investments, whose income is otherwise unrestricted as to use, is reported as net assets with purposes restrictions until appropriated for expenditure by the Foundation, unless the donor has permanently restricted such net appreciation (depreciation). In cases where the donor has placed time or purpose restrictions on the use of the income from endowed gifts, the related net appreciation (depreciation) is subject to those restrictions and is reported as a part of net assets with donor restrictions until the restriction has been met.

Property and Equipment - Property and equipment is stated at cost and is depreciated on the straight-line method over the estimated useful lives of the assets as follows: 40-50 years for buildings and building improvements and 15-20 years for land improvements. The Foundation's capitalization policy includes all items with a unit cost of \$5,000 or more and an estimated useful life greater than one year. Renovations to buildings and infrastructure and/or land improvements that significantly increase the value or extend the useful life of the asset are capitalized. Routine repairs and maintenance are charged to operating expense in the year in which the expenses are incurred.

The Foundation reviews for the impairment of long-lived assets subject to depreciation whenever events or changes in circumstances indicate the carrying amount of such assets may not be recoverable. No such impairment losses have been recognized with respect to the years ended June 30, 2020 and 2019.

Deferred Gift Liabilities - The carrying amount for deferred gift liabilities is the actuarially determined present value of the income distributions or other payments to the donors or other designated beneficiaries during the terms of the respective split-interest agreements.

Classification of Net Assets - The Foundation records and reports its assets, liabilities, net assets, revenues and other support, expenses, and gains and losses based on the existence or absence of donor-imposed restrictions according to the two classes of net assets as follows:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Foundation, including endowment net assets which have been designated by the Foundation's Board of Directors. Such net assets may be used at the discretion of management and/or the Board of Directors. While the Foundation does not intend to expend Board designated endowment net assets for purposes other than those for which the funds have been designated, if necessary, such funds could be expended for current operations at the discretion of the Board of Directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors. Certain donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

NOTE 15 – EASTERN KENTUCKY UNIVERSITY FOUNDATION, INC. (Continued)

A. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition - The Foundation adopted Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers (Topic 606) (ASU 2014-09), as of and for the year ended June 30, 2020. The Foundation elected not to delay the adoption of ASU 2014-09 by one year pursuant to ASU 2020-05, Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842) - Effective Dates for Certain Entities. ASU 2014-09 was adopted using the modified retrospective method. The Foundation applied the provisions of ASU 2014-09 to all contracts with customers at the July 1, 2019 effective date and all contracts with customers entered into thereafter. The Foundation has not recorded any material impact related to the adoption of ASU 2014-09. The adoption of ASU 2014-09 however, as applicable, results in an increased level of note disclosures about the nature, amount, timing, and uncertainty of revenue and cash flows arising from the Foundation's contracts with customers.

The Foundation's primary sources of revenue/support are contributions, net income from investments, and net realized and unrealized gains (losses) on investments. Such sources of revenue/support are all scoped out of ASU 2014-09.

The Foundation, as a resource recipient, also adopted ASU 2018-08, Not-for-Profit Entities (Topic 605): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (ASU 2018-08), as of and for the year ended June 30, 2020. ASU 2018-08 was adopted using the modified prospective method. ASU 2018-08 provides guidance with respect to (1) evaluating whether transactions should be accounted for as contributions (non-reciprocal transactions) within the scope of ASC Topic 958, Not-for-Profit Entities, or as exchange (reciprocal) transactions subject to other guidance, and (2) determining whether a contribution is conditional. The Foundation has not recorded any material impact related to the adoption of ASU 2018-08 as a resource recipient.

As a resource provider, the provisions of ASU 2018-08 will be effective for the fiscal year ending June 30, 2021. The Foundation is currently evaluating ASU 2018-08 and its related impact, if any, on the Foundation's financial statements as a resource provider.

Contributions - The Foundation recognizes contributions when cash/cash equivalents, investments, or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Contributions are recorded at fair value when received. An unconditional promise to give (a pledge) is recognized in the year the pledge is made. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met.

Contributions of cash and other assets received without donor stipulations are reported as revenue and net assets without donor restrictions. Contributions received with donor stipulations that limit their use are reported as revenue and net assets with donor restrictions. Contributions which impose restrictions that are met in the same fiscal year the contributions are received are included in revenue without donor restrictions. When a donor stipulated time restriction ends or the purpose of the restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported on the accompanying statements of activities as net assets released from restrictions.

NOTE 15 – EASTERN KENTUCKY UNIVERSITY FOUNDATION, INC. (Continued)

A. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Unconditional promises to give expected to be collected within one year are reported at their net realizable value. Unconditional promises to give expected to be collected in future years are recorded at the present value of estimated future cash flows. The resulting discount is computed using a risk-free interest rate applicable to the years in which the unconditional promises are received (discount rates ranging from 0.52% to 3.44%). Amortization of the discounts is included in contribution revenue. The related allowance, an estimated amount, which, in management's judgment, is considered to be adequate to absorb future losses on amounts that may become uncollectible, is based upon a review of the outstanding pledges together with general historical collection experience.

Functional Expenses - The costs of providing program and other activities have been summarized on a functional basis in the accompanying statements of activities (see also Note 11). Program service expenses (support for the University) and management and general expenses are based on direct costs. Fundraising for the Foundation is provided by the University.

Income Taxes - The Internal Revenue Service (IRS) has determined the Foundation is exempt from income taxes under Section 501 of the Internal Revenue Code (Code). The Foundation is however subject to federal income tax on any unrelated business taxable income. Additionally, the Foundation has been determined by the IRS not to be a private foundation within the context of Section 509(a) of the Code.

U.S. GAAP prescribes recognition thresholds and measurement attributes for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. Tax benefits or liabilities will be recognized only if the tax position is more-likely-than-not sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized will be the largest amount of tax benefit or liability that is greater than 50% likely of being realized on examination. For tax positions not meeting the more-likely-than-not test, no tax benefit or liability will be recorded. Management is not aware of any tax benefits or liabilities which would warrant recognition as of June 30, 2020 and 2019.

The Foundation would recognize interest and penalties related to uncertain tax positions in interest and income tax expense, respectively. The Foundation has no amounts accrued for interest or penalties as of June 30, 2020 and 2019.

Foreign Currency Risk - Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit. The Foundation's exposure to foreign currency risk derives from pooled non-U.S. equities investments with a fair value totaling approximately \$14,200,000 and \$15,900,000 as of June 30, 2020 and 2019, respectively. The Foundation's endowment investment policy allows managers to invest a portion of funds in non-U.S. securities in accordance with the guidelines established in the investment policy.

Recently Issued Accounting Standards Updates - In June 2016, the Financial Accounting Standards Board (FASB) issued ASU 2016-13, Financial Instruments - Credit Losses (ASU 2016-13). ASU 2016-13 requires a financial asset (including "trade" receivables) measured at amortized cost basis to be presented at the net amount expected to be collected. Thus, the statement of activities will reflect the measurement of credit losses for newly recognized financial assets as well as the expected increases or decreases of expected credit losses that have taken place during the period. The provisions of ASU 2016-13 are effective for the fiscal year ending June 30, 2024. The Foundation is currently evaluating ASU 2016-13 and its related impact on the Foundation's financial statements.

NOTE 15 – EASTERN KENTUCKY UNIVERSITY FOUNDATION, INC. (Continued)

A. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Subsequent Events - Management has performed an analysis of the activities and transactions subsequent to year-end to determine the need for any adjustments to and/or discussions within the accompanying financial statements as of and for the year ended June 30, 2020. Management has performed its analysis through the date of the Independent Auditor's Report, the date the accompanying financial statements were available to be issued.

B. LIQUIDITY AND AVAILABILITY OF RESOURCES

The Foundation is substantially supported by contributions with donor restrictions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Foundation must maintain sufficient resources to meet those responsibilities to its donors. Accordingly, financial assets may not be available for general expenditure within one year. As part of the Foundation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Foundation invests cash in excess of daily requirements in short-term investments. In the event of an unanticipated liquidity need, the Foundation could draw upon its Board designated endowment net assets.

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, are as follows at June 30, 2020 and 2019:

	2020	2019
Financial assets		
Cash and cash equivalents	\$ 11,424,556	\$ 2,453,156
Investments	70,386,838	77,692,302
Pledges receivable - net	1,361,838	1,507,732
	<u>83,173,232</u>	<u>81,653,190</u>
Less amounts not available to be used within one year or amounts not available without Board approval		
Assets held for others	(20,285,936)	(20,484,587)
Board designated endowment net assets	(5,393,899)	(4,931,566)
Donor restricted net assets for use in future periods	(23,728,235)	(23,991,385)
Donor restricted net assets in perpetuity	(32,708,219)	(31,565,778)
Endowment spend/appropriations	2,777,666	2,920,990
	<u>\$ 3,834,609</u>	<u>\$ 3,600,864</u>

NOTE 15 – EASTERN KENTUCKY UNIVERSITY FOUNDATION, INC. (Continued)**C. FAIR VALUE OF FINANCIAL INSTRUMENTS**

U.S. GAAP defines fair value as the price that would be received for an asset or paid to transfer a liability in the Foundation's principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. This guidance also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

The three levels of inputs that may be used to measure fair value are as follows:

- Level 1 - Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities.
- Level 2 - Significant other observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
- Level 3 - Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

The fair value of financial instruments as of June 30, 2020 is as follows:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money market funds	\$ 3,104,333	\$ 3,104,333	\$ -	\$ -
Equities	49,065,836	49,065,836	-	-
Fixed income	17,284,762	17,284,762	-	-
Alternatives				
Limited partnerships	931,907	-	-	931,907
	<u>\$ 70,386,838</u>	<u>\$ 69,454,931</u>	<u>\$ -</u>	<u>\$ 931,907</u>

NOTE 15 – EASTERN KENTUCKY UNIVERSITY FOUNDATION, INC. (Continued)

C. FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

The fair value of financial instruments as of June 30, 2019 is as follows:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money market funds	\$ 875,388	\$ 875,388	\$ -	\$ -
Banker's acceptances	8,172,573	-	8,172,573	-
Equities	49,392,153	49,392,153	-	-
Fixed income	18,078,312	18,078,312	-	-
Alternatives:				
Limited partnerships	1,173,876	-	-	1,173,876
	<u>\$ 77,692,302</u>	<u>\$ 68,345,853</u>	<u>\$ 8,172,573</u>	<u>\$ 1,173,876</u>

The fair values of money market funds, equity investments, and fixed income investments are generally determined using quoted market prices and are classified as Level 1 financial instruments. The predominance of market inputs are actively quoted and can be validated through external sources, including brokers, market transactions, and third-party pricing services.

At June 30, 2019, the Foundation was also invested in banker's acceptances which were valued using a yield curve matrix derived from quoted prices for similar assets in active markets. The fair value of this investment was classified as a Level 2 financial instrument. The maturity dates of the banker's acceptances generally ranged from approximately 60 to 180 days. Each of the respective banker's acceptances could however be redeemed by the Foundation at a discount upon demand.

For alternative investments, which consist of investments in limited partnerships, for which there is no active market, the fair values are initially based on valuations determined by the respective investment managers using net asset values (NAVs) as of their most recent statements, adjusted for cash receipts, cash disbursements, and other anticipated income or loss through year-end. The NAVs of the funds are determined on the accrual basis of accounting in conformity with U.S. GAAP. In certain instances, secondary investments require reporting other than U.S. GAAP such as International Financial Reporting Standards or Tax Basis accounting, in which case the investment managers adjust values to more accurately comply with U.S. GAAP. The managers utilize standard valuation procedures and policies to assess the fair value of the underlying investment holdings to derive NAV. For holdings in marketable securities listed on national securities exchanges, the values represent the publicly traded values. Holdings in private securities are generally valued using the mark-to-market method, which attempts to apply a fair value standard by referring to meaningful third-party transactions, comparable public market valuations, appraisals, and/or the income approach. Pursuant to U.S. GAAP, management has considered redemption restrictions to assess classification of fair value inputs. For alternative investments with redemption periods of 90 days or less, the assets are considered a Level 2 fair value measurement. Investments that are redeemable in greater than 90 days are considered a Level 3 fair value measurement due to the inability to redeem the asset at NAV in the near term.

NOTE 15 – EASTERN KENTUCKY UNIVERSITY FOUNDATION, INC. (Continued)**C. FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)**

Management has performed an independent review of valuations reported by investment managers and determined that NAV is a reasonable and prudent estimate of fair value. Alternative investments are not readily marketable and their estimated value is subject to uncertainty. Therefore, there may be a material difference between their estimated value and the value that would have been used had a readily determinable fair value for such investments existed.

The following table provides additional information as of June 30, 2020 relative to alternative investments:

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Limited partnerships	\$ 931,907	\$ 724,321	fund dissolved	N/A

The respective limited partnerships have incorporation dates ranging from 2005 to 2008. Each of the limited partnerships has a term of fifteen years, provided, however, that the fund manager, in its sole discretion, may elect to extend such term for up to three one-year periods if it believes such extensions are necessary or desirable in order to effect an orderly liquidation of the limited partnership investments. The fund manager may, in its sole discretion, elect to terminate the limited partnership prior to the end of the term or any extension period.

The years ended June 30, 2020 and 2019 activity with respect to the investments reflected as Level 3 is as follows:

	<u>2020</u>	<u>2019</u>
Beginning of year	\$ 1,173,876	\$ 1,910,330
Net realized and unrealized losses on investments included in the change in net assets	(138,071)	(169,677)
Net sales of investments	<u>(103,898)</u>	<u>(566,777)</u>
End of year	<u>\$ 931,907</u>	<u>\$ 1,173,876</u>

See also Note 15G with respect to deferred gift liabilities (Level 3 fair value measurement).

NOTE 15 – EASTERN KENTUCKY UNIVERSITY FOUNDATION, INC. (Continued)**D. ENDOWMENT**

The Foundation's endowment consists of approximately 445 individual funds established for a variety of purposes. The endowment includes both donor restricted endowment funds and funds designated by the Foundation's Board of Directors to function as endowments. As required by U.S. GAAP, net assets associated with endowment funds, including funds designated by the Foundation's Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

In 2010, UPMIFA was adopted by the Commonwealth of Kentucky. The Foundation interprets UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor restricted endowment fund absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as net assets with donor restrictions in perpetuity (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor restricted endowment fund that is not classified as net assets with donor restrictions in perpetuity is classified as net assets with purposes restrictions until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor restricted endowment funds:

- The purposes of the endowment fund
- The duration and preservation of the endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Foundation
- The investment policies of the Foundation

Funds with Deficiencies - From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the "historic dollar value" level the Foundation is required to preserve as a fund of perpetual duration. There are no such funds with deficiencies at June 30, 2020 and 2019.

At June 30, 2020, endowment investments consist of the following:

	Without Donor Restrictions	With Donor Restrictions		
		Purpose Restrictions	In Perpetuity	Total
Board designated	\$ 5,393,899	\$ -	\$ -	\$ 5,393,899
Donor restricted	-	16,561,184	32,179,055	48,740,239
	<u>\$ 5,393,899</u>	<u>\$ 16,561,184</u>	<u>\$ 32,179,055</u>	<u>\$ 54,134,138</u>

NOTE 15 – EASTERN KENTUCKY UNIVERSITY FOUNDATION, INC. (Continued)

D. ENDOWMENT (Continued)

Changes in endowment investments for the year ended June 30, 2020 are as follows:

	Without Donor Restrictions	With Donor Restrictions		
		Purpose Restrictions	In Perpetuity	Total
Beginning of year	\$ 4,931,566	\$ 16,629,855	\$ 31,003,017	\$ 52,564,438
Contributions	78,286	35,636	1,176,038	1,289,960
Investment return				
Net investment income	133,935	1,540,256	-	1,674,191
Net realized and unrealized appreciation	307,362	584,524	-	891,886
Appropriation of endowment assets for expenditure	(57,250)	(2,229,087)	-	(2,286,337)
End of year	<u>\$ 5,393,899</u>	<u>\$ 16,561,184</u>	<u>\$ 32,179,055</u>	<u>\$ 54,134,138</u>

At June 30, 2019, endowment investments consist of the following:

	Without Donor Restrictions	With Donor Restrictions		
		Purpose Restrictions	In Perpetuity	Total
Board designated	\$ 4,931,566	\$ -	\$ -	\$ 4,931,566
Donor restricted	-	16,629,855	31,003,017	47,632,872
	<u>\$ 4,931,566</u>	<u>\$ 16,629,855</u>	<u>\$ 31,003,017</u>	<u>\$ 52,564,438</u>

NOTE 15 – EASTERN KENTUCKY UNIVERSITY FOUNDATION, INC. (Continued)**D. ENDOWMENT** (Continued)

Changes in endowment investments for the year ended June 30, 2019 are as follows:

	Without Donor Restrictions	With Donor Restrictions Purpose Restrictions	In Perpetuity	Total
Beginning of year	\$ 7,541,872	\$ 16,382,693	\$ 29,521,775	\$ 53,446,340
Contributions	73,448	85,217	1,481,242	1,639,907
Investment return				
Net investment income	180,691	1,400,529	-	1,581,220
Net realized and unrealized appreciation	437,742	1,647,253	-	2,084,995
Board designation changes	(3,187,191)	-	-	(3,187,191)
Appropriation of endowment assets for expenditure	<u>(114,996)</u>	<u>(2,885,837)</u>	<u>-</u>	<u>(3,000,833)</u>
End of year	<u>\$ 4,931,566</u>	<u>\$ 16,629,855</u>	<u>\$ 31,003,017</u>	<u>\$ 52,564,438</u>

Return Objectives and Risk Parameters - The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while over time seeking to maintain the purchasing power of the endowment assets. Under the Foundation's policies, endowment assets are invested in a manner that emphasizes total return. Specifically, the primary objective is to emphasize long-term growth of principal while avoiding excessive risk, to achieve a balanced return of current income and modest growth of principal, and to achieve a rate of return equal to or higher than the Endowment and Foundation Index or other benchmarks as determined by the Foundation's Board of Directors.

Strategies Employed for Achieving Objectives - To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (dividends and interest). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints. The endowment assets of the Foundation are invested in a broad range of equities and debt securities, thereby generally limiting the market risk exposure in any single investment manager or individual investment.

Spending Policy and How the Investment Objectives Relate to the Spending Policy - The Foundation has a policy of appropriating for distribution each year up to 5.0% of a three-year rolling average of the fund's value. Likewise, it is the policy of the Foundation that, annually, up to 1.5% of a three-year rolling average of the fund's value be designated for unrestricted use by the Foundation in furtherance of its singular mission to provide support for the advancement of the University. The policies are monitored by the Executive Committee of the Foundation's Board of Directors and may be amended in accordance with market conditions. Earnings above the annually designated portions are reinvested in the corpus to insure long-term growth and stability.

NOTE 15 – EASTERN KENTUCKY UNIVERSITY FOUNDATION, INC. (Continued)

E. PLEDGES RECEIVABLE

At June 30, 2020, net pledges receivable consists of the following:

	Without Donor Restrictions	With Donor Restrictions		
		Purpose Restrictions	In Perpetuity	Total
Current pledges receivable:				
Estimated to be collected in less than one year	\$ -	\$ 341,231	\$ 483,164	\$ 824,395
Less allowance	-	(41,800)	(25,800)	(67,600)
	<u>\$ -</u>	<u>\$ 299,431</u>	<u>\$ 457,364</u>	<u>\$ 756,795</u>
Long-term pledges receivable:				
Estimated to be collected in one to five years	\$ -	\$ 445,665	\$ 96,000	\$ 541,665
Estimated to be collected thereafter	-	155,478	-	155,478
Less allowance	-	(33,500)	(20,600)	(54,100)
Less discounts to net present value	-	(34,400)	(3,600)	(38,000)
	<u>\$ -</u>	<u>\$ 533,243</u>	<u>\$ 71,800</u>	<u>\$ 605,043</u>
	<u>\$ -</u>	<u>\$ 832,674</u>	<u>\$ 529,164</u>	<u>\$ 1,361,838</u>

At June 30, 2019, net pledges receivable consists of the following:

	Without Donor Restrictions	With Donor Restrictions		
		Purpose Restrictions	In Perpetuity	Total
Current pledges receivable:				
Estimated to be collected in less than one year	\$ -	\$ 209,096	\$ 278,620	\$ 487,716
Less allowance	-	(6,000)	(4,000)	(10,000)
	<u>\$ -</u>	<u>\$ 203,096</u>	<u>\$ 274,620</u>	<u>\$ 477,716</u>
Long-term pledges receivable:				
Estimated to be collected in one to five years	\$ -	\$ 526,237	\$ 304,414	\$ 830,651
Estimated to be collected thereafter	-	288,638	727	289,365
Less allowance	-	(14,000)	(8,000)	(22,000)
Less discounts to net present value	-	(59,000)	(9,000)	(68,000)
	<u>\$ -</u>	<u>\$ 741,875</u>	<u>\$ 288,141</u>	<u>\$ 1,030,016</u>
	<u>\$ -</u>	<u>\$ 944,971</u>	<u>\$ 562,761</u>	<u>\$ 1,507,732</u>

NOTE 15 – EASTERN KENTUCKY UNIVERSITY FOUNDATION, INC. (Continued)**F. PROPERTY AND EQUIPMENT**

At June 30, 2020 and 2019, net property and equipment consists of the following:

	<u>2020</u>	<u>2019</u>
Land	\$ 250,000	\$ 250,000
Buildings and building improvements	<u>600,000</u>	<u>600,000</u>
	850,000	850,000
Less accumulated depreciation	<u>(160,975)</u>	<u>(146,851)</u>
	<u><u>\$ 689,025</u></u>	<u><u>\$ 703,149</u></u>

Depreciation expense for each of the years ended June 30, 2020 and 2019 totals \$14,124.

G. DEFERRED GIFT LIABILITIES

Over time, the Foundation has been the recipient of several gift annuities which require future payments to the donor or their named beneficiaries. The assets received from the donor are recorded at fair value.

The accompanying statements of financial position reflect a liability at June 30, 2020 and 2019 totaling \$327,791 and \$350,743, respectively, which represents the estimated present value of the future annuity obligations calculated using discount rates ranging from 5.5% to 8.4%. The actuarial related assumptions used in calculating the respective present values include the beneficiary's age and life expectancy, the date of the gift, the fair value of the amount gifted, the estimated rate of return, the payout rate, the payment schedule, and the discount rate at the date of the contribution determined in accordance with the Internal Revenue Code. The carrying amount of the deferred gift liabilities estimates fair value and is calculated using Level 3 inputs (see also Note 15C).

The years ended June 30, 2020 and 2019 activity with respect to deferred gift liabilities is as follows:

	<u>2020</u>	<u>2019</u>
Beginning of year	\$ 350,743	\$ 368,709
Payment obligations	(54,247)	(55,179)
Net actuarial loss	<u>31,295</u>	<u>37,213</u>
End of year	<u><u>\$ 327,791</u></u>	<u><u>\$ 350,743</u></u>

At June 30, 2020 and 2019, investments relative to such deferred gift liabilities total \$765,928 and \$791,026, respectively.

NOTE 15 – EASTERN KENTUCKY UNIVERSITY FOUNDATION, INC. (Continued)**H. ASSETS HELD FOR OTHERS**

Assets held for others represent resources in the possession of, but not under the control of, the Foundation. At June 30, 2020 and 2019, assets held for others consist of the following:

	<u>2020</u>	<u>2019</u>
Regional University Endowment Trust Fund	\$ 18,341,506	\$ 18,522,233
Programs of Distinction	<u>1,944,430</u>	<u>1,962,354</u>
	<u>\$ 20,285,936</u>	<u>\$ 20,484,587</u>

I. NET ASSETS WITH DONOR RESTRICTIONS

At June 30, 2020 and 2019, net assets with donor restrictions consist of the following:

	<u>2020</u>	<u>2019</u>
Subject to expenditure for specified purposes		
Scholarships program	\$ 2,254,751	\$ 3,356,229
Academic programs	3,280,689	3,632,634
Athletic programs	567,578	404,641
Capital projects	839,061	1,015,145
Other	<u>16,786,156</u>	<u>15,582,736</u>
	<u>23,728,235</u>	<u>23,991,385</u>
Endowment to be maintained in perpetuity		
Scholarships program	23,832,623	22,810,052
Academic programs	8,339,612	8,221,592
Athletic programs	450,110	450,110
Capital projects	<u>85,874</u>	<u>84,024</u>
	<u>32,708,219</u>	<u>31,565,778</u>
	<u>\$ 56,436,454</u>	<u>\$ 55,557,163</u>

NOTE 15 – EASTERN KENTUCKY UNIVERSITY FOUNDATION, INC. (Continued)**J. NET ASSETS RELEASED FROM RESTRICTIONS**

Net assets released from restrictions consist of the following for the years ended June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Purposes restrictions satisfied/time restrictions expired		
Scholarships program	\$ 1,414,796	\$ 1,285,475
Academic programs	1,518,410	2,130,112
Athletic programs	146,782	-
Capital projects	192,167	124,957
Other support for the University	639,253	564,367
	<u>\$ 3,911,408</u>	<u>\$ 4,104,911</u>

K. FUNCTIONAL EXPENSE CLASSIFICATION

The Foundation's expenses by functional classification for the years ended June 30, 2020 and 2019 are as follows:

	<u>2020</u>	<u>2019</u>
Program services - support for the University		
Scholarships program	\$ 1,466,096	\$ 1,322,952
Academic programs	1,010,556	1,662,562
Athletic programs	152,723	264,008
Capital projects	315,353	220,280
Other	402,479	237,305
Depreciation	14,124	14,124
	<u>\$ 3,361,331</u>	<u>\$ 3,721,231</u>
Management and general		
Professional and consulting fees	\$ 124,701	\$ 118,152
Other	56,363	44,629
	<u>\$ 181,064</u>	<u>\$ 162,781</u>
	<u>\$ 3,542,395</u>	<u>\$ 3,884,012</u>

NOTE 15 – EASTERN KENTUCKY UNIVERSITY FOUNDATION, INC. (Continued)

L. CONCENTRATIONS

At June 30, 2020, approximately 55% of total outstanding gross pledges receivable are due from one donor. At June 30, 2019, approximately 65% of total outstanding gross pledges receivable are due between two donors.

For 2019, approximately 10% of total contributions revenue was received from one donor. No such concentration exists for 2020.

M. RELATED PARTY TRANSACTIONS

Eastern Kentucky University - The University provides various administrative services to the Foundation. In addition, during the year ended June 30, 2020, the University expended \$1,466,096 and \$290,861 on behalf of the Foundation with respect to scholarships and employee salaries/related benefits, respectively. Such amounts are ultimately reimbursed by the Foundation. During the year ended June 30, 2019, the University expended \$1,322,952 and \$209,778 on behalf of the Foundation with respect to scholarships and employee salaries/related benefits, respectively. At June 30, 2020 and 2019, the amount due to the University on the accompanying statements of financial position totals \$215,038 and \$360,760, respectively.

Other - At June 30, 2020 and 2019, outstanding gross pledges receivable due from related parties (members of the University's Board of Regents, the Foundation's Board of Directors, or employees of the University) total \$207,719 and \$262,060, respectively. Such gross pledges receivable amounts are included in the amounts reflected in Note 15E.

At June 30, 2020 and 2019, the cash surrender value of life insurance includes \$5,910 and \$4,464, respectively, with respect to a policy under which the insured is a member of the Foundation's Board of Directors.

N. RISKS AND UNCERTAINTIES

In March 2020, the World Health Organization declared the global novel coronavirus disease 2019 (COVID-19) outbreak a pandemic. Additionally, the United States Centers for Disease Control and Prevention confirmed the spread of COVID-19 throughout the United States. As of the date the accompanying financial statements were available to be issued, the Foundation's operations have not been significantly impacted by the outbreak of COVID-19. The Foundation's operations could be adversely affected as a result of COVID-19, however since the situation surrounding the pandemic remains fluid, the long-term duration, nature, and extent of the impact on the Foundation, if any, cannot be reasonably estimated at this time.

REQUIRED SUPPLEMENTARY INFORMATION

Draft

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
KERS – Non-Hazardous						
University's proportion of the net pension liability	1.08%	1.45%	1.75%	1.82%	1.71%	1.61%
University's proportionate share of the net pension liability	\$ 152,149	\$ 197,366	\$ 234,290	\$ 207,489	\$ 171,780	\$ 144,048
University's covered payroll	\$ 15,504	\$ 24,966	\$ 26,630	\$ 29,378	\$ 27,312	\$ 27,301
University's proportionate share of the net pension liability as a percentage of its covered payroll	981.36%	790.54%	879.80%	706.27%	628.95%	527.63%
Plan fiduciary net position as a percentage of the total pension liability	13.66%	12.84%	13.30%	14.80%	22.32%	22.32%
KERS – Hazardous						
University's proportion of the net pension liability	0.72%	0.63%	0.64%	0.07%	-%	-%
University's proportionate share of the net pension liability	\$ 3,953	\$ 3,169	\$ 3,185	\$ 275	\$ -	\$ -
University's covered payroll	\$ 1,201	\$ 1,079	\$ 518	\$ -	\$ -	\$ -
University's proportionate share of the net pension liability as a percentage of its covered payroll	329.14%	293.70%	614.86%	-%	-%	-%
Plan fiduciary net position as a percentage of the total pension liability	55.49%	56.10%	54.80%	57.41%	-%	-%
KTRS						
University's proportion of the net pension liability	0.60%	0.71%	0.68%	1.13%	1.12%	1.10%
University's proportionate share of the net pension liability	\$ 86,450	\$ 97,175	\$ 193,364	\$ 349,600	\$ 274,717	\$ 237,056
State's proportionate share of the net pension liability associated with the University	<u>93,677</u>	<u>72,297</u>	<u>154,108</u>	<u>32,949</u>	<u>27,936</u>	<u>26,899</u>
Total	<u>\$ 180,127</u>	<u>\$ 169,472</u>	<u>\$ 347,472</u>	<u>\$ 382,549</u>	<u>\$ 302,653</u>	<u>\$ 263,955</u>
University's covered payroll	\$ 53,396	\$ 88,822	\$ 89,975	\$ 89,598	\$ 87,589	\$ 83,276
University's proportionate share of the net pension liability as a percentage of its covered payroll	161.90%	109.40%	214.91%	390.19%	313.64%	284.66%
Plan fiduciary net position as a percentage of the total pension liability	58.80%	59.30%	39.83%	35.22%	42.49%	45.59%

* The amounts presented for each fiscal year were determined as of the year end that occurred one year prior.

** This is a ten-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until ten years of information is available.

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
KERS – Non-Hazardous						
Contractually required contribution	\$ 3,726	\$ 6,426	\$ 9,038	\$ 10,658	\$ 9,072	\$ 8,774
Contributions in relation to the contractually required contribution	<u>(3,726)</u>	<u>(6,426)</u>	<u>(9,038)</u>	<u>(10,658)</u>	<u>(9,072)</u>	<u>(8,774)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
University's covered payroll	\$ 8,979	\$ 15,504	\$ 24,966	\$ 26,630	\$ 29,378	\$ 27,312
Contributions as a percentage of covered payroll	41.49%	41.45%	36.20%	40.02%	30.88%	32.13%

KERS – Hazardous

Contractually required contribution	\$ 424	\$ 415	\$ 311	\$ 159	\$ -	\$ -
Contributions in relation to the contractually required contribution	<u>(424)</u>	<u>(415)</u>	<u>(311)</u>	<u>(159)</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
University's covered payroll	\$ 1,263	\$ 1,201	\$ 1,079	\$ 518	\$ -	\$ -
Contributions as a percentage of covered payroll	33.60%	34.55%	28.82%	30.69%	-%	-%

KTRS

Contractually required contribution	\$ 7,136	\$ 7,148	\$ 8,612	\$ 8,814	\$ 8,843	\$ 7,235
Contributions in relation to the contractually required contribution	<u>(7,136)</u>	<u>(7,148)</u>	<u>(8,612)</u>	<u>(8,814)</u>	<u>(8,843)</u>	<u>(7,235)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
University's covered payroll	\$ 52,805	\$ 53,396	\$ 88,822	\$ 89,975	\$ 89,598	\$ 87,589
Contributions as a percentage of covered payroll	13.51%	13.39%	9.70%	9.80%	9.87%	8.26%

* This is a ten-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until ten years of information is available.

Changes of benefit terms and assumptions:

KERS

Changes of benefit terms: The following changes were made by the Kentucky Legislature and reflected in the valuation performed as of June 30 listed below:

2015:

- The assumed investment rate of return was decreased from 7.75% to 7.50%.
- The assumed rate of inflation was reduced from 3.50% to 3.25%.
- The assumed rate of wage inflation was reduced from 1.00% to 0.75%.
- Payroll growth assumption was reduced from 4.50% to 4.00%.
- The mortality table used for active members is RP-2000 Combined Mortality Table projected with Scale BB to 2013 (multiplied by 50% for males and 30% for females).
- For healthy retired members and beneficiaries, the mortality table used is the RP-2000 Combined Mortality Table projected with Scale BB to 2013 (set back 1 year for females). For disabled members, the RP-2000 Combined Disabled Mortality Table projected with Scale BB to 2013 (set back 4 years for males) is used for the period after disability retirement. There is some margin in the current mortality tables for possible future improvement in mortality rates and that margin will be reviewed again when the next experience investigation is conducted.
- The assumed rates of Retirement, Withdrawal and Disability were updated to more accurately reflect experience.

2016: The assumed investment rate of return was decreased from 7.50% to 6.75%.

2017:

Changes in Assumptions and Benefit Terms: Since the prior measurement date, the demographic and economic assumptions that affect the measurement of the total pension liability have been updated as follows:

- The assumed investment rate of return was decreased from 6.75% to 5.25% (Non-hazardous) and 7.50% to 6.25% (Hazardous).
- The assumed rate of inflation was reduced from 3.25% to 2.30%.
- Salary growth assumption was reduced from 4.00% to 3.05%.
- Payroll growth assumption was reduced from 4.00% to 0.00% (Non-hazardous) and 4.00% to 2.00% (Hazardous).

2018:

Changes in Assumptions and Benefit Terms: Since the prior measurement date, there have been no changes in actuarial assumptions. However, during the 2018 legislative session, House Bill 185 was enacted, which updated the benefit provisions for active members who die in the line of duty. Benefits paid to the spouses of deceased members have been increased from 25% of the member's final rate of pay to 75% of the member's average pay. If the member does not have a surviving spouse, benefits paid to surviving dependent children have been increased from 10% of the member's final pay rate to 50% of average pay for one child, 65% of average pay for two children, or 75% of average pay for three children. The total pension liability as of June 30, 2018 was determined using these updated benefit provisions.

KERS (Continued)

2019:

Changes in Assumptions and Benefit Terms: For the fiscal year ended June 30, 2020, the KERS Board of Trustees adopted new actuarial assumptions. These assumptions were based on an actuarial experience study for the period ending June 30, 2018. Key changes include replacing the base retiree mortality tables with a KERS-specific mortality table developed using the actual mortality experience of non-disabled retirees in KERS. Mortality tables for disabled retirees and active members were updated with Public Retirement Mortality tables. In addition, termination rates and rates of disability incidence were increased. Retirement rates were decreased slightly for members with a participation date prior to July 1, 2003. For members with a participation date on or after July 1, 2003, retirement rates were set equal to 80% of the retirement rates applicable for the pre-July 1, 2003 participants for ages below 65.

House Bill 1, which passed during the 2019 special legislative session, allows certain employers in the non-hazardous plan to elect to cease participating in the system as of June 30, 2020. Since employer's elections were unknown at the time of the actuarial valuation and the legislation was enacted after the June 30, 2019 measurement date, no adjustments were made to the Total Pension Liability to reflect this legislation.

House Bill 265, which passed during the 2018 legislative session, allowed certain employers within the non-hazardous plan to contribute less than the actuarially determined contribution in the 2018/2019 fiscal year. Since this is not expected to be an ongoing contribution reduction, determining the non-hazardous employers' proportionate share based on the employers' actual contributions would not be reflective of the employers' long-term contribution effort. Instead, the proportionate share calculations for employers of the non-hazardous plan were based on the employers' covered payroll provided for fiscal year ending June 30, 2019, which would result in the same proportionate share allocation if all participating employers contributed the same rate.

