

BOARD OF REGENTS
for
KENTUCKY STATE UNIVERSITY



Special Called Meeting of the Board of Regents
Thursday, June 27, 2023
2:00 p.m. EDT

Julian M. Carroll Academic Services Building, 2nd Floor
400 East Main Street
Frankfort, Kentucky 40601

**KENTUCKY STATE UNIVERSITY BOARD OF REGENTS
SPECIAL CALLED MEETING**

***** Meeting Will be Conducted in Person and by Teleconference *****

**Tuesday, June 27, 2023
2:00 p.m. EDT**

**Board of Regents Room
Julian M. Carroll Academic Services Building, 2nd Floor
400 East Main Street
Frankfort, Kentucky 40601
(Primary Physical Location)**

**Zoom Link: <https://ksu.zoom.us/j/98544208991>
Webinar ID: 985 4420 8991**

One Tap Mobile: US: [+13052241968](tel:+13052241968),[98544208991](tel:+13092053325)# or [+13092053325](tel:+13092053325),[98544208991](tel:+13092053325)#

AGENDA

- | | |
|-----------------------------------------------------------------------------------------|------------------------------------------------------------------------|
| 1. Call to Order | Regent Tammi Dukes
Board Chair |
| 2. Roll Call | Mr. Zachary Atwell
Board Secretary
Acting General Counsel |
| 3. Approval of the Agenda | Chair Dukes |
| 4. Information Items | |
| A. Academic Affairs Report | Dr. Scott Wicker
Acting Provost & VPAA |
| i. FY 2024 Academic Calendar | |
| ii. Enrollment Update | |
| iii. Short-term Contract | |
| B. Kentucky Approving Agency for Veteran
Education's Notice of Thirty-Day Suspension | Acting Provost Wicker |
| C. FY 2024 Holiday Calendar | Ms. Candace Raglin
Acting AVP, Finance & Business Affairs |
| D. New Residence Hall Report | Acting Provost Wicker |
| | Ms. Jennifer Linton
Project Manager, Sodexo |
| E. Renewal of Earth Tools PSC | Mr. Michael DeCourcy
Acting Chief of Staff |
| F. Endowment and Policies Update | Acting CoS DeCourcy |
| | Ms. Tonya Walker
Controller |

5. Action Items

- | | |
|-------------------------------------------------------------------------------------|---------------------------------------------------------------------------------|
| A. Approval of FY 2024 Recommended Budget | Acting VP Dixie
Controller Walker |
| B. Approval of Annual Insurance Renewals | Acting VP Dixie |
| C. Approval to Renew Microsoft Campus Agreement | Acting VP Dixie |
| D. Approval to Renew CBIZ PSC | Acting VP Dixie
Controller Walker |
| E. Approval to Renew Blue & Co. PSC | Acting VP Dixie
Controller Walker |
| F. Approval to Renew McCarthy Strategic Solutions PSC | Acting CoS DeCourcy |
| G. Approval of Magellan Learning Solutions PSC | Dr. Michael D. Dailey
Acting President
Acting Provost Wicker |
| H. Approval to Renew Johnson, Bowman & Branco PSC | Attorney Atwell |
| I. Approval to Purchase a Dual Channel Ion Chromatograph | Dr. Kirk Pomper
Dean, College of Agriculture,
Community, and the Sciences |
| J. Approval of FY 2024 Tuition and Fees | Acting Provost Wicker
Acting VP Dixie |
| K. Approval to Restructure the Divisions of
Academic Affairs and Student Affairs | Acting Provost Wicker |
| L. Approval to Eliminate Positions | Acting President Dailey |
| M. Approval of Regular Meeting Dates for FY 2024 | Chair Dukes |

6. Closed Session

- | | |
|----------------------------------------------------|-------------|
| A. Individual Personnel Matters (KRS 61.810(1)(f)) | Chair Dukes |
| B. Pending Litigation (KRS 61.810(1)(c)) | Chair Dukes |

7. Possible Public Action(s)

Chair Dukes

8. Closing Remarks

Chair Dukes

9. Adjournment

Chair Dukes



KENTUCKY STATE UNIVERSITY BOARD OF REGENTS

INFORMATION ITEM 4A(i)

INFORMATION ITEM

2023–2024 Academic Calendar Update.

FACTS

The attached Academic Calendars are presented for the Board of Regents’ review. Kentucky State University has structured the academic calendar so that forty-five (45) hours of direct, face-to-face instructional time are being integrated over sixteen weeks of instruction.

BUDGETARY IMPLICATION

There are no budgetary implications.

RECOMMENDATION

This is an information item.

MOTION

Not applicable.

Fall Semester 2023

August

- ☐ Saturday, August 12
 - New student orientation (make-up)
- ☐ Monday, August 14 – Thursday, August 17
 - Bred Week
- ☐ Monday, August 14 – Friday, August 18
 - Presidential Encampment (faculty and staff)
 - Provost Encampment (faculty and Academic Affairs staff)
 - College meeting
 - School meeting
- ☐ Wednesday, August 16
 - Last day for students to submit academic appeals to the Academic Appeals Committee
- ☐ Wednesday, August 16 – Friday, August 18
 - Continuing students register or complete registration by appointment only
Please contact your academic advisor to set up an appointment
- ☐ Thursday, August 17
 - Freshman Convocation
- ☐ Friday, August 18 – Sunday, August 20
 - Move-in for continuing students
- ☐ Saturday, August 19
 - Classes begin
- ☐ Monday, August 21 – Friday, August 25
 - Welcome Week
- ☐ Thursday, August 24, at the close of business
 - Last day of late registration
 - Last day to add/change registration at 100%
 - Fall payment deadline
 - Last day to set up a payment plan
- ☐ Friday, August 25
 - Students dropped for non-payment

September

- ☐ Monday, September 4
 - Academic holiday — Labor Day (University closed)
- ☐ Friday, September 8
 - Last day for students to submit applications for degree to departments for the Fall 2023 semester
- ☐ Friday, September 15
 - Last day for departments to submit applications for degree to the Office of the University Registrar for the Fall 2023 semester
 - Course offerings for Spring and Summer 2024 due to the Office of the

- University Registrar
- ☐ Friday, September 29
 - Founder's Day (day of service)
- ☐ Saturday, September 30
 - Homecoming

October

- ☐ Saturday, October 7 – Friday, October 13
 - Mid-term examination week
- ☐ Friday, October 13
 - Last day for students to submit work for an incomplete grade received in Spring 2023 semester and/or Summer 2023 session
- ☐ Monday, October 16 – Tuesday, October 17
 - Fall break (no classes — faculty and students only)
- ☐ Wednesday, October 18
 - All midterm grades to be input by faculty no later than 5:00 p.m.
 - Preliminary faculty assessment reports are to be submitted no later than 5:00 p.m.
- ☐ Monday, October 23
 - All grade changes for incomplete work from Spring 2023 semester and/or Summer 2023 session are due to the Office of the University Registrar
- ☐ Friday, October 27
 - Last day to drop classes or withdraw from the University with a "W"

November

- ☐ Tuesday, November 1 – Wednesday, November 30
 - Academic advisement period for student course selection for Spring 2024 semester and Summer 2024 session
- ☐ Wednesday, November 22 – Friday, November 24
 - Thanksgiving break
- ☐ Monday, November 27
 - All classes resume

December

- ☐ Friday, December 8
 - Last day of classes
- ☐ Saturday, December 9 – Thursday, December 14
 - Final examinations
- ☐ Tuesday, December 12
 - Governors Inauguration Day
- ☐ Friday, December 15
 - Fall semester ends
- ☐ Saturday, December 16
 - Residence halls close

- ☐ Monday, December 18
 - All grades to be input by faculty no later than 5:00 p.m.
- ☐ Tuesday, December 19 – Friday, December 22
 - Faculty advisement period for student course selection and/or corrections for Spring 2024 semester and Summer 2024 session
- ☐ Thursday, December 21
 - All faculty course assessment reports are due no later than 5:00 p.m.
- ☐ Thursday, December 28
 - Last payment due for students on a payment plan

Kentucky State University reserves the right to change the dates on this academic calendar at any time during the period for which it is in effect and to add, modify, or remove any dates.

Spring Semester 2024

January

- ☐ Monday, January 8 – Friday, January 12
 - Presidential Encampment (faculty and staff)
 - Provost Encampment (faculty and Academic Affairs staff)
 - College meeting
 - School meeting
- ☐ Wednesday, January 10
 - Last day for students to submit academic appeals to the Academic Appeals Committee
- ☐ Wednesday, January 10 – Thursday, January 11
 - Continuing students register or complete registration by appointment only
Please contact your academic advisor to set up an appointment
- ☐ Friday, January 12
 - New student orientation
 - Move-in for new and continuing students
- ☐ Saturday, January 13
 - Classes begin
- ☐ Monday, January 15
 - Martin Luther King Jr. Day (University Closed)
- ☐ Thursday, January 18
 - Last day of late registration
 - Last day to add/change registration at 100%
 - Spring payment deadline
 - Last day to set up a payment plan
- ☐ Friday, January 19
 - Students dropped for non-payment
- ☐ Friday, January 26
 - Last day for students to submit an application for degree to departments for the Spring 2024 semester and Summer 2024 session

February

- ☐ Friday, February 2
 - Last day for departments to submit an application for degree to the Office of the University Registrar for the Spring 2024 semester and Summer 2024 session
 - Course offerings for Fall 2025 and Spring 2025 due to the Office of the University Registrar
- ☐ Monday, February 19
 - President's Day (University closed)

March

- ☐ Saturday, March 2 – Friday, March 8
 - Midterm assessments and examinations

- ☐ Friday, March 8
 - Last day for students to submit work for an incomplete grade received in the Fall 2023 semester
- ☐ Monday, March 11 – Friday, March 15
 - Spring break (no classes — faculty and students only)
- ☐ Monday, March 18
 - All midterm grades to be input by faculty no later than 5:00 p.m.
 - Preliminary faculty course assessment reports are due no later than 5:00 p.m.
- ☐ Monday, March 25
 - All grade changes for incomplete work for the Fall 2023 semester are due to the Office of the University Registrar
- ☐ Friday, March 29
 - Last day to drop classes or withdraw from the University with a “W”

April

- ☐ Monday, April 1 – Tuesday, April 30
 - Academic advisement period for student course selection for the Summer 2024 session and Fall 2025 semester

May

- ☐ Friday, May 3
 - Last day of classes
 - Final grades for graduation candidates with an approved graduation application are due no later than 5:00 p.m.
- ☐ Saturday, May 4 – Thursday, May 9
 - Final examinations
- ☐ Friday, May 10
 - Spring semester ends
 - Spring Graduation and Commencement
- ☐ Saturday, May 11
 - Residence halls close
- ☐ Monday, May 13
 - All grades to be input by faculty no later than 5:00 p.m.
 - All faculty course assessment reports due no later than 5:00 p.m.
- ☐ Tuesday, May 14 – Friday, May 31
 - Academic advisement period for student course selection and/or corrections for Fall 2024 semester

Kentucky State University reserves the right to change the dates on this academic calendar at any time during the period for which it is in effect and to add, modify, or remove any dates.



KENTUCKY STATE UNIVERSITY BOARD OF REGENTS

INFORMATION ITEM 4A(iii)

INFORMATION ITEM

Personal Service Contract (PSC) for Undergraduate Academic Advising Services.

FACTS

The University needs assistance in providing crucial academic advising services. Therefore, it will enter into a PSC with a former employee who is qualified to provide said services. The contractor will, *inter alia*, assist undergraduate students in selecting appropriate courses based on their academic goals, major requirements, and degree process; educate undergraduate students about University policies, procedures, and academic regulations; and refer undergraduate students to the appropriate academic support services as needed.

The term of the PSC shall be from June 30, 2023, until August 18, 2023.

BUDGETARY IMPLICATION

The total cost of the contract shall not exceed \$7,500.

RECOMMENDATION

Not applicable. This is an information item.

MOTION

Not applicable.

PERSONAL SERVICE CONTRACT

BETWEEN

KENTUCKY STATE UNIVERSITY

AND

TRAVIS HASKINS

PSC 24-XX

This Personal Service Contract (PSC) is entered into by and between Kentucky State University and Travis Haskins (the "Contractor") to establish a Contract for undergraduate academic advising services to be utilized to support the University. The initial PSC is effective June 30, 2023, through August 18, 2023.

Kentucky State University and the Contractor agree to the following:

I. Scope of Contract

Contractor

The Contractor shall:

Assist undergraduate students in selecting appropriate courses based on their academic goals, major requirements, and degree progress. This will involve reviewing course catalogs, degree plans, and helping students create a comprehensive academic plan.

Monitor undergraduate students' academic progress and alert them to any potential issues or concerns, such as unsatisfactory grades, low GPA, or insufficient credit hours. In addition, the Contractor shall provide guidance on academic probation or suspension procedures.

Review undergraduate students' academic records to ensure they are meeting the requirements for graduation and assisting them navigate through any necessary adjustments or substitutions to fulfill degree requirements via program chair review and approval.

Assist undergraduate students in exploring various academic majors, minors, and career paths. In addition, the Contractor shall provide opportunities for students to discuss their interests, strengths, and goals, and provide information on different majors, career prospects, and potential graduate programs.

Educate undergraduate students about University policies, procedures, and academic regulations, such as add/drop deadlines, withdrawal procedures, and course registrations processes. In addition, the Contractor shall provide guidance on University resources and support services available to students.

Identify and refer undergraduate students to appropriate academic support services, such as tutoring, study skills workshops, writing centers, or career counseling, based on their individual needs and challenges.

Serve as lead advisor for NSO dates (July 14, 28, and August 11th) to facilitate orientation programs for new undergraduate students to ensure course schedules are complete, making necessary adjustments and changes as needed, and familiarize them with University policies, academic requirements, and campus resources. In addition, the Contractor shall assist with the transition of transfer students or students changing their major.

Maintain accurate and confidential records of student advising interactions, including advising notes, academic plans, and any relevant documentation required by the University.

Work collaboratively with the University to develop a detailed outline for implementation and develop training and informational vehicles to secondary advisors for the ongoing administration of the academic advising plan.

The Contractor will assist the University with appropriate communication strategies.

Kentucky State University

It shall be the responsibility of Kentucky State University to provide appropriate guidance to the Contractor for the purpose of facilitating the successful completion of the projected work and work product development.

Kentucky State University shall also:

Work collaboratively with the Contractor to develop a detailed outline for assisting undergraduate students in selecting appropriate courses based on their academic goals, major requirements, and degree progress. This will involve reviewing course catalogs, degree plans, and helping students create a comprehensive academic plan.

Work collaboratively with the Contractor to develop a detailed outline for monitoring undergraduate students' academic progress and alerting them to any potential issues or concerns, such as unsatisfactory grades, low GPA, or insufficient credit hours.

Work collaboratively with the Contractor to develop a detailed outline for monitoring undergraduate students' academic progress and alerting them to any potential issues or concerns, such as unsatisfactory grades, low GPA, or insufficient credit hours.

Work collaboratively with the Contractor to develop a detailed outline for assisting undergraduate students in exploring various academic majors, minors, and career paths.

Work collaboratively with the Contractor to develop a detailed outline for educating undergraduate students about university policies, procedures, and academic regulations, such as add/drop deadlines, withdrawal procedures, and course registration processes.

Work collaboratively with the Contractor to develop a detailed outline for educating undergraduate students about University policies, procedures, and academic regulations, such as add/drop deadlines, withdrawal procedures, and course registration processes.

Implement the Contractor's communication strategies to the appropriate employees and students.

II. Contract Components and Order of Precedence

Kentucky State University's acceptance of the Contractor's offer—indicated by the issuance of a Personal Service Contract Award—shall create a valid Contract between the Parties consisting of the following:

1. Procurement statutes, regulations, and policies
2. This Contract

III. Negotiated Items

Not applicable.

IV. Pricing

The costs for the services described above are as follows:

The Contractor shall be paid \$5,750.

a. Invoicing

Pursuant to KRS 45A.695, no payment shall be made on any invoice unless the individual, firm, partnership, or corporation awarded the Personal Service Contract submits the invoice for payment on the Personal Service Contract Invoice Form established by the Legislative Research Commission, Government Contract Review Committee.

The Contractor shall submit invoices to the Purchasing Department of Kentucky State University via email to purchasing@kysu.edu. The Purchasing Department will then review the invoices with the appropriate managing offices for approval. Upon approval, the invoices shall be forwarded to the Accounts Payable Department via email to accounts.payable@kysu.edu.

Payment for services will be made upon receipt of an approved invoice using the Personal Service Contract (PSC) Invoice Form. Payment terms are net thirty (30) days.

Invoices for services must include an original signature, as well as the following: the Contract number, the dates of service, the total number of hours worked, a description of services provided, and the total amount due.

The Invoice Form is available on the Legislative Research Commission, Government Contract Review Committee website, <https://apps.legislature.ky.gov/moreinfo/contracts/homepage.html>.

Travel:

Not applicable.

b. Terms and Conditions

Contract Effective Date

This Personal Service Contract shall be deemed effective on the date of execution.

Contract

This Personal Service Contract shall represent the entire agreement between the Parties. Prior negotiations, representations, or agreements, either written or oral, between the Parties hereto relating to the subject matter hereof shall be of no effect upon this Contract.

Contract Term and Renewal Option

The initial term of the Contract shall be from June 27, 2023, through August 18, 2023.

Renewal options are as described below:

Not applicable.

Changes and Modifications to the Contract

No modification or change to any provision of the Contract shall be made, or be construed to have been made, unless such modification is mutually agreed to in writing by Kentucky State University and the Contractor and incorporated as a written amendment by Kentucky State University prior to the proposed effective date of such modification or change. Modification shall be subject to prior approval from the University's Purchasing Department, the University's General Counsel, and the Legislative Research Commission, Government Contract Review Committee. Memoranda of understanding, written clarifications, and other correspondences shall not be construed as amendments to the Contract.

Notices

Unless otherwise instructed, all notices, consents, and other communications required and/or permitted by the Contract shall be in writing. After the award of the Contract, all communications of a contractual or legal nature shall be directed to the University's General Counsel.

V. Personal Service Contract (PSC) Standard Terms and Conditions

Whereas, the First Party, Kentucky State University, has concluded that University personnel are not available to perform said functions or it would not be feasible to utilize University personnel to perform said functions; and

Whereas, the Second Party, the Contractor, is available and qualified to perform such functions; and

Whereas, for the aforementioned reasons, the University desires to avail itself of the services of the second part.

NOW THEREFORE, the following terms and conditions are applicable to this Contract:

Choice of Law and Forum

This Contract shall be governed by, and construed in accordance with, the laws of the Commonwealth of Kentucky. Any action brought against the University on the Contract, including, but not limited to, actions either for breach of contract or for enforcement of the contract, shall be brought in Franklin Circuit Court, Franklin County, Kentucky, in accordance with KRS 45A.245.

Cancellation

Cancellation for Convenience — Kentucky State University reserves the right to terminate this PSC without cause through thirty (30) days' written notice. Upon the Contractor's receipt of a "notice of termination," the Contractor shall discontinue all services with respect to the applicable

Contract. The cost of any agreed upon services provided by the Contractor prior to cancellation will be calculated at the mutually agreed rate prior to the "notice of termination."

Cancellation for Non-Performance, Default — Kentucky State University may terminate the PSC for non-performance, as determined by the University, for causes such as:

- Failure to provide satisfactory quality of service, including: (1) failure to maintain adequate personnel (whether arising from labor disputes or otherwise); (2) any substantial change in ownership or proprietorship of the Contractor which, in the opinion of the University, is not in its best interest; or (3) failure to comply with the terms of this Contract.
- Failure to keep or perform (within the time period set forth herein), or violation of, any of the covenants, conditions, provisions, or agreements contained herein.
- Adjudication as a voluntarily bankrupt, making a transfer in fraud of its creditors, filing a petition under any section from time to time—or under any similar law or statute of the United States or any state thereof—or if an order for relief shall be entered against the Contractor in any proceeding filed by or against the Contractor thereunder. In the event of any such involuntary bankruptcy proceeding being instituted against the Contractor, the filing of such involuntary petition shall not be considered an event of default until sixty (60) days after the filing of said petition so that the Contractor might have, during that sixty-day period, the opportunity to seek dismissal of the involuntary petition or otherwise cure said potential default.
- Making a general assignment for the benefit of its creditors, or taking the benefit of any insolvency act, or if a permanent receiver or trustee in bankruptcy shall be appointed for the Contractor.

The University will provide ten (10) calendar days' written notice of default. Unless arrangements are made to correct the non-performance issues to the University's satisfaction within those ten (10) calendar days, the Director of Purchasing may terminate the Contract immediately.

Permits, Licenses, and Commonwealth Registration

The Contractor shall procure all necessary permits and licenses and abide by all applicable laws, regulations, and ordinances of all federal, state, and local governments in which work under this Contract is performed.

The Contractor must furnish certification of the authority to conduct business in the Commonwealth of Kentucky as a condition of the Contract Award. Such registration is obtained from the Secretary of State, who will also provide the certification thereof.

The Contractor shall pay all sales, use, personal property, and any other taxes arising out of this Contract and the transaction contemplated hereby. Any other taxes levied upon this Contract, the transaction, or the equipment or services delivered pursuant hereto shall be the responsibility of the Contractor.

The Contractor will be required to accept liability for payment of all payroll taxes or deductions required by local and federal law, including, but not limited to, old age pension, Social Security, or annuities.

Attorneys' Fees

If either Party deems it necessary to take legal action to enforce any provision of the Contract, and if the University prevails, the Contractor agrees to pay all expenses of such action, including the attorneys' fees and costs at all stages of litigation.

Indemnification

The Contractor shall indemnify and hold and save harmless the University, its affiliates, and its subsidiaries and their officers, agents, and employees from any losses, claims, suits, actions, expenses, damages, costs (including court costs and attorneys' fees of the University's attorneys), and liability of any nature or kind arising out of or relating to the Contractor's response to this procurement or its performance or failure to perform under the Contract awarded from this procurement. This clause shall survive termination for as long as necessary to protect the University.

Funding Out Provision

Kentucky State University may terminate this Contract if funds are not appropriated to the contracting agency or are not otherwise available for the purpose of making payments without incurring any obligation for payment after the date of termination, regardless of the terms of the Contract. The University shall provide the Contractor thirty (30) calendar days' written notice of termination of the Contract due to a lack of available funding.

Reduction in Contract Workers' Hours

Not applicable.

Authorized to do Business in Kentucky

Businesses can register with the Secretary of State at <http://www.sos.ky.gov/pages/default.aspx>

The Contractor affirms that it is properly authorized under the laws of the Commonwealth of Kentucky to conduct business in this state and will remain in good standing to do business in the Commonwealth of Kentucky for the duration of any contract awarded.