KTRS

2015: *Changes of benefit terms:* None

Changes of Assumptions: In the 2011 valuation and later, the expectation of retired life mortality was changed to the RP-2000 Mortality Tables rather than the 1994 Group Annuity Mortality Table, which was used prior to 2011. In the 2011 valuation, rates of withdrawal, retirement, disability and mortality were adjusted to more closely reflect actual experience. In the 2011 valuation, the Board adopted an interest smoothing methodology to calculate liabilities for purposes of determining the actuarially determined contributions.

2016: Since the previous valuation, various economic and demographic assumptions have been revised to reflect the results of the experience investigation for the five-year period ending June 30, 2015. The changes adopted by the Board on September 19, 2016, include various demographic and economic assumptions summarized below:

- Price inflation changed assumed rate from 3.50% to 3.00%.
- Wage inflation changed assumed rate from 4.00% to 3.50%.
- Assumed salary scale adjusted to reflect a decrease of 0.25% in merit and promotion for all ages.
- Assumed rates of withdrawal, disability, retirement, and mortality have been adjusted to more closely reflect experience.
- The discount rate was changed from 4.88% to 4.20%.

2017:

Changes in Assumptions and Benefit Terms Since Prior Measurement Date - The total pension liability as of June 30, 2017 reflects that the assumed municipal bond index rate increased from 3.01% to 3.56%, resulting in a change in the Single Equivalent Interest Rate (SEIR) from 4.20% to 4.49%. The change in the discount rate is considered a change in actuarial assumptions under GASB 68.

2018:

Changes in Assumptions and Benefit Terms Since Prior Measurement Date - The total pension liability as of June 30, 2018 reflects the assumed municipal bond index rate increase from 3.56 percent to 3.89 percent, resulting in a change in the Single Equivalent Interest Rate (SEIR) from 4.49 percent to 7.50 percent. The impact of this change in the discount rate is a change in assumption that is added to expected total pension liability to determine the final total pension liability at June 30, 2018. The total pension liability as of June 30, 2017 reflects the assumed municipal bond index rate increase from 3.01 percent to 3.56 percent, resulting in a change in the Single Equivalent Interest Rate (SEIR) from 4.20 percent to 4.49 percent. The impact of this change in the discount rate is a change in assumption that is added to expected total pension liability to determine the final total pension liability at June 30, 2017.

2019:

Changes in Assumptions and Benefit Terms Since Prior Measurement Date - The TPL as of June 30, 2019 reflects the assumed municipal bond index rate decrease from 3.89 percent to 3.50 percent. The Single Equivalent Interest Rate (SEIR) remained at 7.50 percent. The impact of this change in the discount rate is a change in assumption that is added to expected TPL to determine the final TPL at June 30, 2019.

	<u>2020</u>	<u>2019</u>	<u>2018</u>
KERS – Non-Hazardous			
University's proportion of the net OPEB liability	1.07%	1.45%	1.75%
University's proportionate share of the net OPEB liability	\$ 23,948	\$ 34,368	\$ 44,378
University's covered payroll	\$ 15,504	\$ 24,966	\$ 26,630
University's proportionate share of the net OPEB liability as a percentage of its covered payroll	154.46%	137.66%	166.65%
Plan fiduciary net position as a percentage of the total OPEB liability	30.92%	27.32%	24.40%
KERS – Hazardous			
University's proportion of the net OPEB liability	0.72%	0.63%	0.64%
University's proportionate share of the net OPEB liability (asset)	\$ (194)	\$ (208)	\$ 39
University's covered payroll	\$ 1,201	\$ 1,079	\$ 518
University's proportionate share of the net OPEB liability as a percentage of its covered payroll	(16.14)%	(19.28)%	7.53%
Plan fiduciary net position as a percentage of the total OPEB liability	105.29%	106.83%	98.80%
KTRS – Medical Insurance			
University's proportion of the net OPEB liability	0.73%	0.73%	0.79%
University's proportionate share of the net OPEB liability	\$ 21,503	\$ 25,293	\$ 28,232
State's proportionate share of the net OPEB liability associated with the University	9,592	12,379	12,803
Total	\$ 31,095	\$ 37,672	\$ 41,035
University's covered payroll	\$ 53,396	\$ 88,822	\$ 89,975
University's proportionate share of the net OPEB liability as a percentage of its covered payroll	40.27%	28.48%	31.38%
Plan fiduciary net position as a percentage of the total OPEB liability	32.58%	25.50%	21.18%
KTRS – Life Insurance			
University's proportion of the net OPEB liability	1.60%	1.62%	1.70%
University's proportionate share of the net OPEB liability	\$ 498	\$ 457	\$ 373
University's covered payroll	\$ 53,396	\$ 88,822	\$ 89,975
University's proportionate share of the net OPEB liability as a percentage of its covered payroll	0.93%	0.51%	0.41%
Plan fiduciary net position as a percentage of the total OPEB liability	73.40%	75.00%	79.99%

* The amounts presented for each fiscal year were determined as of the year end that occurred one year prior.

** This is a ten-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until ten years of information is available.

	<u>2020</u>	<u>2019</u>	<u>2018</u>
KERS – Non-Hazardous			
Contractually required contribution	\$ 763	\$ 1,316	\$ 1,851
Contributions in relation to the contractually required contribution	<u>(763)</u>	<u>(1,316)</u>	<u>(1,851)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
University's covered payroll	\$ 8,979	\$ 15,504	\$ 24,966
Contributions as a percentage of covered payroll	8.50%	8.49%	7.41%
KERS – Hazardous			
Contractually required contribution	\$ 30	\$ 30	\$ 33
Contributions in relation to the contractually required contribution	<u>(30)</u>	<u>(30)</u>	<u>(33)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
University's covered payroll	\$ 1,263	\$ 1,201	\$ 1,079
Contributions as a percentage of covered payroll	2.40%	2.50%	3.06%
KTRS – Medical Insurance			
Contractually required contribution	\$ 1,216	\$ 1,230	\$ 1,512
Contributions in relation to the contractually required contribution	<u>(1,216)</u>	<u>(1,230)</u>	<u>(1,512)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
University's covered payroll	\$ 52,805	\$ 53,396	\$ 88,822
Contributions as a percentage of covered payroll	2.30%	2.30%	17.02%
KTRS – Life Insurance			
Contractually required contribution	\$ 16	\$ 16	\$ 19
Contributions in relation to the contractually required contribution	<u>(16)</u>	<u>(16)</u>	<u>(19)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
University's covered payroll	\$ 52,805	\$ 53,396	\$ 88,822
Contributions as a percentage of covered payroll	0.03%	0.03%	0.02%

* This is a ten-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until ten years of information is available.

** Employer contributions do not include the expected implicit subsidy.

KERS

Changes in Assumptions and Benefit Terms: Since the prior measurement date, the demographic and economic assumptions that affect the measurement of the total OPEB liability have been updated as follows:

2017:

- The assumed investment rate of return was decreased from 7.50% to 6.25%.
- The assumed rate of inflation was reduced from 3.25% to 2.30%.
- The salary increase assumption was reduced from 4.00% to 3.05%.
- The payroll growth assumption was reduced from 4.00% to 2.00%.

2018:

Changes in Assumptions and Benefit Terms: Since the prior measurement date, there have been no changes in actuarial assumptions. However, during the 2018 legislative session, House Bill 185 was enacted, which updated the benefit provisions for active members who die in the line of duty. The system shall now pay 100% of the insurance premium for spouses and children of all active members who dies in the line of duty. The total OPEB liability as of June 30, 2018, is determined using these updated benefit provisions.

2019:

Changes in Assumptions and Benefit Terms: For the fiscal year ended June 30, 2020, the KERS Board of Trustees adopted new actuarial assumptions. These assumptions were based on an actuarial experience study for the period ending June 30, 2018. Key changes include replacing the base retiree mortality tables with a KERS-specific mortality table developed using the actual mortality experience of non-disabled retirees in KERS. Mortality tables for disabled retirees and active members were updated with Public Retirement Mortality tables. In addition, termination rates and rates of disability incidence were increased. Retirement rates were decreased slightly for members with a participation date prior to July 1, 2003. For members with a participation date on or after July 1, 2003, retirement rates were set equal to 80% of the retirement rates applicable for the pre-July 1, 2003 participants for ages below 65.

House Bill 1, which passed during the 2019 special legislative session, allows certain employers in the non-hazardous plan to elect to cease participating in the system as of June 30, 2020. Since employer's elections were unknown at the time of the actuarial valuation and the legislation was enacted after the June 30, 2019 measurement date, no adjustments were made to the Total OPEB Liability to reflect this legislation.

House Bill 265, which passed during the 2018 legislative session, allowed certain employers within the non-hazardous plan to contribute less than the actuarially determined contribution in the 2018/2019 fiscal year. Since this is not expected to be an ongoing contribution reduction, determining the non-hazardous employers' proportionate share based on the employers' actual contributions would not be reflective of the employers' long-term contribution effort. Instead, the proportionate share calculations for employers of the non-hazardous plan were based on the employers' covered payroll provided for fiscal year ending June 30, 2019, which would result in the same proportionate share allocation if all participating employers contributed the same rate.

KTRS

2017:

Changes to benefit terms: Medical Insurance: With the passage of House Bill 471, the eligibility for non-single subsidies (NSS) for the KEHP-participating members who retired prior to July 1, 2010 is restored, but the State will only finance, via its KEHP "shared responsibility" contributions, the costs of the NSS related to those KEHP-participating members who retired on or after July 1, 2010.

2018:

Changes of benefit terms – For the Life Insurance Plan, changes in assumptions or benefit terms as of June 30, 2019 included a change to the investment rate of returns, municipal bond index rate, discount rate, and single equivalent interest rate noted in the table above. For the Medical Insurance Plan, with the passage of House Bill 471, the eligibility for non-single subsidies (NSS) for the KEHP-participating members who retired prior to July 1, 2010 is restored, but the state will only finance, via its KEHP "Shared Responsibility" contributions, the costs of the NSS related to those KEHP-participating members who retired on or after July 1, 2010. This change occurred in the prior year, while there were no other changes in the current year.

2019:

Changes of assumptions – Medical Insurance Plan: The healthcare cost trend rate for Pre-65 decreased from 7.75 percent to 7.50 percent and Post-65 decreased from 5.75 percent to 5.50 percent. Medicare Part B premiums increased to 2.63 percent from 0.0 percent. The municipal bond index rate decreased from 3.89 percent to 3.50 percent.

Changes of assumptions – Life Insurance Plan: The municipal bond index rate decreased from 3.89 percent to 3.50 percent.



Eastern Kentucky University

Board of Regents COVID-19 Update
December 10, 2020

Dr. Bryan Makinen

Chair COVID-19 Task Force

Overall Operation & Data Review

Note: Data current as of November 24, 2020

Progress

- We made it. Our plans were intentionally created, meaningful in execution and impactful in curbing the spread of this disease in our community.
- Thank you to the many strategic partners who made the fall 2020 semester a success:

E President's Cabinet

E Task Force team members

E Contact Tracers

E Faculty

E Staff

E Students

- Aramark Custodial and Food Services
- Madison County Health Department
- Regional and state epidemiology teams
- Local and regional healthcare partners
- Madison County COVID-19 Task Force
- Many more

Key Data Points

- The Colonel Comeback Plan focuses on disease prevention, surveillance and rapid intervention.
- Our Contact Tracing team processed 1,595 reports from August 25 – November 24, 2020.
 - Our population was very responsive to the request to make reports and openly communicate.
 - This led to quick and decisive actions to manage, isolate and quarantine affected individuals.
- Student Health Services administered 227 COVID-19 tests onsite.
- Custodial Services performed COVID-19 cleaning of all active classrooms, the library, and common areas nightly.



Key Data Points for Fall 2020

Operationalizing The Plan

Item	Amount
Cloth Face Coverings	15,582
Disposable Face Coverings	105,000
Gallons of Chemical	1,160
Canisters of Wipes	2,100
Plexiglass Shields	509
Bottles of Hand Sanitizer	1,535
Signs Posted	9,150
Quarantine and Isolation Housing Rooms	104+
Meals Delivered	≈ 9,000

Dedication

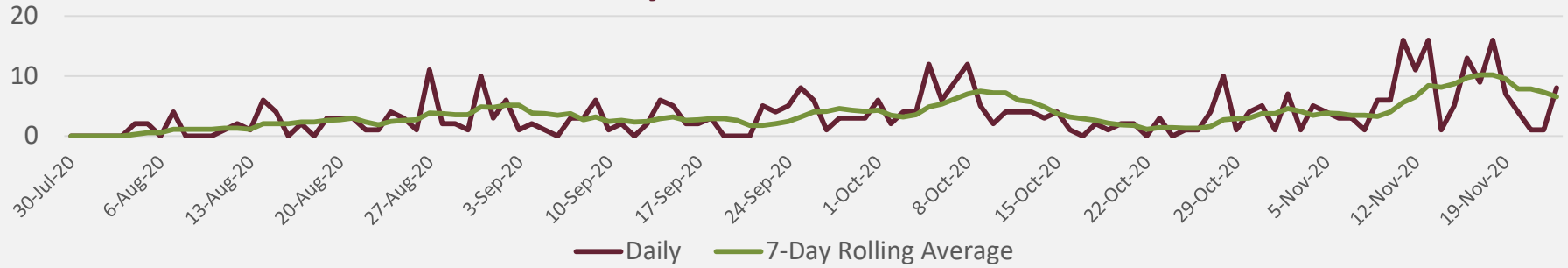
Task	Personnel
Task Force Members	75+
Contact Tracers	19 (+ Coordinator)
Colonel Care Coordinators	91
Aramark COVID-19 Daily Cleanings	430 classrooms and common areas
3 rd Party Cleaning	109 areas

Key Data Points

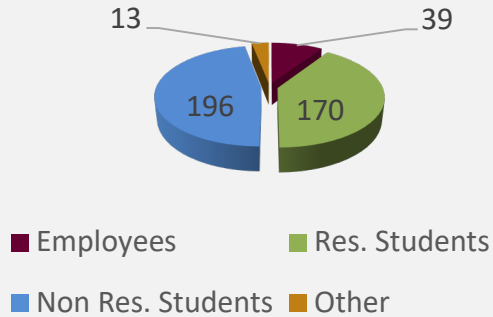


- Reviewed over 175 proposed plans, procedures and/or guidelines to continue operations in a responsible manner with the safety & health of our population as the central theme.
- We had no reports of transmission within our classrooms, structured activities, and university events.

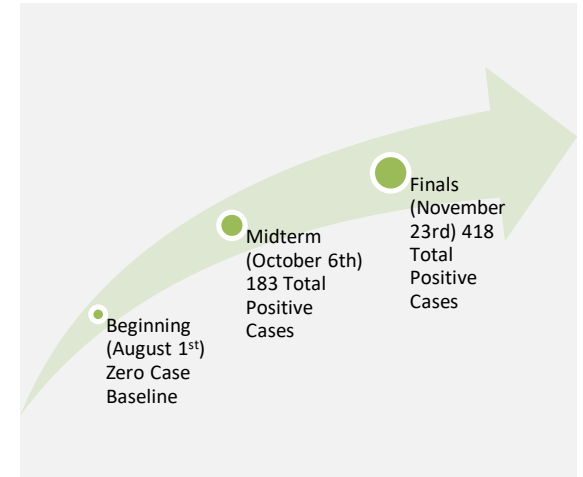
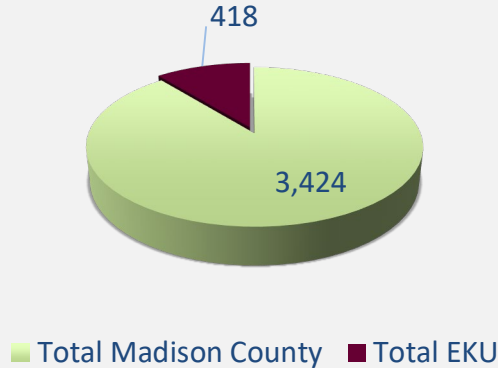
EKU COVID-19 Daily Positive Cases Fall 2020 Semester



Case Breakdown



EKU v. MC Cases



Overall Assessment

- We are One Eastern
 - Dedication
 - Sacrifice
 - Grit
 - Compassion
 - Grace
- We are second to none



Dr. Sara Zeigler
Co-Chair Fall/Spring Contingency Task Force

Spring Contingency Task Force
Instructional Design and Methodologies

We Are Ready to Spring Into Action

- Our Colonel Comeback Plan sets the foundation for a successful spring 2021 semester. We have taken lessons learned from the fall 2020 semester and made improvements.
- Our faculty have adapted their teaching and our staff stand ready to serve.
- We are in the final stages of a revised fall 2021 calendar.
- There are extensive efforts by faculty and staff to support and retain students who miss class due to illness, child care, other problems.
- We are ready!

Fall 2019 and Fall 2020

Instructional Method Comparison

Fall 2019 - 4,227 Total Sections		
Instructional Method	Number of Sections	% Total
Applied Learning Experience	551	13.04%
Dual Credit	2	0.05%
Traditional	2,766	65.44%
Web-Blended	95	2.25%
Distance Learning	106	2.51%
Online	466	11.02%
Mixed Mode	241	5.70%
Hybrid	0	0.00%
TOTAL	4,227	100.00%

Fall 2020 - 3,925 Total Sections		
Instructional Method	Number of Sections	% Total
Applied Learning Experience*	0	0.00%
Dual Credit	0	0.00%
Traditional	1,460	37.20%
Web-Blended	218	5.55%
Distance Learning	0	0.00%
Online	1,171	29.83%
Mixed Mode	0	0.00%
Hybrid	1,076	27.41%
TOTAL	3,925	100.00%

Spring 2020 and Spring 2021 Instructional Method Comparison

Spring 2020 - 4,229 Total Sections

Instructional Method	Number of Sections	% Total
Applied Learning Experience	743	17.57%
Dual Credit	0	0.00%
Traditional	2,558	60.49%
Web-Blended	82	1.94%
Distance Learning	87	2.06%
Online	477	11.28%
Mixed Mode	282	6.67%
Hybrid	0	0.00%
TOTAL	4,229	100.00%

Spring 2021 - 3,900 Total Sections

Instructional Method	Number of Sections	% Total
Applied Learning Experience	551	14.13%
Dual Credit	0	0.00%
Traditional	790	20.26%
Web-Blended (Asynchronous)	342	8.77%
Web-Blended (Synchronous)	107	2.74%
Distance Learning	81	2.08%
Online (Asynchronous)	915	23.46%
Online (Synchronous)	512	13.13%
Mixed Mode	251	6.44%
Hybrid	351	9.00%
TOTAL	3,900	100.00%

Sample Room Capacity Changes

Building	Room Number	Room Type	Non-COVID Capacity	COVID Capacity
University Building	134	Classroom	24	8
Alumni Coliseum	Main Gym		1000	400
BTC	105	Auditorium Classroom	42	15
Burrier	100	Auditorium Classroom	121	18
Cammack	27	Classroom	28	14
Center for the Arts	Black Box Theatre		170	49
Combs Building	318	Classroom	62	36
Keen Johnson	112 Walnut Hall		80	40
Powell 213	Multipurpose Room	Multipurpose	100	15

Questions?



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Eastern Kentucky University

Financial Update

December 10, 2020

Budget to Actual Summary

* Preliminary / Draft - Unaudited

October 31, FY 2020-21	Revenue			Expense			Change in Net Position
	Revised Revenue Budget	Actual Revenue	Percent Realized	Revised Expense Budget	Actual Expense	Percent Realized	
Fund							
Education & General	215,326,584	113,428,349	52.68%	215,326,584	77,700,528	36.08%	35,727,821
Auxiliary	27,029,458	10,074,383	37.27%	27,029,458	7,382,152	27.31%	2,692,231
Total	242,356,042	123,502,732	50.96%	242,356,042	85,082,680	35.11%	38,420,052

October 31, FY 2019-20	Revenue			Expense			Change in Net Position
	Revised Revenue Budget	Actual Revenue	Percent Realized	Revised Expense Budget	Actual Expense	Percent Realized	
Fund							
Education & General	229,775,759	109,477,573	47.65%	238,583,455	80,382,689	33.69%	29,094,883
Auxiliary	28,489,685	13,350,103	46.86%	28,489,685	9,134,723	32.06%	4,215,380
Total	258,265,444	122,827,676	47.56%	267,073,140	89,517,412	33.52%	33,310,263

E & G Revenue by Classification

** Preliminary / Draft - Unaudited*

Revenue Source	FY 2020-21			FY 2019-20			Variance
	Revised Budget	Actual	Percent Realized	Revised Budget	Actual	Percent Realized	
Tuition & Class Fees	135,774,409	72,827,138	53.64%	151,356,133	69,250,194	45.75%	3,576,944
State Appropriations	65,731,200	35,977,800	54.73%	63,753,600	35,064,500	55.00%	913,300
Government Grants & Contracts	2,913,963	458,346	15.73%	5,282,650	661,100	12.51%	(202,755)
Private Gifts, Grants & Contracts	577,166	367,088	63.60%	57,286	224,319	391.58%	142,769
Educational Sales & Services	5,586,695	3,366,737	60.26%	5,818,888	3,402,297	58.47%	(35,559)
Other Sources	4,743,151	431,241	9.09%	3,507,203	875,163	24.95%	(443,922)
Total	215,326,584	113,428,349	52.68%	229,775,759	109,477,573	47.65%	3,950,777

E & G Expense by Classification

* Preliminary / Draft - Unaudited

Expense Classification	FY 2020-21			FY 2019-20			
	Revised Budget	Actual	Percent Realized	Revised Budget	Actual	Percent Realized	Variance
Instruction	82,150,111	23,846,544	29.03%	90,976,817	26,205,989	28.81%	(2,359,445)
Research	549,851	83,497	15.19%	425,419	48,406	11.38%	35,091
Public Service	2,167,040	533,589	24.62%	3,050,534	966,975	31.70%	(433,385)
Academic Support & Libraries	24,375,762	8,360,030	34.30%	28,349,186	9,145,572	32.26%	(785,542)
Student Services	19,323,983	5,789,478	29.96%	18,817,723	6,361,049	33.80%	(571,571)
Institutional Support	23,417,111	11,106,322	47.43%	34,151,294	10,521,922	30.81%	584,400
Operation & Maintenance of Plant	24,752,669	7,672,228	31.00%	24,975,772	6,974,291	27.92%	697,937
Scholarships & Fellowships	38,590,057	20,308,839	52.63%	37,836,711	20,158,486	53.28%	150,354
Total	215,326,584	77,700,528	36.08%	238,583,455	80,382,689	33.69%	(2,682,161)

Budget to Actual Summary - Auxiliary

* Preliminary / Draft - Unaudited

	Revenue			Expense			
October 31, FY 2020-21							
Auxiliary Unit	Revenue Budget	Actual	Percent Realized	Expense Budget	Actual	Percent Realized	Change in Net Position
Adams Tennis Center	67,000	20,394	30.44%	67,000	14,325	21.38%	6,069
Airport FBO	400,200	162,820	40.68%	400,200	179,924	44.96%	(17,103)
Campus Recreation Center	1,443,850	679,946	47.09%	1,443,850	364,852	25.27%	315,094
Center for the Arts	-	3,650	0.00%	-	114,852	0.00%	(111,202)
Community Education	263,000	122,608	46.62%	263,000	94,941	36.10%	27,667
Eastern Progress	25,630	-	0.00%	25,630	2,867	11.19%	(2,867)
Facilitation Center	150,000	34,042	22.69%	150,000	37,687	25.12%	(3,646)
Housing	19,004,833	7,204,309	37.91%	19,004,833	5,183,378	27.27%	2,020,932
OSHA Training Center	328,000	127,436	38.85%	328,000	83,319	25.40%	44,117
Parking Operations	1,700,000	936,622	55.10%	1,700,000	262,428	15.44%	674,194
Printing Services	865,000	247,045	28.56%	865,000	239,995	27.75%	7,050
University Club at Arlington	1,680,000	491,260	29.24%	1,680,000	518,362	30.85%	(27,102)
WEKU Public Radio	1,026,510	36,347	3.54%	1,026,510	233,284	22.73%	(196,937)
White Hall State Historic Site	75,435	7,904	10.48%	75,435	51,938	68.85%	(44,034)
Total	27,029,458	10,074,383	37.27%	27,029,458	7,382,152	27.31%	2,692,231

Budget to Actual Summary - Auxiliary

* Preliminary / Draft - Unaudited

October 31, FY 2019-20	Revenue			Expense			Change in Net Position
	Revised Revenue Budget	Actual	Percent Realized	Revised Expense Budget	Actual	Percent Realized	
Auxiliary Unit							
Adams Tennis Center							*
Airport FBO	378,500	189,533	50.07%	378,500	198,011	52.31%	(8,477)
Campus Recreation Center	1,699,000	723,620	42.59%	1,699,000	382,656	22.52%	340,964
Center for the Arts	2,513,279	1,118,505	44.50%	2,513,279	775,094	30.84%	343,411
Community Education							*
Eastern Progress							*
Facilitation Center							*
Housing	19,669,406	9,053,253	46.03%	19,669,406	6,243,734	31.74%	2,809,519
OSHA Training Center							*
Parking Operations	1,699,500	1,235,280	72.68%	1,699,500	557,159	32.78%	678,120
Printing Services	850,000	372,866	43.87%	850,000	253,860	29.87%	119,006
University Club at Arlington	1,680,000	636,155	37.87%	1,680,000	665,634	39.62%	(29,479)
WEKU Public Radio							*
White Hall State Historic Site	-	20,892	0.00%	-	58,576	0.00%	(37,684)
Total	28,489,685	13,350,103	46.86%	28,489,685	9,134,723	32.06%	4,215,380

* These units were not considered an auxiliary in FY 2019-20.

Actual Performance Comparison - Auxiliary

** Preliminary / Draft - Unaudited*

Auxiliary Unit	Change in Net Position		
	FY 2020-21	FY 2019-20	Variance
Adams Tennis Center	6,069		*
Airport FBO	(17,103)	(8,477)	(8,626)
Campus Recreation Center	315,094	340,964	(25,870)
Center for the Arts	(111,202)	343,411	(454,613)
Community Education	27,667		*
Eastern Progress	(2,867)		*
Facilitation Center	(3,646)		*
Housing	2,020,932	2,809,519	(788,587)
OSHA Training Center	44,117		*
Parking Operations	674,194	678,120	(3,927)
Printing Services	7,050	119,006	(111,956)
University Club at Arlington	(27,102)	(29,479)	2,377
WEKU Public Radio	(196,937)		*
White Hall State Historic Site	(44,034)	(37,684)	(6,350)
	2,692,231	4,215,380	

** These units were not considered an auxiliary in FY 2019-20.*

Questions?



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Faculty Senate Chair report
Board of Regents meeting
December 10 2020
Submitted by Marco Ciocca, chair of the Senate

Senate activities

Since the last meeting of Board of Regents, the Senate had three meetings of the Executive Committee (September 28 and October 19 at 3:30 PM) and four Senate meetings (two on 9/14, Organizational and Regular, on 10/05 and on 11/02, all using the ZOOM platform.

During the 9/14 organizational meeting of the Senate, I was re-elected Chair of the Faculty senate and my colleague Richard Crosby was re-elected as vice chair.

During the regular meeting, I forwarded the Senators this message:

The semester is 4 weeks old and we are still here!

There is trepidation, excitement and not a little fear. But most of the student are behaving and most of the faculty and staff. Noses still are making their appearance now and then. Keep them covered!

As I said in my introduction, Fall Semester's meetings of the Senate will occur remotely by using Zoom. This move will be revisited later in the semester with the hope of returning to face-to-face meetings in the Spring Semester.

Policies adjournments: Ms. Haley Norberg will be the new contact person for all university policies. The current policy process will continue to be followed. Jennifer Wies, Associate Provost, will work closely with Ms. Norberg on the academic affairs policies.

One major item of interest in the Regular meeting was about the **Open Education Resources** ad-hoc committee. This Senate Committee has continued with his work, after a brief hiatus during the worst of the pandemic month. As you are all aware, the chair of this committee, Kelly Smith (Library) received a Board Innovation grant of \$25,000 to explore Alternative Textbook Resources (Free ones!). The committee has recently awarded grants to several Department and individuals on campus, with the potential of large savings for our students.

During the Senate Meeting of October 5th, we had two guest speaker: Dannie Moore - VP, Strategic Initiatives and Chief Diversity, Equity, and Inclusion Officer and Mr. Eyouel Mekonnen, new Chair of SGA.

Policies adjournment: we had two policies, introduced by Haley Norberg. The first as a first read, the second as informational: [Policy 4.3.7](#) - Dual and Joint Degree Agreements between EKU and Other Institutions and [Policy 9.3.4](#) - Protection of Minors on Campus

During the Senate Meeting of November 2nd, we had the following guest speakers:

Jennifer Wies & Bethany Miller - Strategic Planning Listening Session, who lead an interactive discussion with the Senate. Jennifer Wies –also summarized the General Education Task Force activities.

Roger Cleveland - Diversity and Inclusion on our Campus

Policy Adjournment: The Senate approved Policy 4.3.7 - Dual and Joint Degree Agreements between ECU and Other Institutions.

The Senate also approved new programs (Note: *The following new programs were presented with the caveat that if any major changes were made by CAA on November 19, the senate would need to convene on December 7th to review. These made it through CAA with no changes and since no other pressing issues have come forward, the December 7th meeting of the Senate has been cancelled*).

College of Health Sciences
Applied Human Sciences

1. B.S. Global Hospitality and Tourism
2. Create a new E-Campus program with 2 Concentrations (Gastronomic Tourism and Sustainable Hospitality) and each concentration as a University Certificate

College of Letters, Arts, and Social Sciences
Art & Design

3. M.S. in Instructional Design and Learning Technology
4. Certificate in User Experience Design
5. Certificate in Online Learning Design

Respectfully submitted.

Marco Ciocca, Chair of the Senate

November 20, 2020.

Staff Council Report for the Board of Regents 12/10/2020

Chair Diaz, members of the Board and President McFaddin, I provide you this written report on the initiatives of Staff Council.

We are currently in the process of accepting nominations for staff to run for Staff Council. Since my last report, Staff Council held a special called meeting to vote on amendments to the by-laws that enable us to move to at-large members and to greatly expand our membership. We currently have 16 vacant seats open for election. Candidates seeking nomination are to file a nomination form signed by eight eligible electors, and our elections and credentials committee created a safe and secure way to obtain nomination forms electronically to be compliant with COVID-19 guidelines. Nomination forms are due Friday, November 20th and elections will be held soon after. I look forward to being able to present the new members to you at the next scheduled Board of Regents meeting.

Staff Council is serving as the chair of the 2020 United Way Campaign event, so communication went out campus wide about donating through an Epledge system. United Way helps fund over 20 local organizations including Telford Community Center YMCA, CASA of Madison County, and God's Outreach Madison County Food Bank. The needs of the community have never stopped even during the times of the pandemic, so our hope is to help raise awareness and do what we can to help those who are struggling. The Epledge link is unique to each employee and will remain open until first week of December.

Although Staff Council's programming has been limited due to COVID-19, our program committee is meeting to find unique opportunities to present to staff. We are looking at professional development opportunities, and other creative events that we feel staff would benefit from.

The staff survey that our ad hoc committee worked tirelessly on will be sent to the campus community once our newly elected Staff Council members begin their term. We want to ensure that our new members have an active voice on the survey and have the opportunity to provide suggestions if anything needs to be added for us to capture.

Thank you, Chairman Diaz, members of the board, and President McFaddin, for allowing Staff Council to provide you with an update. Chair Diaz, I agree with the statement you made at the previous board meeting in that I hope we're able to present in person again soon.

Respectfully submitted.

Caelin Scott, Chair of Staff Council.

November 17, 2020

**Minutes of a Regularly Scheduled Meeting
Eastern Kentucky University
Board of Regents**

**September 10, 2020
9 a.m.**

**Via Video Teleconference: Zoom
Public Viewing Link: <https://epresence.eku.edu/bor-meeting>**

Swearing in of New Student Regent

Mayor of Richmond, Robert Blythe, swore in new Student Regent, Eyouel Mekonnen to the ECU Board of Regents.

Swearing in of Regent Alan Long

Mayor of Richmond, Robert Blythe, swore in Regent Alan Long for a second term on the ECU Board of Regents.

Call to Order

A regular quarterly meeting of Eastern Kentucky University Board of Regents was called to order by Mr. Lewis Diaz, Chair of the Board, on September 10, 2020, at 9:02 a.m. with all committee members participating via video teleconference. The public was able to view the meeting through a live stream feed. University Counsel, Dana Fohl, noted that a quorum was established.

Present

Mr. Lewis Diaz
Mr. Juan Castro
Mr. Philip Gump
Mr. Eyouel Mekonnen
Mr. Alan Long
Dr. Jason Marion
Ms. Lynn Taylor Tye
Mr. Vasu Vasudevan
Ms. Laura Babbage
Ms. Nancy Collins
Dr. Bryan Makinen, Corporate Secretary

Absent

None

Others Present

Dr. David McFaddin, President

Ms. Dana Fohl, University Counsel
Mr. Robert Blythe, Mayor of Richmond
Ms. Betina Gardner, Vice President for University Development and Alumni Engagement
Mr. Barry Poynter, Senior Vice President for Finance and Administration, Treasurer
Mr. Ryan Wilson, Special Assistant to the President and Senior Vice President for Operations
Dr. Jerry Pogatshnik, Executive President for Academics and Provost
Ms. Haley Norberg, Director of Policy Development
Dr. Dannie Moore, Vice President for Strategic Initiatives & Chief Diversity, Equity & Inclusion Officer
Ms. Tanlee Wasson, Vice President for Student Success and Enrollment Management
Dr. Bethany Miller, Senior Director of Institutional Effectiveness & Research
Mr. Matt Roan, Vice President and Director of Athletics
Mr. Brian Wilcox, Associate Vice President of Facilities Services and Capital Planning
Dr. Jennifer Wies, Associate Provost & Professor of Anthropology
Members of the faculty, staff and media

Information Items

A. University Reports

1. Dr. Bryan Makinen, COVID-19 Update

Dr. Bryan Makinen, Executive Director of Public Safety and Risk Management, gave a presentation regarding ECU's response to the COVID-19 pandemic, including the Colonel Care Coordinator Program, Coronavirus website and dashboard, and contact tracing efforts, a copy of which is incorporated herein and will be included with the official copy of the minutes.

Regent Castro asked if the University is tracking the breakdown of the number of positive cases amongst faculty and staff, and national and international students. President McFaddin noted the delicate balance between privacy and public health. Chair Diaz noted that the University's dorms have been open for one month, and show every sign of being able to continue to operate. Regent Castro asked whether the University is prepared for student noncompliance. President McFaddin assured that he is committed to a balance of both accountability and grace. Regent Vasudevan thanked Dr. Makinen for his leadership. Regent Collins asked what steps are being taken if students refuse to wear a mask in the classroom. Dr. Makinen clarified that any noncompliance has been unintentional and corrected quickly. Regent Marion thanked the facilities management team for their efforts, and complimented the students for their engagement in protecting the campus experience. Regent Mekonnen stated that the general climate amongst students is pro-compliance. Regent Babbage noted that ECU is a model to other institutions in the state and the nation, and thanked Regent Mekonnen for the example he is setting for his peers.

2. Dr. Tanlee Wasson, Student Success & Enrollment Update

Dr. Tanlee Wasson, Vice President of Student Success and Institutional Effectiveness, gave a report detailing the updated enrollment and retention data of Eastern Kentucky University,

including changes in freshman admission requirements, data on student living in on campus housing, and SAFE funding, a copy of which is incorporated herein and will be included with the official copy of the minutes.

Regent Castro asked what efforts are being made to promote the food pantry on campus. Dr. Wasson noted that the Colonels' Cupboard is promoted via online communications with students and through residence life. She also stated that contributions to the SAFE fund help stock the food pantry. Regent Gump asked what percentage of students took advantage of the option to apply for admission without providing ACT scores. Dr. Wasson indicated the number was very low. Regent Babbage praised the University's efforts to find ways to help students be successful based on the data received in Dr. Wasson's office. Chair Diaz expressed his gratitude for Dr. Wasson's aggressive goals for enrollment despite the pandemic.

3. Dr. David McFaddin, Dr. Jennifer Weis, and Dr. Bethany Miller, Strategic Plan Overview

President McFaddin introduced Dr. Jennifer Wies and Dr. Bethany Miller, who gave a presentation on a new strategic plan to begin in Fall 2022, a copy of which is incorporated herein and will be included with the official copy of the minutes.

Regent Vasudevan asked whether the new strategic plan had a contingency for disasters like the COVID-19 pandemic. President McFaddin noted that that circumstance would be covered under a more targeted disaster response plan.

4. Dr. Jerry Pogatshnik, Academic Affairs

Dr. Jerry Pogatshnik, Executive President for Academics and Provost, gave a brief oral update on the delivery of in-person and online instruction during fall 2020 in light of COVID-19. Dr. Pogatshnik thanked Dr. Zeigler for her efforts on behalf of students, and all faculty for their dedication to both the students and University. Dr. Pogatshnik also noted the growth in the aviation program, and highlighted some of the initiatives promoting faculty during fall 2020.

Regent Castro shared the sentiment of his son, who noted that if a student made a bad grade in the spring, it was not for a lack of effort of the part of the faculty. Regent Castro applauded the demonstrated commitment of faculty to students in the midst of the pandemic. Dr. Pogatshnik noted that the failure rate between fall of 2019 and spring of 2020 was unchanged. Chair Diaz asked what percentage of current courses are using an open source textbook. Dr. Pogatshnik noted his intention to create a survey to track that information. Chair Diaz also asked the Regents to read the recent article on ECU Stories noting the potential savings that open source textbooks bring to students.

5. Mr. Matt Roan, Department of Athletics

Matt Roan, Vice President and Director of Athletics, gave a brief update about the status of fall sports, COVID-19 protocols, diversity, equity and inclusion in athletics, and changes in campus recreation, a copy of which is incorporated herein and will be included with the official

copy of the minutes. Mr. Roan noted that the November 21 football game against Western Carolina will be a memorial game in honor of Dr. Shelia Pressley.

Regent Babbage thanked Mr. Roan for his commitment to student athletes, and applauded ECU student athletes for leading the charge for compliance with COVID-19 guidelines. President McFaddin expressed his gratitude for Mr. Roan's dedication to providing opportunities to students to compete in a safe way. Chair Diaz noted that the Athletics Department brought students back to campus over the summer and helped paved the way for reopening the campus to students for the fall semester. Regent Castro thanked student athletes for having the courage to promote their beliefs via the t-shirts they wore at the Marshall football game. Regent Mekonnen thanked Mr. Roan for giving student athletes avenues to lead the student body.

6. Dr. Dannie Moore, Diversity, Equity, and Inclusion Update

Dr. Dannie Moore, Vice President for Strategic Initiatives & Chief Diversity, Equity & Inclusion Officer, gave a brief update on diversity, equity, and inclusion goals for the fiscal year 2021, a copy of which is incorporated herein and will be included with the official copy of the minutes.

Regent Marion asked how we can better engage our students to lead in this area. Dr. Moore indicated that he is seeking out students with whom he can partner to further these efforts. Regent Castro shared his appreciation and experience of feeling included as an ECU student, but acknowledged that he knows the University can do better in this area, and looks forward to seeing Dr. Moore's contribution. President McFaddin applauded the collaboration across campus to support Dr. Moore's work. Chair Diaz invited Dr. Moore to speak to the Foundation Board at their next meeting.

7. Ms. Betina Gardner, Development and Endowment Update

Betina Gardner, Vice President for University Development and Alumni Engagement, gave a presentation on the status of donor and alumni giving since the COVID-19 pandemic and plan for the future, a copy of which is incorporated herein and will be included with the official copy of the minutes.

Regent Castro asked about potential avenues to assist diverse students at this time.

8. Mr. Barry Poynter, Financial Update

Barry Poynter, Senior Vice President for Finance and Administration, presented a financial update to the Board, a copy of which is incorporated herein and will be included with the official copy of the minutes.

Chair Diaz stated that the auxiliary units need to be reviewed to ensure accountability so that student affordability is not negatively impacted. Regent Castro asked about the plan to open the Center for the Arts. President McFaddin stated that there should be no expenses for the Center for the Arts for this fiscal year, and the University will begin focusing on the 2021 season in

January. Regent Castro asked what led to such a positive year for the aviation FBO. President McFaddin noted that all auxiliary items further the overall mission and Eastern experience. Regent Marion asked what budget methods or approaches are used to support enrollment and retention.

9. Mr. Brian Wilcox, Construction Update

Mr. Brian Wilcox, Associate Vice President of Facilities Services and Capital Planning, gave an update regarding campus facilities response to COVID-19, the maintenance and operation budget, and the status of campus facilities and projects, a copy of which is incorporated herein and will be included with the official copy of the minutes.

Regent Gump asked about the progress of the Kit Carson Commons construction. President McFaddin explained the University's partnership with Kentucky River Foothills to develop that facility. Regent Vasudevan and Regent Gump thanked Mr. Wilcox for including pictures in his presentation. Regent Vasudevan asked if the University is getting any sort of government tax break for the Solar Farm project. President McFaddin noted that the project is a land-lease agreement that requires no capital contribution from the University. Regent Babbage applauded the University for "leading from the front" in addressing climate change. Regent Collins asked about the limited lifespan of the solar panel materials. President McFaddin indicated that the facility is a long-term investment in research surrounding solar energy. Regent Marion asked about surplus funds in student-funded projects. President McFaddin indicated that the students voted for the remaining funds to be invested in the facilities' maintenance and in the pedway project.

B. Additional Reports to the Board

1. Written Reports

a. Marco Ciocca, Faculty Senate Chair

Dr. Marco Ciocca, Chair of Faculty Senate, submitted a written report to the Board, a copy of which is incorporated herein and will be included with the official copy of the minutes.

b. Caelin Scott, Staff Council Chair

Dr. Caelin Scott, Chair of Staff Council, submitted a written report to the Board, a copy of which is incorporated herein and will be included with the official copy of the minutes.

2. Dr. David McFaddin, Interim President

President David McFaddin delivered an oral report to the Board, a written copy of which is incorporated herein and will be included with the official copy of the minutes.

3. Lewis Diaz, Chair

Chair Lewis Diaz delivered the following report:

I have heard a lot of information today, and a lot of it is good. But that doesn't resolve the notion that we are in, for many of us, particularly the younger ones in the group, this in a fight of our lives, the likes of which we have not seen. Some of the older regents have seen other challenges in their lifetimes, but in my life time, I have not seen anything like this. And what I mean there is that we are in a period where we are fighting a pandemic, there is social unrest, and there is economic uncertainty for many, many families. And when I look at what ECU is doing, and when I look at what your team is doing, Mr. President, I believe in my heart that you are doing all the right things to put Eastern Kentucky University in the best position to move forward.

I set my background of the conference call to a recent graduation at ECU in Alumni Coliseum. Because that is the culmination of all the work that we do as an institution. And I know sometimes, we may take for granted a particular graduation, because we may sit through or work though four of them in any given day. But as I sit here today, I am longing for an opportunity to sit before a graduating class, their loved ones, and hear their stories, and hear their names called out. And so I want to offer that vision to this group, because that is when we know we will have beaten COVID-19, when we can gather in the arena, and celebrate the success of our students. I know the governor is doing everything he can to make that happen. Mr. President, I know that you are doing the same, and I thank you for that.

Action Items

Chair Diaz presented to the full Board the following items on the Consent Agenda for approval:

A. Approval of the Minutes for the Full Board Meeting on June 30, 2020, the Special Meeting on August 20, 2020, and the Presidential Search Committee Meeting on August 10, 2020

A motion was made by Regent Babbage to approve the minutes for the June 30, 2020 Full Board Meeting, the Special Meeting on August 20, 2020, and the Presidential Search Committee Meeting on August 10, 2020. The motion was seconded by Regent Collins. The motion passed unanimously by voice vote.

B. Personnel Actions

A motion was made by Regent Long to approve the Personnel Actions Report. The motion was seconded by Regent Tye. The motion passed unanimously by voice vote.

C. Recommendations for Promotion and Tenure for 2019-2020

A motion was made by Regent Babbage to approve the recommendations for Promotion and Tenure for 2019-2020. The motion was seconded by Regent Marion. The motion passed unanimously by voice vote.

D. Approval of degree candidates for Oct 2020

A motion was made by Regent Babbage to approve the degree candidates in Occupational Therapy and several other programs in October 2020 to allow these students to sit for their licensure exams in December 2020. The motion was seconded by Regent Collins. The motion passed unanimously by voice vote.

E. Approval of OVC Form

A motion was made by Regent Long to approve the OVC Form delegating authority by the Board to the Chief Executive of the University for oversight and management of the Athletics Department. The motion was seconded by Regent Castro. The motion passed unanimously by voice vote.

Chair Diaz noted that he has clarified to the OVC that the form does not convey budget authority or authority to obligate the University to the President in a way that is in excess or contradicts the University's budget.

F. Policy Updates

Approval of Model Lab Policy Updates

A motion was made by Regent Vasudevan to approve updates to the policies at the Model Laboratory School. The motion was seconded by Regent Marion. The motion passed unanimously by voice vote.

Approval of University Policies

Regent Marion asked if there are other policy opportunities in the future that could potential leverage the unique talents of seasoned faculty members given the repeal of the Retirement Transition Program policy. President McFaddin and Chair Diaz emphasized that the repeal of that policy was to reflect compliance with new laws, not a change in values, and that utilizing seasoned faculty members is a priority.

A motion was made by Regent Babbage to approve the slate of university policies for adoption and repeal, respectively:

- Policy 1.4.1, Discrimination and Harassment
- Policy 1.5.3, University State of Emergency
- Policy 8.3.8, Teleworking
- Policy 7.1.1, Scheduling of University Facilities
- Policy 11.2.1, Acceptable Use of Information Technology Resources
- Policy 11.2.6, Web Governance
- Policy 4.6.9, Retirement Transition Program (Repeal)
- Policy 11.2.1, University Communications Via University Email Accounts (Repeal)

Policy 11.2.2, Code of Ethics for Computing and Communications (Repeal)

The motion was seconded by Regent Castro. The motion passed unanimously by voice vote.

G. Approval of Resolution Regarding Bond Refunding

A motion was made by Regent Babbage to approve a resolution regarding bond refunding, a copy of which is incorporated herein and will be included with the official copy of the minutes. The motion was seconded by Regent Collins. The motion passed unanimously by voice vote.

Election of Officers

Given the appointment swearing-in of Regent Mekonnen and reappointment and swearing-in of Regent Long, the Board fulfilled its statutory obligation to elect a new slate of officers. Regent Collins made a motion to recommend the reelection of the current slate of officers, with Regent Long as Vice Chair, Bryan Makinen as Secretary, and Barry Poynter as Treasurer. The motion was seconded by Regent Gump. The motion passed by voice vote.

Adjournment

There being no further business, Chair Diaz requested a motion to adjourn. A motion was made by Regent Tye to adjourn the meeting. The motion was seconded by Regent Vasudevan. The motion passed by voice vote, and the meeting was thereby adjourned at 1:02 p.m.

Bryan Makinen

Date

**Eastern Kentucky University
Personnel Statistics (Full-Time)
November 30, 2020 & 2019**

Job Category	Institutional			Sponsored Contract/Grant		
	Total Employees		Employee +/-	Total Employees		Employee +/-
	2020	2019		2020	2019	
Full-Time Faculty	583	587	(4)	2	2	-
Administrators/Deans	46	49	(3)	1	1	-
Full-Time Exempt	484	474	10	123	120	3
Full-Time Non-Exempt	375	430	(55)	30	46	(16)
Total:	1,488	1,540	(52)	156	169	(13)
Job Category	Total Salary		Budget +/-	Total Salary		Budget +/-
	2020	2019		2020	2019	
Full-Time Faculty	\$ 38,460,161	\$ 38,620,804	\$ (160,643)	\$ 103,175	\$ 125,000	\$ (21,825)
Administrators/Deans	\$ 5,976,717	\$ 6,332,588	\$ (355,871)	\$ 57,716	\$ 57,716	\$ -
Full-Time Exempt	\$ 26,128,535	\$ 25,633,417	\$ 495,118	\$ 6,008,891	\$ 5,840,153	\$ 168,738
Full-Time Non-Exempt	\$ 13,140,951	\$ 14,550,394	\$ (1,409,443)	\$ 1,131,045	\$ 1,778,402	\$ (647,357)
Total:	\$ 83,706,364	\$ 85,137,203	\$ (1,430,839)	\$ 7,300,827	\$ 7,801,271	\$ (500,444)

**Eastern Kentucky University
Personnel Statistics (Part-Time)
November 30, 2020 & 2019**

Job Category	Institutional			Sponsored Contract/Grant		
	Total Employees		Employee +/-	Total Employees		Employee +/-
	2020	2019		2020	2019	
Part-Time Faculty	426	466	(40)	-	-	-
Graduate Assistants	208	237	(29)	3	3	-
Part-Time Exempt	88	90	(2)	42	48	(6)
Part-Time Non-Exempt	164	134	30	43	60	(17)
Total:	886	927	(41)	88	111	(23)
Job Category	Total Salary		Budget +/-	Total Salary		Budget +/-
	2020	2019		2020	2019	
Part-Time Faculty	\$ 1,904,075	\$ 2,335,859	\$ (431,784)	\$ -	\$ -	\$ -
Graduate Assistants	\$ 1,043,700	\$ 1,174,350	\$ (130,650)	\$ 18,200	\$ 16,800	\$ 1,400
Part-Time Exempt	\$ 388,636	\$ 712,945	\$ (324,309)	\$ 385,502	\$ 466,070	\$ (80,568)
Part-Time Non-Exempt	\$ 783,322	\$ 807,241	\$ (23,919)	\$ 170,613	\$ 306,916	\$ (136,303)
Total:	\$ 4,119,733	\$ 5,030,395	\$ (910,662)	\$ 574,315	\$ 789,786	\$ (215,471)

**Eastern Kentucky University
Colonel Care (\$1,000) Distribution
December 2020**

Classification	Eff Date	Count	Amount
Full-Time Faculty	9/30/2020	584	\$ 584,000
Full-Time Staff	9/30/2020	1029	\$ 1,029,000
Total:		1,613	\$ 1,613,000

Hire Hires September - November 2020

<u>Last Name</u>	<u>First Name</u>	<u>Hire Date</u>	<u>Position Title</u>	<u>Department</u>	<u>Category</u>	<u>Annual Salary</u>
Crowe	Whitney	11/16/2020	Deputy Counsel	University Counsel	Administrators/Deans	\$95,074
Liang	Gongbo	11/1/2020	Visiting Asst Professor	Computer Science	Fulltime Faculty	\$75,000
Vanhoeve	Darlene	9/1/2020	Clinical Faculty	Environment Health Sciences	Fulltime Faculty	\$55,000
White	Brielle	9/1/2020	Model Lab School Teacher	Model Laboratory School	Fulltime Faculty	\$45,000
Craft	Jessica	11/4/2020	Admin Professional I	Retention and Graduation	Fulltime Hourly Staff	\$24,297
Dixon	Sidney	10/1/2020	Off Operations Specialist	Admissions	Fulltime Hourly Staff	\$27,515
ElMallakh	Thomas	10/26/2020	Paraeducator II	Model Laboratory School	Fulltime Hourly Staff	\$24,453
Harris	Timothy	9/7/2020	Senior Police Officer	Police Department	Fulltime Hourly Staff	\$42,494
Jackson	Jada	11/2/2020	Student Accounting Assoc	Student Accounting Services	Fulltime Hourly Staff	\$28,899
May	Charles	11/23/2020	Water Treatment Tech	Maintenance, HVAC-R	Fulltime Hourly Staff	\$28,766
Stone	Holly	9/21/2020	Admin Coordinator	DBHDID Conf & Event Mgmt	Fulltime Hourly Staff	\$29,582
Barsalona	Mark	10/19/2020	Network Engineer	Information Tech-Admin	Fulltime Professionals	\$37,203
Beirne	Heather	11/1/2020	Associate Univ Librarian	Libraries	Fulltime Professionals	\$67,000
Boyer	Corinne	9/8/2020	News Reporter, WEKU	WEKU Public Radio	Fulltime Professionals	\$38,000
Cleveland	Roger	9/15/2020	Dir, Fac Diversity & Dvlpmt	Diversity, Equity & Inclus	Fulltime Professionals	\$85,000
Ezaizat	Shaker	11/2/2020	Grad Admissions Coord	Graduate Studies	Fulltime Professionals	\$34,340
Huffman	Kyle	9/1/2020	Trng Specialist	UTC Targeted Case Mgmt	Fulltime Professionals	\$40,328
Jones	Walter	10/28/2020	Asst Baseball Coach	Baseball	Fulltime Professionals	\$50,000
Lally	Diane	10/16/2020	Research Advisor	BHSAI-Prevention Services	Fulltime Professionals	\$60,800
Lee II	Hearie	9/15/2020	Sr Admissions Counselor	Admissions	Fulltime Professionals	\$43,000
Miller	Madison	9/1/2020	Admission Counselor	Admissions	Fulltime Professionals	\$35,569
Moberly	Kevin	9/1/2020	Asst Chief Flight Inst	Class Fees - Aviation	Fulltime Professionals	\$60,000
Neill	Elizabeth	9/14/2020	Advising Specialist	Stud Outreach & Transition	Fulltime Professionals	\$35,568
Prothro	Christian	10/2/2020	Head Baseball Coach	Baseball	Fulltime Professionals	\$85,000
Reber	Jessica	9/28/2020	Asst Volleyball Coach	Volleyball	Fulltime Professionals	\$30,266
Roberts	Valerie	11/1/2020	Trng Specialist, Famly Spt	UTC Food Stamps Training	Fulltime Professionals	\$40,328
Williams	Barbara	11/1/2020	Trng Specialist, Fmly Supt	UTC Food Stamps Training	Fulltime Professionals	\$43,895
Wofford	Cody	10/28/2020	Asst Baseball Coach	Baseball	Fulltime Professionals	\$40,000
Blair	Bonnie	10/12/2020	Online PT Faculty	OL-Psychology-BS	PT Faculty	\$3,050
Combs	Dorothy	1/1/2016	PT Faculty-On Campus	Instruction - College of Ed	PT Faculty	\$3,200
Dempsey-Richardson	Caleb	10/12/2020	Online PT Faculty	OL-AGS/Supporting Courses	PT Faculty	\$8,134
Feltus	Oliver	10/12/2020	Online PT Faculty	OL - BBA	PT Faculty	\$3,050
Finkelshteyn	Sheyla	10/12/2020	Online PT Faculty	OL-Communication Studies	PT Faculty	\$3,050
Helton	Aaron	10/12/2020	Online PT Faculty	OL-Psychology-BS	PT Faculty	\$3,050
Hendricks	Robert	1/1/2021	Part Time Faculty	Instruction - Just and Safety	PT Faculty	\$5,200
Hubbard	Charlotte	10/20/2020	Online PT Faculty	OL-Education-MA	PT Faculty	\$2,500
Patton	Jacob	10/12/2020	Online PT Faculty	OL - BBA	PT Faculty	\$3,050
Paumi	Christian	10/12/2020	Part Time Faculty	Instruct - College of Science	PT Faculty	\$4,267
Sweat	Ashley	10/12/2020	Online PT Faculty	OL-AGS/Supporting Courses	PT Faculty	\$3,050
Troop	Catherine	10/12/2020	Online PT Faculty	OL-Psychology-BS	PT Faculty	\$3,050
Bosse	Trent	10/1/2020	Flight Instructor	Class Fees - Aviation	PT Hourly Staff	\$780
Martz	Jacob	9/22/2020	Airport Ground Operations	Class Fees - Aviation	PT Hourly Staff	\$520
McCrystal	Amanda	9/17/2020	Model Sub Paraeducator	Model Laboratory School	PT Hourly Staff	\$326
Williamson	Justin	9/21/2020	Flight Instructor Pilot I	Class Fees - Aviation	PT Hourly Staff	\$780
Beckham	Patrick	10/20/2020	Freshman Basketball Coach	Model Laboratory School	PT Professionals	\$1,515

Hire Hires September - November 2020

<u>Last Name</u>	<u>First Name</u>	<u>Hire Date</u>	<u>Position Title</u>	<u>Department</u>	<u>Category</u>	<u>Annual Salary</u>
Beckham	Jenna	9/9/2020	Interim Dance Team Coach	Dance Team	PT Professionals	\$2,500
Fannon	Kyler	9/1/2020	Member, KY Ready Corps	KY Ready Corps FY21	PT Professionals	\$3,000
Kinsman	Anne	9/1/2020	Member, KY Ready Corps	KY Ready Corps FY21	PT Professionals	\$1,500
Kinsman	Caroline	9/1/2020	KY Ready Corps	KY Ready Corps FY21	PT Professionals	\$1,500
Kundert	Lauren	10/15/2020	Model Dance Coach	Model Laboratory School	PT Professionals	\$1,515
Lange	John	10/15/2020	Archery Asst, Intermedia	Model Laboratory School	PT Professionals	\$1,010
Martinez	Miguel	9/1/2020	Member, KY READY Corps	KY Ready Corps FY21	PT Professionals	\$2,300
McDonald	Rebecca	9/1/2020	Member, KY Ready Corps	KY Ready Corps FY21	PT Professionals	\$3,000
Mollette	Joan	9/17/2020	Model Substitutes	Model Laboratory School	PT Professionals	\$0
Powell	Kiara	9/9/2020	Dance Team Coach	Dance Team	PT Professionals	\$2,500
Sampson	Robert	9/15/2020	Special Asst.	Intercollegiate Athletics Adm	PT Professionals	\$15,000
Smith	Shawn	10/15/2020	Archery Assistant	Model Laboratory School	PT Professionals	\$1,515
Smith	Ryan	10/15/2020	Middle School Cheer Coach	Model Laboratory School	PT Professionals	\$1,010
Welsh	Macy	9/1/2020	Member, KY READY Corps	KY Ready Corps FY21	PT Professionals	\$2,300

Separations September - November 2020

<u>Last Name</u>	<u>First Name</u>	<u>Separation</u>	<u>Position Title</u>	<u>Department</u>	<u>Category</u>	<u>Annual Salary</u>
Rice	Nancy	10/31/2020	Executive Director, TRC	Provost and Academic Affairs	Administrators/Deans	\$101,283
Caudill	Jennifer	9/30/2020	Sr Office Associate	Hummel Planetarium Services	Fulltime Hourly Staff	\$28,353
Clemmons	Cody	9/30/2020	Sr Office Associate	Mathematics & Statistics	Fulltime Hourly Staff	\$21,508
Conner	Bobby	9/30/2020	Maintenance Mechanic	Maintenance, HVAC-R	Fulltime Hourly Staff	\$22,922
Daab	Charles	11/6/2020	Infrastructure Supervisor	Environmental Health Safety	Fulltime Hourly Staff	\$42,494
Daniels	Lisa	10/15/2020	Sr Office Associate	University Housing	Fulltime Hourly Staff	\$23,809
Fallis	Rose	9/30/2020	Proj Support Agent	Printing Services	Fulltime Hourly Staff	\$34,671
Godbey	Donald	10/8/2020	Flight Line Scheduler	Aviation	Fulltime Hourly Staff	\$31,882
Goode	Derek	11/25/2020	Financial Aid Counselor	Student Financial Assistance	Fulltime Hourly Staff	\$32,858
Gregory	Jeremy	9/30/2020	Central Stores Specialist	Purchasing	Fulltime Hourly Staff	\$23,670
Hatter	Celia	9/25/2020	Paraeducator	Model Laboratory School	Fulltime Hourly Staff	\$23,693
Hizer	Jordan	9/10/2020	Sports Turf Technician	Grounds/Horticulture	Fulltime Hourly Staff	\$24,960
Huff	Linda	10/15/2020	Admin Professional I	Applied Engineering and Tech	Fulltime Hourly Staff	\$32,799
Isaacs	Michael	10/15/2020	Interior Finisher	Maintenance, Paint Shop	Fulltime Hourly Staff	\$29,952
Kendrick	Floyd	9/30/2020	Groundskeeper	Grounds/Horticulture	Fulltime Hourly Staff	\$22,922
Kerr	Melvin	10/6/2020	Facility Support Tech	Regional Campuses-Corbin	Fulltime Hourly Staff	\$25,958
Lakes	Shelby	9/30/2020	Senior Police Officer	Police Department	Fulltime Hourly Staff	\$42,494
Lemmon	Abbie	9/29/2020	Admin Professional I	Retention and Graduation	Fulltime Hourly Staff	\$24,297
Madden	Jessica	9/4/2020	Admin Coordinator	Environmental Health Sciences	Fulltime Hourly Staff	\$30,401
Perry	Pamela	10/15/2020	Sr Office Associate	Music	Fulltime Hourly Staff	\$27,066
Robinson	Michael	10/27/2020	Maintenance Mechanic	Maintenance, HVAC-R	Fulltime Hourly Staff	\$21,902
Sipes	Sarah	9/30/2020	Box Office Supervisor	EKU Center for the Arts	Fulltime Hourly Staff	\$32,364
Stephens	Thomas	10/15/2020	ITV Site Facilitator	Regional Programming	Fulltime Hourly Staff	\$13,447
Armstrong	Donna	10/9/2020	Prog Admin Safety City	Program of Distinction	Fulltime Professionals	\$50,020
Auchter	Robert	9/30/2020	Technical Director	EKU Center for the Arts	Fulltime Professionals	\$77,253
Bellendir	Julia	10/9/2020	Procurement Official	Purchasing	Fulltime Professionals	\$43,555
Bledsoe	David	9/25/2020	AMT Program Director	KY Appalachia Aviation Maint	Fulltime Professionals	\$68,371
Bogie	Christine	10/31/2020	Dual Credit Manager	Dual Credit (EKU Now!)	Fulltime Professionals	\$58,335
Cole	Shaun	10/31/2020	Asst Baseball Coach	Baseball	Fulltime Professionals	\$48,056
Gorin	Anne	11/13/2020	Mkt Specialist	Office of eCampus Learning	Fulltime Professionals	\$49,629
Hughes	James	10/15/2020	Sr Planetarium Sys Eng	Hummel Planetarium Services	Fulltime Professionals	\$48,907
Larsgaard	James	9/30/2020	Prog Eval Analyst	Program of Distinction	Fulltime Professionals	\$50,986
Lay	Emily	9/30/2020	Procurement Specialist	Purchasing	Fulltime Professionals	\$35,833
McDougal	Julius	10/31/2020	Asst Baseball Coach	Baseball	Fulltime Professionals	\$27,514
Owens	Tonia	9/15/2020	Trng Specialist	UTC Medical Assistance	Fulltime Professionals	\$37,962
Pendleton	Andrew	10/30/2020	Coord of Stu Life	University Housing	Fulltime Professionals	\$36,213
Sconiers	Keith	11/20/2020	Academic Advisor	NCAA Acad Enhancement Prog	Fulltime Professionals	\$35,568
Sidor	Brennan	10/31/2020	Auditor	Internal Audit	Fulltime Professionals	\$40,016
Thompson	Edwin	9/1/2020	Head Baseball Coach	Baseball	Fulltime Professionals	\$81,000
Vandivier	Jarred	9/30/2020	Webmstr & Data Sys Mgr	Educational Technology	Fulltime Professionals	\$54,500
Washburn	Kristen	11/20/2020	Asst Coach, Soccer	Soccer	Fulltime Professionals	\$32,000
White	Meagan	11/30/2020	Sr Programmer Analyst	UTC Title IV-E Admin Supp PCP	Fulltime Professionals	\$59,098
Wright	Saul	9/2/2020	Grad Admissions Coord	Graduate Studies	Fulltime Professionals	\$38,500
Rust	Chelsea	10/15/2020	Online PT Faculty	OL-Public Health Nurs Admin	PT Faculty	\$3,050
Beck	Joan	9/30/2020	Faculty & Staff Ombud	President	PT Hourly Staff	\$30,001
Dunn	Michael	10/15/2020	Support Services Assoc	Regional Campuses-Corbin	PT Hourly Staff	\$14,820

Separations September - November 2020

<u>Last Name</u>	<u>First Name</u>	<u>Separation</u>	<u>Position Title</u>	<u>Department</u>	<u>Category</u>	<u>Annual Salary</u>
Gilbert	Rebecca	10/31/2020	Support Services Assoc	Regional Campuses-Corbin	PT Hourly Staff	\$11,471
Harris	Alexandria	10/20/2020	Stud Leadership Mentor	Upward Bound FY21	PT Hourly Staff	\$520
Hedges	Natalie	11/22/2020	Telecommunicator	Police Department	PT Hourly Staff	\$520
Jones	Tyler	10/15/2020	Stage Technician	EKU Center for the Arts	PT Hourly Staff	\$14,674
Jones	Teresa	10/20/2020	Veterans Affairs Asst	Office of eCampus Learning	PT Hourly Staff	\$14,238
LaDouceur	Larry	11/30/2020	Dir of Marketing, CFA	EKU Center for the Arts	PT Hourly Staff	\$1,083
Mills	James	9/30/2020	Support Services Assoc	Regional Campuses-Manchester	PT Hourly Staff	\$14,206
Palka	Cynthia	9/30/2020	Info Desk Specialist	Student Affairs	PT Hourly Staff	\$15,059
Sloan	Perry	9/20/2020	Asst Chief Flight Instructor	Aviation	PT Hourly Staff	\$780
Smith	Tiffany	10/21/2020	Adoption Assistant	UTC Adoption Incentive	PT Hourly Staff	\$372
Trumbo	Jeannie	10/15/2020	Area Coordinator	Regional Campuses-Hazard	PT Hourly Staff	\$16,629
Wilhite	Kelly	10/12/2020	Flight Instructor Pilot I	Class Fees - Aviation	PT Hourly Staff	\$650
Avery	Michael	10/15/2020	Comm Ed Facilitator	Community Education	PT Professionals	\$80
Blocker	Courtney	11/15/2020	Part Time Coach	Model Laboratory School	PT Professionals	\$1,010
Christensen	Moselle	11/15/2020	AdvanceKY Bonus Goal	Model Laboratory School	PT Professionals	\$1,300
Lemieux	Todd	10/15/2020	Baseball Asst. Coach	Model Laboratory School	PT Professionals	\$1,515
Wilkins	Rose	9/1/2020	Assoc Dean of CLASS	Dean - Letters, Arts & Soc Scns	PT Professionals	\$41,369



EASTERN KENTUCKY UNIVERSITY

Serving Kentuckians Since 1906

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TO: Dana Fohl
FROM: Jerry Pogatshnik
DATE: November 20, 2020
SUBJECT: Council on Academic Affairs Agenda for Board of Regents

The following Academic Affairs items have been fully approved by the Council on Academic Affairs and the Faculty Senate. On behalf of President McFaddin, these items are presented for the Board of Regents' consideration on December 10, 2020.

ITEMS FOR APPROVAL

The following proposals are presented to the Board of Regents for approval:

College of Health Sciences

Department of Applied Human Science

1. **BS Global Hospitality**

The Global Hospitality and Tourism major provides an applied educational experience that will prepare the student for a career in the evolving field of hospitality and tourism. The students receive practical and technical knowledge to secure employment within the industry locally, regionally, nationally, or globally. All students will choose a concentration to narrow their focus of interest: Gastronomic Tourism or Sustainable Hospitality. A practicum experience is required for all students to provide the necessary experience to be a successful professional in the field. The degree program will leverage existing courses combined with new resources.

2. **University Certificate - Gastronomic Tourism**

The Gastronomic Tourism Certificate includes specialized course content for learners to develop leaders that support local culinary exploration and sustainable development. Graduates can establish a variety of careers such as meeting and event management, culinary and food tour leadership, food service management, and lodging and/or hotel management.

3. **University Certificate - Sustainable Hospitality**

The Sustainable Hospitality Certificate includes specialized course content in sustainable practices and inclusivity. Graduates may pursue employment in a variety of settings such as hotels, resorts, airlines, cruise ships, festivals, and conferences.

College of Letters, Arts, & Social Sciences

Department of Art & Design

1. **MS Instructional Design & Learning Technology**

The master's degree in Instructional Design and Learning Technology prepares students to efficiently enter the profession as those who employ systematic, evidence-based approaches to designing and developing instructional products and experiences across multiple diverse environments. Students will acquire not only specialized foundational and theoretical knowledge of the field, but also hone relevant, industry-accepted skills while making connections with current practitioners. Because nearly every course culminates in development of a professional instructional product, students can be assured they are gaining relevant experience as well as curating a demonstrable portfolio showcasing their talents and abilities, a critical factor in many hiring decisions. The program includes two Department Certificates in User Experience Design and Online Learning Design, developed by the faculty in Art and Design, English, and Psychology. The degree program will leverage existing courses combined with new resources.

INFORMATIONAL ITEMS

The following items are presented to the Board of Regent as informational and require no further action:

College of Business & Technology

1. Merger: Departments of Accounting, Finance, & Information Systems and Management, Marketing, & International Business to form a School of Business.

College of Education

1. Revision: MAEd. Elementary Education
2. Revision: MAEd. Secondary Education Dual Credit Instructional Computer Technology

College of Letters, Arts, & Social Sciences

1. Merger: Department of Art & Design, Department of Communication, and the School of Music to form The Institute for Creative & Collaborative Arts.

New Academic Program or Major Academic Program Modification Proposal Form

COVER PAGE

Date:	
(Check one) <input checked="" type="checkbox"/> New Program <input type="checkbox"/> Major Program Modification	Department Name: Applied Human Sciences College: Health Sciences

PROGRAM INFORMATION

Program Name/Title	Global Hospitality and Tourism			
Program Concentration (if any)	1. Gastronomic Tourism. 2. Sustainable Hospitality			
Program Types	<input checked="" type="checkbox"/> Major	<input checked="" type="checkbox"/> Certificate	<input type="checkbox"/> Collaborative <input type="checkbox"/> Joint <input type="checkbox"/> Single Institution	<input type="checkbox"/> Technical <input type="checkbox"/> Occupational <input type="checkbox"/> Vocational
Degree Level	<input type="checkbox"/> Associate <input checked="" type="checkbox"/> Bachelor <input type="checkbox"/> Master <input type="checkbox"/> Doctorate <input type="checkbox"/> Advanced Practice Doctorate			
	CIP Code: 52.0901 (see http://nces.ed.gov/ipeds/cipcode/Default.aspx?v=55)			
	Proposed Implementation Date: Fall 2021			

For proposed New Academic Programs or Major Program Modifications, Departmental Committees should contact the Office of the Vice Provost for pre-review before moving proposals forward to College Curriculum Committees and other committees and councils.

APPROVALS

	Yes	No	Date	Comments
Departmental Committee	X		9/23/2020	
College Curriculum Committee	X		9/30/2020	
Council of Deans	X		10/7/2020	
General Education Committee*				
Teacher Education Committee*				
Graduate Council*				
Council on Academic Affairs				
Faculty Senate	X		11/2/2020	
Board of Regents				
Council on Postsecondary Education				
SACS (via Provost Office)				

A new academic program is a program not previously offered at an institution or one that was previously offered but has been suspended for five or more years or has been closed. Major academic program modifications refer to significant changes in the program's purpose and curriculum such that a different CIP code more accurately describes the revised program. Separation of an academic program into two programs and the combination of two existing programs into one program constitute major academic program modifications.

Program Proposal

PART I

A. Centrality to the Institution's Mission and Consistency with State's Goals

1. Provide a brief description of the program. Describe any **tracks** (if undergraduate), **concentration** (if master's), or **specializations** (if doctorate).

The proposed Bachelor of Science in Global Hospitality and Tourism will provide professional education by maximizing the usage of existing courses combined with new resources. The degree will include two concentrations; Gastronomic Tourism and Sustainable Hospitality. Graduates in either of these concentrations can obtain a career in hotel management, theme parks, restaurants, country clubs, agritourism, local breweries and wineries, along with many more.

In addition to the degree, the Department of Applied Human Sciences will also offer two new University Certificates. The first University Certificate will be Gastronomic Tourism. This new certificate will provide specialized training in food and drink tourism for professionals in the hospitality and tourism industry. The second University Certificate will be Sustainable Hospitality. This certificate will incorporate sustainable practices and inclusivity into the realm of hospitality and tourism.

2. List the objectives of the proposed program. These objectives should deal with the specific institutional and societal needs that this program will address.

To prepare culturally competent and technically advanced graduates to enter global hospitality and tourism markets.

To prepare hospitality and tourism students to serve in a variety of career settings locally, regionally, nationally, and globally.

3. Explain how the objectives support the institutional mission and strategic priorities, the statewide postsecondary education strategic agenda, and the statewide strategic implementation plan.

Institutional mission and strategic priorities:

This program supports the university mission due to the fact that it prepares graduates to obtain jobs anywhere in the world with the aim to support local culture and peoples. Across the curriculum, students will acknowledge and support the importance of cultural competence as it relates to stakeholders and patrons within the hospitality and tourism industries.