If a foreign entity, the Contractor shall maintain a certification of authority to conduct business in the Commonwealth of Kentucky during the term of this Contract. Such registration is obtained from the Secretary of State pursuant to the process outlined below.

Registration with the Secretary of State by a Foreign Entity

Pursuant to KRS 45A.480 (1)(b), an agency, department, office, or political subdivision of the Commonwealth of Kentucky shall not award a state contract to a person that is a foreign entity required by KRS 14A.9-010 to obtain a certificate of authority to transact business in the Commonwealth ("certificate") from the Secretary of State under KRS 14A.9-030 unless the person produces the certificate within fourteen (14) days of the bid or proposal opening. Therefore, foreign entities should submit a copy of their certificate with their solicitation response. If the foreign entity is not required to obtain a certificate as provided in KRS 14A.9-010, the foreign entity should identify the applicable exception in its solicitation response. Foreign entity is defined within KRS 14A.1-070.

For all foreign entities required to obtain a certificate of authority to transact business in the Commonwealth, if a copy of the certificate is not received by the contracting agency within the time frame identified above, the foreign entity's solicitation response shall be deemed non-

responsive, or the awarded contract shall be cancelled.

Invoices for Fees

The Contractor shall maintain supporting documents to substantiate invoices and shall furnish same if required by state government. The invoices must conform to the method described in this Contract.

As aforementioned, pursuant to KRS 45A.695, no payment shall be made on any invoice unless the individual, firm, partnership, or corporation awarded the personal service contract submits the invoice for payment on the Personal Service Contract Invoice Form established by the Legislative Research Commission, Government Contract Review Committee.

The Invoice Form is available on the Legislative Research Commission, Government Contract Review Committee website: <http://www.lrc.ky.gov/Statcomm/Contracts/homepage.htm>

Travel Expenses, if Authorized

The Contractor shall be paid for no travel expenses, unless and except as specifically authorized by the specifications of this Contract or authorized in advance and in writing by the University. Either original or certified copies of receipts must be submitted for airline tickets, hotel bills, restaurant charges, rental car charges, and any other miscellaneous expenses.

Other Expenses, if Authorized Herein

The Contractor shall be reimbursed for no other expenses of any kind, unless and except as specifically authorized within the specifications of this Contract, or authorized in advance and in writing by Kentucky State University.

If the reimbursement of such expenses is authorized, the reimbursement shall be only on an out-of-pocket basis. Request for payment of same shall be processed upon receipt from the Contractor of valid, itemized statements submitted periodically for payment at the time any fees are due. The Contractor shall maintain supporting documents that substantiate every claim for expenses and shall furnish copies of same in support of requests for payment submitted to Kentucky State University.

Purchasing and Specifications

The Contractor certifies that it will not attempt in any manner to influence any specifications to be restrictive in any way or respect, nor will it attempt in any way to influence any purchasing of services, commodities, or equipment by Kentucky State University. For the purpose of this paragraph and the following paragraph that pertains to conflict-of-interest laws and principles, "it" is construed to mean "he" or "she" if only one person is involved. If a firm, partnership, corporation, or other organization is involved, then "it" is construed to mean any person with an interest therein.

Conflict-of-Interest Laws and Principles

The Contractor certifies that it is legally entitled to enter into this Contract with Kentucky State University, and by holding and performing this Contract, it will not be violating any conflict-of-interest statute (KRS 45A.330-45A.340, 45A.990, 164.390) or the University's Ethical Principles and Code of Conduct.

Access to Records

The Contractor, as defined in KRS 45A.030(8) and (10), agrees that the contracting agency,

Kentucky State University, the Auditor of Public Accounts, and the Legislative Research Commission, or their duly authorized representatives, shall have access to any books, documents, papers, records, or other evidence, which are directly pertinent to this Contract for the purpose of a financial audit or program review. The Contractor also recognizes that any books, documents, papers, records, or other evidence received during a financial audit or program review shall be subject to the Kentucky Open Records Act, KRS 61.870 to 61.884. Records and other prequalification information confidentially disclosed as part of the bid process shall not be deemed as directly pertinent to the Contract and shall be exempt from disclosure as provided in KRS 61.878(1)(c).

Protest

Pursuant to KRS 45A.285, Kentucky State University's General Counsel shall have authority to determine protests and other controversies of actual or prospective vendors in connection with the solicitation or selection for award of a contract.

Any actual or prospective vendor, who is aggrieved in connection with the solicitation or selection for award of a contract, may file protest with the University General Counsel. A protest or notice of other controversy must be filed promptly and, in any event, within two (2) calendar weeks after such aggrieved person or entity knows or should have known of the facts giving rise thereto. All protests or notices of other controversies must be in writing and shall be addressed to:

Kentucky State University
General Counsel
Academic Services Building, Room 541
400 East Main Street
Frankfort, KY 40601

A copy of that decision shall be mailed or otherwise furnished to the aggrieved party and shall state the reasons for the action taken.

The decision by Kentucky State University shall be final and conclusive.

Social Security (check one)

☒ The Parties are cognizant that, pursuant to 42 U.S. Code, section 418, the state is not liable for Social Security contributions relative to the compensation of the Second Party for this Contract.

☐ The Parties are cognizant that, pursuant to 42 U.S. Code, section 418, the state is liable for Social Security contributions relative to the compensation of the Second Party for this Contract.

Violation of Tax and Employment Laws

KRS 45A.485 requires the Contractor and all subcontractors performing work under the Contract to reveal to the Commonwealth, prior to the award of the Contract, any final determination of a violation by the Contractor within the previous five (5) year period of the provisions of KRS chapters 136, 139, 141, 337, 338, 341, and 342. These statutes relate to the state sales and use tax, corporate and utility tax, income tax, wages and hours laws, occupational safety and health laws, unemployment insurance laws, and workers' compensation insurance laws, respectively.

To comply with the provisions of KRS 45A.485, the Contractor and all subcontractors performing work under the Contract shall report any such final determination(s) of violation(s) to the Commonwealth by providing the following information regarding the final determination(s): the KRS violated, the date of the final determination, and the state agency which issued the final determination.

KRS 45A.485 also provides that, for the duration of any contract, the Contractor and all subcontractors performing work under the Contract shall be in continuous compliance with the provisions of those statutes, which apply to their operations, and that their failure to reveal a final determination, as described above, or failure to comply with the above statutes for the duration of the Contract, shall be grounds Kentucky State University's cancellation of the contract and their disqualification from eligibility for future state contracts for a period of two (2) years.

Discrimination

This section applies only to contracts disbursing federal funds, in whole or part, when the terms and conditions for receiving those funds mandate its inclusion. Discrimination (because of race, religion, color, national origin, sex, sexual orientation, gender identity, age, or disability) is prohibited. During the performance of this Contract, the Contractor agrees as follows:

The Contractor will not discriminate against any employee or applicant for employment because of race, religion, color, national origin, sex, sexual orientation, gender identity, or age. The Contractor further agrees to comply with the provisions of the Americans with Disabilities Act (ADA), Public Law 101-336, and applicable federal regulations relating thereto prohibiting discrimination against otherwise qualified disabled individuals under any program or activity. The Contractor agrees to provide, upon request, needed reasonable accommodations. The Contractor will take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, religion, color, national origin, sex, sexual orientation, gender identity, age or disability. Such action shall include, but is not limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensations; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this non-discrimination clause.

In all solicitations or advertisements for employees placed by or on behalf of the Contractor, the Contractor will state that all qualified applicants will receive consideration for employment without regard to race, religion, color, national origin, sex, sexual orientation, gender identity, age or disability.

The Contractor will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding a notice advising said labor union or workers' representative of the Contractor's commitments under this section and shall post copies of the notice in conspicuous places available to employees and applicants for employment. The Contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance.

The Contractor will comply with all provisions of Executive Order No. 11246 of September 24,

1965, as amended, and of the rules, regulations, and relevant orders of the Secretary of Labor.

The Contractor will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, as amended, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records, and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

In the event of the Contractor's noncompliance with the nondiscrimination clauses of this Contract or with any of the said rules, regulations, or orders, this Contract may be cancelled, terminated, or suspended in whole or in part, and the Contractor may be declared ineligible for further government contracts or federally-assisted construction contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, as amended, and such other sanctions that may be imposed and remedies invoked as provided in or as otherwise provided by law.

The Contractor will include the provisions of paragraphs (1) through (7) of section 202 of Executive Order 11246 in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor, issued pursuant to section 204 of Executive Order No. 11246 of September 24, 1965, as amended, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance; provided, however, that in the event the Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the agency, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.

VI. Approvals

This Contract is subject to the terms and conditions stated herein. By affixing signatures below, the Parties verify that they are authorized to enter into this Contract and that they accept and consent to be bound by the terms and conditions stated herein. In addition, the Parties agree that (i) electronic approvals may serve as electronic signatures, and (ii) this Contract may be executed in any number of counterparts, each of which when executed and delivered shall constitute a duplicate original, but all counterparts together shall constitute a single Contract.

1st Party – Kentucky State University

2nd Party – Contractor

Signature _____

Signature _____

Printed Name _____

Printed Name _____

Title _____

Title _____

Date _____

Date _____

Approved as to form and legality

Signature _____

Printed Name _____

Date _____

General Counsel, Kentucky State University



June 20, 2023

Kentucky State University
Attn: Yolanda Benson, School Certifying Official
Attn: Michael Dailey, VP of Academic Affairs
Attn: Zack Atwell, Interim Deputy General Counsel
400 East Main Street, Suite 540 ASB
Frankfort, KY 40601

Dear Ms. Benson:

NOTICE OF 30-DAY SUSPENSION

On May 1, 2023, the Kentucky State Approving Agency for Veterans Education sent an official notice requesting information as part of a Risk Based Survey for Kentucky State University. The Kentucky State Approving Agency originally requested all items be submitted by May 12, 2023. On May 2, 2023, a 7-day extension was granted to the university in order to ensure all requested information could be provided in a timely manner. On May 18th, one additional document was provided to aid in this submission. Kentucky State University in total had 19 days to review and provide the requested information to our agency by May 19, 2023.

On May, 19, 2023, our agency did not receive any of the requested financial documentation for review as stated in the official notice. On June 13, 2023, another request was sent to Kentucky State University requesting financial documentation be submitted to our office by close of business on June 16, 2023. Kentucky State University has failed to provide any financial documentation for review during the Risk Based Survey.

In accordance with Title 38 USC §3679 (a)(1), the Kentucky State Approving Agency for Veterans Education is placing Kentucky State University (Facility Code: 1-1-5057-17) on a 30-day suspension thereby suspending your school's approval to certify the enrollment of any new veterans, or re-enrollment of previously enrolled students, or other eligible persons who may enroll at your school in your school's programs, for a period of not more than 30 days, to allow time for your institution to comply with the request(s).

The effective dates for the suspension are June 20, 2023, through July 19, 2023.

300 North Main Street, Versailles, KY 40383

859.256.3235 Fax: 859.256.3123

<https://veterans.kctcs.edu>

Kentucky Approving Agency for Veterans Education

Without proper and complete records for our agency to review, the Risk Based Survey process could not be completed. The original review process began as early as May 19, 2023 for the requested Risk Based Survey material and throughout the review attempts were made at various stages requesting information. The school did not respond in a timely manner to resolve these outstanding issues.

In addition to the requested Risk Based Survey documents all accredited programs must meet the requirements set forth in Title 38 CFR § 21.4253. The Kentucky State Approving Agency sent a request for Kentucky State University's 2022-2023 approval documents on February 14, 2023, and have not received any items in the following four months to date.