Student success is a hallmark of the program. The curriculum is designed to produce students with adaptability and the foresight to work in the evolving fields of hospitality and tourism. Students will be able to complete hands on training and activities to enhance understanding and confidence.

The objectives of the program will support ECU's emphasis on regional stewardship. First, the students will be introduced to and interact with professionals currently working in the service region. In addition, students will explore the service region's hospitality and tourism industries. After graduation, students may choose to obtain jobs within the service region to support or enhance the hospitality and tourism industries.

Statewide Postsecondary Education Strategic Agenda and Strategic Implementation Plan

The Bachelor of Science Global Hospitality and Tourism will be an online program which supports the need for more flexible delivery formats and allows access to students from all socioeconomic backgrounds. With the aid of the online formatting, courses will be designed to meet the needs of all learning styles and accommodations. The emphasis on

global industries and interprofessional diverse curriculum will enrich the discussion in online platforms and increase cultural competence.

While the program prepares graduates to work globally, there will be emphasis on local hospitality and tourism industries. For example, in the gastronomic tourism concentration, students will be introduced to local bourbon distillers and the dynamics of the bourbon trail. Furthermore, students will develop skills to establish tours which support local foods and food production. The sustainable hospitality concentration will also support regional and community development by enhancing the inclusiveness of hospitality establishments and make them more sustainable.

The Bachelor of Science in Global Hospitality and Tourism will generate successful students due to the fact that students can complete coursework while maintaining jobs. Coursework can be completed at a pace which fits the students' needs and ensure degree completion without delays. It also supports students who have previous postsecondary education by accepting transfer credits and requiring 57 hours of coursework specific to the degree. After finishing the degree in a timely manner, students are prepared to begin working without additional exams or advanced degrees. Demand for employees and managers in this field is high and projected to continue in the future.

4. Is an approval letter from Education Professional Standards Board (EPSB) required? **No**
If yes, attach the approval letter from ETSB.

B. Program Quality and Student Success

1. What are the intended student learning outcomes of the proposed program?

The ECU Bachelor of Science Global Hospitality and Tourism objectives are to prepare graduates that are able to:

- plan and execute practices to meet consumer and market demands.
- demonstrate ability to provide culturally competent service to hospitality and tourism sectors locally, regionally, nationally, and globally.
- evaluate and support the hospitality and tourism needs of diverse populations.
- evaluate problem situations in hospitality and tourism industries and use critical and creative thinking to resolve those situations.
- manage financial and human resources for a variety of hospitality and tourism industries.
- utilize marketing strategies to support growth and development of hospitality and tourism industries.
- demonstrate professionalism through written and oral communication.
- implement sustainable practices to provide quality hospitality and tourism markets and industries.

The Gastronomic Tourism Concentration objectives are to prepare graduates that are able to:

- describe and examine various types of gastronomic tours.
- plan and execute culturally competent gastronomic tours.
- evaluate challenges and barriers to gastronomic tourism industries.
- demonstrate successful interpersonal skills with stakeholders (ie., government leaders, restaurant owners, distillers, wineries, and chefs) and patrons.
- utilize marketing strategies to support growth and development of gastronomic tours.
- support and advocate for sustainable practices to provide quality gastronomic tours.
- analyze historical, cultural, and economic aspects of the food and beverage industry and its relationship to tourism.

The Sustainable Hospitality Concentration objectives are to prepare graduates that are able to:

- collaborate with global hospitality stakeholders and organizations that support sustainable practices.
- support holistic and interrelated dimensions of sustainability.

- investigate and evaluate sustainability issues and practices in the hospitality industry.
 - construct globally engaged practices to improve sustainability in hospitality.
 - analyze environmental, societal, and economic impacts on hospitality.
 - advocate for social justice components of sustainable choices within the hospitality industry.
2. Identify both the direct and indirect methods by which the intended student learning outcomes will be assessed.

Traditional direct methods will be utilized to assess student learning outcome attainment. These include, but are not limited to, module activities, exams, written papers and reports, class discussion, case study reports, written observations of practicum experiences, and practicum supervisor evaluations. Many core and concentration courses will require hands-on experiences to evaluate application of course material.

Indirect methods of assessment will include employer and alumni surveys, job placement rates, and graduation rates.

3. How will the program support or be supported by other programs within the institution?

Due to the interdisciplinary nature of this program, it will be supported by multiple programs at ECU. Within the core curriculum, the program relies on two other departments within the College of Health Sciences to provide two core classes. In addition, one core class in the core will be taught by a faculty member from the department of Occupational Science and Occupational Therapy. All supporting and elective courses for the program are offered by various programs, departments, and colleges at ECU.

4. Will this program replace or enhance any existing program(s) or tracks, concentrations, or specializations within an existing program? **No**

If yes, please explain.

5. Will this be a distance learning program? **Yes**

If so, please indicate the anticipated percentage of the program for each of the following (can total more than 100%).

100% Online

 Hybrid

 ITV

 Offered at a site other than Richmond

6. Will this program utilize alternative learning formats (e.g. distance learning, technology-enhanced instruction, evening/weekend classes, accelerated courses)?

If yes, please check all that apply.

 Courses that combine various modes of interaction, such as face-to-face, videoconferencing, audio-conferencing, mail, telephone, fax, e-mail, interactive television, or World Wide Web?

 X Technology-enhanced instruction

 Evening/weekend/early morning classes

 X Accelerated courses

 X Instruction at nontraditional locations, such as employer worksite

 Courses with multiple entry, exit, and reentry points

 Courses with "rolling" entrance and completion times, based on self-pacing

 X Modularized courses

7. Are new or additional faculty needed?

Please provide a plan to ensure that appropriate faculty resources are available, either within the institution or externally, to support the program.

Note whether they will be part-time or full-time.

The Department of Applied Human Sciences currently does not have satisfactory faculty

resources to offer a new online degree program. During the first year it will be necessary to hire one faculty member to support the program's course offerings, and a second faculty member is expected to be added in year two of the program. As with all of our other online programs, faculty positions will be paid from program tuition revenues generated from new and existing student enrollments. Not only will the program attract new students to the major as projected, but it is expected that demand for the hospitality and tourism courses will be high from students in other majors who choose the courses as electives or as part of the exploratory journey many students take.

C. Program Demand/Unnecessary Duplication

1. Provide justification and evidence to support the need and demand for this proposed program. Include any data on student demand; career opportunities at the local, state, and national levels; and any changes or trends in the discipline(s) that necessitate a new program.

According to the Department of Labor and Statistics, the need for hospitality and tourism is increasing steadily. A food travel industry report published by the World Food Travel Association identified that "96% of expert respondents have a positive outlook about the growth of the food travel industry in the next two years".¹

The Travel, Tourism, and Hospitality Industry Association (selectuse.org), reported that the US travel and tourism industry generated over \$1.6 trillion in economic output in 2017, supporting 7.8 million jobs in the US.

As supported by the data from the Bureau of Labor Statistics, the field of hospitality and foodservice industry has steadily grown from 2019 to 2020. Moreover, the National Restaurant Association (restaurant.org/SOI) forecasts foodservice industry sales to reach \$863 billion in 2019, and approximately 1.6 million new foodservice jobs are projected to be added by 2029.

The US Travel Association (2019) reports that domestic travelers spend approximately "\$972 billion in the United States" in 2019 and supported nearly "7.9 million American jobs".² Hospitality and tourism doesn't just benefit American jobs and economy, it also impacts international travel. The US Travel Association (2019) reports that international travel "supported about 1.2 million US jobs" and generated approximately \$179.7 billion in tax revenue due to travel spending.

The United Nations World Tourism Organization, which offers leadership and support to the tourism sector, announced their 2030 Agenda (tourism4sdgs.org) which contained consideration for global sustainable practices. This global push greatly supports the two proposed concentrations which contain objectives that support the 17 sustainable development goals outlined by the United Nations (un.org/sustainabledevelopment).

Graduates from the Gastronomic Tourism concentration can establish different careers, such as meeting and event manager, culinary food tour director, food service manager, lodging or hotel manager. The table below represents job titles as defined by the US Bureau of Labor Statistics and their project salary and growth rate. While many jobs available to graduates of this proposed program are not identified by the US Bureau of Labor Statistics, it is an area of growth. The US Bureau of Labor Statistics published an article highlighting the increase in brewery industries around the US and the impact on employment. Nearly half of the jobs within all types of beverages is found within the brewery, winery, or distillery

¹ Stone, M.J., Migacz, S., Garibaldi, R., Stein, N., & Wolfe, E. (2020). "State of the Food Travel Industry Report". Portland, OR: World Food Travel Association.

² *US Travel Answer Sheet* (2019) US Travel Association. Retrieved from:
https://www.ustravel.org/system/files/media_root/document/Research_Fact-Sheet_US-Travel-Answer-Sheet.pdf

sectors³.

Job title	The projected average salary in 2024 ^a	Forecasted growth rate (%)
Meeting, Convention, Event manager	\$50,600	7%
Lodging Manager	\$52,600	1%
Food Service Manager	\$55,320	11%
Restaurant Manager	\$83,010	8%
Agricultural or food technician	\$58,270	6%
Tour and Travel Guides	\$44,550	2.7%
Meeting, Convention, Event Planners	\$50,600	7%

a. U.S. Bureau of Labor Statistics (bls.gov/ooh).

According to an EMSI Analyst report, employer demand for bachelor's level professionals increased approximately 0.6% per month from May 2017 to April 2020. Beginning in April 2020, employer demand decreased in response to the coronavirus outbreak. While the coronavirus epidemic continues around the world, we cannot predict how the economic downturn and eventual recovery will impact the hospitality and tourism industry.

2. Specify any distinctive qualities of the program.

The Global Hospitality and Tourism degree at ECU provides many unique features. The fact that the degree is within the Department of Applied Human Sciences exemplifies that the program will prepare graduates who are able to support a healthy society through interdisciplinary curriculum and learning. Many hospitality and tourism degrees are found within departments of business which provide technical experience but provide minimal interpersonal or interdisciplinary components.

The proposed degree focuses on domestic and international hospitality and travel. In doing so, we are preparing students to successfully work in any of these settings as employees or employers with the capability to show cultural competence as well as strong leadership skills.

Both concentrations proposed for the degree are vastly different than what is offered by any other degree in the United States. While gastronomic tourism can be found as training programs and curriculum in Europe, there is no program solely focused on this aspect of tourism in the United States. Currently, there is one undergraduate degree in food tourism in the United States. The goal of creating this type of program in Kentucky is to increase and support local industry from hotels to the bourbon trail to local foods.

The sustainable hospitality concentration is also interdisciplinary. The courses offered within this concentration, while not unique to the United States, are unique to Kentucky. Throughout the United States, there are less than five undergraduate sustainable hospitality degrees. The United Nations hosted a Sustainable Development Summit in 2015 and endorsed a 2030 Agenda for Sustainable Development. Within this agenda are three main dimensions which include economic, social, and environmental sustainable development. This concentration meets the needs of hospitality industries around the world seeking to meet the goals outlined in this Agenda.

3. Are there existing programs in the state?

a. Does the proposed the proposed program differ from existing programs?

- **University of Kentucky**, College of Agriculture, Bachelor of Science in Hospitality Management and

³ Delaney, E. & Haines, M. (2017) *Industry on Tap: Breweries*. US Bureau of Labor Statistics. Retrieved from:

<https://www.bls.gov/spotlight/2017/industry-on-tap-breweries/pdf/industry-on-tap-breweries.pdf>

Tourism. The degree at the University of Kentucky follows the traditional business and management course requirements of many hospitality and tourism management degrees. It does not provide any concentrations or certificates for students who wish to specialize or work in non-traditional venues like agritourism, sustainable tourism, or gastrotourism.

- **Western Kentucky University**, College of Health and Human Services, Department of Applied Human Sciences, Bachelor of Science in Hospitality Management and Dietetics Major, and Hotel, Restaurant, and Tourism Management Concentration. The program offered at Western Kentucky University is found in the same department as the proposed degree at ECU. However, due to the fact that it is offered as part of the dietetics major, graduates are more likely to focus on business and restaurant management courses. Therefore, it does not prepare students to work in the hospitality and tourism industries that are highlighted in the proposed program at ECU.
- **Sullivan University**, Associate of Science in Hotel and Restaurant Management, Associate of Science in Event Management and Tourism, and Bachelor of Science in Hospitality Management. These programs prepare students for a small sector of the hospitality and tourism industry by provide business and food/beverage courses. The bachelor of science adds to the curriculum offered by the associate degree through primarily business and marketing courses. The associate of science degree in event management and tourism is only offered face-to-face in Louisville, KY. The associate of science in hotel and restaurant management as well as the bachelor of science degree are offered online and face-to-face.

The University of Kentucky and Western Kentucky University do not have an online program for Hospitality Management, whereas Sullivan University, a private institution, has an online Hospitality Management program. The Hospitality Management program at Sullivan University is well advertised. However, the expensive tuition and fees are barriers to recruit students. In addition, to obtain a bachelor's degree in hospitality management, a total of 180 academic credits are required, which is much more compared with other institutions.

All degrees offered in Kentucky follow the traditional pathway to a hospitality and tourism degree. They are primarily focused on business courses with a focus on restaurant or food management. While our proposed degree and concentrations will also include these components, students will focus on topics that are the future of the hospitality and tourism industry.

- b. Does the proposed program serve a different student population (i.e. students in a different geographic area) from existing programs?

While we hope to attract Kentuckians to support local economies and industries, we also hope to enroll people from all over the nation and the world. Due to the fact that this program supports global aspects of hospitality and tourism, we aim to generate graduates who support and advocate for their own culture and environment while respecting other cultures and environments. The fact that this program will be online, increases the opportunity for students to obtain the curriculum to meet these needs.

- c. Is access to existing programs limited? **Yes**

Within the state of Kentucky, hospitality programs are primarily on campus. Throughout the nation, there is a variety of delivery formats. However, there are minimal programs available nationwide or globally which include an emphasis in gastronomic tourism and sustainable hospitality.

- d. Is there excess demand for existing similar programs? **No**

While there are hospitality programs within the state and region, this program will be unique because of the online format and distinct course offerings. The combination of global hospitality, sociocultural impacts, gastronomic tourism, and sustainable hospitality make this program distinct from other program in the state and region.

- e. Will there be collaboration between the proposed program and existing programs?

The Bachelor of Science Global Hospitality and Tourism will collaborate with faculty from other programs, colleges, and departments across campus. Faculty from other areas will assist in syllabi development and instruction. Specific departments collaborating on course

development and programming include the Departments of Occupational Science/Occupational Therapy, Environmental Health Science, Exercise and Sports Science, Recreation and Park Administration, and Management, Marketing, and International Business. School of Business as well as the School of Safety, Security and Emergency Management will also contribute to program curriculum. The aim of collaboration between various professions is to provide a holistic approach to hospitality and tourism which will produce a successful graduate. These programs have been notified and are supportive of the new degree program.

- **Advance Practice Doctorates – N/A**
- Does the curriculum include a clinical or experiential component?
 - b. List and discuss the nature and appropriateness of available clinical sites.
 - c. Are there official agreements with clinical sites?
 - Supply letters of commitment from each clinical site that specifies the number of students to be accommodated and identifies other academic programs that also use the facilities.
 - Describe how the doctorate builds upon the reputation and resources of the existing master's degree program in the field.
 - Explain the new practice or licensure requirements in the profession and/or requirements by specialized accrediting agencies that necessitate a new doctoral program.
 - Explain the impact of the proposed program on undergraduate education at the institution. Within the explanation, note specifically if new undergraduate courses in the field will be needed.
- Provide evidence that funding for the program will not impair funding of any existing program at any other public university.
- **Cost and Funding of the Proposed Program**

A. Funding Sources, by year of program	1st Year	2nd Year	3rd Year	4th Year	5th Year
Total Resources Available from Federal Sources	N/A	N/A	N/A	N/A	N/A
Total Resources Available from Other Non-State Sources	N/A	N/A	N/A	N/A	N/A
State Resources	N/A	N/A	N/A	N/A	N/A
Internal Allocation	N/A	N/A	N/A	N/A	N/A
Internal Reallocation	N/A	N/A	N/A	N/A	N/A
<i>Narrative Explanation/Justification: The source and process of allocation and reallocation should be detailed, including an analysis of the impact of the reduction on existing programs and/or organization units.</i>					
Student Tuition	\$ 196,320	\$ 595,095	\$ 638,040	\$ 638,040	\$ 638,040
<i>Narrative Explanation/Justification: Describe the impact of this program on enrollment, tuition, and fees.</i>					
<i>e-Campus programs are funded entirely by tuition dollars brought in by the student, and are not supplemented by other sources. This is a new program, and new students will be recruited for it.</i>					
TOTAL	\$ 196,320	\$ 595,095	\$ 638,040	\$ 638,040	\$ 638,040

A. Breakdown of Budget					
Expenses/Requirements	1st Year	2nd Year	3rd Year	4th Year	5th Year
Staff:					
<u>Executive, administrative, and managerial</u>	N/A	N/A	N/A	N/A	N/A
<u>Other Professional:</u>	N/A	N/A	N/A	N/A	N/A
<u>Faculty</u>					
New	\$ 129,812	\$ 277,436	\$ 238,056	\$ 238,056	\$ 238,056
Existing					
<u>Graduate Assistants</u> (if master's or doctorate)	N/A	N/A	N/A	N/A	N/A
<u>Student Employees</u>	N/A	N/A	N/A	N/A	N/A
<i>Narrative Explanation/Justification: Faculty cost for instruction, facilitation, and course development</i>					
<u>Equipment and Instructional Materials</u>					
New	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000
Existing					
<i>Narrative Explanation/Justification: Computer equipment and supplies</i>					
<u>Library</u>	N/A	N/A	N/A	N/A	N/A
<u>Contractual Services</u>	N/A	N/A	N/A	N/A	N/A
<u>Academic and/or Student Services</u>					
New	\$ 61,425	\$ 61,425	\$ 61,425	\$ 61,425	\$ 61,425
Existing					
<i>Narrative Explanation/Justification: Academic recruiter and advisor.</i>					
<u>Other Support Services</u>					
New	\$ 19,632	\$ 59,510	\$ 63,804	\$ 63,804	\$ 63,804
Existing					
<i>Narrative Explanation/Justification: e-Campus support services: Marketing employees, Instructional Design, Financial administration, Management</i>					
<u>Faculty Development</u>					
New	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000
Existing					
<i>Narrative Explanation/Justification: Travel and registration for professional development</i>					
<u>Assessment</u>	N/A	N/A	N/A	N/A	N/A
<u>Student Space and Equipment</u> (if doctorate)	N/A	N/A	N/A	N/A	N/A
<u>Faculty Space and Equipment</u> (if doctorate)	N/A	N/A	N/A	N/A	N/A
<u>Other</u>					
New	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000
Existing					
<i>Narrative Explanation/Justification: Marketing expenses</i>					
TOTAL	\$ 281,868.50	\$ 469,370.75	\$ 434,285.00	\$ 434,285.00	\$ 434,285.00

PART II

1. For a new program, provide the catalog description as being proposed.

Bachelor of Science (B.S.) Global Hospitality and Tourism

CIP Code: 52.0901

The Global Hospitality and Tourism program is offered 100% on-line through e-Campus. The major in Global Hospitality and Tourism prepares the student for careers in hotel management, ecotourism, food tourism, resorts, winery/microbrewery tours, and other hospitality or tourism industries.

The Global Hospitality and Tourism major provides an applied educational experience that will prepare the student for a career in the evolving field of hospitality and tourism. The students receive practical and technical knowledge to secure employment within the industry locally, regionally, nationally, or globally. All students will choose a concentration to narrow their focus of interest: Gastronomic Tourism or Sustainable Hospitality. A practicum experience is required for all students to provide the necessary experience to be a successful professional in the field.

Students majoring in Global Hospitality and Tourism must achieve a grade of "C"/2.0 or better in all core, concentration, and supporting courses.

UNIVERSITY GRADUATION REQUIREMENTS

General Education **36 hours**

Student Success Seminar (HSO 100; waived for transfers with 30+ hrs) **1 hour**

Writing Intensive Course (Hrs. incorporated into Major/Supporting/Gen Ed/Free Electives category)

Upper division courses (42 hrs. distributed throughout Major/ Supporting/Gen Ed/Free Electives categories)

ACCT – Global Hospitality and Tourism majors will fulfill ACCT with GHT 499. (These courses are included in the Major totals)

Total Hours University Graduation Requirements **37 hours**

MAJOR COURSES

Core Courses **24 hours**

GHT 201, 310, 320, 425W, 450, 499, EHS 230, REC 401

Concentrations: (students must select one of the following)

Gastronomic Tourism **15 hours**

GTO 210, 320, 325, 410, NFA 447

Sustainable Hospitality **15 hours**

SHO 341, 410, 420, 460, 475

Supporting Course Requirements (both concentrations): **15 hours**

GBU 201, ECO 230^G (Element 5B), HLS 260, MGT 301, MKT 301, POL 376, STA 215^G (Element 2) or SOC 232

^G = Course also satisfies a General Education element.

Hours are included within the 36 hr. General Education requirement above.

Free Electives **29 hours**

TOTAL HOURS TO COMPLETE DEGREE **120 hours**

UNIVERSITY CERTIFICATES

GASTRONOMIC TOURISM CIP Code: 52.0901

This certificate includes 15 hours of required courses and 9 hours of electives. This program is available online only and includes content that will enhance practical knowledge in hospitality and tourism industries. This Certificate is for students interested in continuing their knowledge in food and drink tourism.

<u>REQUIRED COURSES</u>	<u>15 hours</u>
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GTO 310, 320, 325, 410, NFA 447

<u>Choose 9 hours from the following</u>	<u>9 hours</u>
---	-----------------------

GHT 201, 310, 320, 425W, 450, SHO 341, 410, 420, 460, 475

<u>Total Certificate Requirements</u>	<u>24 hours</u>
--	------------------------

SUSTAINABLE HOSPITALITY CIP Code: 03.0207

This certificate includes 15 hours of required courses and 9 hours of electives. This program is available online only and includes content that will enhance practical knowledge in hospitality and tourism industries. This Certificate is for students interested in continuing their knowledge in sustainable global practices in hospitality and tourism.

<u>REQUIRED COURSES</u>	<u>15 hours</u>
--------------------------------	------------------------

SHO 341, 410, 420, 460, 475

<u>Choose 9 hours from the following</u>	<u>9 hours</u>
---	-----------------------

GHT 201, 310, 320, 425W, 450, GTO 310, 320, 325, 410, NFA 447

<u>Total Curriculum Requirements</u>	<u>24 hours</u>
---	------------------------

2. For a revised program, provide the current program requirements using strikethrough for deletions and *underlines* for additions.
3. For a suspended program, provide the current program requirements as shown in catalog. List any options and/or minors affected by the program's suspension.

New Minor, Concentration, University Certificate or Department Certificate

Proposal Approval Form

When proposing a new minor, concentration, university or department certificate, the following factors should be considered:

- Minors and certificates often add time to degree.
- Minors can increase the number of credit hours that students have at graduation.
- Minors and certificates can potentially increase student debt because of the factors above.
- Minors, concentrations, university and department certificates can significantly add to faculty workloads.
- Minors, concentrations, university and department certificates increase the need for oversight and administration.

The following information should be provided in addition to the normal curriculum change forms. Before a new minor, concentration, university or department certificate is submitted to CAA, the Dean must approve the proposal based on the information on this form and any other information requested by the Dean.

From the Proposing Program

1. How will the new minor, concentration, university or department certificate attract new students to EKU? On what is this based? What is the marketing plan?

The Gastronomic Tourism University Certificate includes specialized course content for individuals that wish to develop food and drink tours to support local culinary exploration and sustainable development. Graduates from the Gastronomic Tourism University Certificate can establish different careers, such as meeting and event manager, culinary food tour director, food service manager, lodging or hotel manager.

We market certificates to appropriate audiences via paid advertising that includes pay-per-click (PPC), as well as display advertising on industry websites, blogs, publications and in-person events. We also use behavior- and location-targeted advertising, as well as social media organic and sponsored posts which allow us to pinpoint potential students based on interest. Cultivation emails are sent to in-house audiences (graduates, stop-outs, etc.) and third-party industry audiences (newsletter recipients, association members, etc.) that have a high probability of interest in specific certificates and/or degrees. Certificates are presented on the website in various areas in navigation and text is written for search engine optimization (SEO).

2. What is the justification for the proposed curriculum proposal? (i.e., industry demand, job market, accreditation requirement, etc.) Provide evidence.

While Gastronomic Tourism can be found as training programs and curriculum in Europe, there is no program solely focused on this aspect of tourism in the United States. The goal of creating this type of program in Kentucky is to increase and support local industry from hotels to the bourbon trail to local foods.

The United Nations World Tourism Organization, which offers leadership and support to the tourism sector, announced their 2030 Agenda (tourism4sdgs.org) which contained consideration for global sustainable practices. This global push greatly supports the two proposed concentrations which contain objectives that support the 17 sustainable development goals outlined by the United Nations (un.org/sustainabledevelopment).

The table below represents job titles as defined by the US Bureau of Labor Statistics and their project salary and growth rate. While many jobs available to graduates of this proposed program are not identified by the US Bureau of Labor Statistics, it is an area of growth. The US Bureau of Labor Statistics published an article highlighting the increase in brewery industries around the US and the impact on employment. Nearly half of the jobs within all types of beverages is found within the brewery, winery, or distillery sectors¹.

Job title	The projected average salary in 2024 ^a	Forecasted growth rate (%)
Food Service Manager	\$55,320	11%
Restaurant Manager	\$83,010	8%
Agricultural or food technician	\$58,270	6%

3. What are the qualifications of the faculty to teach the curriculum? Are there sufficient faculty resources to teach the curriculum? Explain.

The Department of Applied Human Sciences currently does not have satisfactory faculty resources to offer a new online degree program. During the first year it will be necessary to hire one faculty member to support the program's course offerings, and a second faculty member is expected to be added in year two of the program. As with all of our other online programs, faculty positions will be paid from program tuition revenues generated from new and existing student enrollments. Not only will the program attract new students to the major as projected, but it is expected that demand for the hospitality and tourism courses will be high from students in other majors who choose the courses as electives or as part of the exploratory journey many students take.

4. What are the potential costs of the proposed curriculum addition, especially 3-5 years from implementation? Fully explain the answer, particularly if there are no perceived costs.

The certificate is offered in conjunction with the full degree program, so any added costs will be marginal. The 24 hour certificate requires students to take course within the program. This leads them closer to completing the degree in the future.

¹ Delaney, E. & Haines, M. (2017) *Industry on Tap: Breweries*. US Bureau of Labor Statistics. Retrieved from: <https://www.bls.gov/spotlight/2017/industry-on-tap-breweries/pdf/industry-on-tap-breweries.pdf>

From the Dean

How will costs of the proposed addition be covered? (Complete A or B, or both if applicable)

A. New Resources. Explain.

Included in the eCampus budget is a new faculty line for the first year and one for the second year for the BS in Global Hospitality and Tourism Program. The same courses from this program will be utilized for the certificate.

B. Reallocation of resources. Explain.

All needed resources are accounted for in the eCampus budget.

I have thoroughly reviewed the proposal and the above responses and I support the proposal moving forward.

Colleen Schneck

Dean's Signature

9-11-20

Date

UNIVERSITY CERTIFICATES

GASTRONOMIC TOURISM CIP Code: 52.0901

This certificate includes 15 hours of required courses and 9 hours of electives. This program is available online only and includes content that will enhance practical knowledge in hospitality and tourism industries. This Certificate is for students interested in continuing their knowledge in food and drink tourism.

<u>REQUIRED COURSES</u>	<u>15 hours</u>
--------------------------------	------------------------

GTO 310, 320, 325, 410, NFA 447

<u>Choose 9 hours from the following</u>	<u>9 hours</u>
---	-----------------------

GHT 201, 310, 320, 425W, 450, SHO 341, 410, 420, 460, 475

<u>Total Certificate Requirements</u>	<u>24 hours</u>
--	------------------------

SUSTAINABLE HOSPITALITY CIP Code: 03.0207

This certificate includes 15 hours of required courses and 9 hours of electives. This program is available online only and includes content that will enhance practical knowledge in hospitality and tourism industries. This Certificate is for students interested in continuing their knowledge in sustainable global practices in hospitality and tourism.

<u>REQUIRED COURSES</u>	<u>15 hours</u>
--------------------------------	------------------------

SHO 341, 410, 420, 460, 475

<u>Choose 9 hours from the following</u>	<u>9 hours</u>
---	-----------------------

GHT 201, 310, 320, 425W, 450, GTO 310, 320, 325, 410, NFA 447

<u>Total Curriculum Requirements</u>	<u>24 hours</u>
---	------------------------

2. For a revised program, provide the current program requirements using strikethrough for deletions and *underlines* for additions.
3. For a suspended program, provide the current program requirements as shown in catalog. List any options and/or minors affected by the program's suspension.

Curriculum Map: Global Hospitality and Tourism: Gastronomic Tourism Concentration

	GHT 201	GHT 310	GHT 320	GHT 425W	GHT 450	GHT 499	EHS 230	REC 401	GTO 210	GTO 320	GTO 325	GTO 410	NFA 447	GBU 201	ECO 230	HLS 260	MGT 301	MKT 301	POL 376	STA 215
1		I	R	R	R	M		R	R		R	R		R		R	R	R	R	R
2		I	R	R		M					R	R	R					R	R	
3	I	R	R	R	R	M	R		R			R	R				R		R	
4	I	R	R	R	R	M	R	R	R			R		R	R	R	R		R	R
5					R	M		I		R		R		R	R		R		R	
6	I			R	R	M		R	R			R						R		
7	I			R	R	M			R	R		R					R	R	R	
8	R					M	I		R	R	R	R								
9		R	R			M			I			R								
10						M			I	R	R	R	R							
11	R					M			I	R	R	R								

I = introduce; R = reinforce; M = mastery

Yellow = Core Courses; Orange = Concentration Courses; Green = Supporting Courses

PROGRAM SLOs: graduates will be able to:

1. plan and execute practices to complement/meet consumer requests.
2. demonstrate ability to provide culturally competent service to hospitality and tourism sectors around the world.
3. evaluate and support the hospitality and tourism needs of diverse populations.
4. evaluate problem situations in hospitality and tourism industries and use critical and creative thinking to resolve those situations.**
5. manage financial and human resources for a variety of hospitality and tourism industries.
6. utilize marketing strategies to support growth and development of hospitality and tourism industries.
7. demonstrate professionalism through written and oral communication.*
8. implement sustainable practices to provide quality hospitality and tourism markets/industries.

*addresses written/oral communication

** addresses critical/creative thinking

CONCENTRATION SLOs: graduates will be able to:

9. demonstrate successful interpersonal skills with stakeholders (ie., government leaders, restaurant owners, distillers, wineries, and chefs) and patrons.
10. analyze historical, cultural, and economic aspects of the food and beverage industry and its relationship to tourism.
11. examine various types of gastronomic tours.

New Minor, Concentration, University Certificate or Department Certificate

Proposal Approval Form

When proposing a new minor, concentration, university or department certificate, the following factors should be considered:

- Minors and certificates often add time to degree.
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The following information should be provided in addition to the normal curriculum change forms. Before a new minor, concentration, university or department certificate is submitted to CAA, the Dean must approve the proposal based on the information on this form and any other information requested by the Dean.

From the Proposing Program

1. How will the new minor, concentration, university or department certificate attract new students to EKU? On what is this based? What is the marketing plan?

The Sustainable Hospitality University Certificate includes specialized course content for individuals that wish to develop food and drink tours to support local culinary exploration and sustainable development. Graduates from the Sustainable Hospitality University Certificate can work in a variety of settings like hotels, resorts, airlines, cruise ships, excursions, destinations, festivals, conferences, fashion shows, sports competition venues, and private sporting clubs.

The University Certificate will be marketed to appropriate audiences via paid advertising that includes pay-per-click (PPC), as well as display advertising on industry websites, blogs, publications and in-person events. We also use behavior- and location-targeted advertising, as well as social media organic and sponsored posts which allow us to pinpoint potential students based on interest. Cultivation emails are sent to in-house audiences (graduates, stop-outs, etc.) and third-party industry audiences (newsletter recipients, association members, etc.) that have a high probability of interest in specific certificates and/or degrees. Certificates are presented on the website in various areas in navigation and text is written for search engine optimization (SEO).

2. What is the justification for the proposed curriculum proposal? (i.e., industry demand, job market, accreditation requirement, etc.) Provide evidence.

The Sustainable Hospitality University Certificate will meet the new demands made to the hospitality and tourism to become more aware of critical environmental and social issues. While sustainable hospitality is available in other institutions around the United States, there are none available online or as a University Certificate.

According to the Department of Labor and Statistics, the need for hospitality and tourism is increasing steadily. A food travel industry report published by the World Food Travel Association identified that “96% of expert respondents have a positive outlook about the growth of the food travel industry in the next two years”.¹

The Travel, Tourism, and Hospitality Industry Association (selectuse.org), reported that the US travel and tourism industry generated over \$1.6 trillion in economic output in 2017, supporting 7.8 million jobs in the US.

As supported by the data from the Bureau of Labor Statistics, the field of hospitality and foodservice industry has steadily grown from 2019 to 2020. Moreover, the National Restaurant Association (restaurant.org/SOI) forecasts foodservice industry sales to reach \$863 billion in 2019, and approximately 1.6 million new foodservice jobs are projected to be added by 2029.

The US Travel Association (2019) reports that domestic travelers spend approximately “\$972 billion in the United States” in 2019 and supported nearly “7.9 million American jobs”.² Hospitality and tourism doesn’t just benefit American jobs and economy, it also impacts international travel. The US Travel Association (2019) reports that international travel “supported about 1.2 million US jobs” and generated approximately \$179.7 billion in tax revenue due to travel spending.

The United Nations World Tourism Organization, which offers leadership and support to the tourism sector, announced their 2030 Agenda (tourism4sdgs.org) which contained consideration for global sustainable practices. This global push greatly supports the two proposed concentrations which contain objectives that support the 17 sustainable development goals outlined by the United Nations (un.org/sustainabledevelopment).

The table below represents job titles as defined by the US Bureau of Labor Statistics and their project salary and growth rate. While many jobs available to graduates of this proposed program are not identified by the US Bureau of Labor Statistics, it is an area of growth. The US Bureau of Labor Statistics published an article highlighting the increase in brewery industries around the US and the impact on employment. Nearly half of the jobs within all types of beverages is found within the brewery, winery, or distillery sectors³.

Job title	The projected average salary in 2024 ^a	Forecasted growth rate (%)
Meeting, Convention, Event manager	\$50,600	7%
Lodging Manager	\$52,600	1%
Food Service Manager	\$55,320	11%
Restaurant Manager	\$83,010	8%
Agricultural or food technician	\$58,270	6%
Tour and Travel Guides	\$44,550	2.7%
Meeting, Convention, Event Planners	\$50,600	7%

a. U.S. Bureau of Labor Statistics (bls.gov/ooh).

3. What are the qualifications of the faculty to teach the curriculum? Are there sufficient faculty resources to teach the curriculum? Explain.

¹ Stone, M.J., Migacz, S., Garibaldi, R., Stein, N., & Wolfe, E. (2020). “State of the Food Travel Industry Report”. Portland, OR: World Food Travel Association.

² *US Travel Answer Sheet* (2019) US Travel Association. Retrieved from: https://www.ustravel.org/system/files/media_root/document/Research_Fact-Sheet_US-Travel-Answer-Sheet.pdf

³ Delaney, E. & Haines, M. (2017) *Industry on Tap: Breweries*. US Bureau of Labor Statistics. Retrieved from: <https://www.bls.gov/spotlight/2017/industry-on-tap-breweries/pdf/industry-on-tap-breweries.pdf>

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From the Dean

How will costs of the proposed addition be covered? (Complete A or B, or both if applicable)

A. New Resources. Explain.

Included in the eCampus budget is a new faculty line for the first year and one for the second year for the BS in Global Hospitality and Tourism Program. The same courses from this program will be utilized for the certificate.

B. Reallocation of resources. Explain.

All needed resources are accounted for in the eCampus budget.

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Colleen Schneck
Dean's Signature

9-11-20
Date

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GTO 310, 320, 325, 410, NFA 447

<u>Choose 9 hours from the following</u>	<u>9 hours</u>
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GHT 201, 310, 320, 425W, 450, SHO 341, 410, 420, 460, 475

<u>Total Certificate Requirements</u>	<u>24 hours</u>
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SHO 341, 410, 420, 460, 475

<u>Choose 9 hours from the following</u>	<u>9 hours</u>
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GHT 201, 310, 320, 425W, 450, GTO 310, 320, 325, 410, NFA 447

<u>Total Curriculum Requirements</u>	<u>24 hours</u>
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2. For a revised program, provide the current program requirements using strikethrough for deletions and *underlines* for additions.
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Curriculum Map: Global Hospitality and Tourism: Sustainable Hospitality Concentration

	GHT 201	GHT 310	GHT 320	GHT 425W	GHT 450	EHS 230	REC 401	GHT 499	SHO 341	SHO 410	SHO 420	SHO 460	SHO 475	GBU 201	ECO 230	HLS 260	MGT 301	MKT 301	POL 376	STA 215
1		I	R	R	R		R	M		R		R	R	R		R		R	R	R
2		I	R	R				M		R		R						R	R	
3	I	R	R	R	R	R		M	R	R	R	R					R		R	
4	I	R	R	R	R	R	R	M			R	R	R	R	R	R	R		R	R
5					R		I	M	R			R		R	R		R		R	
6	I			R	R		R	M			R		R					R		
7	I			R	R			M		R	R	R	R				R	R	R	
8	R					I		M	R		R	R								
9								M	I	R		R								
10			R					M			I	R	R							
11								M	I		R	R	R							
12	R							M	I		R									

I = introduce; R = reinforce; M = mastery

Yellow = Core Courses; Orange = Concentration Courses; Green = Supporting Courses

PROGRAM SLOs: graduates will be able to:

1. plan and execute practices to complement/meet consumer requests.
2. demonstrate ability to provide culturally competent service to hospitality and tourism sectors around the world.
3. evaluate and support the hospitality and tourism needs of diverse populations.
4. evaluate problem situations in hospitality and tourism industries and use critical and creative thinking to resolve those situations.**
5. manage financial and human resources for a variety of hospitality and tourism industries.
6. utilize marketing strategies to support growth and development of hospitality and tourism industries.
7. demonstrate professionalism through written and oral communication.*
8. implement sustainable practices to provide quality hospitality and tourism markets/industries.

*addresses written/oral communication

** addresses critical/creative thinking

CONCENTRATION SLOs: graduates will be able to:

9. collaborate with global hospitality stakeholders and organizations that support sustainable practices.
10. advocate for social justice components of sustainable choices within the hospitality industry.
11. analyze environmental, societal, and economic impacts on hospitality.
12. construct globally engaged practices to improve sustainability in hospitality.

Substantial Curriculum Change Form
(Present only one proposed curriculum change per form)
(Complete only the section(s) applicable.)

Part I

(Check one)	Department Name	Art and Design
<input type="checkbox"/> New Course (Parts II, IV)	College	CLASS
<input type="checkbox"/> Course Revision (Parts II, IV)	*Course Prefix & Number	
<input type="checkbox"/> Hybrid Course ("S," "W")	*Course Title (full title±)	
<input type="checkbox"/> New Minor (Part III)	*Program Title	M.S. in Instructional Design and Learning Technology
<input type="checkbox"/> Program Suspension (Part III)		
<input checked="" type="checkbox"/> New Program (Part III)	If Certificate, indicate Long-Term (University) or Short-Term (Departmental)	
	* Provide only the information relevant to the proposal.	± If Title is longer than 30 characters see Part IV to provide abbreviation

Proposal Approved by:		<u>Date</u>	<u>Date</u>
Departmental Committee	9/9/2020	Council on Academic Affairs	
College Curriculum Committee	9/30/2020	Faculty Senate**	11/02/2020
General Education Committee*	NA	Board of Regents**	
Teacher Education Committee*	NA	EFFECTIVE ACADEMIC TERM***	
Graduate Council*	11/02/20		

*If Applicable (Type NA if not applicable.)
**Approval needed for program revisions or suspensions.
***To be added by the Registrar's Office after all approval is received.

Completion of A, B, and C is required: (Please be specific, but concise.)

A. 1. Specific action requested: (Example: Increase the number of credit hours for ABC 100 from 1 to 2.)

To create a new program in Instructional Design and Learning Technology.

A. 2. Proposed Effective Academic Term: (Example: Fall 2016)

Fall 2021

A. 3. Effective date of suspended programs for currently enrolled students: (if applicable)

B. The justification for this action:

The Department of Art and Design seeks a new program in Instructional Design and Learning Technology. This master's program will offer a systematic approach to improving learning outcomes by developing consistent, quality instructional products and experiences. Also provide students with an opportunity to obtain the knowledge and skills necessary for entry into the growing field of instructional design.

C. The projected cost (or savings) of this proposal is as follows:

Personnel Impact: NONE

Operating Expenses Impact: NONE

Equipment/Physical Facility Needs: Satisfactory

Library Resources: Satisfactory

Part II. Recording Data for New, Revised, or Dropped Course

(For a **new required course**, complete a separate request for the appropriate program revisions.)

1. For a new course, provide the catalog text.
2. For a revised course, provide the current catalog text with the proposed text using ~~strike through~~ for deletions and underlines for additions.
3. For a dropped course, provide the current catalog text.

New or Revised* Catalog Text

(*Use ~~strike through~~ for deletions and underlines for additions. Also include Crs. Prefix, No., and description, limited to 35 words.)

Part III. Recording Data for Revised or Suspended Program

1. For a revised program, provide the current program requirements using ~~strike through~~ for deletions and underlines for additions.
2. For a suspended program, provide the current program requirements as shown in catalog. List any concentrations and/or minors affected by the program's suspension.

Revised* Program Text

(*Use ~~strike through~~ for deletions and underlines for additions.)

Master of Science (M.S.) **Instructional Design and Learning Technology**

Art and Design
Prof. Ida Kumoji -Ankrah
Campbell Building 309
859 622-1629

I. GENERAL INFORMATION

The master's degree in Instructional Design and Learning Technology prepares students to efficiently enter the profession as those who employ systematic, evidence-based approaches to designing and developing instructional products and experiences across multiple diverse environments. Students will acquire not only specialized foundational and theoretical knowledge of the field, but also hone relevant, industry-accepted skills while making connections with current practitioners. Because nearly every course culminates in development of a professional instructional product, students can be assured they are gaining relevant experience as well as curating a demonstrable portfolio showcasing their talents and abilities, a critical factor in many hiring decisions.

II. ADMISSION REQUIREMENTS

Applicants for admission to the Master of Instructional Design and Learning Technology program must:

1. Meet all admission requirements of the Graduate School;
2. Hold a bachelor's or masters' degree
3. Have a 2.5 overall undergraduate GPA. Applicants who do not meet the GPA requirement for admission must submit official GRE scores to be considered for Probationary Admission. Applicants with Masters' degree can submit undergraduate or graduate transcripts.
4. Submit 2 letters of recommendation;
5. Write a letter of intent on why they want to pursue this degree.

International Students — Applications from international students are encouraged to apply to the program. Refer to the University admission guidelines for admitting international students found here:
https://gradschool.eku.edu/intl_students

III. PROGRAM REQUIREMENTS

IDLT Core Requirements.....15 hours

IDL 800, 801, 802, 820, 821

Electives: (select five)15 hours

IDL 810, 811, 812, 813, 814, DES 850, DES 851, ENG 840, PSY 790 or an advisor approved elective

**Current working professionals in the instructional design, training and learning development, or other similar fields may take another elective in lieu of completing the internship (IDL 820). (Please contact the department head regarding the waiver process.)*

**Some of the elective courses listed above are grouped to provide two concentrations to meet the student's professional needs/interests:*

Concentrations

A. **Online Learning Design.....12 hours**

IDL 810, 811, 813, 814

B. **User Experience Design.....12 hours**

DES 850, 851, IDL 812, IDL 813

TOTAL PROGRAM HOURS30 hours

Art & Design – Program Subfield Map

I = Introduced. R = Reinforced | M = Mastered | A = Assessed (includes Portfolio reviews)

		Program Learning Objective 1	Program Learning Objective 2	Program Learning Objective 3	Program Learning Objective 4	Program Learning Objective 5	Program Learning Objective 6	Program Learning Objective 7	Program Learning Objective 8
I = Introduced. R = Reinforced M = Mastered A = Assessed (includes Portfolio reviews)		Provide a fundamental theoretical and conceptual framework upon which students base their understanding of instruction and learning.	Explicate the role and function of education, training, and professional development in organizations to serve many diverse environments.	Demonstrate accepted assessment techniques applied in business and other environments for the purposes of meeting instructional and training needs.	Showcase how the systematic design of effective instruction can provide specific and articulable solutions to instructional problems, helping diverse organizations solve performance problems	Provide opportunities to collaborate with subject matter experts to make skills and concepts easier to comprehend.	Demonstrate high-impact evaluation techniques for use in existing training and instructional programs and materials to identify improvement and efficiency opportunities.	Promote the application of instructional design toward solving twenty-first-century problems through use of e-learning and distance education best practices and procedures.	Facilitate student exploration of various aspects of the Instructional design process and cultivate their own expertise
COURSES									
IDL 800	Introduction to the Profession	I	I	I					I
IDL 801	Instructional Design Mastery	R	R	R					R
IDL 802	Making Data-Driven Decisions	R	R	R	I			I	R
IDL 810	Multimedia for Learning	I, R	I, R	I, R		I, R	I		R

IDL 811	Online Learning Design	I, R	I, R	I, R			I		R
IDL 812	Game Design for Learning	I, R	I, R	I, R		I, R	I		R
IDL 813	Instruction for Diverse Learners	I, R	I, R	I, R					I, R
IDL 814	Training the Modern Workforce	I, R	I, R	I, R			I	I	I, R
IDL 890	Independent Study	I, R	I, R	I, R					R
DES 850	Graphic Design for Learning	I, R	I, R			I, R	I, R		
DES 851	User Experience Design	I, R	I, R			I, R	I, R		
IDL 820	Internship	R	R	R	R	R	R	R	R
IDL 821	Portfolio	M, A	M, A	M, A	M, A	M, A	M, A	M, A	M, A

New Academic Program or Major Academic Program Modification Proposal Form

COVER PAGE

Date: July 22, 2020	
(Check one) <input checked="" type="checkbox"/> New Program <input type="checkbox"/> Major Program Modification	Department Name: Department of Art and Design
	College: College of Letters, Arts, and Social Sciences

PROGRAM INFORMATION

Program Name/Title	Instructional Design and Learning Technology		
Program Types	<input checked="" type="checkbox"/> Major <input checked="" type="checkbox"/> Certificate	<input type="checkbox"/> Collaborative <input type="checkbox"/> Joint <input checked="" type="checkbox"/> Single Institution	<input type="checkbox"/> Technical <input checked="" type="checkbox"/> Occupational <input type="checkbox"/> Vocational
Degree Level	<input type="checkbox"/> Associate <input type="checkbox"/> Bachelor <input checked="" type="checkbox"/> Master <input type="checkbox"/> Doctorate <input type="checkbox"/> Advanced Practice Doctorate		
CIP Code: 13.0501 (Educational/Instructional Media Design) (see http://nces.ed.gov/ipeds/cipcode/Default.aspx?v=55)			
Proposed Implementation Date: Fall 2021			

APPROVALS

	Yes	No	Date	Comments
Departmental Committee	X		9-9-2020	
College Curriculum Committee	X		9-30-2020	
General Education Committee*		X		
Teacher Education Committee*		X		
Graduate Council*	X		11-02-2020	
Council on Academic Affairs				
Faculty Senate	X		11-02-2020	
Board of Regents				
Council on Postsecondary Education				
SACS (via Provost Office)				

A new academic program is a program not previously offered at an institution or one that was previously offered but has been suspended for five or more years or has been closed.

Major academic program modifications refer to significant changes in the program's purpose and curriculum such that a different CIP code more accurately describes the revised program. Separation of an academic program into two programs and the combination of two existing programs into one program constitute major academic program modifications.

Program Proposal

PART I

A. Centrality to the Institution's Mission and Consistency with State's Goals

1. Provide a brief description of the program. Describe any **tracks** (if undergraduate), **concentration** (if master's), or **specializations** (if doctorate).

The Instructional Design and Learning Technology (IDLT) Master's Degree is designed to confer job readiness skills bound by applied theoretical frameworks related to the fields of instructional and e-learning design, corporate training, and performance management. Students are afforded choice among a variety of electives in order to fulfill the course requirements. In short, these are divided into the following broad categories:

- a. Multimedia Design for Learning: Provides a professional foundational understanding of the research and development of multimedia elements to positively improve learning outcomes.*
- b. Graphic/User Interface Design: Use of typography, symbol systems, color, and space to create intuitive electronic interfaces as well as communicate instructional messages clearly and effectively.*
- c. Online distance learning: Provides historical context and modern approaches to online learning through use of tools, techniques, and best practices.*

2. List the objectives of the proposed program. These objectives should deal with the specific institutional and societal needs that this program will address.

EKU's Instructional Design and Learning Technology (IDLT) program facilitates individuals from diverse academic backgrounds in filling key roles in organizations where educational, training, and performance/employee development solutions are essential for success.

The EKU IDLT objectives are to:

- 1. provide a fundamental theoretical and conceptual framework upon which students base their understanding of instruction and learning.*
- 2. explicate the role and function of education, training, and professional development in organizations to serve many diverse environments.*
- 3. demonstrate accepted assessment techniques applied in business and other environments for the purposes of meeting instructional and training needs.*
- 4. showcase how the systematic design of effective instruction can provide specific and articulable solutions to instructional problems, helping diverse organizations solve performance problems*
- 5. provide opportunities to collaborate with subject matter experts to make skills and concepts easier to comprehend.*
- 6. demonstrate high-impact evaluation techniques for use in existing training and instructional programs and materials to identify improvement and efficiency opportunities.*

7. *promote the application of instructional design toward solving twenty-first-century problems through use of e-learning and distance education best practices and procedures.*
8. *facilitate student exploration of various aspects of the Instructional design process and cultivate their own expertise*

The ECU IDLT Program seeks to address the need for qualified Instructional Designers or Instructional Coordinators (Bureau of Labor Statistics designation) and Training and Development Specialists across the state and beyond. It is a need primarily driven by the rise of distance education or online learning initiatives (McFarland et al., n.d.) and recent shifts in the workplace in K-12, higher education institutions, and private and public sectors toward online instructional delivery due to the SARS-CoV-2 pandemic.

Research and best practices indicate that one of the hallmarks of successful online programs and student success can be attributed to the effective use of Instructional designers (Legon, Garrett, & Fredericksen, 2019, 2020). Instructional designers partner with various stakeholder and subject matter experts, utilizing specialized knowledge and skills to ensure enhanced learning outcomes for various types of learners, most prominently, those enrolled in online programs (Objectives 1-8).

Extraordinary circumstances resulting from SARS-CoV-2 have resulted in rapid changes in organizations relative to how workforce is organized and delivered. Instructional designers and trainers have long held expertise in designing and delivering instruction in myriad instructional systems, and became essential frontline workers responsible for significant efforts toward successful implementation and operation of training and education in public and private organizations (Objectives 1-8).

Additionally, public school districts across the country will consider development of remote and online classrooms to replace or support traditional instruction (COVID-19 Professional Learning Resources - Kentucky Department of Education, n.d.). Many K-12 teachers have already taken the initiative in preparing their future classrooms for eventualities leading to online instructional delivery.

While instructional designers do not directly address all aspects of K-12 pedagogy, there are certain undeniable and fungible skills and knowledge that are readily applicable to the K-12 instructional system; instructional designers already assist and provide solutions to many school districts across the country, whether they hail from a teacher preparation background, an educational publisher, or have other relevant experiences.

Whatever the future may bring, the field of instructional design and learning technologies is poised to grow (Finn & Conway, 2019) to meet the demands of ever changing workforce conditions, especially as universities attempt to redesign the educational experience to offer greater flexibility, student choice, and to remove obstacles in the educational process (Miaoulis, 2020).

3. Explain how the objectives support the **institutional mission** and **strategic priorities**, the statewide **postsecondary education strategic agenda**, and the **statewide strategic implementation plan**.

The objectives of the ECU IDLT master's degree are consistent with our institutional and statewide commitment to ECU's Strategic Goal #1: Academic Excellence (1.3.2; 1.3.3) and Strategic Goal #6: Service to Communities and Region (6.1.1).

1.3.2 Financially invest in and promote nationally recognized programs that attract students to ECU.

1.3.3. Identify, pursue, and promote opportunities for new high-quality, distinct, and compelling programs with capacity to grow enrollments.

Instructional design, online training, and learning development is a highly sought field (Decherney & Levander, 2020). According to the Bureau of Labor Statistics (BLS) (2020), the job of Instructional Coordinators, a classification that most closely resembles Instructional Designers, is poised to grow 6% from 2018 to 2028, considered by the BLS to be "average growth." Additionally, The Bureau projects Training and Development Specialists as a profession to grow 9% (an "above average" rate) within the same time period. The current circumstances related to COVID-19 are more than likely to increase the demand for both professions (Decherney & Levander, 2020).

While instructional design is an eclectic and specialized field, comprising a unique skill-set compared to other traditional occupations, nearly anyone can acquire these skills and apply them in myriad fields toward improving learning outcomes across organizations. This program would increase both the visibility and impact of ECU as an institution that provides 21st century job skills to an already talented community of teachers and learners.

Increase the number of and strengthen existing strategic partnerships in our Region with community colleges, local communities, employers, and other entities. (6.1.1)

Instructional design and training/performance improvement initiatives are utilized to some extent in every organization. Dozens of organizations at ECU and beyond will utilize the talent and expertise we can foster. ECU will seek partnerships with organizations eager to improve training and learning outcomes to give valid, valuable experience to future instructional designers, online learning developers, trainers, and performance improvement professionals. These efforts will forge new relationships with wider industry, and expand the regional and national reach of ECU. Additionally, ECU's [Instructional Development Center](#) will host student interns and offer opportunities to collaborate with the university community on a variety of educational projects and support services related to online learning and instructional delivery.

Bring distinction to our Region with nationally recognized programs, endorsements, and scholarship/research. (6.2.1)

The IDLT Program seeks to provide a firm theoretical foundation upon which students will cultivate their own knowledge and expertise, learning from knowledgeable faculty and applying that knowledge in

organizations, providing efficient, elegant solutions to real-time instructional problems. Successful development and execution of our program's goals will lead to national recognition. Our own work prior to the inception of the program has resulted in [multiple international, national, and regional awards](#), working with experts in over a dozen academic disciplines and content areas. We will bring the same excellence help students reach their full potential as we have done with ECU's other online academic programs.

4. Is an approval letter from Education Professional Standards Board (EPSB) required? **Yes or No**
If yes, attach the approval letter from EPSB.

B. Program Quality and Student Success

1. What are the intended student learning outcomes of the proposed program?

The intended student learning outcomes for the IDLT program include:

1. Evaluate and apply effective strategies related to human cognition, business, communications, and other disciplines to solve organizational problems.
 2. Apply various theories and design models to serve the varied needs of most learners.
 3. Through systematic analysis, align objectives with assessments and learning activities.
 4. Gather and interpret relevant data in order to make effective strategic decisions in order implement learning interventions
 5. Develop the skills Become a competent consumer and creator of multimedia by developing instructional products with the aid of software applications along with evidence-based practices, techniques, and strategies.
 6. Apply knowledge of aesthetics and how the composition of effective audiovisual elements contributes positively toward learning.
 7. Engage with individuals in external organizations in solving instructional problems, and through successive experiences, cultivate a habit of excellence in instructional design thinking and work.
 8. Exhibit superior communication skills in explaining complex strategies and concepts.
2. Identify both the direct and indirect methods by which the intended student learning outcomes will be assessed.

Student learning outcomes will be directly assessed through the learner performance during their coursework, internship, and proposed program portfolio requirement, and indirectly assessed through course evaluations.

The proposed curriculum is based on the most recent instructional design theories and practices and will provide the learners with many opportunities to acquire the knowledge needed to be an effective instructional design professional. Each course is designed from the project-based learning perspective, where students identify real-world problems inherent to them and their interests and develop a solution(s) that can be presented as one or more portfolio components. At the end of their studies, students will complete a portfolio class during which students will create a professional web portfolio that will showcase their most significant and impactful work. This portfolio, along with a set of relevant skills, will allow them to become prime job applicants in today's competitive job market.

In addition to the portfolio component, learners will complete up to six hours of internship in the field to provide them with hands-on experiences in instructional design. The IDLT program offers three types of internships:

1. Internal internship placement at ECU's Instructional Design Center where students perform various types

- of academic ID work
- 2. An external internship where students can complete an internship at their place of work.
- 3. An external internship where students can complete an internship in the industry previously identified by the IDLT program coordinators.

These guided internships are designed to afford the IDLT student opportunities to put what they have learned into practice in highly successful environments with peers and mentors who understand the profession.

We will derive indirect measurement of student learning outcomes primarily through an engaging and robust community of teachers and learners: Program faculty and staff will strive to maintain close, authentic connections with our current students and graduates, as our greatest successes will be demonstrable in the success of our students. Regular post-graduation career and satisfaction outcomes will be part of a regular program evaluation.

We will also maintain timely formative and summative assessment results relative to course objectives through student evaluations, student performance measurement of terminal objectives, and consistent focus groups comprised of program stakeholders.

3. How will the program support or be supported by other programs within the institution?

One of the distinguishing features of the ECU IDLT Program is the development of one intradisciplinary and one interdisciplinary certificate, and two interdisciplinary elective courses that will be available to IDLT students, other graduate students, non-degree seeking students, and post-graduate students. The two certificates are in User Experience Design and Online Learning Design, developed by the faculty in IDLT and Art and Design programs, while the faculty in the departments of English and Psychology will develop two elective courses for the IDLT program.

Interdisciplinary certificate options provide an opportunity for IDLT and other graduate-level students to earn a credential, and in the process, experience the benefits of interdisciplinary collaboration. The ECU IDLT program also hopes that the creation of the two certificate options will benefit the University partners through increased exposure to a potential student pool. We expect that the students from other disciplines will decide to earn these certificates given the current market demands for instructional design and user experience certifications ([BLS](#)).

Instructional design is a diverse field that encompasses business management, pedagogy, andragogy, psychology, user experience design, graphic design, multimedia development, training, program evaluation, to name a few. In turn, it serves all disciplines where knowledge transmission is essential for success. The IDLT program faculty intends to include more of these disciplines in the future as the program grows. At this time, collaborations are established with departments of English, Psychology, and Art and Design.

4. Will this program replace or enhance any existing program(s) or tracks, concentrations, or specializations within an existing program? **No**
If yes, please explain.
5. Will this be a distance learning program?
If so, please indicate the anticipated percentage of the program for each of the following (can total more than 100%).
☒ Online
☐ Hybrid
☐ ITV
☐ Offered at a site other than Richmond
6. Will this program utilize alternative learning formats (e.g. distance learning, technology-enhanced instruction,

evening/weekend classes, accelerated courses)?

If yes, please check all that apply.

☒ Courses that combine various modes of interaction, such as face-to-face, videoconferencing, audio-conferencing, mail, telephone, fax, e-mail, interactive television, or World Wide Web?

☒ Technology-enhanced instruction

☐ Evening/weekend/early morning classes

☒ Accelerated courses

☒ Instruction at nontraditional locations, such as employer worksite

☒ Courses with multiple entry, exit, and reentry points

☒ Courses with “rolling” entrance and completion times, based on self-pacing

☒ Modularized courses

7. Are new or additional faculty needed?

Please provide a plan to ensure that appropriate faculty resources are available, either within the institution or externally, to support the program.

Note whether they will be part-time or full-time.

To establish the ECU IDLT Program and to accommodate future program growth, faculty resources already exist at ECU. Specifically, two full-time faculty positions are necessary to successfully develop the IDLT program, help with the recruitment efforts, identify and maintain connections with external stakeholders and internship providers, and perform other duties that require the dedication of full-time faculty. At the time of this proposal, the IDLT program is conceptualized and proposed by the joint efforts of e-Campus Online Learning and The Department of Art and Design, with the aid of the two potential faculty members. The potential faculty are currently employed as an Instructional Designer and Faculty Development Program Manager at the ECU's Instructional Design Center.

C. **Program Demand/Unnecessary Duplication**

1. Provide justification and evidence to support the need and demand for this proposed program. Include any data on **student demand; career opportunities at the local, state, and national levels;** and any **changes or trends in the discipline(s) that necessitate a new program.**

Program Justification, Student Demand, and Careers on The National Level

Instructional Design Paces With Market

According to the market research reports by Finn and Conway (2019) and Plotnik and Hinck (2019), national job opportunities for Master’s-level instructional design professionals from September 2016 to July 2019 grew 123 percent (Figure 1). This growth mirrors other careers for which the master’s degree is generally required (Figure 1).

Growth At Least Fast As Average

The U.S. Bureau of Labor Statistics (2020) suggests trainers, training development managers, fields for which Instructional designers are well-suited, will experience faster than average growth over the projected time frame 2018 to 2028. The BLS projects Instructional designers and instructional coordinator jobs will grow at an average rate over the same time period.

Another report by Thornton and Donohue (2017) reported significant increases (52 percent) in demand at the national level for bachelor’s and master’s level instructional design professionals between February 2018 and June 2018 (Figure 2).

Regional Dearth of Interest and Mitigation

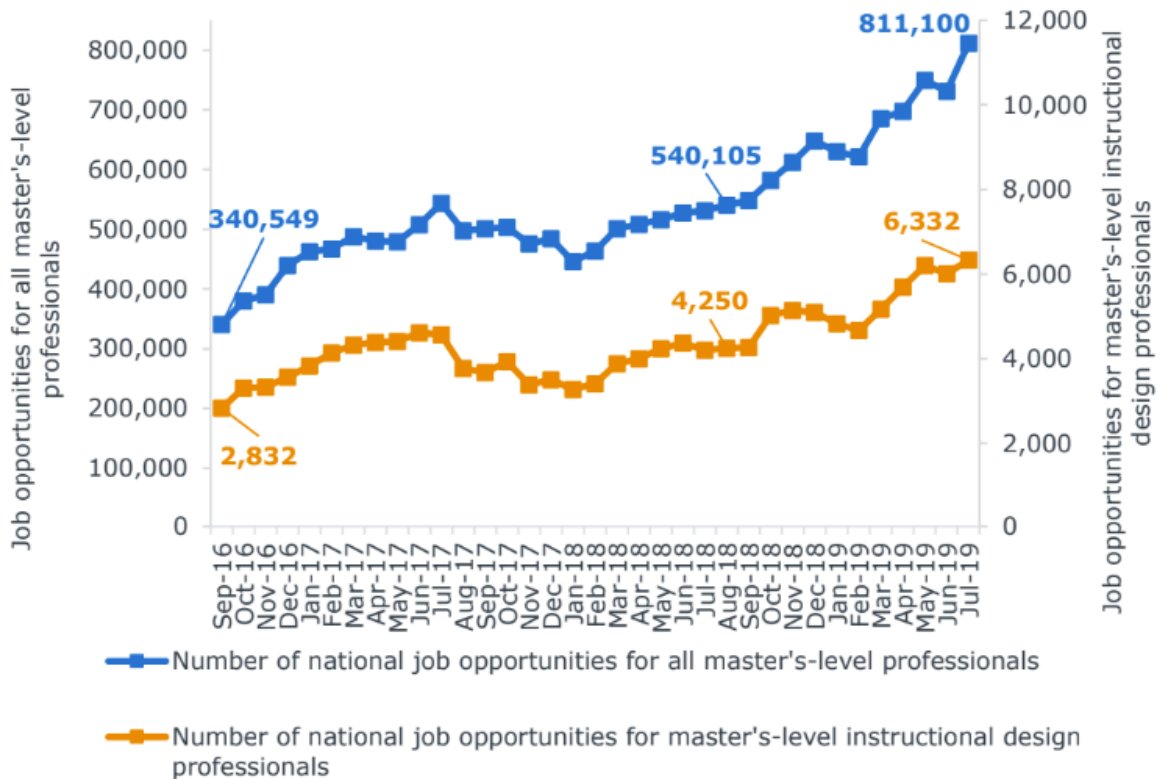
At the same time, the EAB (2019) market pulse check for online masters-level program in Instructional Design for

central Kentucky which includes 150-mile radius of Wilmore, KY, including Lexington, Louisville, and Cincinnati, does not suggest favorable program potential.

However, trends identified by Finn and Conway (2019), Plotnik and Hinck (2019), and Thornton and Donohue (2017) suggest that in order to mitigate potential dearth of program demand, institutions should focus on the recruitment of students at the national level while also offering an orientation toward practical, job-focused learning outcomes which prepare students for immediate, direct-entry into the workplace. ECU's IDLT program seeks to immediately prepare students for gainful employment by having terminal objectives culminate in deliverables suitable for inclusion in professional portfolios. Additionally, the program will directly place students into practicum experiences valued by hiring organizations.

Figure 1

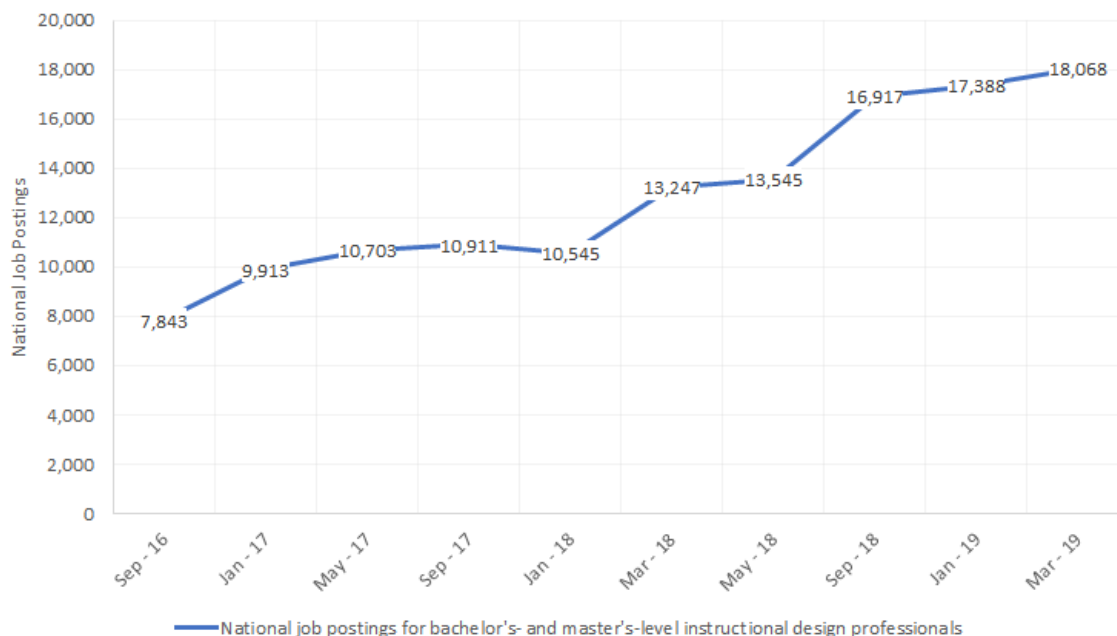
Demand over Time for Master's-Level Instructional Design Professionals. September 2016-July 2019, National Data by Emsi Analysttm



Adapted from "Market Demand for an Online Certificate in Instructional Design," by Thornton, J. & Donohue, M. (2017). Copyright by The Advisory Board Company: Washington, D.C.

Figure 2

Demand over Time for Instructional Design Professionals (Bachelor's and Master's). September 2016-July 2019, National Data by Emsi Analysttm



Adapted from "Market Viability of a Graduate-Level Instructional Design Certificate" by Plotnik, A. & Hinck, K. (2019). Copyright by The Advisory Board Company: Washington, D.C.

2. Specify any distinctive qualities of the program.

A professional portfolio is a staple requirement in many fields. Portfolio review is quickly becoming a required aspect of the hiring process in instructional design.

As a normal part of IDLT coursework, students will create a series of portfolio “artifacts,” or elements demonstrating their growing abilities and accomplishments. These may consist of complete instructional units, training programs, multimedia products, needs analysis and program evaluation reports, and other creations pertinent to instructional design. Students will curate these elements in a professional web-based portfolio, maintaining and improving these as they continue to participate in the program. Such a portfolio is suitable for showcasing and demonstrating competencies and interests to hiring managers and other decision-makers when attempting to secure gainful employment.

In addition to the portfolio, the program strongly encourages (and in many cases, requires) students to engage in field internship experience that will prepare them for quick career entry as an instructional designer, trainer, or in another relevant field. The IDLT program offers three types of internships:

- a. Internal internship placement at ECU's Instructional Design Center where students perform various types of academic instructional design work in support of the mission and goals of the university
- b. An external internship where students complete an internship at their current workplace where they are already gainfully employed, but not as a trainer, instructional designer, or related field.
- c. An external internship where students complete an internship in an organization identified by IDLT program coordinators with whom the student has no prior affiliation.

In addition, by following the previously identified program path, students may earn up to two department certifications on the way toward degree completion: The department initially plans to offer certificates in “User Experience Design”, and in “Online Learning Design”.

3. Are there existing programs in the state?
 - a. Does the proposed program differ from existing programs? Yes

The IDLT program adds to the current program offerings in Kentucky. We believe the proposed ECU program is differentiated because we will offer coursework that blends the theoretical and practical concepts to better prepare students for the competitive job market starting with their very first course. The students in this program will certainly be job-ready upon graduation by completing the two unique program requirements: Internship and portfolio.

While EAB (2019) suggests that while the number of academic programs in Kentucky classified under CIP Code 13.0501 (Educational/Instructional Media Design) is equal to four, only two institutions, namely the University of Kentucky and Western Kentucky University, offer graduate programs directly related to the Instructional Design (Table 1). Asbury University offers an undergraduate program in Instructional design, while Morehead State University offers a program that emphasises instructional technology and design.

Internship Requirement

The Internship is also a component of the Western Kentucky University Instructional Design program. In the IDLT program at ECU, we focus on the student job-readiness and created a unique three-prong hands-on approach to providing students with instructional design experience. In the IDLT program, we offer three types of internships:

- i) Internal internship placement at ECU's Instructional Design Center where students perform various types of academic instructional design work in support of the mission and goals of the university
- ii) An external internship where students complete an internship at their current workplace where they are already gainfully employed, but not as a trainer, instructional designer, or related field.
- iii) An external internship where students complete an internship in an organization identified by the IDLT program coordinators with whom the student has no prior affiliation.

Portfolio Requirement

While conducting our research, we did not identify any other program in the state that integrates portfolio artifacts into their curriculum. We mentioned earlier that as a normal part of IDLT coursework, students would create a series of portfolio "artifacts," or elements demonstrating their growing abilities and accomplishments. These may consist of complete instructional units, training programs, multimedia products, needs analysis and program evaluation reports, and other creations pertinent to instructional design.

Table 1

Undergraduate and Graduate Programs Related to CIP Code 13.0501 (Educational/Instructional Media Design) in Kentucky

Institution	Similar Program		Dissimilar Program	
	University of Kentucky	Western Kentucky University	Asbury University	Morehead State University
Program	Instructional	Instructional	Online	Educational

Title	Systems Design	Design	Instructional Design	Technology
Type	Graduate	Graduate	Undergraduate	Graduate

- b. Does the proposed program serve a different student population (i.e. students in a different geographic area) from existing programs? Yes

While the mission of state institutions is to serve the citizens of their respective service region, EKU's IDLT program will also strive to recruit and serve students across the country and from diverse disciplinary backgrounds. Many master's degree programs out of necessity must accept students who are academically prepared at the baccalaureate level in a specific discipline. The IDLT program may accept graduates from any academic discipline due to the nature of our field. Moreover, we would specifically also seek to target P-12 teachers who have left the profession. Students with the disposition and skill set to be effective classroom teachers have much to offer the instructional design field, and have applicable training that would benefit both themselves and organizations.

- c. Is access to existing programs limited? No
If yes, please explain.
- d. Is the excess demand for existing similar programs? N/A
If yes, please explain.
- e. Will there be collaboration between the proposed program and existing programs?
Please explain the collaborative arrangement with existing programs.
Please explain why there is no proposed collaboration with existing programs.

EKU's proposed IDLT program is keenly focused on preparing students with 21st century skills to enter the organizations as critical and creative thinkers ready to solve instructional problems. At the same time, we acknowledge the University of Kentucky's College of Education (UKCOE) has expertise and an approach which orients students toward a broad theoretical perspective on learning and professional development. We would be open to any partnership which allows a student to maximize their choice relative to fulfilling their own learning and career goals.