The following actions must be completed and submitted to our agency prior to July 19, 2023. Failure to do so will result in withdrawal of approval of your facility, Kentucky State University, to offer VA Educational benefits to your eligible students.

1. Financial Soundness Documentation for Previous Two Years [38 U.S.C. §3679 (a)(1)]
 - a. Please complete the attached Financial Soundness Review Spreadsheet:
 - b. Prepared Financial Statement(s)
 - c. Balance Sheet
 - d. Income Statement
 - e. Cash Flow Statement
 - f. Compiled Financial Statement(s)
 - g. 90/10 Documentation (if Title IV eligible)
2. Kentucky State University Approval Documentation (38 U.S.C. § 21.4253)
 - a. Submit complete approval application for Kentucky State University.
 - b. Submit all supporting documentation listed within approval Application.
 - c. Attach 2022-2023 KSU catalog.

The Kentucky Approving Agency for Veterans Education strongly encourages Kentucky State University to review the federal regulations found in Title 38 USC §3679 (a)(1) & Title 38 C.F.R. § 21.4253 related to Veterans Affairs Educational benefits.

An additional copy of the official Risk Based Notification letter is attached for your review. And an additional Application for Approval and its supporting documents have been provided as well for your use. Please ensure you read and follow all directions provided on the application.

Should you have any questions concerning these requests, please feel free to contact Mr. Kaleb Cornett at kaleb.cornett@kctcs.edu or myself.

Sincerely,



Gwen E. Hacker
Director

cc: Latetsheia Beal, U. S. Department of Veterans Affairs
Gwen Hacker, Director, Kentucky State Approving Agency
Kaleb Cornett, Consultant, Kentucky State Approving Agency
Yolanda Benson, School Certifying Official
Michael Dailey, VP of Academic Affairs
Zack Atwell, Interim Deputy General Counsel

KCTCS:\Veterans Affairs-KYSAA\15-Kaleb\FY23 RBS\IHL\Kentucky State University



KENTUCKY STATE UNIVERSITY BOARD OF REGENTS

INFORMATION ITEM 4C

INFORMATION ITEM

2023–2024 Staff Holiday Calendar Update.

FACTS

The attached staff holiday calendar is being presented for the Board of Regents’ review. Kentucky State University has removed Good Friday and added Presidents’ Day. In addition, Governor’s Inauguration Day has been added as a holiday. The calendar includes twenty-six (26) holidays.

BUDGETARY IMPLICATION

There are no budgetary implications.

RECOMMENDATION

This is an information item.

MOTION

Not applicable.



Staff Holiday Schedule

Fiscal Year 2024

July 1, 2023 – June 30, 2024

Holiday	Date(s) Observed	Day(s) Observed
Independence Day	July 4, 2023	Tuesday
Labor Day	September 4, 2023	Monday
Thanksgiving	November 22 - 24, 2023	Wednesday - Friday
Governor's Inauguration Day	December 12, 2023	Tuesday
Winter Break	December 18, 2023- January 1, 2024	Monday - Monday
Martin Luther King Jr. Day	January 15, 2024	Monday
President's Day	February 19, 2024	Monday
Spring Break	March 11-15, 2024	Monday-Friday
Memorial Day	May 27, 2024	Monday
Juneteenth	June 19, 2024	Wednesday

***Note dates are subject to change**



KENTUCKY STATE UNIVERSITY BOARD OF REGENTS

INFORMATION ITEM 4E

INFORMATION ITEM

Renewal of Personal Service Contract (PSC) with Earth Tools, Inc. (d/b/a Apogee Climate & Energy Transitions).

FACTS

This is a renewal/extension of KSU PSC 23-15. The Contractor will serve as a technical expert and advisor for assessing the feasibility of solar photovoltaic power generation at Land Grant program facilities. The Contractor will produce Solar Feasibility Assessment Report(s) and evaluate opinions for supplying solar power to specific Land Grant facilities. The Contractor will assist in the development of RFP(s) and the evaluation of project proposals if/when such projects are deemed feasible. These services will support the administration of research supported by Section 1445 at the Kentucky State University Land Grant program by improving the sustainability of research operations. The Contractor will also help organize educational meetings with local community organizations to discuss strategies for expanding access to clean energy resources (e.g., energy efficiency and conservation, solar power), especially among low-income communities in Franklin County. These outreach efforts, facilitated by a technical expert, will mirror the Cooperative Extension model by using experiment station facilities as a living demonstration and educational opportunity for stakeholder groups.

BUDGETARY IMPLICATION

The projected cost for this renewal is \$19,000. The renewal will be funded by a federal Evans-Allen research grant.

RECOMMENDATION

Not applicable. This is an information item.

MOTION

Not applicable.

**KENTUCKY STATE UNIVERSITY
MODIFICATION TO PERSONAL SERVICES CONTRACT**

NOTICE OF AMENDMENT

☒ NOTICE OF EXTENSION

Name and Address of Individual or Firm	Personal Services Contract No.: 23-15
Earth Tools Inc. dba Apogee	Department: Land Grant Program
316 Wapping St. Frankfort, KY 40601	Account Number:
	Original Contract Date: Dec. 1, 2022-May 31, 2023
	Original Contract Amount: \$18,000.00
	New Total Not to Exceed: \$18,000.00

Section 1: Complete the following if form is processed as an AMENDMENT.

A. The above referenced contract is being amended as follows:
n/a

B. All other terms and conditions of the contract remain the same, except as modified above.

Section 2: Complete the following if form is processed as an EXTENSION.

A. The above referenced contract is being extended from:
June 1, 2023 to December 1, 2023

B. All other terms and conditions of the contract remain the same, except as modified above.

C. If contract extended beyond current fiscal year, change contract number to KSU-_____.

D. The balance of the contract to be carried forward to the new fiscal year is: \$ 19,000.00.

Please signify your acceptance of the above contract modification(s) with your signature below.

FIRST PARTY: KENTUCKY STATE UNIVERSITY

SECOND PARTY: CONTRACTOR

Signature _____ Date _____

Signature _____ Date _____

RECOMMENDED BY:

SECOND PARTY: CONTRACTOR

Charles Holloway 06/06/2023
Purchasing Manager Date

Print or Type Name _____ Title _____

REVIEWED AS TO FORM AND LEGALITY:

APPROVED BY:

Lydia Hall 06/06/2023
Legal Counsel Date

William S. McComb 6/6/23
President Date

PERSONAL SERVICE CONTRACT FOR
CONSULTING SERVICES
BETWEEN

KENTUCKY STATE UNIVERSITY

AND

EARTH TOOLS INC., DBA APOGEE CLIMATE & ENERGY TRANSITIONS

PSC 23-15

This Personal Service Contract (PSC) is entered into by and between Kentucky State University ("KSU") and Earth Tools Inc., DBA Apogee Climate & Energy Transitions ("Contractor"), to establish a contract for personal technical services to the grant: Administration of Research Supported by Section 1445 at the Kentucky State University Land Grant Program, FAIN: NI211445xxxxG015. KSU and Contractor agree to the following:

I. Scope of Contract

Contractor

1. The Contractor shall serve as a technical expert and advisor for assessing the feasibility of solar photovoltaic power generation at Land Grant Program facilities in Franklin County, KY.
2. The Contractor shall work in conjunction with Dr. Kirk Pomper (the PI) and Nat Colten (the Community Sustainability Coordinator) and attend meetings as necessary.
3. The Contractor will produce Solar Feasibility Assessment Report(s) for Land Grant facilities and evaluate options for supplying solar power.
4. The Contractor will assist in the development of RFP(s), and the evaluation of project proposals, if/when such projects are deemed feasible.
5. The Contractor will organize local stakeholder meetings in partnership with Cooperative Extension programming efforts to develop strategies for expanding access to clean energy resources (e.g., energy efficiency, conservation, solar power), especially among low-income/limited resource communities in Franklin County.

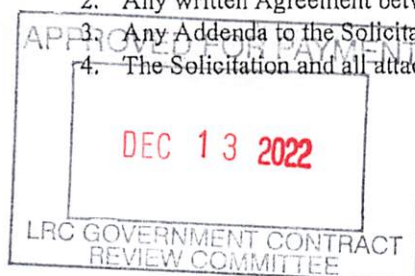
Kentucky State University

1. It shall be the responsibility of Kentucky State University to provide appropriate guidance to the Contractor to facilitate the successful completion of the projected work and work product development.

II. Contract Components and Order of Precedence

KSU's acceptance of the Contractor's offer, indicated by the issuance of a Personal Service Contract Award, shall create a valid contract between the Parties consisting of the following:

1. Procurement Statutes, Regulations and Policies
2. Any written Agreement between the Parties.
3. Any Addenda to the Solicitation.
4. The Solicitation and all attachments.



Page 1 of 9



5. Any Best and Final Offer.
6. Any clarifications concerning the Contractor's proposal in response to the Solicitation.
7. The Contractor's proposal in response to the Solicitation.

In the event of any conflict between or among the provisions contained in the contract, the order of precedence shall be as enumerated above.

III. Negotiated Items – Not Applicable

IV. Pricing

The Contractor's standard fee for consulting is \$65 per hour. The estimated total amount for the scope of work in this Personal Service Contract is \$14,400 for phases 1-3, but the total amount shall not exceed \$19,000.00.

V. Invoicing

Services:

Contractor shall complete services as described in the Scope of Services.

The Contractor shall submit the Personal Service Contract (PSC) Invoice Form to the Principal Investigator for review and approval. The Contractor shall describe in detail the work completed on that invoice. It shall be the PI's responsibility to review and approve payment. Once the PI reviews and approves the invoice for payment, the PI shall submit the invoice to accounts.payable@kysu.com for processing. Payment terms are net thirty (30) days.

Pursuant to KRS 45A.695, no payment shall be made on any personal service contract unless the individual, firm, partnership, or corporation awarded the personal service contract submits its invoice for payment on a form established by the Legislative Research Commission, Government Contract Review Committee.

The invoice form is available on the Legislative Research Commission, Government Contract Review Committee website <https://apps.legislature.ky.gov/moreinfo/contracts/homepage.html>

VI. Terms and Conditions

Contract Effective Date

The initial term of this PSC is effective and binding **December 1, 2022**.

Contract

This Personal Service Contract shall represent the entire agreement between the parties. Prior negotiations, representations, or agreements, either written or oral, between the parties hereto relating to the subject matter hereof shall be of no effect upon this Contract.

Contract Term and Renewal Option

The initial term of the contract shall be from **December 1, 2022, through May 31, 2023**.

This contract may only be renewed one (1) time if the extent of work exceeds the allotted term or maximum dollar amount as outlined in section IV (Pricing) of this contract.

Changes and Modifications to the Contract

No modification or change of any provision in the Contract shall be made, or construed to have been made, unless such modification is mutually agreed to in writing by KSU and the Contractor and incorporated as a written amendment by the KSU prior to the effective date of such modification or change. Modification shall be subject to prior approval from the Kentucky State University Purchasing Department, University General Counsel, and the LRC Government Contract Review Committee. Memoranda of Understanding, written clarification, and/or other correspondence shall not be construed as amendments to the Contract.

Notices

Unless otherwise instructed, all notices, consents, and other communications required and/or permitted by the Contract shall be in writing. After the award of the Contract, all communications of a contractual or legal nature shall be made to Kentucky State University General Counsel.