There is no current collaborative arrangement. However, proposed EKU faculty have contacts with UKCOE and would be willing to explore a partnership allowing students to utilize select UKCOE courses as partial fulfillment of degree requirements at UK. Additionally, any student wishing to pursue a doctoral degree through UK should find nearly all EKU IDLT proposed courses at a minimum helpful in this pursuit. Moreover, we believe that at least some of the proposed courses would be suitable for inclusion in the degree requirements at the University of Kentucky.

In short, the knowledge and experience EKU faculty provides could serve the state providing a synergistic relationship between the two institutions and also catalyze programs of distinction at both institutions.

D. Advance Practice Doctorates - N/A

1. Does the curriculum include a clinical or experiential component?
 - a. List and discuss the nature and appropriateness of available clinical sites.
 - b. Are there official agreements with clinical sites?
 - i. Supply letters of commitment from each clinical site that specifies the number of students to be accommodated and identifies other academic programs that also use the facilities.
2. Describe how the doctorate builds upon the reputation and resources of the existing master's degree program in the field.
3. Explain the new practice or licensure requirements in the profession and/or requirements by specialized accrediting agencies that necessitate a new doctoral program.
4. Explain the impact of the proposed program on undergraduate education at the institution. Within the explanation, note specifically if new undergraduate courses in the field will be needed.
5. Provide evidence that funding for the program will not impair funding of any existing program at any other public university.

E. Cost and Funding of the Proposed Program

1. Estimate the level of new and existing resources that will be required to implement and sustain the program using the spreadsheet below.

A. Funding Sources, by year of program	1st Year	2nd Year	3rd Year	4th Year	5th Year
Total Resources Available from Federal Sources	N/A	N/A	N/A	N/A	N/A
New					
Existing					
Narrative Explanation/Justification					
Total Resources Available from Other Non-State Sources	N/A	N/A	N/A	N/A	N/A
New					
Existing					
Narrative Explanation/Justification					
State Resources	N/A	N/A	N/A	N/A	N/A
New					
Existing					
Narrative Explanation/Justification					
Internal Allocation	N/A	N/A	N/A	N/A	N/A
Internal Reallocation					
<i>Narrative Explanation/Justification: The source and process of allocation and reallocation should be detailed, including an analysis of the impact of the reduction on existing programs and/or organization units.</i>					
Student Tuition	\$ 285,948	\$ 824,850	\$ 881,673	\$ 881,673	\$ 881,673
New					
Existing					
Narrative Explanation/Justification: Describe the impact of this program on enrollment, tuition, and fees. <i>e-Campus programs are funded entirely by tuition dollars brought in by the student, and are not supplemented by other sources. This is a new program, and new students will be recruited for it.</i>					
TOTAL	\$ 285,948	\$ 824,850	\$ 881,673	\$ 881,673	\$ 881,673

A. Breakdown of Budget

Expenses/Requirements	1st Year	2nd Year	3rd Year	4th Year	5th Year
Staff:					
<u>Executive, administrative, and managerial</u>					
<u>Other Professional:</u>					
New	\$ 30,713	\$ 61,425	\$ 61,425	\$ 61,425	\$ 61,425
Existing					
<i>Narrative Explanation/Justification: Enrollment/Academic Advisor, .5 FTE Year 1, 1 FTE Years 2-5 (Includes Benefits)</i>					
<u>Faculty</u>					
New	\$ 138,002	\$ 228,569	\$ 244,881	\$ 244,881	\$ 244,881
Existing					
<i>Narrative Explanation/Justification: 1 FTE faculty position (only) in years 1 & 2. 2 FTE faculty positions in years 3-5. Includes benefits. Other faculty costs are for part-time faculty instruction and course development.</i>					
<u>Graduate Assistants</u> (if master's or doctorate)	N/A	N/A	N/A	N/A	N/A
<u>Student Employees</u>	N/A	N/A	N/A	N/A	N/A
<u>Equipment and Instructional Materials</u>					
New	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000
Existing					
<i>Narrative Explanation/Justification: Computer equipment and supplies</i>					
<u>Library</u>	N/A	N/A	N/A	N/A	N/A
<u>Contractual Services</u>	N/A	N/A	N/A	N/A	N/A
<u>Academic and/or Student Services</u>	N/A	N/A	N/A	N/A	N/A
<u>Other Support Services</u>					
New	\$ 28,594	\$ 82,485	\$ 88,167	\$ 88,167	\$ 88,167
Existing					
<i>Narrative Explanation/Justification: e-Campus support services: Marketing, Instructional Design, Financial administration, Management</i>					
<u>Faculty Development</u>					
New	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
Existing					
Narrative Explanation/Justification					
<i>Travel and registration for professional development</i>					
<u>Assessment</u>	N/A	N/A	N/A	N/A	N/A
<u>Student Space and Equipment (if doctorate)</u>	N/A	N/A	N/A	N/A	N/A
<u>Faculty Space and Equipment (if doctorate)</u>	N/A	N/A	N/A	N/A	N/A
<u>Other</u>					
New	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000
Existing					
<i>Narrative Explanation/Justification</i>					
TOTAL	\$ 266,308.00	\$ 441,479.25	\$ 463,473.00	\$ 463,473.00	\$ 463,473.00

PART II

1. For a new program, provide the catalog description as being proposed.

The ECU Masters of Instructional Design and Learning Technology (IDLT) prepares students to solve current and future problems related to human performance and learning through the effective design of instruction and appropriate utilization and implementation of learning methods and instructional technologies. Instructional designers integrate knowledge of theory, evidence-based and industry-accepted practices to support organizational goals through developing, enhancing, and evaluating training and education programs, assessing learning outcomes, using various data collection and analytical methodology to verify the efficacy of related endeavors, and design and develop rich media content to facilitate the instructional process.

The IDLT program accepts all students who are prepared at the baccalaureate level to immediately enter the 21st century workplace ready to assist in the design and delivery of effective instruction in a variety of industrial, corporate, and academic settings.

2. For a revised program, provide the current program requirements using strikethrough for deletions and *underlines* for additions.
3. For a suspended program, provide the current program requirements as shown in catalog. List any options and/or minors affected by the program's suspension.

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ID 2021-2022									
Term	Total Enrollments	Total Credit Hours	Projected Revenue	Courses	Inload Faculty	Part Time or Overload Faculty Needed	Part Time or Overload Faculty Salaries	Potential Facilitators Needed	Facilitators TOTAL
			\$ 611						\$ 3,050
Fall A	20	60	\$ 36,660	1	1	0	\$ -	0	
Fall B	24	72	\$ 43,992	1	1	0	\$ -	0	
Spring A	43	66	\$ 40,326	2	2	0	\$ -	0	
Spring B	43	129	\$ 78,819	1	1	0	\$ -	1	
Summer A	47	141	\$ 86,151	1	0	1	\$ 5,000	1	
TOTAL	177	468	\$ 285,948.00	6		1	\$ 5,000.00	2	\$ 6,100.00

Office of e-Campus Learning

ID

2021-2022

Account	Name	Budgeted	Notes
510212	Online Tuition-Fall Graduate	\$ 80,652.00	
510222	Online Tuition-Spring Graduate	\$ 119,145.00	
510232	Online Tuition-Summer Graduate	\$ 86,151.00	
Total Revenues		\$ 285,948.00	
611000	Faculty Salaries	\$ 65,000.00	
	<i>Faculty Member TBA</i>	\$ 65,000.00	5 inloads, program and internship coordination
611100	Staff Salaries	\$ 22,500.00	
	<i>Assistant Online Coordinator</i>	\$ 22,500.00	50% AOC
614300	Consultant - Employee	\$ 36,100.00	
	<i>Course Instruction</i>	\$ 5,000.00	
	<i>Facilitators</i>	\$ 6,100.00	
	<i>Course Development</i>	\$ 25,000.00	5 new developments @ \$5,000 each
Total Salaries		\$ 123,600.00	
620000	Employee Benefits	\$ 45,114.00	36.50%
Total Benefits		\$ 45,114.00	
710100	Printing	\$ 500.00	
710450	Computer Equipment < \$5,000	\$ 1,000.00	
710800	Office Supplies	\$ 500.00	
710900	Equip/Furniture <\$5,000	\$ 500.00	
711100	Course Materials	\$ 1,000.00	
735200	Postage	\$ 500.00	
740020	Advertising	\$ 60,000.00	
740050	Registration	\$ 1,500.00	
743690	Other Operating	\$ 1,000.00	
750010	In State Travel	\$ 500.00	
750020	Out of State Travel	\$ 2,000.00	
Total M&O		\$ 69,000.00	
780010	Distance Education	\$ 28,594.80	eCampus 10%
Total Expenses		\$ 266,308.80	
University Share		\$ 19,639.20	

ID 2022-2023									
Term	Total Enrollments	Total Credit Hours	Projected Revenue	Courses	Inload Faculty	Part Time or Overload Faculty Needed	Part Time or Overload Faculty Salaries	Potential Facilitators Needed	Facilitators TOTAL
			\$ 611						\$ 3,050
Summer B	44	132	\$ 80,652	1	0	1	\$ 5,000	1	
Fall A	79	237	\$ 144,807	3	2	1	\$ 5,000	1	
Fall B	88	264	\$ 161,304	3	2	1	\$ 5,000	1	
Spring A	127	222	\$ 135,642	4	3	1	\$ 5,000	2	
Spring B	59	177	\$ 108,147	1	1	0	\$ -	2	
Summer A	106	318	\$ 194,298	3	0	3	\$ 15,000	2	
TOTAL	503	1350	\$ 824,850.00	15	8	7	\$ 35,000.00	9	\$ 27,450.00

Office of e-Campus Learning
ID

2022-2023

Account	Name	Budgeted	Notes
510212	Online Tuition-Fall Graduate	\$ 306,111.00	
510222	Online Tuition-Spring Graduate	\$ 243,789.00	
510232	Online Tuition-Summer Graduate	\$ 274,950.00	
Total Revenues		\$ 824,850.00	
611000	Faculty Salaries	\$ 65,000.00	
	Faculty Member TBA	\$ 65,000.00	8 inloads, program and internship coordination for part of faculty assignment
611100	Staff Salaries	\$ 45,000.00	
	Assistant Online Coordinator	\$ 45,000.00	
614300	Consultant - Employee	\$ 102,450.00	
	Course Instruction	\$ 35,000.00	
	Facilitators	\$ 27,450.00	
	Course Development	\$ 40,000.00	8 new developments @ \$5,000 each
Total Salaries		\$ 212,450.00	
620000	Employee Benefits	\$ 77,544.25	36.50%
Total Benefits		\$ 77,544.25	
710100	Printing	\$ 500.00	
710450	Computer Equipment < \$5,000	\$ 1,000.00	
710800	Office Supplies	\$ 500.00	
710900	Equip/Furniture <\$5,000	\$ 500.00	
711100	Course Materials	\$ 1,000.00	
735200	Postage	\$ 500.00	
740020	Advertising	\$ 60,000.00	
740050	Registration	\$ 1,500.00	
743690	Other Operating	\$ 1,000.00	
750010	In State Travel	\$ 500.00	
750020	Out of State Travel	\$ 2,000.00	
Total M&O		\$ 69,000.00	
780010	Distance Education	\$ 82,485.00	eCampus 10%
Total Expenses		\$ 441,479.25	
University Share		\$ 383,370.75	

\$

167,450.00

ID 2023-2024									
Term	Total Enrollments	Total Credit Hours	Projected Revenue	Courses	Inload Faculty	Part Time or Overload Faculty Needed	Part Time or Overload Faculty Salaries	Potential Facilitators Needed	Facilitators TOTAL
			\$ 611						\$ 3,050
Summer B	32	96	\$ 58,656	1	0	1	\$ 5,000	1	
Fall A	63	189	\$ 115,479	4	3	1	\$ 5,000	1	
Fall B	92	276	\$ 168,636	3	3	0	\$ -	1	
Spring A	104	312	\$ 190,632	4	4	0	\$ -	2	
Spring B	99	297	\$ 181,467	2	2	0	\$ -	2	
Summer A	91	273	\$ 166,803	3	0	3	\$ 15,000	1	
TOTAL	481	1443	\$ 881,673.00	17	12	5	\$ 25,000.00	8	\$ 24,400.00

Office of e-Campus Learning

ID

2023-2024

Account	Name	Budgeted	Notes
510212	Online Tuition-Fall Graduate	\$ 284,115.00	
510222	Online Tuition-Spring Graduate	\$ 372,099.00	
510232	Online Tuition-Summer Graduate	\$ 225,459.00	
Total Revenues		\$ 881,673.00	
611000	Faculty Salaries	\$ 130,000.00	
	Faculty Member TBA	\$ 65,000.00	6 inloads, program and internship coordination for part of faculty assignment
	Faculty Member TBA	\$ 65,000.00	6 inloads, program and internship coordination for part of faculty assignment
611100	Staff Salaries	\$ 45,000.00	
	Assistant Online Coordinator	\$ 45,000.00	
614300	Consultant - Employee	\$ 49,400.00	
	Course Instruction	\$ 25,000.00	All instruction on overload/adjunct basis
	Facilitators	\$ 24,400.00	
	Course Development	\$ -	0 new developments @ \$5,000 each
Total Salaries		\$ 224,400.00	
620000	Employee Benefits	\$ 81,906.00	36.50%
Total Benefits		\$ 81,906.00	
710100	Printing	\$ 500.00	
710450	Computer Equipment < \$5,000	\$ 1,000.00	
710800	Office Supplies	\$ 500.00	
710900	Equip/Furniture <\$5,000	\$ 500.00	
711100	Course Materials	\$ 1,000.00	
735200	Postage	\$ 500.00	
740020	Advertising	\$ 60,000.00	
740050	Registration	\$ 1,500.00	
743690	Other Operating	\$ 1,000.00	
750010	In State Travel	\$ 500.00	
750020	Out of State Travel	\$ 2,000.00	
Total M&O		\$ 69,000.00	
780010	Distance Education	\$ 88,167.30	eCampus 10%
Total Expenses		\$ 463,473.30	
University Share		\$ 418,199.70	

\$

179,400.00

Substantial Curriculum Change Form
(Present only one proposed curriculum change per form)
(Complete only the section(s) applicable.)

Part I

(Check one) <input type="checkbox"/> New Course (Parts II, IV) <input type="checkbox"/> Course Revision (Parts II, IV) <input type="checkbox"/> Hybrid Course ("S," "W") <input checked="" type="checkbox"/> New Program (Part III) <input type="checkbox"/> Program Suspension (Part III) <input type="checkbox"/> Program Revision (Part III)	<table style="width: 100%;"> <tr> <td style="width: 50%;">Department Name</td> <td>Art and Design</td> </tr> <tr> <td>College</td> <td>CLASS</td> </tr> <tr> <td>*Course Prefix & Number</td> <td></td> </tr> <tr> <td>*Course Title (full title±)</td> <td></td> </tr> <tr> <td>*Program Title</td> <td>Certificate in User Experience Design</td> </tr> <tr> <td></td> <td>Short-Term (Departmental)</td> </tr> <tr> <td colspan="2">If Certificate, indicate Long-Term (University) or Short-Term (Departmental)</td> </tr> <tr> <td colspan="2">* Provide only the information relevant to the proposal. ± If Title is longer than 30 characters see Part IV to provide abbreviation</td> </tr> </table>	Department Name	Art and Design	College	CLASS	*Course Prefix & Number		*Course Title (full title±)		*Program Title	Certificate in User Experience Design		Short-Term (Departmental)	If Certificate, indicate Long-Term (University) or Short-Term (Departmental)		* Provide only the information relevant to the proposal. ± If Title is longer than 30 characters see Part IV to provide abbreviation	
Department Name	Art and Design																
College	CLASS																
*Course Prefix & Number																	
*Course Title (full title±)																	
*Program Title	Certificate in User Experience Design																
	Short-Term (Departmental)																
If Certificate, indicate Long-Term (University) or Short-Term (Departmental)																	
* Provide only the information relevant to the proposal. ± If Title is longer than 30 characters see Part IV to provide abbreviation																	

Proposal Approved by:	<u>Date</u>	<u>Date</u>
Departmental Committee	9/9/2020	Council on Academic Affairs
College Curriculum Committee	9/30/2020	Faculty Senate**
General Education Committee*	NA	Board of Regents**
Teacher Education Committee*	NA	EFFECTIVE ACADEMIC TERM***
Graduate Council*	11/02/2020	

*If Applicable (Type NA if not applicable.)
 **Approval needed for program revisions or suspensions.
 ***To be added by the Registrar's Office after all approval is received.

Completion of A, B, and C is required: (Please be specific, but concise.)

A. 1. Specific action requested: (Example: Increase the number of credit hours for ABC 100 from 1 to 2.)

To create a new certificate in User Experience Design as part of the proposed Master of Instructional Design and Learning Technology Degree.

A. 2. Proposed Effective Academic Term: (Example: Fall 2016)

Fall 2021

A. 3. Effective date of suspended programs for currently enrolled students: (if applicable)

B. The justification for this action:

The Department of Art and Design seeks a new certificate in User Experience Design as part of the proposed graduate degree in Instructional Design and Learning Technology. This certificate program will offer a systematic approach to improving learning outcomes by developing consistent, quality instructional products and experiences. Also provide students with an opportunity to obtain the knowledge and skills necessary for entry into the growing field of instructional design.

User Experience Design is an appeal to working professionals who seek career advancement. This certificate is especially lucrative to individuals with a bachelor's degree in instructional design, and offering this certificate will meet employer demand for Instructional Design professionals. The certificate program will also be marketed as venues for professional advancement in the educational and corporate settings. For example, a K-12 teacher might enroll in an instructional design certificate program to move into a technology coordinator role at their school, while students from the private sector typically seek to remain up-to-date with the latest developments in corporate training (Thorton & Donohue, 2017).

One other trend in academia during the past 20 years is an increase in online instruction demand. This need has been exacerbated at the beginning of 2020 due to the COVID-19 outbreak as well, so a certificate in User

Experience Design and/ or Online Learning Design Certificate is timely and should attract prospective students.

Thornton, J. & Donohue, M. (2017) Market Demand for an Online Certificate in Instructional Design. The Advisory Board Company: Washington, D.C.

C. The projected cost (or savings) of this proposal is as follows:

Personnel Impact: NONE

Operating Expenses Impact: NONE

Equipment/Physical Facility Needs: Satisfactory

Library Resources: Satisfactory

Part II. Recording Data for New, Revised, or Dropped Course

(For a **new required course**, complete a separate request for the appropriate program revisions.)

1. For a new course, provide the catalog text.
2. For a revised course, provide the current catalog text with the proposed text using ~~striethrough~~ for deletions and underlines for additions.
3. For a dropped course, provide the current catalog text.

New or Revised* Catalog Text

(*Use ~~striethrough~~ for deletions and underlines for additions. Also include Crs. Prefix, No., and description, limited to 35 words.)

Part III. Recording Data for Revised or Suspended Program

1. For a revised program, provide the current program requirements using ~~striethrough~~ for deletions and underlines for additions.
2. For a suspended program, provide the current program requirements as shown in catalog. List any concentrations and/or minors affected by the program's suspension.

Revised* Program Text

(*Use ~~striethrough~~ for deletions and underlines for additions.)

CERTIFICATE

Persons with a baccalaureate degree from an accredited institution may earn a 12-hour non-degree graduate certificate in the following area. This certificate is granted by the College of Letters, Arts, and Social Sciences. The certificate will consist of four courses for each option. The certificate courses overlap with courses in the M.S. Concentrations and may be applied to the M.S. degree

Certificate in User Experience Design

Certificate Requirements12 hours

DES 850, 851, IDL 812, IDL 813

New Minor, Concentration, University Certificate or Department Certificate

Proposal Approval Form

When proposing a new minor, concentration, university or department certificate, the following factors should be considered:

- Minors and certificates often add time to degree.
- Minors can increase the number of credit hours that students have at graduation.
- Minors and certificates can potentially increase student debt because of the factors above.
- Minors, concentrations, university and department certificates can significantly add to faculty workloads.
- Minors, concentrations, university and department certificates increase the need for oversight and administration.

The following information should be provided in addition to the normal curriculum change forms. Before a new minor, concentration, university or department certificate is submitted to CAA, the Dean must approve the proposal based on the information on this form and any other information requested by the Dean.

From the Proposing Program

1. **How will the new minor, concentration, university or department certificate attract new students to ECU? On what is this based? What is the marketing plan?**

Department certificate in **User Experience Design** will attract existing graduate students enrolled in the Instructional Design and Instructional Technology program, and other learners who are interested in designing interfaces for learning, game, and software systems while utilizing graphic design principles.

User Experience Design (UXD) is primarily concerned with the construction, placement, and utilization of symbol systems for the purpose of facilitating communication, interaction, and interactivity between people and computer systems. UXD is a component of instructional design in that so much of the development of instructional products depends upon electronic delivery.

At the same time, UXD has immediate pertinence to many tasks (both needful and recreational) people encounter every day. Additionally, essential design precepts inherent in visual communication directly translate to this important and evolving field. For these reasons, UXD design is of interest and utility to a wide range of students and professionals who seek to broaden their skill sets as well as deepen their understanding of fundamental principles.

Marketing Plan will be developed by the e-Campus online learning after the MS in **Instructional Design and Learning Technology** is approved.

CERTIFICATE

Persons with a baccalaureate degree from an accredited institution may earn a 12-hour non-degree graduate certificate in the following area. This certificate is granted by the College of Letters, Arts, and Social Sciences. The certificate will consist of four courses for each option. The certificate courses overlap with courses in the M.S. Concentrations and may be applied to the M.S. degree.

Certificate in User Experience Design

Certificate Requirements12 hours

DES 850, 851, IDL 800, 812

2. What is the justification for the proposed curriculum proposal? (i.e., industry demand, job market, accreditation requirement, etc.) Provide evidence.

Instructional Design Paces With Market

According to the market research reports by Finn and Conway (2019) and Plotnik and Hinck (2019), national job opportunities for Master's-level instructional design professionals from September 2016 to July 2019 grew 123 percent (Figure 1). This growth mirrors other careers for which the master's degree is generally required (Figure 1).

Growth At Least Fast As Average

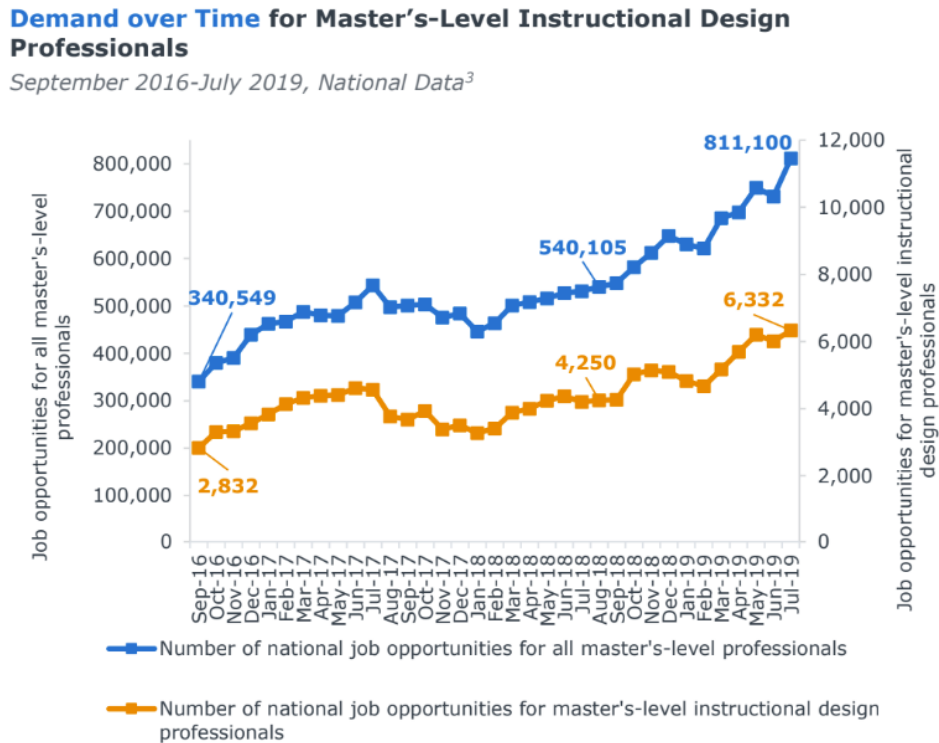
The U.S. Bureau of Labor Statistics (2020) suggests trainers and training development managers, fields for which Instructional designers are well-suited, will experience faster than average growth over the projected time frame of 2018 to 2028. The BLS projects Instructional designers and instructional coordinator jobs will grow at an average rate over the same time period.

Another report by Thornton and Donohue (2017) reported significant increases (52 percent) in demand at the national level for bachelor's and master's level instructional design professionals between February 2018 and June 2018 (Figure 2).

Trends identified by Finn and Conway (2019), Plotnik and Hinck (2019), and Thornton and Donohue (2017) suggest that in order to mitigate potential dearth of program demand, institutions should focus on the recruitment of students at the national level while also offering an orientation toward practical, job-focused learning outcomes which prepare students for immediate, direct-entry into the workplace. ECU's IDLT program seeks to immediately prepare students for gainful employment by having terminal objectives culminate in deliverables suitable for inclusion in professional portfolios. Additionally, the program will directly place students into practicum experiences valued by hiring organizations.

Figure 1

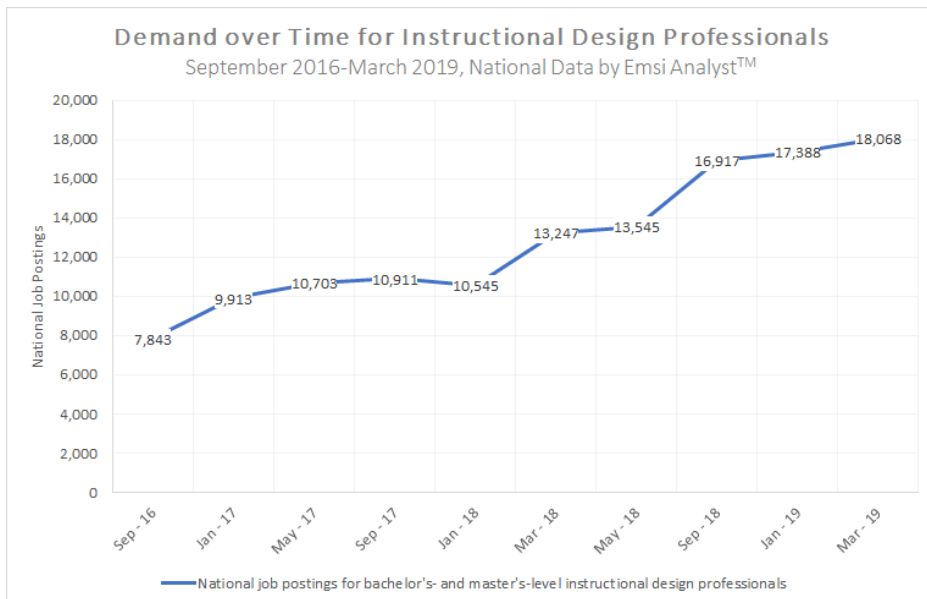
Demand over Time for Master's-Level Instructional Design Professionals. September 2016-July 2019, National Data by Emsi Analyst™



Adapted from "Market Demand for an Online Certificate in Instructional Design," by Thornton, J. & Donohue, M. (2017). Copyright by The Advisory Board Company: Washington, D.C.

Figure 2

Demand over Time for Instructional Design Professionals (Bachelor's and Master's). September 2016-July 2019, National Data by Emsi Analyst™



Adapted from "Market Viability of a Graduate-Level Instructional Design Certificate" by

Plotnik, A. & Hinck, K. (2019). Copyright by The Advisory Board Company: Washington, D.C.

3. What are the qualifications of the faculty to teach the curriculum? Are there sufficient faculty resources to teach the curriculum? Explain.

Selected faculty and staff listed below are qualified teaching the proposed curriculum.

- Ida Kumoji- Ankrah, Professor, MFA, University of Minnesota
- Shannon McCarthy, Assistant Professor, MFA, Minneapolis College of Art & Design
- Chris Daniel, Instructional Designer, ABD, University of Kentucky
- Nedim Slijepcevic, Faculty Development Program Manager, Ed.D., University of Kentucky

Since this is a new program and certificate, identified faculty will dedicate the maximum time needed to recruit students, grow and develop the program.

4. What are the potential costs of the proposed curriculum addition, especially 3-5 years from implementation? Fully explain the answer, particularly if there are no perceived costs.

The certificate in **Online Learning Design** is already a part of the proposed MS in **Instructional Design and Learning Technology** program, so there are no additional costs to offering this certificate.

From the Dean

How will costs of the proposed addition be covered? (Complete A or B, or both if applicable) A. New Resources. Explain.

The resource requirements are incorporated into the proposal for the degree program. The certificate requires no additional resources beyond those required for the program.

B. Reallocation of resources. Explain.

I have thoroughly reviewed the proposal and the above responses and I support the proposal moving forward.



Dean's Signature

8/31/20

Date

Substantial Curriculum Change Form
(Present only one proposed curriculum change per form)
(Complete only the section(s) applicable.)

Part I

(Check one)	Department Name	Art and Design
<input type="checkbox"/> New Course (Parts II, IV)	College	CLASS
<input type="checkbox"/> Course Revision (Parts II, IV)	*Course Prefix & Number	
<input type="checkbox"/> Hybrid Course ("S," "W")	*Course Title (full title±)	
<input checked="" type="checkbox"/> New Program (Part III)	*Program Title	Certificate in Online Learning Design
<input type="checkbox"/> Program Suspension (Part III)		
<input type="checkbox"/> Program Revision (Part III)	Short-Term (Departmental)	
	If Certificate, indicate Long-Term (University) or Short-Term (Departmental)	
	* Provide only the information relevant to the proposal.	± If Title is longer than 30 characters see Part IV to provide abbreviation

Proposal Approved by:	<u>Date</u>		<u>Date</u>
Departmental Committee	9/9/2020	Council on Academic Affairs	
College Curriculum Committee	9/30/2020	Faculty Senate**	11/02/2020
General Education Committee*	NA	Board of Regents**	
Teacher Education Committee*	NA	EFFECTIVE ACADEMIC TERM***	
Graduate Council*	11/02/2020		

*If Applicable (Type NA if not applicable.)
 **Approval needed for program revisions or suspensions.
 ***To be added by the Registrar's Office after all approval is received.

Completion of A, B, and C is required: (Please be specific, but concise.)

A. 1. Specific action requested: (Example: Increase the number of credit hours for ABC 100 from 1 to 2.)

To create a new certificate in Online Learning Design as part of the proposed Master of Instructional Design and Learning Technology Degree.

A. 2. Proposed Effective Academic Term: (Example: Fall 2016)

Fall 2021

A. 3. Effective date of suspended programs for currently enrolled students: (if applicable)

B. The justification for this action:

The Department of Art and Design seeks a new certificate in Online Learning Design as part of the proposed graduated degree in Instructional Design and Learning Technology. This certificate program will offer a systematic approach to improving learning outcomes by developing consistent, quality instructional products and experiences. Also provide students with an opportunity to obtain the knowledge and skills necessary for entry into the growing field of instructional design.

The Online Learning Design is an appeal to working professionals who seek career advancement. This certificate is especially lucrative to individuals with a bachelor's degree in instructional design, and offering this certificate will meet employer demand for Instructional Design professionals. The certificate program will also be marketed as venues for professional advancement in the educational and corporate settings. For example, a K-12 teacher might enroll in an instructional design certificate program to move into a technology coordinator role at their school, while students from the private sector typically seek to remain up-to-date with the latest developments in corporate training (Thorton & Donohue, 2017).

One other trend in academia during the past 20 years is an increase in online instruction demand. This need has been exacerbated at the beginning of 2020 due to the COVID-19 outbreak as well, so a certificate in Online

Learning Design and/ or User Experience Design is timely and should attract prospective students.

Thorton, J. & Donohue, M. (2017) Market Demand for an Online Certificate in Instructional Design. The Advisory Board Company: Washington, D.C.

C. The projected cost (or savings) of this proposal is as follows:

Personnel Impact: NONE

Operating Expenses Impact: NONE

Equipment/Physical Facility Needs: Satisfactory

Library Resources: Satisfactory

Part II. Recording Data for New, Revised, or Dropped Course

(For a **new required course**, complete a separate request for the appropriate program revisions.)

1. For a new course, provide the catalog text.
2. For a revised course, provide the current catalog text with the proposed text using ~~striethrough~~ for deletions and underlines for additions.
3. For a dropped course, provide the current catalog text.

New or Revised* Catalog Text

(*Use ~~striethrough~~ for deletions and underlines for additions. Also include Crs. Prefix, No., and description, limited to 35 words.)

Part III. Recording Data for Revised or Suspended Program

1. For a revised program, provide the current program requirements using ~~striethrough~~ for deletions and underlines for additions.
2. For a suspended program, provide the current program requirements as shown in catalog. List any concentrations and/or minors affected by the program's suspension.

Revised* Program Text

(*Use ~~striethrough~~ for deletions and underlines for additions.)

CERTIFICATE

Persons with a baccalaureate degree from an accredited institution may earn a 12-hour non-degree graduate certificate in the following area. This certificate is granted by the College of Letters, Arts, and Social Sciences. The certificate will consist of four courses for each option. The certificate courses overlap with courses in the M.S. Concentrations and may be applied to the M.S. degree.

Certificate in Online Learning Design

Certificate Requirements12 hours

IDL 810, 811, 813 and 814

New Minor, Concentration, University Certificate or Department Certificate

Proposal Approval Form

When proposing a new minor, concentration, university or department certificate, the following factors should be considered:

- Minors and certificates often add time to degree.
- Minors can increase the number of credit hours that students have at graduation.
- Minors and certificates can potentially increase student debt because of the factors above.
- Minors, concentrations, university and department certificates can significantly add to faculty workloads.
- Minors, concentrations, university and department certificates increase the need for oversight and administration.

The following information should be provided in addition to the normal curriculum change forms. Before a new minor, concentration, university or department certificate is submitted to CAA, the Dean must approve the proposal based on the information on this form and any other information requested by the Dean.

From the Proposing Program

1. **How will the new minor, concentration, university or department certificate attract new students to ECU? On what is this based? What is the marketing plan?**

Department certificate in **Online Learning Design** will attract existing graduate students enrolled in the Instructional Design and Instructional Technology program and students from other disciplines and fields (K-12 teachers, medical, corporate and industrial trainers, etc.). Online learning and design of online instruction is a staple of modern education, and it is projected that interest in the design of online learning (courses, training) will increase (Figure 1 and Figure 2).

One of the trends in academia during the past 20 years is an increase in online instruction demand. This need was exacerbated at the beginning of 2020 due to the COVID-19 outbreak as well, so a certificate in **Online Learning Design** is timely and should attract prospective students.

Another market trend this certificate is intending to utilize is the migration of K12 teachers into instructional design. It is the faculty's intent in this program to actively market to that population and recruit them into the program.

Marketing Plan will be developed by e-Campus online learning after the MS in **Instructional Design and Learning Technology** is approved.

CERTIFICATE

Persons with a baccalaureate degree from an accredited institution may earn a 12-hour non-degree graduate certificate in the following area. This certificate is granted by the College of Letters, Arts, and Social Sciences. The certificate will consist of four courses for each option. The certificate courses overlap with courses in the M.S. Concentrations and may be applied to the M.S. degree.

Certificate in Online Learning Design

Certificate Requirements12 hours
IDL 810, 811, 813 and 814

2. What is the justification for the proposed curriculum proposal? (i.e., industry demand, job market, accreditation requirement, etc.) Provide evidence.

Instructional Design Paces With Market

According to the market research reports by Finn and Conway (2019) and Plotnik and Hinck (2019), national job opportunities for Master's-level instructional design professionals from September 2016 to July 2019 grew 123 percent (Figure 1). This growth mirrors other careers for which the master's degree is generally required (Figure 1).