VII. Personal Service Contract (PSC) Standard Terms and Conditions

Whereas, the first party, Kentucky State University, has concluded that either University personnel are not available to perform said function, or it would not be feasible to utilize University personnel to perform said function; and

Whereas, the second party, the Contractor, is available and qualified to perform such function; and

Whereas, for the abovementioned reasons, the University desires to avail itself of the services of the second party;

NOW THEREFORE, the following terms and conditions are applicable to this contract:

Choice of Law and Forum

This contract shall be governed by and construed in accordance with the laws of the Commonwealth of Kentucky. Any action brought against the University on the contract, including but not limited to actions either for breach of contract or for enforcement of the contract, shall be brought in Franklin Circuit Court, Franklin County, Kentucky in accordance with KRS 45A.245.

Cancellation

Cancellation for Convenience - Kentucky State University reserves the right to terminate this PSC without cause with a thirty (30) day written notice. Upon receipt by the contractor of a "notice of termination," the contractor shall discontinue all services with respect to the applicable contract. The cost of any agreed upon services provided by the contractor prior to cancellation will be calculated at the agreed upon rate prior to a "notice of termination".

Cancellation for Non-Performance Default - KSU may terminate the resulting contract for non-performance, as determined by the University, for such causes as:

- Failure to provide satisfactory quality of service, including: failure to maintain adequate personnel (whether arising from labor disputes or otherwise); any substantial change in ownership or proprietorship of the contractor which, in the opinion of the University, is not in its best interest; or failure to comply with the terms of this contract.
- Failure to keep or perform (within the time period set forth herein) or violation of any of the covenants, conditions, provisions or agreements herein contained.
- Adjudication as a voluntarily bankrupt, making a transfer in fraud of its creditors, filing a petition

under any section from time to time, or under any similar law or statute of the United States or any state thereof, or if an order for relief shall be entered against the Contractor in any proceeding filed by or against contractor thereunder. In the event of any such involuntary bankruptcy proceeding being instituted against the Contractor, the fact of such an involuntary petition being filed shall not be considered an event of default until sixty (60) days after filing of said petition in order that Contractor might, during that sixty (60) day period, have the opportunity to seek dismissal of the involuntary petition or otherwise cure said potential default.

- Making a general assignment for the benefit of its creditors, or taking the benefit of any insolvency act, or if a permanent receiver or trustee in bankruptcy shall be appointed for the Contractor.

Notification of Default

The University will provide ten (10) calendar days' written notice of default. Unless arrangements are made to correct the non-performance issues to the University's satisfaction within ten (10) calendar days, the Director of Purchasing may terminate the contract immediately.

Permits, Licenses and Commonwealth Registration

The contractor shall procure all necessary permits and licenses and abide by all applicable laws, regulations and ordinances of all federal, state and local governments in which work under this contract is performed.

The contractor must furnish certification of authority to conduct business in the Commonwealth of Kentucky as a condition of contract award. Such registration is obtained from the Secretary of State, who will also provide the certification thereof.

The contractor shall pay any sales, use, personal property and other tax arising out of this contract and the transaction contemplated hereby. Any other taxes levied upon this contract, the transaction or the equipment or services delivered pursuant hereto shall be the responsibility of the contractor.

The contractor will be required to accept liability for payment of all payroll taxes or deductions required by local and federal law including (but not limited to) old age pension, social security or annuities.

Attorneys' Fees

In the event that either party deems it necessary to take legal action to enforce any provision of the contract and in the event that the University prevails, the contractor agrees to pay all expenses of such action including attorneys' fees and costs at all stages of litigation.

Indemnification

The contractor shall indemnify, hold, and save harmless the University, its affiliates and subsidiaries and their officers, agents and employees from losses, claims, suits, actions, expenses, damages, costs (including court costs and attorneys' fees of the University's attorneys), all liability of any nature or kind arising out of or relating to the Contractor's response to this RFP or its performance or failure to perform under the contract awarded from this RFP. This clause shall survive termination for as long as necessary to protect the University.

Funding Out Provision

KSU may terminate this contract if funds are not appropriated to the contracting agency or are not otherwise available for the purpose of making payments without incurring any obligation for payment after the date of termination, regardless of the terms of the contract. The University shall provide the Contractor thirty (30) calendar days' written notice of termination of the contract due to lack of available

funding.

Reduction in Contract Worker Hours

Not Applicable

Authorized to do Business in Kentucky

Businesses can register with the Secretary of State at <http://www.sos.ky.gov/pages/default.aspx>

The Contractor affirms that it is properly authorized under the laws of the Commonwealth of Kentucky to conduct business in this state and will remain in good standing to do business in the Commonwealth of Kentucky for the duration of any contract awarded.

If a foreign entity, the Contractor shall maintain a certification of authority to conduct business in the Commonwealth of Kentucky during the term of this contract. Such registration is obtained from the Secretary of State pursuant to the process outlined below.

Registration with the Secretary of State by a Foreign Entity

Pursuant to KRS 45A.480 (1)(b), an agency, department, office, or political subdivision of the Commonwealth of Kentucky shall not award a state contract to a person that is a foreign entity required by KRS 14A.9-010 to obtain a certificate of authority to transact business in the Commonwealth ("certificate") from the Secretary of State under KRS 14A.9-030 unless the person produces the certificate within fourteen (14) days of the bid or proposal opening. Therefore, foreign entities should submit a copy of their certificate with their solicitation response. If the foreign entity is not required to obtain a certificate as provided in KRS 14A.9-010, the foreign entity should identify the applicable exception in its solicitation response. Foreign entity is defined within KRS 14A.1-070.

For all foreign entities required to obtain a certificate of authority to transact business in the Commonwealth, if a copy of the certificate is not received by the contracting agency within the time frame identified above, the foreign entity's solicitation response shall be deemed non-responsive or the awarded contract shall be cancelled.

Invoices for fees

The Contractor shall maintain supporting documents to substantiate invoices and shall furnish same if required by state government. The invoice must conform to the method described in this contract.

Pursuant to KRS 45A.695, no payment shall be made on any personal service contract unless the individual, firm, partnership, or corporation awarded the personal service contract submits its invoice for payment on a form established by the Legislative Research Commission, Government Contract Review Committee.

The invoice form is available on the Legislative Research Commission, Government Contract Review Committee website <https://apps.legislature.ky.gov/moreinfo/contracts/homepage.html>

Travel expenses, if authorized

The Contractor shall be paid for no travel expenses, unless and except as specifically authorized by the specifications of this contract, or authorized in advance and in writing by the University. Either original or certified copies of receipts must be submitted for airline tickets, hotel bills, restaurant charges, rental car charges, and any other miscellaneous expenses.

Other expenses, if authorized herein

The Contractor shall be reimbursed for no other expenses of any kind, unless and except as specifically authorized within the specifications of this contract, or authorized in advance and in writing by KSU. If the reimbursement of such expenses is authorized, the reimbursement shall be only on an out-of-pocket basis. Request for payment of same shall be processed upon receipt from the Contractor of valid, itemized statements submitted periodically for payment at the time any fees are due. The Contractor shall maintain supporting documents that substantiate every claim for expenses and shall furnish copies of same in support of requests for payment submitted to KSU.

Purchasing and specifications

The Contractor certifies that he/she will not attempt in any manner to influence any specifications to be restrictive in any way or respect nor will he/she attempt in any way to influence any purchasing of services, commodities or equipment by KSU. For the purpose of this paragraph and the following paragraph that pertains to conflict-of-interest laws and principles, "he/she" is construed to mean "they" if more than one person is involved. If a firm, partnership, corporation, or other organization is involved, then "he/she" is construed to mean any person with an interest therein.

Conflict-of-interest laws and principles

The Contractor certifies that he/she is legally entitled to enter into this contract with KSU, and by holding and performing this contract, he/she will not be violating any conflict-of-interest statute (KRS 45A.330-45A.340, 45A.990, 164.390), nor KSU's Ethical Principles and Code of Conduct.

Access to records

The Contractor, as defined in KRS 45A.030(8) and (10), agrees that the contracting agency, KSU the Auditor of Public Accounts, and the Legislative Research Commission, or their duly authorized representatives, shall have access to any books, documents, papers, records, or other evidence, which are directly pertinent to this contract for the purpose of a financial audit or program review. The Contractor also recognizes that any books, documents, papers, records, or other evidence, received during a financial audit or program review shall be subject to the Kentucky Open Records Act, KRS 61.870 to 61.884. Records and other prequalification information confidentially disclosed as part of the bid process shall not be deemed as directly pertinent to the contract and shall be exempt from disclosure as provided in KRS 61.878(1)(c).

Protest

Pursuant to KRS 45A.285, Kentucky State University General Counsel shall have authority to determine protests and other controversies of actual or prospective vendors in connection with the solicitation or selection for award of a contract.

Any actual or prospective vendor, who is aggrieved in connection with the solicitation or selection for award of a contract, may file protest with the University General Counsel. A protest or notice of other controversy must be filed promptly and, in any event, within two (2) calendar weeks after such aggrieved person knows or should have known of the facts giving rise thereto. All protests or notices of other controversies must be in writing and shall be addressed to:

Kentucky State University
General Counsel
400 East Main Street
ASB Building
Frankfort, KY. 40601

A copy of that decision shall be mailed or otherwise furnished to the aggrieved party and shall state the reasons for the action taken.

The decision by Kentucky State University shall be final and conclusive.

Social security: (check one)

X The parties are cognizant that, pursuant to 42 U.S. Code, section 418, Kentucky State University is not liable for social security contributions relative to the compensation of the second party for this contract.

_____ The parties are cognizant that, pursuant to 42 U.S. Code, section 418, Kentucky State University is liable for social security contributions relative to the compensation of the second party for this contract.

Violation of tax and employment laws

KRS 45A.485 requires the Contractor and all subcontractors performing work under the contract to reveal to the Commonwealth, prior to the award of a contract, any final determination of a violation by the Contractor within the previous five (5) year period of the provisions of KRS chapters 136, 139, 141, 337, 338, 341, and 342. These statutes relate to the state sales and use tax, corporate and utility tax, income tax, wages and hours laws, occupational safety and health laws, unemployment insurance laws, and workers compensation insurance laws, respectively.

To comply with the provisions of KRS 45A.485, the Contractor and all subcontractors performing work under the contract shall report any such final determination(s) of violation(s) to the Commonwealth by providing the following information regarding the final determination(s): the KRS violated, the date of the final determination, and the state agency which issued the final determination.

KRS 45A.485 also provides that, for the duration of any contract, the Contractor and all subcontractors performing work under the contract shall be in continuous compliance with the provisions of those statutes, which apply to their operations, and that their failure to reveal a final determination, as described above, or failure to comply with the above statutes for the duration of the contract, shall be grounds KSU's cancellation of the contract and their disqualification from eligibility for future state contracts for a period of two (2) years.

Discrimination

This section applies only to contracts disbursing federal funds, in whole or part, when the terms and conditions for receiving those funds mandate its inclusion. Discrimination (because of race, religion, color, national origin, sex, sexual orientation, gender identity, age, or disability) is prohibited. During the performance of this contract, the Contractor agrees as follows:

The Contractor will not discriminate against any employee or applicant for employment because of race, religion, color, national origin, sex, sexual orientation, gender identity or age. The Contractor further agrees to comply with the provisions of the Americans with Disabilities Act (ADA), Public Law 101-336, and applicable federal regulations relating thereto prohibiting discrimination against otherwise qualified disabled individuals under any program or activity. The Contractor agrees to provide, upon request, needed reasonable accommodations. The Contractor will take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, religion, color, national origin, sex, sexual orientation, gender identity, age or disability. Such action shall include, but not be limited to the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensations; and selection

for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this non-discrimination clause.

In all solicitations or advertisements for employees placed by or on behalf of the Contractor, the Contractor will state that all qualified applicants will receive consideration for employment without regard to race, religion, color, national origin, sex, sexual orientation, gender identity, age or disability.

The Contractor will send to each labor union or representative of workers with which he/she has a collective bargaining agreement or other contract or understanding a notice advising the said labor union or workers' representative of the Contractor's commitments under this section and shall post copies of the notice in conspicuous places available to employees and applicants for employment. The Contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance.

The Contractor will comply with all provisions of Executive Order No. 11246 of September 24, 1965, as amended, and of the rules, regulations and relevant orders of the Secretary of Labor.

The Contractor will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, as amended, and by the rules, regulations and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his/her books, records and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.

In the event of the Contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations or orders, this contract may be cancelled, terminated or suspended in whole or in part, and the Contractor may be declared ineligible for further government contracts or federally-assisted construction contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, as amended, and such other sanctions that may be imposed and remedies invoked as provided in or as otherwise provided by law.

The Contractor will include the provisions of paragraphs (1) through (7) of section 202 of Executive Order 11246 in every subcontract or purchase order unless exempted by rules, regulations or orders of the Secretary of Labor, issued pursuant to section 204 of Executive Order No. 11246 of September 24, 1965, as amended, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions including sanctions for noncompliance; provided, however, that in the event a Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the agency, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.

VIII. Approvals

This contract is subject to the terms and conditions stated herein. By affixing signatures below, the parties verify that they are authorized to enter into this contract and that they accept and consent to be bound by the terms and conditions stated herein. In addition, the parties agree that (i) electronic approvals may serve as electronic signatures, and (ii) this contract may be executed in any number of counterparts, each of which when executed and delivered shall constitute a duplicate original, but all counterparts together shall constitute a single contract.

1st Party – Kentucky State University

Ronald A. Johnson
Signature

Ronald A. Johnson

Printed Name

President

Title

11/18/2022

Date

2nd Party – Contractor

Andrew S. McDonald
Signature

Andrew S. McDonald

Printed Name

Director, Apogee, Earth Tools, Inc.

Title

11/18/2022

Date

Approved as to form and legality

Shuo Han
Signature

Shuo Han

Printed Name

Interim
General Counsel

Kentucky State University



KENTUCKY STATE UNIVERSITY BOARD OF REGENTS

INFORMATION ITEM 4F

INFORMATION ITEM

Update on the Management and Improvement Plan's Required Actions Concerning University's Endowment.

FACTS

Kentucky State University, with active assistance from the Council of Postsecondary Education, has actively worked toward completing its deliverables for the current Management and Improvement Plan concerning the University Endowment. The majority of the endowment was funded by private donations during the "Bucks for Brains" Endowment Match Program, where the state matched public dollars to private donations at Kentucky universities. All funds, both public and private, were required to be endowed, to provide a perpetual source of funding for the activities supported. The Council on Postsecondary Education administered the program and the requests had to meet the Council's eligibility requirements.

BUDGETARY IMPLICATION

The Kentucky State University Endowment had a total value of \$19,559,653.54 on May 31, 2023. Per the Interim Endowment and Spending Policy, 4% of the 12-quarter rolling average would be available for distribution to accounts within the endowment, resulting in \$793,045 of available funds distributed at 1% per quarter drawdown among the accounts. The accounts are split into faculty endowments, departmental endowments and scholarship endowments.

RECOMMENDATION

Acting President Michael D. Dailey, PhD, recommends that the Board of Regents approve the Investment and Spending Policy and the Internal Endowment Policy before their interim statuses end.

MOTION

Not applicable.



KENTUCKY STATE UNIVERSITY POLICIES AND PROCEDURES

POLICY TITLE: Interim Policy on Internal Endowment Agreements

VOLUME, SECTION & NUMBER: 4.1.15

APPROVED BY: Acting President Michael D. Dailey, PhD

EFFECTIVE DATE: June 26, 2023 (Expected) [Interim until approved by the Board of Regents—expires 180 days from approval by the President]

REVISED FROM: Not applicable (New Policy)

PURPOSE:

Kentucky State University, through the practice of shared governance, aims to formally develop, approve, disseminate, implement, and maintain endowment agreements in a uniform process. To ensure compliance with donors' wishes, expectations, directives, restrictions, etc., each endowed account shall have a governing document.

In the absence of a signed memorandum of understanding, agreement, fund outline, or any other governing document, the University will draft Internal Endowment Agreements, which will be guided by the following principles:

Internal Endowment Agreements will:

- Support the University's mission, values, initiatives, and strategic goals;
- Align ownership with appropriate authority, responsibility, and accountability;
- Comply with applicable federal, state, and local laws and regulations, as well as all accreditation standards;
- Be consistent with other University-executed agreements;
- Be transparent; and
- Have a mechanism for amendments, revisions, changed circumstances, and repeals.

The implementation of an Interim Policy on Internal Endowment Agreements enables Kentucky State University to manage its body of endowed funds effectively and efficiently. While some endowed funds have existing agreements, each fund should have an executed governing document on file for internal controls.

POLICY STATEMENT:

Pursuant to Kentucky Revised Statutes 164.350(2), each university board has the power and duty to “adopt bylaws, rules, and regulations for the governance of” their institution. In accordance with KRS 164.350(2), *The Gold Book: Bylaws of Kentucky State University Board of Regents*, Article II, Section 2(k), reiterates that, “[the Board acts] as a policy-making body by adopting policy statements of governance and operations of the University”.

As such, the Board of Regents of Kentucky State University has declared that the University shall be governed by Board-adopted policies (“Policies”) and University-adopted procedures (“Procedures”). It is the expectation of the Board of Regents that the University President and administration will develop a system of procedures/processes that will aide in the implementation of policies that manage routine operations of the University. By way of the Policy on Policies, the Board of Regents established the process for the development, adoption, and management of all University policies. The Board retains full policy-making authority and delegates to the President the authority to approve internally developed procedures and interim policies.

House Bill 250 (2022) directed the Council on Postsecondary Education to establish a Management and Improvement Plan for the University. The Council’s Plan requires the University to review endowment agreements and execute new agreements where needed. It further instructs that when no endowment agreement exists in the University’s files, an internal agreement may be established to ensure a governing document is on file for all campus endowments.

RELATED PROCEDURES:

Procedures for Developing & Implementing Internal Endowment Agreement

Internal Endowment Agreement Template

All new Internal Endowment Agreements must use the template [See Appendix I]. The template components include the following:

- Agreement Statement: This section must identify which KSU employee is responsible for the endowed fund.
- Fund Information: This section must provide the history and other pertinent information relating to the endowed fund.
- Program Information: This section must identify what program the endowed fund supports and who will oversee the program.
- No Donor Control; No Donor Benefit: This section must demonstrate that the endowed fund is in compliance with current regulations.
- Endowment Policies: This section must identify the policies that govern the endowed fund.
- Stewardship Reports: This section must identify what reporting will occur

concerning the program.

- Publicity: This section must identify the expected publicity concerning the program.
- Change in Circumstances: This section must identify what actions can be taken if the program's situation changes.
- Entire Agreement: This section must identify any terms that are being incorporated from previous documents and actions, and it must state that the instant agreement reflects all terms and conditions agreed upon by the parties.
- Amendment: This section must identify how the agreement may be amended in the future.
- Acceptance: This section must identify who may sign the agreement.

Creation and Approval Process

- a. An endowed fund is identified as not having an executed agreement between the funder and the University.
- b. The Office of Institutional Advancement reviews all available historical information on file for the fund.
- c. Utilizing the internal endowment agreement template, the Office of Institutional Advancement drafts the agreement with any known restrictions from the historical documents.
- d. The Office of Institutional Advancement then submits the draft internal endowment agreement to the Office of General Counsel for review.
- e. Upon review and acceptance to form, the draft internal endowment agreement is submitted to the Vice President for Finance and Administration for acceptance.
- f. Upon acceptance, the Internal Endowment Agreement will be placed in the fund's governing folder and will remain in force until replaced.

Periodic Review of Internal Endowment Agreements

University Internal Endowment Agreements should be reviewed on a periodic basis (every three years, at a minimum) by The Office of Institutional Advancement and/or the Office of Finance and Administration. Agreements will be reviewed for the following:

- Continued relevance to the University's mission and values;
- Consistency with new Donor Agreements;
- Reflection of any changes in laws, regulations, accreditation standards, educational goals/practices, University practices, etc.;
- Errors in fact or language;
- Location of any previously unknown governing documents; and
- Any other potential problems.

If changes to the agreement are deemed necessary, the amendment process should be initiated.

Amendment Process

Substantive agreement revisions may arise through necessity, or as a result of the regular three-year review. Substantive revisions must follow the standard procedures as set forth in the *Creation and Approval* portion of this policy. Non-substantive revisions to an internal agreement do not require any review beyond the Office of Institutional Advancement. Non-substantive changes may take many forms, including but not limited to, grammar or spelling corrections, technical revisions, updated names of pertinent offices or departments, and reorganized agreement sections.

Repealing an Internal Endowment Agreement

If an Internal Endowment Agreement is identified as no longer relevant or necessary due to the locating of an original governing agreement or an executed agreement with the original funder or their designee, the Internal Endowment Agreement shall be superseded in its entirety immediately upon the filing of the existing agreement in the fund's governing folder.

Archiving an Internal Endowment Agreement

If an Internal Endowment Agreement is updated, revised, amended, or repealed, the older version of the agreement will be archived in the fund's governing folder.

DEFINITIONS:

Administrative Procedures: Operational guidelines that apply institution-wide and require approval only from University Counsel and the President.

Interim Policy: This is a provisional Policy issued when a University Policy is needed before the standard process can be completed. An Interim Policy must carry an expiration date and may be allowed to expire without additional action, extended one more time for a specified period upon special permission from the President, or replaced by a standard University Policy.

Non-substantive Internal Endowment Agreement Revisions: A revision that, as implemented, would be limited in scope insignificant in the operations of a fund or program. Examples would be grammatical clarifications, changes to employee titles or contact information, corrections of misspellings, or website/link corrections.

Internal Agreement Template: Document that sets the standard for how all policies will be written and organized.

Substantive Internal Endowment Agreement Revision: A revision that, as implemented, would result in a significant material change to an endowed fund or program.

University: Kentucky State University

University Policy: Policy that applies institution-wide and is directly tied to the legal compliance of the University.

ENTITIES AFFECTED:

All employees, students, any other individuals affiliated with the University by contract (including non-employees, such as vendors and independent contractors), and visitors.

POLICY OWNER/INTERPRETING AUTHORITY:

Office of Institutional Advancement

Office of Finance & Business Affairs/Finance & Administration

RELATED POLICIES/DOCUMENTS:

Policy on Policies

Internal Endowment Agreement Template

STATUTORY OR REGULATORY REFERENCES:

KRS 164.350

INTERNAL ENDOWMENT AGREEMENT

ENDOWED FUND/PROGRAM/SCHOLARSHIP NAME

This Agreement (the "**Agreement**") is made and entered into on _____ (the "**Effective Date**") by and between _____, in their capacity as _____ (hereinafter "**Administrator**"), and Kentucky State University (hereinafter "**University**").