Growth At Least Fast As Average

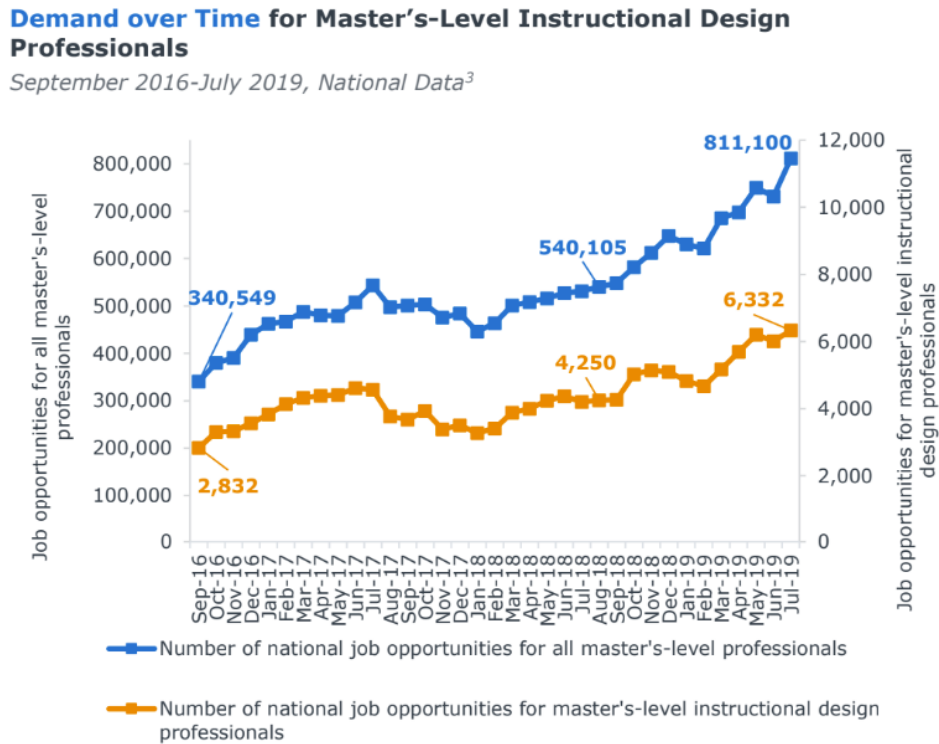
The U.S. Bureau of Labor Statistics (2020) suggests trainers, training development managers, fields for which Instructional designers are well-suited, will experience faster than average growth over the projected time frame 2018 to 2028. The BLS projects Instructional designers and instructional coordinator jobs will grow at an average rate over the same time period.

Another report by Thornton and Donohue (2017) reported significant increases (52 percent) in demand at the national level for bachelor's and master's level instructional design professionals between February 2018 and June 2018 (Figure 2).

Trends identified by Finn and Conway (2019), Plotnik and Hinck (2019), and Thornton and Donohue (2017) suggest that in order to mitigate potential dearth of program demand, institutions should focus on the recruitment of students at the national level while also offering an orientation toward practical, job-focused learning outcomes which prepare students for immediate, direct-entry into the workplace. ECU's IDLT program seeks to immediately prepare students for gainful employment by having terminal objectives culminate in deliverables suitable for inclusion in professional portfolios. Additionally, the program will directly place students into practicum experiences valued by hiring organizations.

Figure 1

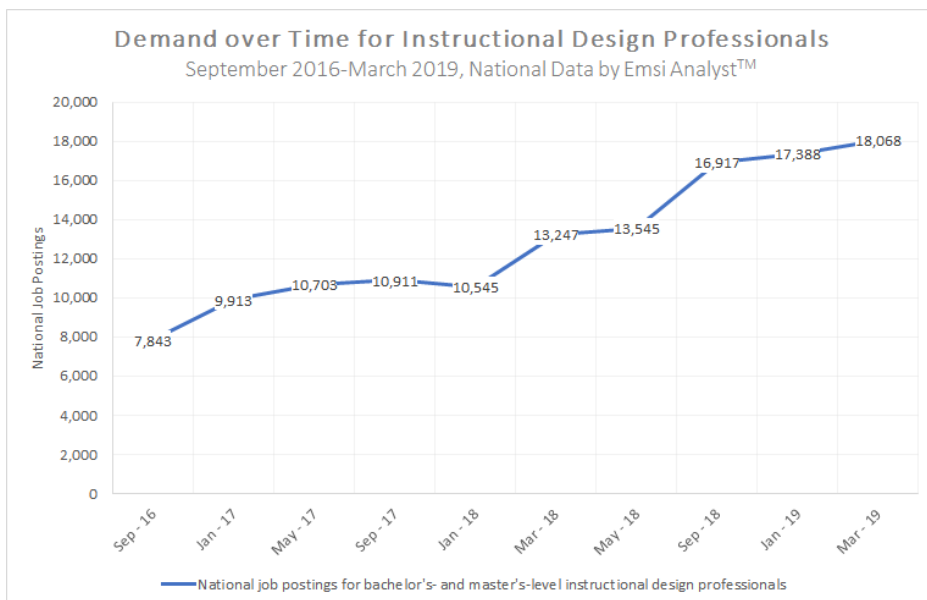
Demand over Time for Master's-Level Instructional Design Professionals. September 2016-July 2019, National Data by Emsi Analysttm



Adapted from "Market Demand for an Online Certificate in Instructional Design," by Thornton, J. & Donohue, M. (2017). Copyright by The Advisory Board Company: Washington, D.C.

Figure 2

Demand over Time for Instructional Design Professionals (Bachelor's and Master's). September 2016-July 2019, National Data by Emsi Analysttm



Adapted from "Market Viability of a Graduate-Level Instructional Design Certificate" by

3. What are the qualifications of the faculty to teach the curriculum? Are there sufficient faculty resources to teach the curriculum? Explain.

Selected faculty and staff listed below are qualified teaching the proposed curriculum.

- Ida Kumoji, Professor; Chair, MFA, University of Minnesota
- Shannon McCarthy, Assistant Professor, MFA, Minneapolis College of Art & Design
- Chris Daniel, Instructional Designer, ABD, University of Kentucky
- Nedim Slijepcevic, Faculty Development Program Manager, Ed.D., University of Kentucky

Since this is a new program and certificate, identified faculty will dedicate the maximum time needed to recruit students and to grow and develop the program.

4. What are the potential costs of the proposed curriculum addition, especially 3-5 years from implementation? Fully explain the answer, particularly if there are no perceived costs.

The certificate in **Online Learning Design** is already a part of the proposed MS in **Instructional Design and Learning Technology** program, so there are no additional costs to offering this certificate.

Certificate

From the Dean

How will costs of the proposed addition be covered? (Complete A or B, or both if applicable) A. New Resources. Explain.

The resource requirements are incorporated into the proposal for the degree program. The certificate requires no additional resources beyond those required for the program.

B. Reallocation of resources. Explain.

I have thoroughly reviewed the proposal and the above responses and I support the proposal moving forward.



Dean's Signature

8/31/20

Date

DATE: October 5, 2020

TO: Jennifer Wies, Associate Provost

FROM: Thomas Erikson, Dean



RE: School of Business Reorganization
Merging AFIS and MMIB Departments

The College of Business and Technology is requesting an organizational change, merging the Department of Accounting, Finance and Information Systems and the Department of Management, Marketing and International Business into a non-departmental School of Business. The proposed reorganization will provide efficiencies in the design, delivery and assessment of the undergraduate business core, in the delivery of the MBA, in the development and delivery of eCampus business programs, and in the maintenance of AACSB accreditation. It will also provide some budget savings. The framework for the proposed non-departmental School of Business is attached.

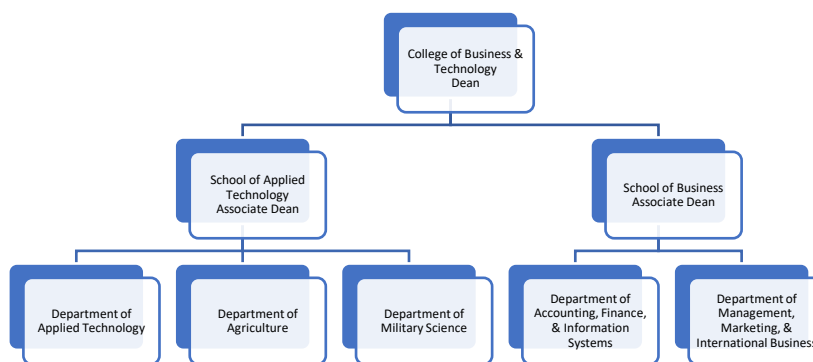
Please review this request and contact me should you need further information or clarification on any point. Please move this proposal forward for final approval and implementation.

Proposal for a Non-Departmental Framework for the School of Business

The School of Business requests that its two departments be merged. The Department of Accounting, Finance, and Information Systems and the Department of Management, Marketing, and International Business will become a non-departmental School of Business. As a result, references in the catalog, in Degree Works/Banner, and in Registration/Schedule Book to each of these departments would be replaced by references to the School of Business.

The current structure for the College of Business & Technology includes two schools, the School of Applied Technology and the School of Business. Each school is made up of departments, as follows:

Current Structure of the College of Business & Technology



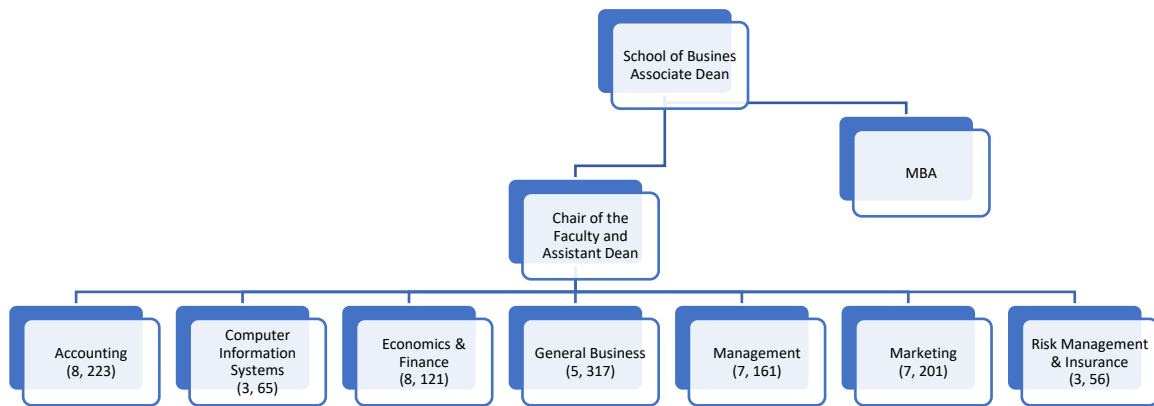
Instead of departments, the School of Business will be organized around programs. These programs exist in both departments in the current structure. The BBA includes a common core which is currently supported by both departments. Every business major completes the common business core.

In the merged School of Business the two department chairs will be replaced to one Chair of the Faculty. Given the complexity and size of the new unit the Chair of the Faculty will also be designated as the Assistant Dean. The Chair of the Faculty and Assistant Dean will have supervision responsibility for the 41 full-time faculty members, more than 1100 undergraduate majors, a growing number of eCampus BBA programs, seven program coordinators, and two support staff, in addition to providing oversight for three centers (Professional Sales, Banking, and Economic Education), working with the School's National Advisory Board, fostering corporate alliances, and providing a major leadership role in maintaining AACSB accreditation including oversight for assurance of learning.

Program coordinators will have responsibilities related to curriculum for the majors, scheduling, student events, and other related duties. The MBA, a program that bridged the two departments in the past, will continue as the School of Business graduate program under the direct supervision of the Associate Dean.

The following chart presents the organization of the merged School of Business. Program are listed with the number of faculty and the number of majors in parentheses. Number of majors includes only first major if second major is also in business.

Revised Structure of the School of Business



Substantial Curriculum Change Form
(Present only one proposed curriculum change per form)
(Complete only the section(s) applicable.)

Part I

(Check one) <input type="checkbox"/> New Course (Parts II, IV) <input type="checkbox"/> Course Revision (Parts II, IV) <input type="checkbox"/> Hybrid Course ("S," "W") <input type="checkbox"/> New Minor (Part III) <input type="checkbox"/> Program Suspension (Part III) <input checked="" type="checkbox"/> Program Revision (Part III)	Department Name College *Course Prefix & Number *Course Title (full title±) *Program Title If Certificate, indicate Long-Term (University) or Short-Term (Departmental) * Provide only the information relevant to the proposal.	Curriculum and Instruction College of Education Master of Arts in Elementary Education ± If Title is longer than 30 characters see Part IV to provide abbreviation
---	--	--

Proposal Approved by:	<u>Date</u>		<u>Date</u>
Departmental Committee	3-5-2020	Council on Academic Affairs	10/15/20
College Curriculum Committee	4-21-2020	Faculty Senate**	11/2/20
General Education Committee*	NA	Board of Regents**	PENDING
Teacher Education Committee*	5-5-2020	EFFECTIVE ACADEMIC TERM***	
Graduate Council*	9/18/2020		

*If Applicable (Type NA if not applicable.)
 **Approval needed for program revisions or suspensions.
 ***To be added by the Registrar's Office after all approval is received.

Completion of A, B, and C is required: (Please be specific, but concise.)

A. 1. Specific action requested: (Example: Increase the number of credit hours for ABC 100 from 1 to 2.) Update the MAEd in Elementary Education to provide a non-certification route. This new route does not utilize any new courses but does provide a general education Masters degree option for candidates from a variety of disciplines. Specifically, it meets a need for potential international students as well.	
A. 2. Proposed Effective Academic Term: (Example: Fall 2016) Fall 2021	
A. 3. Effective date of suspended programs for currently enrolled students: (if applicable)	

B. The justification for this action: Other disciplines (e.g., Social Work, Criminal Justice, etc.) may have a specific interest in educational studies. Currently, our master's level programs do not provide an option for this kind of learner. In order to accommodate a need for graduate level work that is open to non-certified educators, we are proposing an alternate option.	
---	--

C. The projected cost (or savings) of this proposal is as follows: Personnel Impact: none as written (*if the courses do eventually have to be offered for international students, they may need to be offered in additional face-to-face settings as opposed to online.) Operating Expenses Impact: none Equipment/Physical Facility Needs: none Library Resources: none	
--	--

MASTER OF ARTS IN ELEMENTARY EDUCATION
(MAED) ~~with Teacher Leader Endorsement Preparation~~

CIP Code: 13.1202

I. GENERAL INFORMATION

The MAED in Elementary Education is available to candidates who wish to a) improve their professional skills, extend their knowledge of the subjects they teach, and increase their understanding of the intellectual, philosophical, sociological, psychological, and cultural foundations of effective education in order to serve as instructional leaders, teacher mentors, instructional facilitators, department chairs and/or team leaders; or b) deepen their understanding of teaching and learning development, practices, and trends.

This program is designed to help teachers certified to teach in elementary schools (P-5) improve their professional skills, extend their knowledge of the subjects they teach, and increase their understanding of the intellectual, philosophical, sociological, psychological, and cultural foundations of effective education in order to serve as instructional leaders, teacher mentors, literacy or math coaches, instructional facilitators, department chairs and/or team leaders. Candidates who complete Option A will be eligible to apply for the Teacher Leader Endorsement upon completion of this program.

II. ADMISSION REQUIREMENTS

~~All c~~andidates must meet the admissions requirements of the Graduate School ~~and have completed an initial elementary teaching certification program~~. In addition, candidates must have earned an overall 3.0 undergraduate GPA or a 3.0 in the last 30 hours completed.

In addition, the following are required for admission to the program:

MAED Option A: Advanced study requires a valid teaching license in initial elementary education. With this option, candidates will be eligible to apply for the Teacher Leader Endorsement upon completion of this program.

MAED Option B: Candidates entering this non-teaching option must hold a bachelor's degree in education or related human services discipline from an accredited institution. Prerequisite coursework (completed or equivalent): EDF 203, EDF 219, and EDF 413

III. PROGRAM REQUIREMENTS

~~Professional Education Core.....14 hours~~

~~EDF 804(2); ETL 800, 801, 803; 805.~~

~~Supporting Coursework.....15 hours~~

~~ELE 871 and EME 843.....6 hours~~

~~EME 870 or EMS 846 3 hours~~

~~EMS 855 or 777.....3 hours~~

~~Advisor Approved Elective.....3 hours~~

~~Course selected to strengthen candidate's knowledge of subjects taught. Candidates are encouraged to discuss endorsement options with their advisor as well.~~

~~Exit Requirement.....1 hour~~

~~ETL 806 (1)*, GRD 878a~~

~~Minimum Program Total.....30 hours~~

Required Core for Both Options.....14 hours

Educational Technology: EDF 804 (2)

Literacy Programs: ELE 871

Gifted Learners: EMS 855

Math Programs: EME 843(Opt.A) or EME 866 (Opt.B)

Science or Social Studies Programs: EME 870 or EMS 846

Option A: Advanced Study.....16 hours

Teacher Leader Endorsement: ETL 800, 801, 803, 805, 806 (1).....13 hours

Elementary Education Support Course: *advisor approved elective...3 hours

*Course selected to strengthen candidate's knowledge of subjects taught. Candidates are encouraged to discuss endorsement options with their advisor as well.

Option B: Non-Teaching Option17 hours

EDF 855, ELE 826 (2), EMS 775, 842; SED 800.....14 hours

Support Course: EPY 869..... 3 hours

Exit Requirement..... GRD 878a

Minimum Program Total.....30-31 hours

IV. EXIT REQUIREMENTS

The following are the exit requirements for Elementary Education:

- **Program GPA:** Candidates must earn overall GPA of 3.0 or higher, with no grade lower than a C.
- **Research Requirement:** ~~An action research project which culminates in a technology enhanced presentation is required in the Capstone Seminar, ETL 806~~
- **Option A:** ~~An action research project which culminates in a technology enhanced presentation is required in the Capstone Seminar, ETL 806. ETL 806 is repeatable for candidates not completing their Capstone Research Project in one semester. Candidates may register for ETL 806 only in the last semester of study and after successful completion of the prerequisite course, ETL 805.~~
- **Option B:** ~~A comprehensive examination is required for this option.~~
- **GRD 878a**
~~*ETL 806 is repeatable for candidates not completing their Capstone Research Project in one semester. Candidates may register for ETL 806 only in the last semester of study and after successful completion of the prerequisite course, ETL 805.~~

Part IV. Recording Data for New or Revised Course (Record only new or changed course information.)

Course prefix (3 letters)	Course Number (3 Digits)	Effective Academic Term (Example: Fall 2016)	College/Division: BT _____ HS _____ CL _____ JS _____ ED _____ SC _____	Dept. (4 letters)*
Credit Hrs.	Weekly Contact Hrs. Lecture _____ Laboratory _____ Other _____		Repeatable Maximum No. of Hrs. _____	
		CIP Code (first two digits only)		
Schedule Type* (List all applicable)	Work Load (for each schedule type)	Grading Mode*	Class Restriction, if any: (undergraduate only) FR _____ JR _____ SO _____ SR _____	
		Grading Information: Course is eligible for IP (in-progress grading) for: <u>Check all applicable</u>	Course Title Abbreviation:(30 character limit)	
		Thesis _____		
		Internship _____		
		Independent Study _____		
		Practicum _____		
CoRequisites and Prerequisites **See definitions on following page**				
Co-Requisite(s): (List only co-requisites. See below for prerequisites and combinations.)				
Course Prefix and No.				
Course Prefix and No.				
Prerequisite(s): (List prerequisites only. List combinations below. Use “and” and “or” literally.) (Specific minimum grade requirements should be placed in () following courses. Default grade is D -.)				
Course Prefix and No.				
Course Prefix and No.				
Test Scores				
Minimum GPA (when a course grouping or student cumulative GPA is required)				
Co-requisite(s) and/or Prerequisite(s) Combination (Use “and” and “or” literally.) (Specific minimum grade requirements should be placed in () following courses. Default grade is D-.)				
Course Prefix and No.				

MAED, Elementary Education Curriculum Map		SLO 1 - Candidates will demonstrate disciplinary-specific content knowledge.	SLO 2 - Candidate will demonstrate professional dispositions.	SLO 3 - Candidate will demonstrate proficiency in using data and research to drive decision making.	SLO 4 - Candidate will demonstrate integration of technology within the discipline.	SLO 5 - Candidate will demonstrate proficiency in teaching, as measured by clinical experiences.	SLO 6 - Candidate will demonstrate proficiency on relevant pedagogy standards, including KTS, InTASC, and SPA standards.	SLO 7 - Candidate will demonstrate proficiency in professional practices related to differentiation, literacy instruction, and cultural competency.
Required Core								
EDF 804	Teaching and Leading with Technology	✓			✓	✓	✓	
ELE 871	Literacy Programs: P-5	✓		✓	✓	✓	✓	✓
EME 843 or EME 866	Mathematics Intervention Strategies or Investigations in Mathematics	✓					✓	✓
EME 870 or EMS 846	Trends in Science or Social Studies Investigations	✓			✓		✓	
EMS 855	Gifted Learners	✓					✓	✓
Option A								
ETL 800	Leadership Skills for Teachers	✓	✓	✓		✓	✓	✓
ETL 801	Change Leadership	✓		✓		✓	✓	
ETL 803	Curriculum for Leaders in Education	✓	✓	✓		✓	✓	✓
ETL 805	Research for Teacher Leaders	✓	✓	✓		✓	✓	
ETL 806	Teacher Leader Capstone	✓	✓	✓	✓	✓	✓	
Advisor Approved Elective	Content Varies	✓						
Option B								
EDF 855	Foundations of Multicultural Education	✓		✓			✓	✓
ELE 826	Integrated Arts, Humanities, and Practical Living	✓			✓		✓	✓
EMS 775	Methods and Materials for Teaching ESL	✓		✓			✓	✓
EMS 842	Discipline and Classroom Management	✓					✓	✓
EPY 869	Research and Program Evaluation	✓		✓			✓	✓
SED 800	Exceptional Learners in the General Education Classroom	✓		✓	✓		✓	✓

MAED, Secondary Education Program's Curriculum Objective Map		SLO 1 - Candidates will demonstrate disciplinary-specific content knowledge.	SLO 2 - Candidate will demonstrate professional dispositions.	SLO 3 - Candidate will demonstrate proficiency in using data and research to drive decision making.	SLO 4 - Candidate will demonstrate integration of technology within the discipline.	SLO 5 - Candidate will demonstrate proficiency in teaching, as measured by clinical experiences.	SLO 6 - Candidate will demonstrate proficiency on relevant pedagogy standards, including KTS, INTASC, and SPA standards.	SLO 7 - Candidate will demonstrate proficiency in professional practices related to differentiation, literacy instruction, and cultural competency.
Teacher Leader Core								
ETL 800	Leadership Skills for Teachers	✓	✓	✓		✓	✓	✓
ETL 801	Change Leadership	✓		✓		✓	✓	
ETL 803	Curriculum for Leaders in Education	✓	✓	✓		✓	✓	✓
EDF 804	Teaching and Leading with Technology	✓			✓	✓	✓	
ETL 805	Research for Teacher Leaders	✓	✓	✓		✓	✓	
ETL 806	Teacher Leader Capstone	✓	✓	✓	✓	✓	✓	
Secondary Emphasis Courses								
EMG 806	Reading Instruction in the Middle School	✓	✓	✓			✓	✓
Concentration Hours								
12 hours	Certification Area Specialization	✓						
12-15 hours	Endorsement with Certification Area Specialization	✓	✓	✓	✓	✓	✓	✓
18 hours	Teacher Leader with Preparation to Teach Dual Credit	✓	✓				✓	

Substantial Curriculum Change Form
(Present only one proposed curriculum change per form)
(Complete only the section(s) applicable.)

Part I

(Check one) <input type="checkbox"/> New Course (Parts II, IV) <input type="checkbox"/> Course Revision (Parts II, IV) <input type="checkbox"/> Hybrid Course ("S," "W") <input type="checkbox"/> New Minor (Part III) <input type="checkbox"/> Program Suspension (Part III) <input checked="" type="checkbox"/> Program Revision (Part III)	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">Department Name</td> <td style="width: 50%;">Curriculum and Instruction</td> </tr> <tr> <td>College</td> <td></td> </tr> <tr> <td>*Course Prefix & Number</td> <td></td> </tr> <tr> <td>*Course Title (full title±)</td> <td></td> </tr> <tr> <td>*Program Title</td> <td>MAEd Secondary Education: Preparation to teach Dual Credit Instructional Computer Technology</td> </tr> <tr> <td colspan="2">If Certificate, indicate Long-Term (University) or Short-Term (Departmental)</td> </tr> <tr> <td>* Provide only the information relevant to the proposal.</td> <td>± If Title is longer than 30 characters see Part IV to provide abbreviation</td> </tr> </table>	Department Name	Curriculum and Instruction	College		*Course Prefix & Number		*Course Title (full title±)		*Program Title	MAEd Secondary Education: Preparation to teach Dual Credit Instructional Computer Technology	If Certificate, indicate Long-Term (University) or Short-Term (Departmental)		* Provide only the information relevant to the proposal.	± If Title is longer than 30 characters see Part IV to provide abbreviation
Department Name	Curriculum and Instruction														
College															
*Course Prefix & Number															
*Course Title (full title±)															
*Program Title	MAEd Secondary Education: Preparation to teach Dual Credit Instructional Computer Technology														
If Certificate, indicate Long-Term (University) or Short-Term (Departmental)															
* Provide only the information relevant to the proposal.	± If Title is longer than 30 characters see Part IV to provide abbreviation														

Proposal Approved by:	<u>Date</u>	<u>Date</u>
Departmental Committee	4/2/2020	Council on Academic Affairs 10/15/20
College Curriculum Committee	4/21/2020	Faculty Senate** 11/2/20
General Education Committee*	NA	Board of Regents** PENDING
Teacher Education Committee*	5/5/2020	EFFECTIVE ACADEMIC TERM***
Graduate Council*	9/18/2020	

*If Applicable (Type NA if not applicable.)
 **Approval needed for program revisions or suspensions.
 ***To be added by the Registrar's Office after all approval is received.

Completion of A, B, and C is required: (Please be specific, but concise.)

<p>A. 1. Specific action requested: (Example: Increase the number of credit hours for ABC 100 from 1 to 2.)</p> <p>Update the language in admission requirements to be consistent in online department programs. Adjust program options for instructional technology preparation option.</p> <p>A. 2. Proposed Effective Academic Term: (Example: Fall 2016)</p> <p>Fall 2021</p> <p>A. 3. Effective date of suspended programs for currently enrolled students: (if applicable)</p>
<p>B. The justification for this action: This action will ensure that the Dual Credit Instructional Technology preparation option in MAEd Secondary Education program accounts for the current course offerings. The Admission Criteria are also updated to reflect consistent admission expectations across programs.</p>
<p>C. The projected cost (or savings) of this proposal is as follows:</p> <p>Personnel Impact: None</p> <p>Operating Expenses Impact: None</p> <p>Equipment/Physical Facility Needs: None</p> <p>Library Resources: None</p>

Revised* Program Text
 (*Use ~~strike through~~ for deletions and underlines for additions.)
MASTER OF ARTS IN SECONDARY EDUCATION (M.A.Ed.)
 with
Teacher Leader Endorsement Preparation
CIP Code: 13.0409

I. GENERAL INFORMATION

The curriculum is designed to help teachers certified to teach in secondary programs (P-12, 5-12, or 8-12) improve their professional skills, extend their knowledge of the subjects they teach, and increase their understanding of the intellectual, philosophical, sociological, psychological, and cultural foundations of effective education in order to serve as instructional leaders, teacher mentors, literacy or math coaches, instructional facilitators, department chairs and / or team leaders. Candidates will be eligible to apply for the Teacher Leader Endorsement upon completion of this program.

II. ADMISSION REQUIREMENTS

Candidates must meet the admissions requirements of the Graduate School and have completed an initial teaching certification program in secondary programs (P-12, 5-12, or 8-12. In addition, candidates must have earned an overall 3.0 undergraduate GPA or a ~~3-25~~ 3.0 in the last ~~60~~ 30 hours completed.

III. PROGRAM REQUIREMENTS

Professional Education Core..... 14 hours

EDF 8042 hours

ETL 800, 801, 803 and 805.....12 hours

Secondary Program Supporting Coursework..... 3 hours

EMG 806.....3 hours

Concentration Area (see choices below)..... 12-18 hours

Exit Requirement..... 1 hour

ETL 806 (1)*, GRD 878i

Minimum Program Total 30-36 hours

Concentration Areas:

1. Certification Area Specialization..... 12 hours

Subject matter or education coursework selected in consultation with advisor: courses selected to strengthen candidate's knowledge in area(s) of certification. (Subject

areas include; Agriculture, Art, Biology, Business & Marketing, Chemistry, ~~Dual Credit Content Preparation, Dual Credit Prep Instructional Computer Technology, Dual Credit Prep Other Subject~~, Earth Science, Engineering and Technology, English, ~~English as Second Language (P-12), Environmental Education (P-12), Family and Consumer Science, French, Gifted Education (P-12), Health, Instructional Computer Technology (P-12), Literacy Specialist (P-12), Mathematics, Music, Physical Education, Physics, and Social Science/History, Spanish and Theatre~~)

Endorsement or Dual Credit Preparation with Certification Area Specialization..... 12-18 hours

2. English as a Second Language (Grades P-12)

Endorsement..... 12 hours

EME 751, EMS 775, EMS 776; EMS 777

3. Environmental Education (Grades P-12)

Endorsement..... 12 hours

BIO 790; EMS 761; BIO 700, EMS 765S, EMS 764S, or approved international service learning; EMS 763, 764S, or 765S

4. Gifted Education (Grades P-12) Endorsement..... 12 hours

EMS 855, 856, 857, 858

5. Instructional Computer Technology (Grades P-12)

Endorsement..... 12 hours

EDC 810, 811, 812, 813

6. Literacy Specialist (Grades P-12) Endorsement... 15 hours

ELE 871; EMS 873, EMS 875; EMS 876; and EME 877

7. Preparation to Teach Dual Credit Music 18 hours

MUS 755, 756, 872, 878, 887, and one .advisor approved elective (3)

8. Preparation to Teach Dual Credit Instructional

Computer Technology..... 18 hours

EDC 810, 811, 812, 813, CIS 850, and ~~INF 710 or~~ LIB 801

9. Preparation to Teach Dual Credit -Other Subject Area concentrations..... 18 hours

Other subject area concentrations may be chosen in consultation with education advisor and content specialist after transcript evaluation of prior coursework

EASTERN KENTUCKY UNIVERSITY
521 Lancaster Avenue; Roark 103
Richmond, KY 40475-3102

Jeremy Mulholland, Associate Dean
Phone: (859) 622-6765
Email: Jeremy.mulholland@eku.edu

DATE: October 26, 2020

TO: Jennifer Wies, Associate Provost

FROM: Jeremy Mulholland, Associate Dean

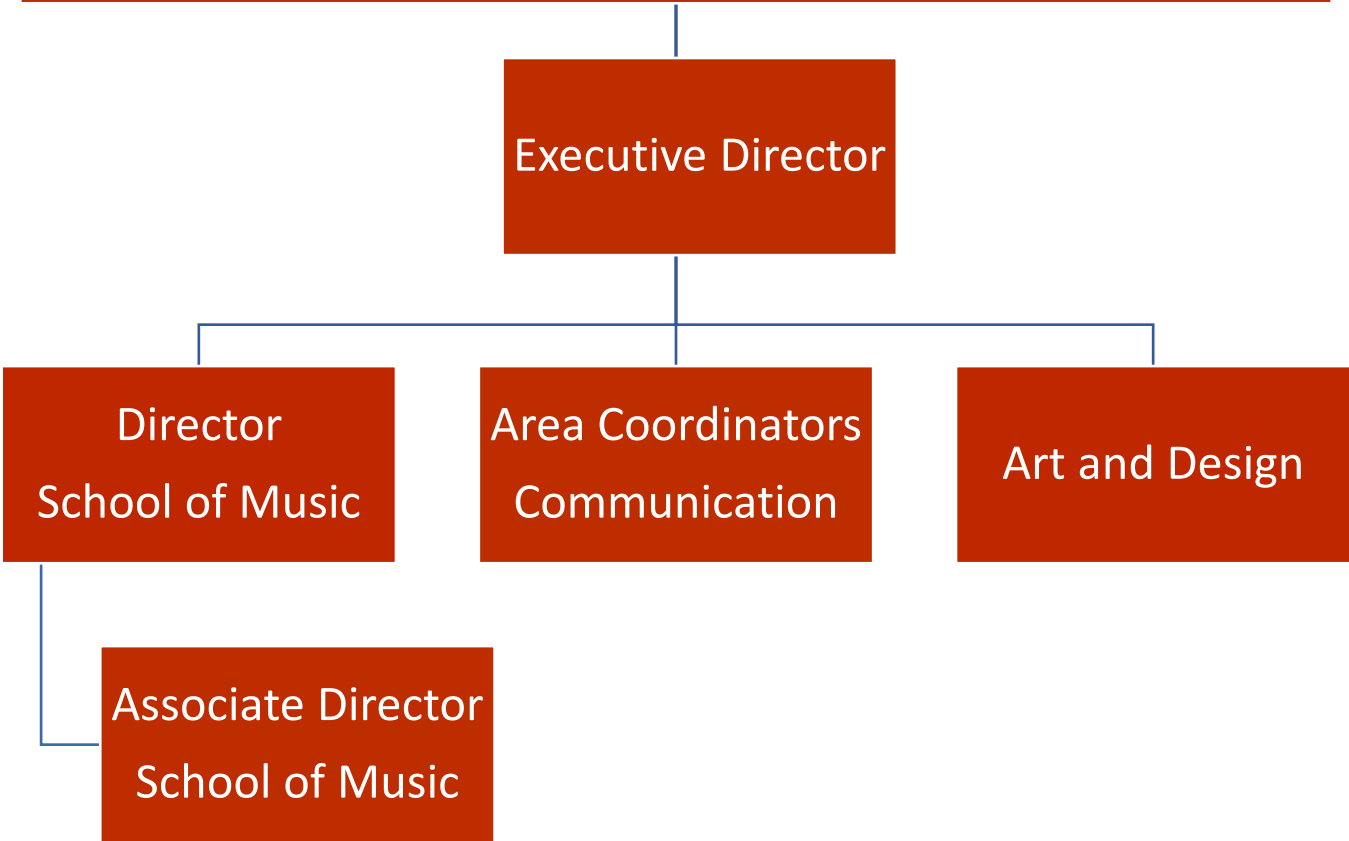
RE: Merging Art & Design, Communication, and the School of Music



The College of Letters, Arts, & Social Sciences is requesting an organizational change, merging the Department of Art & Design, the Department of Communication, and the School of Music. This merger will be known as **The Institute for Creative and Collaborative Arts: Art, Communication, Music, and Design (ICCA)**, and managed by an Executive Director. The proposed reorganization will provide efficiencies in the design, delivery and assessment of undergraduate and graduate creative and collaborative arts programs, in the development and delivery of e-Campus creative and collaborative arts degrees, and in the maintenance of program accreditations. This merger will also provide budget savings. The organizational chart for the proposed Institute is attached.

Please review this request and contact me should you need further information or clarification on any point. Please move this proposal forward for final approval and implementation.

The Institute for Creative and Collaborative Arts:
Art, Communication, Music and Design



I. Approval of Degree Candidates for Fall 2020

II. Issue

The Board of Regents should formally confirm and confer the degrees for the candidates who have completed degree requirements for Fall 2020.

III. Background

Candidates for degrees must meet the requirements of their respective academic programs. All degree requirements are verified by the appropriate Academic Departments and Colleges, as well as the Office of the Registrar, and recommended by the Executive Vice President for Academic Affairs & Provost for the Fall 2020 graduates. Candidates for degrees are hereby submitted to the Board for the formal vote of the confirmation of conferral of degrees pursuant to KRS 164.350(1)(d).

IV. Alternatives

While the conferral of degrees is vested in the Board of Regents, as these students have met the various academic requirements, the conferral of these degrees should be confirmed.

V. President's Recommendation

Based upon recommendations from the appropriate Chairs, Deans, Office of the Registrar, and the Executive Vice President for Academic Affairs & Provost, the President recommends the formal confirmation of the Board of Regents of the conferral of degrees for Fall 2020 graduates who have met or will meet degree requirements.

I. Proposed Model Laboratory School Proposed Tuition Rates and Fees for Fiscal/Academic Year 2021-22

II. Issue

Model Laboratory School tuition and fees are reviewed annually and are required to be established for fiscal/academic year 2021-22.

III. Background and Process

Model Laboratory School's budget has been developed through the efforts of its Superintendent and administration; and in collaboration with the Eastern Kentucky University Finance & Administration Offices. Revenues are based upon appropriated funds and tuition and fees paid by students.