1. _____ [**Fund**]. The University received a charitable contribution totaling \$_____ to establish and support an endowed "_____ **Fund**" [in _____] (hereinafter "Fund"). Individuals, organizations, or business entities may make additional charitable contributions to the Fund at any time. The University shall receive and administer such charitable contributions in accordance with the terms of this Agreement, the policies of the University, and all applicable regulations and laws.
2. _____ [**Award Program**]. The Fund shall be used at the discretion of the _____ to create and support a _____ Award Program in _____ (the "**Program**"). The Program will include a _____ *Award* to recognize individuals who personify goodwill and demonstrate, through their work, service, mission and spirit, a dedication to the Commonwealth of Kentucky and its residents. _____ *Award* recipient(s) will receive an award medallion, and a one-time monetary donation will be made in their name to an existing University fund of their choice. _____ shall be the inaugural recipient of the _____. Thereafter, a nomination committee (the "**Committee**") appointed by _____ shall review nominations to select up to three (3) nominees for final selection by the President of the University. The Committee shall also recommend for the President of the University's approval the monetary donation amount, which amount shall not exceed the Fund's annual available spending distribution. The _____ Fund may also be used to support, among other things, costs, fees, and expenses for the Program's reception/banquet, speaker(s) and honorarium/gift(s), and/or other fees, costs and expenses related to the Program. All such uses shall be in accordance with the normal operations, policies, procedures, regulations and guidelines of the University.
3. **No Donor Control; No Donor Benefit.** Faculty and staff of the University who have contributed to the Fund shall not be a part of the award selection committee referenced above, and they shall not have control of, or direct the uses of, the contributions made pursuant to this Agreement. The University will ensure that donors to the Fund will not receive any benefit from the University, whether direct or indirect, for making their contribution(s) and will not have majority say in the disbursement of funds.
4. **Endowment Policies.** The University shall invest, manage, and administer the Fund in accordance with the University's endowment investment and spending policies approved by the University's Board of Regents. Any unused spending distribution may be returned to the Fund following established protocols and procedures.
5. **Stewardship Reports.** The University agrees, upon request, to provide annual stewardship reports to Fund donor(s) regarding the specific uses of contributions made pursuant to this Agreement upon request.
6. **Publicity.** The University may publicize this agreement and expenditures of the fund. Publicity may include, but is not limited to, University communications, which may be

accessed by various local, state and national news media following established University policies and procedures.

7. **Change in Circumstances.** It is desired that the Fund will be administered to benefit the University in perpetuity. However, should the fulfillment of the purpose stated in this Agreement become unlawful, impracticable, impossible to achieve, wasteful, or obsolete, as determined by the Board of Regents of the University or their designee, then the Fund shall be expended to the point of exhaustion, or the spending distribution redirected for another purpose to support an initiative similar to the original purpose upon recommendation of the University's President after consultation with the Office of Institutional Advancement.
8. **Entire Agreement.** This Agreement contains the entire agreement of the parties with respect to the subject matter hereof and supersedes any prior oral or written agreements or communications between the parties regarding this purpose. However, if an executed original agreement is located, it shall supersede this agreement from the date of filing in the fund's governing folder or a new agreement is executed with the original funder or their designee.
9. **Amendment.** This Agreement may not be changed orally, but only by an amendment in writing signed by the parties hereto.
10. **Acceptance.** This Agreement may be executed in one or more counterparts, including by electronic signature, each of which shall be deemed to be an original, but all of which shall constitute one and the same instrument. A signed copy of this Agreement transmitted by facsimile, email or other means of electronic transmission shall be deemed to have the same effect as delivery of an original executed copy.

[Signature page follows]

IN WITNESS WHEREOF, the parties have entered into this Agreement as of the Effective Date listed above.

ADMINISTRATOR

[Insert Name]

Title

KENTUCKY STATE UNIVERSITY

RECOMMENDED FOR APPROVAL BY:

Reviewed as to Form
Office of General Counsel
Kentucky State University

[Insert Name]

Interim Executive Vice President for Finance
and Administration & Chief of Staff

[Insert Name]

General Counsel

[Insert Name]

Controller



KENTUCKY STATE UNIVERSITY POLICIES AND PROCEDURES

POLICY TITLE: Interim Policy on Endowment Investment & Spending

VOLUME, SECTION & NUMBER: 4.1.16

APPROVED BY: Acting President Michael D. Dailey, PhD

EFFECTIVE DATE: June 26, 2023 (Expected) [Interim until approved by the Board of Regents—expires 180 days from approval by the President]

REVISED FROM: Endowment Investment Policy (2012) & Endowment Spending Policy (2018)

PURPOSE:

This policy is to outline a philosophy that will guide the management of investment assets toward the desired results. It is intended to be sufficiently specific as to be meaningful, yet flexible enough to be practical.

This Interim Endowment Investment & Spending Policy is set forth in order to:

- a. Define and assign responsibilities.
- b. Establish a clear understanding of the investment goals and objectives of the Endowment assets.
- c. Offer guidance and limitations regarding the investment and spending of Endowment assets.
- d. Establish a basis of evaluating investment results.
- e. Manage the Endowment's assets according to industry best practices and applicable laws.

The Interim Endowment Investment & Spending Policy shall be formally reviewed annually and at such other times as desired by the Board of Regents, or the Board's designated Committee, and the University's administration. Any modifications to the policy shall be approved by the Board following their initial approval. This Interim Endowment Investment & Spending Policy shall supersede all existing Kentucky State University Endowment Investment Policies and Endowment Spending Policies.

POLICY STATEMENT:

I. General

The Kentucky State University Endowment (“Endowment”) is an aggregation of funds comprised of gifts from donors and grants from the Commonwealth of Kentucky, with the requirement that they be invested in perpetuity to generate a reliable and steadily growing revenue stream to support the mission of Kentucky State University (“University”) both now and in the future. The revenue stream, or annual spending distributions, supports scholarships, chairs, professorships, and departments, as defined by the executed Endowment agreements. The Endowment is expected to provide fiscal stability because the principal is invested for long-term growth and spending distributions are generated annually.

The University has a fiduciary responsibility to prudently manage and preserve the long-term purchasing power of the Endowment, as well as the individual endowment funds, in order to evenly support present and future beneficiaries. This fiduciary responsibility constitutes both a legal and moral obligation to donors and the Commonwealth of Kentucky, who intend that their gifts and grants provide support for the University into perpetuity.

The Endowment is considered open and can welcome additional funds from current or future donors with the expectation that they be invested on a long-term basis.

II. Delegation of Authority

The Board of Regents delegates to the administration the following investment-related activities.

Hiring/Monitoring of Investment Manager (Firm)

In collaboration with the President, the administration will appoint, monitor, and evaluate the external investment manager (firm) (following the appropriate regulations and guidelines) for the investment asset allocation and strategies approved by the Board of Regents or its designated Committee. The administration will provide updates to the Board/Committee on the ongoing monitoring and evaluation of the firm at each meeting and at other times as requested by the Board/Committee. The administration may implement temporary investments as needed due to the firm’s investment strategy, portfolio structure changes, and/or global conditions.

Management of Endowment Assets

The firm will exercise discretion over the securities or assets in accordance with specified investment guidelines. Investment managers will follow the approved asset allocation guidelines.

III. Financial and Investment Objectives

The following financial and investment objectives have been established for the University Endowment:

1. To preserve the long-term purchasing power of the Endowment assets and the related annual spending distributions over time to evenly allocate support between current and future beneficiaries (intergenerational equity).
2. To earn an average annual spending distribution, after expenses, of at least 5.0% per year over full economic market cycles.

Kentucky Uniform Prudent Management of Institutional Funds Act (KRS 273.600 to 273.645)

Endowment assets will be managed by the Board of Regents or its designated Committee in accordance with the provisions of the Kentucky Uniform Prudent Management of Institutional Funds Act (KRS 273.600 to 273.645).

Annual Spending Distribution Policy

A spending distribution policy has been established that is based on a rolling average of market values in order to reduce adverse budgetary impact due to market volatility of the endowment assets. The annual spending distribution will be calculated by a smoothing formula based on a rolling three-year average of the quarterly market values. Ending market values for the last 12 quarters are averaged, and the result is then multiplied by the 4% spending rate (1% per quarter) to determine the total amount to be distributed. This amount is then allocated to participating funds based on their pro-rata share of the total investment pool.

Note: the calculated annual spending distribution rate must fall between 3.5% and 5% of the current market value of the Endowment. Should the rolling three-year average be outside the range, it will be raised to 3.5% or lowered to 5%. The Board of Regents reserves the right to freeze, lower or increase the annual spending distribution in an extraordinary financial situation.

Management Fee

Eligible Endowment funds will be assessed an annual management fee of 0.50% of the current market value (assessed monthly or quarterly) to support administrative costs.

The Board of Regents may temporarily increase the management fee to support additional expenses associated with Endowment, fundraising, or administrative activities. At no time shall the management fee exceed 1.00% annually.

Underwater Endowment Funds

The target annual spending distribution rate and management fee represent maximum amounts that can be withdrawn annually from individual Endowment funds. The administration, at their discretion, may reduce or suspend withdrawals from individual endowment funds that are underwater. The administration will define underwater endowment funds annually.

Spending distributions and management fee withdrawals will be suspended on all Endowment funds underwater by more than 20%. Endowment funds that are underwater more than 10% will undergo a formal review by the Office of the Controller and appropriate staff members to determine the appropriate level of spending distributions in accordance with the following factors set forth in the Kentucky Uniform Prudent Management of Institutional Funds Act:

- the duration and preservation of the Endowment fund;
- the purposes of the Institution and the Endowment fund;
- general economic conditions;
- the possible effect of inflation or deflation;
- the expected total return from income and the appreciation of investments;
- other resources of the institution; and
- the investment policy of the Institution

New Endowment Funds

Spending distributions on new Endowment funds will be delayed for at least one year in order to build a reserve for future spending distributions. The administration may modify this requirement depending on partial year returns.

IV. Investment Policies

Diversification

Disciplined management of the asset allocation is necessary and desirable. Diversification of investments among assets that are not similarly affected by economic, political, or social developments is highly desirable. The general policy shall be to diversify investments so as to provide a balance that will enhance total return, while avoiding undue risk concentrations in any single asset or investment category.

Asset Allocation

To ensure broad diversification, the asset allocation will be set with the following target percentages and within the following ranges:

<u>ASSET CATEGORY</u>	<u>TARGET</u>	<u>RANGE</u>
GLOBAL EQUITY	61%	35 – 70%
<i>Public</i>	38	
<i>Private</i>	23	
FIXED INCOME	12	5 – 25%
<i>Public Fixed Income</i>	10	
<i>Private Credit</i>	2	
REAL ASSETS	12	5 – 20%
<i>Public</i>	3	
<i>Private</i>	9	
DIVERSIFYING STRATEGIES	15	5 – 20%

Note: Sub-asset category (e.g., Public Equity) figures reflect working targets. Investment Management Firm has flexibility to adjust sub-asset category exposures within broader, asset category (e.g., Global Equity) ranges, based on market conditions and ongoing research.

Global Equity – The allocation will consist of public and private equity-oriented funds managed by external investment firms. This is expected to be the highest risk, highest return asset category of the four, and the primary driver of portfolio growth over time. The allocation will be diversified by factors including security, sector, geography, market capitalization, and manager style. Private equity investments will be made with the expectation that long-term returns materially exceed those of the public markets.

Fixed Income –The allocation will consist of obligations of sovereign nations and corporations, mortgage- and asset-backed securities, money market instruments, and bank deposits. The allocation will consist of two broad categories: 1) public fixed income and 2) private credit. The primary role of the public fixed income portfolio is to provide a partial hedge in the event of economic contraction, deflation, and/or severe flight to safety/quality. It is expected that this portion of the portfolio would serve as one of the primary sources of spending during such periods, when the prices of other assets in the portfolio may decline. Therefore, while the public fixed income allocation may include some investments rated below investment-grade, it is generally expected to have a high quality rating on average (typically “A” or better by a recognized bond rating agency). The private credit allocation may include obligations of any credit quality and is expected to generate long-term returns that materially exceed those of the public credit markets.

Real Assets – The allocation will consist of public and private assets. Public real assets may include Real Estate Investment Trusts (REITs), Master Limited Partnerships

(MLPs), natural resource equities, commodities, and Treasury Inflation-Protected Securities (TIPS). Private real assets may include real estate, natural resources, and infrastructure. Private real assets are expected to generate long-term returns that materially exceed those of public real asset alternatives. Private assets may include real estate near the University campus which is deemed to have strategic value for the University. For diversification purposes, not more than 2% of the portfolio will be invested in local real estate as opposed to external managers. The 2% maximum will be defined as the market value of the portfolio at the time of investment. All real assets are expected to provide inflation protection as well as generate positive real rates of return.

Diversifying Strategies – The allocation will consist of a diverse group of managers and strategies with a goal of earning positive returns over time, but with moderate sensitivity to the public equity markets. Included in this category are strategies such as long/short equity, low-beta equity, event-driven and special situations investing, merger and capital structure arbitrage, quantitative strategies, global macro, long/short credit, and distressed securities. The diversifying strategies portfolio is expected to generate a long-term return between equities and bonds (closer to equities), with less volatility than equities. Returns should generally be better than equities when equity markets fall significantly, and behind equities when equity markets rise significantly.

Rebalancing

Rebalancing is a term that describes the periodic movement of funds from one asset class or category to another for the purpose of realigning the assets with the asset allocation target. A rebalancing strategy is an important element of asset allocation policy. Systematic rebalancing will ensure that the portfolio's risk profile remains consistent with this Interim Endowment Investment & Spending Policy. However, excessively tight ranges and frequent rebalancing can lead to unnecessary transaction costs.

The rebalancing policy is governed by allocation ranges rather than time periods. The ranges, specified in the table above, are a function of the volatility and liquidity of each asset class and the proportion of the total fund allocated to the asset category. While the allocation to all asset categories remains within these limits, staff will first use cash flows, as available, to prudently manage allocations relative to the target. When an asset category violates the lower or upper limits, public market funds will be actively rebalanced back to the target.

When any one of the public market asset categories hits a trigger point, the entire fund may be rebalanced back to asset category target allocations with the understanding that it may be impractical to return the private asset categories precisely to target in the short term. Accordingly, qualitative considerations (e.g., transaction costs, liquidity needs, investment time horizons, etc.) will be considered in determining the potential timing and extent of rebalancing.

Investment Management Firm is responsible for developing and implementing a rebalancing plan that is appropriate for existing market conditions, with a primary objective of minimizing transaction costs and portfolio disruptions. In the event an allocation trigger point is not reached, staff may still make minor changes among asset categories and within individual asset categories, as needed, to more effectively implement the program and to maintain proper exposure to the approved asset allocation and asset category portfolio structures. Staff will report the results of all rebalancing activity to the Board or its designated Committee at the regular meetings.

Liquidity

The Endowment is intended to provide a reliable and steadily growing revenue stream to support the mission of the University into perpetuity. As a result, the Endowment has a long-term orientation. In addition, the withdrawal rate from an Endowment fund is well defined, predictable, and of modest size relative to the total assets. The administration is responsible for managing the liquidity of the portfolio to fund spending distributions and capital calls, while maintaining the appropriate market exposure.

Certain appropriate investment options, particularly in alternative asset classes, involve fund structures with liquidity constraints that align with less liquid portfolio holdings. The tradeoff between return opportunities and liquidity will be considered throughout the portfolio construction process.

Sufficient liquidity should be maintained to fulfill the spending distributions and operating objectives of the Pool. Portfolio liquidity will be monitored using a three-tier system:

Liquid: available within 90 days

Semi-liquid: available in 90 days or more, but less than 2 years

Illiquid: available only in 2 years or more

Classification of Asset	Guideline
Liquid	no less than 35%
Combined:	Semi-liquid & Illiquid - no more than 65%
Illiquid	no more than 40%

New commitments will be made to illiquid/private capital investments with the intent to keep current market value of liquid holdings above 35% of the total fund. Illiquid percentages will be calculated based on current market value. The administration, assisted by the Investment Management Firm, will complete annual forecasting and make appropriate commitments to reach and maintain the approved policy allocation and liquidity while ensuring diversification across vintage year, strategy, geography, etc.

It is recognized that significant changes in investment market values could cause the portfolio to be positioned outside of these guidelines. If this occurs, staff will communicate this to the Board or its designated Committee and develop a plan to

reposition the portfolio consistent with these guidelines over a reasonable time frame.

Proxy Voting

The Board delegates full authority for proxy voting to the administration for the securities under their discretionary authority and requires the investment managers to vote all proxies in the best interest of the Endowment. In addition, when requested, the administration will report to the Board regarding their proxy-voting policies and activities behalf of the Endowment.

Transaction Costs

The Board requires the Investment Management Firm, in their capacity as fiduciaries, to manage the transactions costs they incur on the Endowment's behalf in the best interests of the University. When requested, the firm will report to the Board or its designated Committee regarding the transactions costs incurred and the brokers used on the Endowment's behalf.

V. Performance Evaluation

Endowment performance will be monitored and reviewed over short and long-term time periods, with an emphasis on longer-term periods in order to include full market cycles and reflect the Endowment's long-term investment strategy. Performance will be evaluated at two levels: total Endowment and asset class. The levels will include a market index and peer group measurement review. Performance will be reviewed on a gross and net return basis and will include risk metrics and risk-adjusted returns.

Performance Benchmarks

The total Endowment performance will be measured against two principal benchmarks:

1. The primary performance objective of achieving a long-term total return, net of fees and expenses, of at least 5.0%. It is expected that portfolio performance will vary significantly from this benchmark over shorter periods. Therefore, performance compared to this benchmark will be evaluated only over very long periods (ten years or more).
2. A Policy benchmark consisting of market indexes reflecting the Endowment's "strategic target" asset allocation percentages. Performance compared to this benchmark will be evaluated over rolling three- to five-year periods. The current Policy Benchmark appears in the following table:

<u>ASSET CATEGORY</u>	<u>TARGET</u>	<u>INDEX</u>
GLOBAL EQUITY	61%	
Public	38	MSCI All Country World Index
Private	23	Cambridge Associates Private Equity and Venture Capital indices
FIXED INCOME	12%	
Public Fixed Income	10	Barclays Aggregate Bond Index
Private Credit	2	Cambridge Associates Private Credit and Distressed indices
REAL ASSETS	12%	
Public	3	1/3 each Bloomberg Barclays U.S. TIPS Index, NAREIT Index and Alerian MLP Index
Private	9	Cambridge Associates Private Real Estate and Natural Resources indices
DIVERSIFYING STRATEGIES	15%	HFRI Fund of Funds Composite

In addition to these principal benchmarks, performance may from time-to-time be compared to a peer group of similar institutions.

The asset class performance will be measured against:

1. The asset class' index.
2. A peer group universe of similar asset classes.

Performance Expectations

It is expected that, at each level, the Endowment and the asset class should exceed the index return and should be above median against the appropriate peer group universes over full market cycles. It is expected that risk (and risk-adjusted returns) will be in line with the risk associated with the specific market benchmarks over full market cycles.

RELATED PROCEDURES:

See Gift Acceptance and Donor Recognition Policy.

The University shall follow all applicable state procurement procedures and regulations in the selection of the firm.

DEFINITION:

University: Kentucky State University

ENTITIES AFFECTED:

All employees, students, individuals affiliated with the University by contract (including non-employees, such as vendors and independent contractors), and funders.

POLICY OWNER/INTERPRETING AUTHORITY:

Office of Finance & Business Affairs/Finance & Administration

Office of Institutional Advancement

RELATED POLICIES/DOCUMENTS:

Gift Acceptance and Donor Recognition Policy

STATUTORY OR REGULATORY REFERENCES:

KRS 164A.550 to KRS 164A.630 & KRS 273.600 to 273.645



KENTUCKY STATE UNIVERSITY POLICIES AND PROCEDURES

POLICY TITLE: Interim Policy on Contract Management

VOLUME, SECTION & NUMBER: 4.1.17

APPROVED BY: Acting President Michael D. Dailey, PhD

EFFECTIVE DATE: June 26, 2023 (Expected) [Interim until approved by the Board of Regents—expires 180 days from approval by the President]

REVISED FROM: Not Applicable (New Policy)

PURPOSE:

The purpose of this policy is to ensure that Kentucky State University manages the risk associated with legal agreements and safeguards its assets by providing clear direction to the University community. This policy applies to all units within Kentucky State University unless an exemption is granted upon recommendation by the Chief Financial Officer and approval by the President. The policy applies to all binding financial commitments made by or on behalf of Kentucky State University.

Further, this policy provides guidance on managing contractual obligations of Kentucky State University. All contractual obligations must be authorized at the appropriate level within the University, as identified by the University's Board of Regents, the President, and the Vice President for Finance & Business Affairs/Chief Operating Officer.

POLICY STATEMENT:

All Kentucky State University employees must follow this policy and the related policies referenced below when creating, approving, signing, and managing contracts.

RELATED PROCEDURES:

Contracts

All University contracts must be reviewed and approved in compliance with this policy.

1. All contracts must be in writing and signed by both the approved signatory and the vendor in order to be fully enforceable. Fully executed contracts must be

uploaded to the University's contract management system/repository ("CMS," which is currently Lexion).

2. The contract must list the name and address of the vendor, and the terms must be clearly specified (e.g., length of contract, cost, deliverables).
3. Contract forms/templates contain the University's standard terms and conditions and must be used to the fullest extent possible. If the forms/templates cannot be located on the University's website, the Office of General Counsel should be contacted.
4. All contracts must be sent to the Office of General Counsel for review before they may be signed on behalf of the University.
5. Contract approval and signature authority has been defined by the University and is outlined below in the "Signature Authority" section.
6. Contract Forms/Templates are regularly reviewed and approved by the Vice President for Finance & Business Affairs and the General Counsel.
7. Throughout the life cycle of the contract, actions related to the terms and conditions of the contract must be noted and/or documented by the Contract Manager.
8. This policy must be read in conjunction with the Model Procurement Code (KRS 45A) and must be adhered to at all times.

Signature Authority

Only individuals identified below have the authority to approve and sign contracts on behalf of the University:

- Contracts with expenditures of \$50,000 or more must be approved by the Board of Regents and signed by the University's President.
- Contracts with expenditures under \$50,000 may be approved and signed by the President without Board approval.
- Per KAR 745 1:060, the President may delegate financial management responsibilities in writing. The President has delegated the authority to approve and sign contracts with expenditures under \$5,000 to the Vice President for Finance & Business Affairs/CFO.
- Contracts that do not require expenditures may be approved and signed by the University's Provost if such contracts are *academic in nature*.

- Contracts that do not require expenditures may be approved and signed by the Vice President for Finance and Business Affairs if such contracts are *philanthropic in nature*, following established University policies.
- No other employees may sign contracts on behalf of the University.

This contracting authority differs from payment approval. Designated personnel who are in a position to know that the goods were received or the services were performed may authorize payments made under an appropriately approved contract.

Contract Management System (Lexion)

The University's