The tuition and fees recommendation for Model Laboratory School for fiscal/academic year 2021-22 is unchanged from the prior year; a zero percent (0%) increase. Please refer to *Attachment A* for the full schedule of proposed tuition and fees for Model Laboratory School.

In emergency or unanticipated situations, the Superintendent, in consultation and collaboration with the Senior Vice President for Finance & Administration, may approve other necessary fees in the interim until the Eastern Kentucky University Board of Regents convenes and approves the interim action.

IV. Alternatives

Alternatives include modifying Model Laboratory School tuition and fees more or less than proposed.

V. President's Recommendation

It is the President's recommendation that the Board of Regents approve the recommended tuition and fees for fiscal/academic year 2021-22 for Model Laboratory School as proposed.

MODEL LABORATORY SCHOOL

AT EASTERN KENTUCKY UNIVERSITY

Attachment A

Proposed Tuition and ECU Assessed Fees for 2021-22

Amounts are Annual Totals	Kindergarten	Grades 1-12
Tuition	\$3700	\$3415
Textbook / Workbook Fee	\$ 175	\$ 205
Technology Fee	\$ 275	\$ 275
Asset Preservation Fee	\$ 100	\$ 100
TOTAL TUITION AND UNIVERSAL FEES	\$4250	\$3995

For returning Model students in good standing, a \$250 nonrefundable deposit is due by March 31 to secure enrollment for the next year. The \$250 deposit will be applied to the following year's tuition.

For students enrolling at Model for the first time, the \$250 nonrefundable deposit is due within 48 hours of notification of acceptance. The \$250 deposit will be applied to the following year's tuition.

The annual tuition bill will be reduced by the deposit amount and any discounts, if applicable.

Tuition and Fees will be billed over 10 months: August thru May. Payments are due by the 15th of each month.

For partial year students only tuition, the textbook/workbook fee, and the technology fee will be prorated by months enrolled. Students who attend any portion of a month will be billed for that month. No other fees are prorated.

For families with multiple students enrolled at Model, the oldest student's tuition (only) will be reduced by 5%. Fees are not discounted. Students who would qualify for free/reduced price lunch may request to have fees (but not tuition) waived.

A late payment fee will be assessed for tuition payments not received by the due date.

Model Assessed Specialized Fees for 2021-22

Fee	Amount	Note	Fund Mapping
AP Exam (per course / exam taken) The amount is established annually by The College Board. Required for any student enrolled in an AP Course.	\$94*	All AP exams except AP Seminar and AP Research	Org: 232204 Model Lab Textbooks
	\$142*	AP Seminar and AP Research	
Art Studio Elective Courses (Grades 8-12)	\$35	Ceramics, Visual Art I, Visual II, Ind. Study in Art, AP Studio Art	Org: 616034 Art Activity Fund MS0034- HS Art
Athletic Uniform Rental Fee	\$75	Only assessed for athletes in a sport with a uniform rotation. (Soccer, Basketball, Baseball, Softball, Track, Cross Country, Volleyball) in High School Team (Varsity or JV) Max of \$75 per student annually.	Org: 232243 Model Lab Athletics
Technology Certifications (GMetrix) Microsoft Certifications	\$120*	Digital Literacy	Org: 232247 Model Lab Assessments
Graduation Fee (Assessed to all Seniors)	\$40	Cap, Gown and Tassel, Diploma & Cover, Honor Cords	Org: 232242 Model Lab Secondary
Lock Replacement	\$10		Org: 616034 MS0039 Model Locks/Lockers
Lost/Damaged Technology (computer, tablet, charger, etc.) Replacement	Actual replacement cost		Org: 232202 Model Lab Technology
Lost Textbook or Replacement Workbooks	Actual replacement cost		Org: 232204 Model Textbooks
Lost Library Book Fee	Actual replacement cost		Org: 232245 MS0050 Model Library
Field Trips	Variable	Actual fee based on specific trip and activities.	
Background Check Volunteer (non-employee)	\$15*		Org: 232245 MS0002 Model Background Checks

Background Check w/Fingerprint (non-employee) *initial screening and at change of school (e.g. elementary to secondary)	\$25*		Org: 232245 MS0002 Model Background Checks
PSAT (11 th graders only who elect to take it)	\$17*	Amount charged by The College Board	Org: 232204 Model Lab Textbooks
Late Payment Fee	\$25	Required payments paid after the 15 th of any month	Org: 232200 Model Lab School
Returned Check Fee	\$25	Per check	Org: 232200 Model Lab School
Credit Card Processing/Convenience Fee	4% of the total transaction		Org: 232200 Model Lab School

*These amounts are determined by external providers. They reflect the 2020-21 school year rates. Model will adjust these rates to those assessed by external providers once those rates are established for 2021-22.

Other Notes

Model Laboratory School assesses and collects additional dues for clubs, organizations, activities for which students opt to join, be part of, or attend as well as for graduation regalia, class rings, Yearbooks, school pictures, senior portraits, ACT, spirit wear and memorabilia, snacks, etc. for which the school makes payment on behalf of the student.

These fees do not include any fees or charges assessed by the university's food service provider.

Students who apply for financial assistance/aid must apply and pay the review fee of \$30.00 to the school's approved clearinghouse.

In emergency or unanticipated situations, the Superintendent may approve other necessary fees in the interim until the Board of Regents convenes and approves the fee schedule.

Upon parent request, the superintendent may approve deferment agreements and/or waiver of late fees in extenuating circumstances.

Model Lab School Extended Learning Program For 2021-22

Annual Registration/Enrollment/ Application Fee	\$50 per family
Full-Time Weekly Tuition Rate	\$65 per child, per week
Part-Time, Drop-In Tuition Rate	\$8 per child, per hour

Summer Enrichment Program For 2021-22

Registration/Enrollment/Application Fee	\$5 per child, per summer
Class Tuition	\$3 per child, per hour

Summer School – Secondary For 2021-22

Course Tuition	\$50 per ½ credit
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Eastern Kentucky University
Dual Credit Tuition and Fees

Dual credit tuition rates are established annually and based on KRS which set the rate at 2/5 (two-fifths) or 40% of the Community College and Technical College System's hourly rate. The Community and Technical College System approve the rate in June of each year.



Eastern Kentucky University Policy and Regulation Library

8.2.9

Volume 8, Human Resources

Chapter 2, Employee Benefits

Section 9, Sick Leave Bank

Approval Authority: Board of Regents

Responsible Executive: Executive Director of Human
Resources and Institutional Equity

Responsible Office(s): Human Resources

Issued: 8/1/02

Effective:

Next Review Date:

Sick Leave Bank

Statement

The purpose of this policy is to provide the means for all eligible University employees to have access to extended sick leave in the event they are personally subject to a Qualifying Medical Event and face a hardship due to inadequate accumulated leave time. It is not intended to encourage or reward the abuse or inappropriate use of sick leave. The Sick Leave Bank Committee will make the approval or disapproval of sick leave awards for illness or injury from the Sick Leave Bank.

Entities Affected

All eligible University employees who have suffered a Qualifying Medical Event and have legitimately exhausted all of their accumulated sick and vacation leave.

Procedures

I. Eligibility

In order to be eligible for Sick Leave Bank benefits, the faculty or staff member must be a regular, full-time employee who is eligible to accrue University sick leave. New employees become eligible after **one year** of continuous regular service.

Prior to utilizing the Sick Leave Bank, the employee must exhaust any and all of the following benefits, if available and appropriate.

- Accrued Sick Leave
- Accrued Vacation Leave
- Floating Holiday

Sick Leave Bank benefits are not available to University employees who:

- Are currently receiving long-term disability payments;
- Are currently receiving Social Security disability payments; or
- Are currently receiving Worker's Compensation disability payments.

Contributing to the Sick Leave Bank is not a requirement to apply for benefits. This benefit will, if approved by committee, provide a Short Term Disability (STD) plan for a minimum of five working days and a maximum of up to 60 working days in any twelve month period. The twelve month period is calculated from the first day in which Sick Bank hours are awarded.

In order to be considered for benefits from the Sick Leave Bank, the employee must have suffered a Qualifying Medical Event requiring the services of a licensed medical practitioner. On rare occasions, Sick Leave Bank awards may be granted for the care of a spouse, parents, or dependents on a case by case basis.

II. Contributing to the Sick Leave Bank

The Sick Leave Bank will be funded via the voluntary contribution of sick leave days from eligible employees. Employees will be given an opportunity to contribute a minimum of one day and a maximum of five days to the Sick Leave Bank every twelve months. Separating or retiring employees may contribute a maximum of 20 days in anticipation of separation or retirement.

Employees must have a sick leave balance of 11 days or more at the time of their contribution in order to donate time to the Sick Leave Bank. The contributing employee is required to retain at least 10 of their own sick leave days in their balance following contribution to the Sick Leave Bank.

When the declining balance in the Sick Leave Bank reaches 500 hours, employees will again be given an opportunity to contribute to the Sick Leave Bank. Once an employee contributes to the Sick Leave Bank, the donated sick leave will not be restored to the individual employee's sick leave balance. Contributing employees may not designate a particular employee to receive their donated sick leave as this program is for any and all qualified employees who may be subject to a Qualifying Medical Event.

III. Drawing from the Sick Leave Bank

Reasons for denying sick bank time may include, but not limited to: elective medical procedures, including cosmetic procedures; illnesses and injuries that do not require medical treatment; or minor illnesses and injuries that are temporary in nature.

Requests for Sick Leave Bank assistance must be made using the Sick Leave Bank Request Form and be accompanied by a written statement from a licensed medical practitioner stating the beginning date of the condition, a description of the illness or injury, a prognosis and date the employee may be able to return to work. The Sick Bank Committee will review prior sick and vacation usage when making their decision.

Employees who are granted sick leave from the Sick Leave Bank will not be required to pay back that sick leave to the bank, unless it is determined that the individual has misrepresented their medical condition or falsified the Sick Leave Bank Request Form. Any unused award will be returned to the Sick Bank at the end of the leave for approved illness or injury.

The salary level of the donor or the recipient will not be a factor in the committee's award determinations, as the intent of the Sick Leave Bank is to provide leave pay at the affected employee's regular rate of pay. An employee receiving sick leave from the Sick Leave Bank will continue to be paid from their budgeted account.

The Sick Leave Bank Committee will make the approval or disapproval of sick leave awards for illness or injury from the Sick Leave Bank. The maximum amount of sick leave granted an employee from the Sick Leave Bank cannot exceed one-third of the pool balance or 60 working days, whichever is less.

IV. Termination of the Sick Leave Bank

In the event the Sick Leave Bank is terminated, it will remain in effect and available until the total days on deposit are exhausted.

V. Appeals

Should an employee disagree with the decision of the Sick Bank Committee, they may submit a letter of appeal to the Office of Human Resources. The Executive Director of Human Resources and Institutional Equity shall review all letters of appeal and render a final decision.

Definitions

- **Sick Leave Bank:** A pool of sick days that has been established by employees who have contributed a minimum of one day and maximum of five days to the Sick Leave Bank. Employees contributing to the sick leave bank must retain a sick leave balance of 10 days or more at the time of their contribution.
- **Qualifying Medical Event:**
 - Catastrophic illness/injury: The determination of whether an employee's medical condition qualifies as a catastrophic medical condition will be based upon the

documentation provided by the employee's licensed health care provider that the employee suffers from an extreme injury or impairment (physical or mental) which leaves the person completely incapacitated and requires continuing treatment/supervision by a health care provider, and which is likely to cause the employee to take a prolonged leave without pay or to terminate employment with the University. While a comprehensive list of specific medical conditions that would qualify an employee for catastrophic medical leave is not provided in this policy, the medical conditions listed here could be so extremely serious as to qualify for the leave. This list should not be considered as all-inclusive or a guarantee of leave approval because each request is reviewed and considered on its own merits. Catastrophic injuries or illnesses that rise to the level of a Qualifying Medical Event could include, but are not limited to:

- Cancer
 - Stroke
 - Serious heart conditions
 - Organ failure/transplant
 - Fetal endangerment
 - Bed rest
 - Coma
- Recovery from labor and delivery or complicated pregnancy

A condition, which is short term in nature, such a cold, flu, other virus similar in nature, or minor injury, is not deemed catastrophic.

- **Separating or Retiring Employee:** An employee who has submitted a notice of resignation or notice of retirement.
- **University:** Eastern Kentucky University

Responsibilities

- The Sick Bank Committee
 - The Committee shall consist of five members of the University community. The make-up of the Committee should fairly represent the differing employee classification (exempt/non-exempt) as well as include representation from the different functional areas (Facility Services, Academic, Administration, etc.).
 - The committee shall fairly and equitably apply the definition of “catastrophic” in their review of Sick Leave Bank requests, while respecting the parameters surrounding Sick Leave Bank awards as identified in this policy.

Violations of the Policy

Violations of this policy will be handled under normal University procedures.

Interpreting Authority

Office of Human Resources

Policy Adoption Review and Approval

Policy Issued

Date

August 1, 2002

Entity

Board of Regents

Action

Approved



Eastern Kentucky University Policy and Regulation Library

9.3.5

Volume 9, Safety, Security and Environment
Chapter 3, Safety

Section 5, Protection of Minors on Campus

Approval Authority: Board of Regents

Responsible Executive: VP for Finance and
Administration

Responsible Office(s): Conferencing and Events &
Division of Public Safety

Effective:

Issued:

Next Review Date:

Protection of Minors on Campus

Statement

Eastern Kentucky University is committed to protecting Minors who participate in Programs sponsored by the University or on University Property.

This policy provides information and guidance to Internal Constituents, External Constituents and Volunteers who will supervise and interact with Minors involved in any Program or event held on University Property, housed in University Residences, and/or held at Off Campus Facilities.

Internal Constituents, External Constituents and Volunteers who are supervising and/or interacting with Minors, are expected to comply with this policy. Failure to comply with this policy may lead to sanctions including but not limited to, suspension, dismissal, termination, and exclusion from University Property.

Pursuant to KRS 620.030, any person is required by Kentucky law to immediately contact a local law-enforcement agency when they know or have reasonable cause to believe that a Minor is a victim of Child Abuse or Neglect.

This policy is to be read in conjunction with University Policy 1.6.2, Non-Retaliation, to prevent retaliation against any person for making an inquiry, participating in an investigation, or reporting possible non-compliance with Laws, Regulations, and Policies.

This policy is similarly to be read in conjunction with University Policy 1.4.1, Discrimination and Harassment, which prohibits sexual assault of Minors, as defined.

Entities Affected

This policy applies to all Internal Constituents, External Constituents, and Volunteers who operate or participate in any Program that includes Minors.

Procedures

I. Program Information

Program Sponsors shall maintain an up-to-date list of any Programs that include Minors. Such lists should include each Program's dates, times, locations, attendance (age range and number of participants), and a Program contact. In the event of an emergency, this process allows consideration to be given to the possible presence of Minors and an appropriate plan to address their health and safety.

At least ten (10) days before the start of any Program, or as soon as is reasonably practical, the Program Sponsors shall submit this information to Conferencing and Events. Program Sponsors are encouraged to submit this information as far in advance as possible.

Each Program Sponsor shall designate a qualified Program Leader to be responsible for implementation and oversight of the Program and compliance with University Laws, Regulations, and Policies.

II. Program Registration

All Programs, whether located on University Property or Off Campus Facilities, must be registered through Conferencing and Events or Campus Recreation. The registration process includes, but is not limited to, submission of the following:

- University Waiver of Liability, Assumption of Risk, and Indemnity Agreement;
- Health History and Parent Consent Form;
- Photographic Consent and Release Form;
- Summer Camp/Conference Contract;
- Volunteer Program Guidelines and Eligibility Questionnaire;
- Program Advertising and Marketing Materials Approval Form.

III. Program Guidelines

Programs shall have in place, enforce, and make available upon request guidelines that address the following areas, as applicable to the particular Program:

- Submission and execution of any required documents, including, but not limited to, the documents in Section II;
- Transportation, including the transportation of Minors at the beginning and end of the Program, to and from the Program, and within the Program, whether by Parents or Legal Guardians, Program Staff, or others (applies to programs sponsored by Internal Constituents only);
- Emergency plans in the event that the Program takes place in an area or building that does not already have a plan in place;

- Appropriate supervision of Minors, including Program staff-to-participant ratio, as set forth by Conferencing and Events or in accordance with liability insurance recommendations, whichever is greater;
- Appropriate physical contact and communication by Program Staff with Minors based on the age of Minors and the nature of Program activities;
- Training about interactions with minors, and confirmation that the training was completed;
- First aid, medical treatment, medical information, and dispensing of medication.

IV. Overnight Travel and/or Stays

Programs that include any overnight stays either in University Residences or Off Campus Facilities by Minors shall have guidelines in place to appropriately address the following:

- Identification to be worn by Program Staff;
- Curfews;
- Code of conduct for participants;
- Prohibitions on the use of alcohol, tobacco, and non-prescribed drugs;
- Residential supervision, including Program Staff-to-participant ratio, as set forth by Conferencing and Events;
- Room assignments;
- Training about interactions with minors, and confirmation that the training was completed;
- Bathing facilities/schedule to ensure that separately assigned facilities for adults and minors are made available. Adults and minors NEVER use the same bathing facilities simultaneously.

V. Background Checks

A. For Internal Constituents:

- All Program Staff, Employees, Volunteers, or other individuals who will could have unsupervised, direct contact with Minors are required to complete a Criminal Background Check and National Sex Offenders Public Website Check. Such checks shall be repeated for all Program Staff, Employees, Volunteers, or other individuals working with minors who have a one (1) year gap in service with ECU. Regardless of any gap in service, all Program Staff, Employees, Volunteers, or other individuals who will have direct contact with Minors shall be subject to periodic Criminal Background and National Sex Offender Public Website checks, including, but not limited to, at the request of an individual Program or Unit.
- Where applicable based on position or role at ECU, some Program Staff, Employees, Volunteers, or other individuals may be subject to a Central Registry Check in which they are required to obtain a letter from the Cabinet for Health and Family Services stating the individual is clear to hire based on no findings of substantiated child abuse or neglect found through a background check of child

abuse and neglect records maintained by the Cabinet for Health and Family Services.

- It is the responsibility of the individual Program or Unit to ensure that Program Staff, Employees, Volunteers, or other individuals who will have direct contact with Minors have completed the necessary Criminal Background Check, including the National Sex Offenders Public Website, as well as the Central Registry Check when applicable.
- The costs associated with processing background checks, including Central Registry Checks, are the responsibility of the Program or Unit.
- If a Criminal Background Check or National Sex Offender Public Website check reveals an individual has been convicted of, pled guilty to, or entered an Alford plea to a sex crime as specified in KRS 17.500 (or other applicable statute) or a violent offense as specified in KRS 439.3401 (or other applicable statute), the individual is prohibited from participating in a Program.
- If a Criminal Background Check includes a record of conviction of any other offense, the Office of Human Resources, in consultation with the Program Leader, will determine if the offense(s) preclude participation.
- If a Central Registry Background Check reveals a finding by the Cabinet for Health and Family Services of child abuse or neglect, the individual is prohibited from participating in a Program.
- For individuals for whom complete background checks are infeasible, the Program Leader shall perform checks to the fullest extent feasible, document the information received, and adopt additional measures to prevent child abuse and facilitate the reporting of child abuse.
- For individuals who are non-citizens, Program Leaders shall contact Human Resources before ordering a Background Check and National Sex Offender Public Website check to ascertain whether the non-citizen has obtained the appropriate documentation and is eligible to work in the United States. For individuals who are non-citizens and have been in the United States for less than one (1) year, Program Leaders shall contact Human Resources before ordering a Background Check and National Sex Offender Public Website check to ascertain whether a Background Check and National Sex Offender Public Website check is possible to complete.

B. For External Constituents:

External Constituents utilizing University Property in Programs involving Minors shall complete the required background checks for Program Staff and Volunteers with a national criminal database and National Sex Offender Public Website and shall make those results available to the University upon request.

All contracts with External Constituents utilizing University Property and/or University Residences in Programs involving Minors shall include a requirement that appropriate background checks will be conducted for Program Staff, Volunteers, and others having direct contact with Minors.

VI. Minor Employees and Volunteers

A Minor that accepts employment or volunteer work with the University is required to follow the University's background policy and must complete a criminal background check and National Sex Offender Public Website check.

All Program Leaders and Minors volunteering or employed in any capacity for the University must adhere to the Kentucky Child Labor Laws.

VII. Code of Conduct

Program Leaders shall ensure that all Program Staff and any other individuals who will have direct contact with Minors have been provided with the Code of Conduct for Interacting with Minors. Program Leaders shall ensure that all Program Staff and any other individuals who could have unsupervised direct contact with Minors have read and understand the Code of Conduct for Interacting with Minors prior to the start of any program or event.

VIII. Training

Prior to the start date of any Programs involving Minors, all Program Leaders and Program Staff must complete the appropriate training as identified by Campus Recreation or Conferencing and Events. This training is designed to target issues including, but not limited to:

- Information about responsibilities and expectations;
- Best practices when interacting with Minors;
- Awareness of signs of possible abuse, molestation or neglect;
- Policies, procedures, and enforcement;
- Safety and security precautions;
- Confidentiality issues involving Minors;
- The University's responsibility and liability.

IX. Transportation

When transporting Minors in a Program, more than one adult Program Staff member must be present in the vehicle. Avoid using personal vehicles.

Any Programs that utilize University vehicles owned, leased, or rented (including commercially-rental vehicles) shall also comply with University Regulation 9.4.1, Motor Vehicle Use Regulation, and KRS 189.125, Requirements of use of seat belts, child restraint systems, and child booster seats. For purposes of this policy, approved drivers shall receive training on proper installation of child restraint systems and child booster seats, when applicable.

For Internal Constituents only:

If the Program will be renting, leasing, or using personal vehicles to transport Minors, the Program Leader must submit to the Division of Public Safety a copy of the Program Leader and/or Staff's adult driver's license for a Motor Vehicle Records (MVR) check.

If personal vehicles of Program Leaders and Staff will be utilized, the Program Leader must submit the following to the Division of Public Safety:

- Proof of auto liability insurance, including personal injury protection, underinsured and uninsured coverage;
- License plate number of all vehicles to be used in transporting Minors; and
- Make, model, color, and year of all vehicles to be used.

X. Contractual Agreements and Program Literature (External Constituents)

Contractual agreements concerning personnel or facilities related to programs including Minors should include compliance with this policy as a term of the contract if compliance with University rules and regulations is not otherwise clear or obligatory.

A. Contractual Agreements

Contractual agreements concerning personnel or University Property and/or University Residences related to Programs including Minors shall include compliance with this policy as a term of the contract. When appropriate, such contracts shall also include an indemnification provision in which the University is held harmless for the acts and omissions of External Constituents.

B. Program Advertising and Marketing Materials

External Constituents are not permitted to use the University name, logo or other identifying marks in literature to include, but not limited to, audio, print and electronic, and must adhere to the following:

- Any advertising and marketing materials must clearly state “not sponsored by Eastern Kentucky University”;
- The Program Sponsor must submit examples of any advertising and marketing materials for approval as part of the registration process; and
- If Program participants are required to bring their own equipment, the advertising and marketing materials must clearly communicate equipment must be provided.

XI. Minors in Laboratories

This section establishes University-wide requirements regarding the presence of Minors in University laboratories.

A. Minors Under the Age of 13

Minors under the age of 13 may not be present in a laboratory, unless they are touring or visiting a laboratory pursuant to the following requirements:

- Minors may enter a University laboratory as part of a supervised tour or visit.
- The Program Leader and Primary Supervisor of the Laboratory will be responsible for proper supervision and for providing any Personal Protective Equipment (“PPE”) for visitors.
- Laboratory tours may only be conducted at times when all hazardous materials are properly stored and are not being used for experiments.
- Minors must be supervised at all times while on the premises.

B. Minors Age 13-17

Minors age 13-17 are authorized in a laboratory setting when they are participating in an academic Program, pursuant to the following requirements:

- They have written consent from their Parent or Legal Guardian.
- They have received general lab safety training which has been documented.
- They have been trained in the specific hazards to which they may be exposed in the laboratory and they agree to strictly adhere to the laboratory-specific requirements concerning PPE;
- They are at all times under the direct supervision of the Program Leader and Primary Supervisor of the Laboratory.

XII. Exceptions to Activities Involving Minors

For the purposes of this policy, the following activities/situations do not apply:

- Generally, Minors are not excluded from scheduled tours of campus when they are under the supervision of an adult.
- Minors enrolled at Model Laboratory School participating in activities as part of the regularly scheduled activities of the school.
- Minors who are dependent children of Residence Hall Coordinators, residing in University Housing Residences.
- Performances or events not targeted towards Minors and open to the public (e.g., University athletic competitions, theatre productions, and musical concerts).
- Scheduled classes or activities designed primarily for Students, including Dual Credit programs and Early College Programs.
- Placement of Students, for academic credit or clinical or teaching requirements, with external entities.
- Minors fully enrolled as ECU students.

- Minors receiving clinical services with an established client intake process (e.g., the Speech-Language-Hearing Clinic).
- Visits by individual Minors interacting with any Internal Constituent (on or off University Property), but not as part of a coordinated Program. However, these activities shall have their own guidelines in place and have a waiver signed by the Parent or Legal Guardian of the Minor. It is the responsibility of the Internal Constituent to obtain the waiver from the Parent or Legal Guardian and maintain the waiver in their records pursuant to University Policy 11.3.1, Records Management. The waiver and guidelines may include, but are not limited to:
 - Individual lessons (e.g., music or golf) or tutoring/mentoring;
 - Individual Minor conducting research in a laboratory with a professor;
 - Job shadowing of a University Employee;
 - Individualized academic experiential learning/enrichment.

XIII. Minor Children in Classroom Settings

Minor children of students should be permitted to be guests in classes in limited circumstances only when accompanied by a parent or legal guardian and only with the consent of the instructor. Minor children may only be guests in classes in which there is sufficient space to accommodate their presence without disruption to the educational environment. The minor children of students are not permitted to be guests in the restricted areas listed in XIV (B), below.

XIV. Minor Children at the Workplace

The University values an atmosphere that fosters a healthy balance between workplace obligations and family issues. The University understands that brief and infrequent visits by children of its employees occur for a variety of reasons, however, Minor children should only be permitted at the workplace on rare occasions due to unusual circumstances and for limited amounts of time (excluding activities listed in Section XII and family-friendly office gatherings in which children are explicitly welcome, such as office parties and picnics).

A. Supervisor Approval

The workplace may not be used as an alternative for regular child care. When child care arrangements break down, an employee should seek alternatives to bringing the child to the workplace. However, occasionally, special circumstances and emergencies do occur. At such times, the supervisor may grant an exception. A child who has an illness that prevents him or her from being accepted by a regular day care provider, particularly a child with infectious disease, may not be brought to the workplace under any circumstances.

B. Employee Responsibilities

If an Employee brings Minor children to the workplace, the Employee assumes any and all risk and responsibilities with having a Minor child in the workplace, and must adhere to the following:

- Be sensitive and respect the needs of other people;
- Not expect other people to care for their Minor children;
- Take responsibility for the safety of their Minor children at all times;
- Supervise their Minor children at all times;
- Ensure their Minor children behave appropriately; and
- Be responsible for any damage caused by their Minor children.

The employee's supervisor may direct the employee to remove the child from the workplace at any time if the supervisor determines that these guidelines have been violated or that the child's presence negatively impacts University interests.

C. Restricted Areas

Minor children at the workplace are not allowed into high risk and/or restricted areas, to include, but not limited to:

- Laboratories (unless under the provisions of Section XI);
- Animal care areas;
- High security areas;
- Physical plant mechanical rooms and workshops;
- Areas with power tools and equipment;
- Commercial kitchens;
- Chemical storage areas;
- Areas under construction or refurbishment;
- Roofs;
- Facilities work areas;
- Gymnasium, fitness center, or other athletic facility (Exceptions shall be made by and for Campus Recreation programs);
- Within or on any University-owned powered equipment used primarily for work purposes, except those vehicles used for the transportation of the general public, or as part of a University Program;
- Computer labs;
- Records areas;
- Storage areas;
- Healthcare and/or patient care facilities, including but not limited to, the Counseling Center, Psychology Clinic, Student Health Services, Athletic Training, etc.; and
- Aviation areas not open to the general public and not part of a scheduled tour that include, but are not limited to, airplanes, airport field lines, and aviation hangars.

D. Assumption of the Risk and Waiver

If approval to bring Minor children to the workplace has been granted, by voluntarily bringing their Minor children to campus, the Employee assumes all associated risk and waives all potential legal claims against the University and its Regents, employees, and volunteers for incidents occurring while the Minor children are present on campus.

XV. Reporting Suspected Abuse and Notification Procedures

- Pursuant to KRS 620.030, any person is required by Kentucky law to immediately contact a local law-enforcement agency when they know or have reasonable cause to believe that a Minor is a victim of Child Abuse or Neglect. To comply with state law, reports may be made to the following:
 - ECU Police Department, (859) 622-1111, for any suspected Child Abuse or Neglect of any Minor on University Property or participating in a University Program;
 - Child Protection Hotline at (877) 597-2331;
 - Any local or state police.
- Any failure to report suspected Child Abuse or Neglect may result in criminal charges and/or disciplinary action.
- If initial notification is made to any authority other than the ECU Police Department, the University requires that a report also be filed with the ECU Police Department, so the University can conduct its own internal investigation. Failure to do so may result in corrective action.
- If initial notification is made to the ECU Police Department, then the ECU Police Department has the obligation to report the suspected abuse to the Kentucky Cabinet for Health and Family Services.
- The University shall cooperate with an external investigation by the Kentucky Child Safety Branch or local law enforcement. The University shall conduct its own internal investigation to determine if corrective actions are warranted, up to and including termination, consistent with University policy.
- The ECU Police Department shall maintain a report of each allegation, together with a summary of the internal evaluation, as well as findings and sanctions, if any, that are imposed.

If the alleged abuser is not an Internal Constituent, but is on University Property through an External Constituent authorized to be on University Property, that External Constituent shall also be notified that the alleged abuser shall no longer be permitted on University Property. Legal prohibitions regarding physical presence on University Property and/or trespassing may also be enforced.

Definitions

- **Approved Drivers:** Any person responsible for operating a motor vehicle that contains Minors.
- **Child Abuse or Neglect:** Any situation where a child's health or welfare is harmed or threatened with harm by a Parent or Legal Guardian, person in a position of authority or special trust, as defined in KRS 532.045, or other person exercising custodial control or supervision of the child.

This may include, but is not limited to, physical injury, mental injury, sexual abuse, and sexual exploitation. (See KRS 600.020 for the complete definition.)

- **External Constituents:** Individuals, groups, or organizations not affiliated or in partnership with Eastern Kentucky University.
- **Internal Constituents:** University Employees, Students, academic departments and colleges, administrative offices and units, and registered student organizations.
- **Laws, Regulations, and Policies:** Federal or state laws, administrative regulations, and University policies, regulations, or procedures.
- **Minor(s):** A person who has not reached their eighteenth birthday.
- **National Sex Offender Public Website (NSOPW):** U.S. government website that links public, state, territorial, and tribal sex offender registries from one national search site. (www.nsopw.gov)
- **Off Campus Facilities:** Residential and any other facilities utilized for Programs involving minors not located on University Property or University Residences.
- **One-on-One Contact:** Personal, unsupervised interaction between a Program Leader or Program Staff and a Minor without at least one other Program Leader, Program Staff, Parent or Legal Guardian present.
- **Parent or Legal Guardian:** A person who has legal authority to care for the personal and property interests of a Minor.
- **Personal Protective Equipment:** Specialized clothing or equipment worn for protection against health and safety hazards.
- **Primary Supervisor of the Laboratory Program(s):** For the purposes of this policy, the person responsible for planning, managing, and supervision of any laboratory activities involving Minors.

Ongoing or planned events that are designed to include Minors or are targeted toward Minors. Examples include, but are not limited to: camps, lessons, workshops, club or team activities, projects, practices, tours, open houses, research activities, and recruiting activities.

This definition may not capture every circumstance in which Minors may be present on University Property. In this instance, those circumstances will be evaluated by the Division of Public Safety to determine whether they fall within the scope of this policy.

- **Program:** Ongoing or planned events that are designed to include Minors or are targeted toward Minors. Examples include, but are not limited to: camps, lessons, workshops, club or team activities, projects, practices, tours, open houses, research activities, and recruiting activities.

This definition may not capture every circumstance in which Minors may be present on University Property. In this instance, those circumstances will be evaluated by the Division of Public Safety to determine whether they fall within the scope of this policy.

- **Program Leader:** The member of the Program Staff who is responsible for Program management and operation. The Program Leader shall:
 - Be 18 years or older;
 - Be a University Employee (Internal Constituents only)
 - Have completed the appropriate training administered through a Program managed by Human Resources, or its designee; and
 - Have demonstrated adequate qualifications and supervisory experience as determined by the Program Sponsor.
- **Program Sponsor:** Internal Constituents- the University, college, department, division, office, or unit responsible for operating any Program including Minors. External constituents- any individual, group, or organization responsible for operating any Program including Minors.
- **Program Staff:** Any person, paid or unpaid, who supervises or has responsibilities for oversight of Minors or a Program.
- **Student(s):** Individuals currently enrolled at the University.
- **University:** Eastern Kentucky University.
- **University Employee(s):** Faculty and staff currently employed at the University.
- **University Property:** Any real property, buildings, and facilities under the primary control of the University through ownership, lease, or other means.
- **University Residences:** Residential buildings and areas owned by, or under the control of, the University.
- **Volunteer(s):** Any person who donates their time or efforts for a cause or organization.

Responsibilities

- Conferencing and Events

- Administration of the policy.
- Internal and External Constituents, Volunteers, and Guests
 - Immediately contact a local law-enforcement agency when they know or have reasonable cause to believe that a Minor is a victim of Child Abuse or Neglect.
- Division of Public Safety
 - Enforcement of the policy.
- University
 - Ensure that that Minors who participate in University-sponsored Programs or visit the University are protected.
- University Counsel
 - Oversight of the policy. Serves as a resource to Conferencing and Events and the Division of Public Safety.

Violations of the Policy

Internal Constituents, External Constituents and Volunteers are expected to comply with this policy. Failure to comply may lead to the full range of available University sanctions applicable including suspension, dismissal, termination, and where application, exclusion from University Property.

Interpreting Authority

Office of University Counsel

Statutory or Regulatory References

Code of Conduct for Interacting with Minors
 University Policy 1.6.2, Non-Retaliation
 University Policy 9.4.1, Motor Vehicle Use
 University Policy 11.3.1, Records Management
 Kentucky Child Labor Laws administered by the Kentucky Labor Cabinet
 KRS 620.030, Duty to report dependency, neglect, abuse, or human trafficking
 KRS 17.400, Definitions for KRS 17.500 to 17.580
 KRS 189.125, Requirements of use of seat belts, child restraint systems, and child booster seats
 KRS 439.3401, Definitions for Violent Offender
 KRS 532.045(1) Definitions for Positions of Authority
 KRS 600.020(1), Definitions for KRS Chapters 600 to 645, Abused or Neglected Child

Policy Adoption Review and Approval

Policy Issued

Date

Entity

Action

Eastern Kentucky University

Board of Regents

RESOLUTION

WHEREAS, Madison Lipscomb has served with distinction since 2019 as the Student Regent on the Eastern Kentucky University Board of Regents, having been elected by her campus peers as Student Regent;

WHEREAS, she selflessly shared with the University and colleagues the resources of her time, expertise, and guidance;

WHEREAS, she demonstrated dedication and commitment to speaking for and representing the student body and to maintaining and growing the student experience;

WHEREAS, she led the SGA to develop the Initiative for Equity, Inclusion and Diversity, which ensures SGA's representation more accurately represents the student body;

WHEREAS, she steadfastly served as a valued and effective advocate for Eastern Kentucky University and the higher education community of the Commonwealth;

BE IT THEREFORE RESOLVED that the Eastern Kentucky University Board of Regents officially records its sincere appreciation for the service and leadership given by Student Regent Madison Lipscomb;

Done this the 10th day December, 2020, by the Board of Regents of Eastern Kentucky University.

Mr. Lewis Diaz
Chair, Board of Regents

Bryan Makinen
Secretary, Board of Regents

**EASTERN KENTUCKY UNIVERSITY
BOARD OF REGENTS**

REGULAR MEETING SCHEDULE FOR 2021

March 4

June 17

September 23

December 9

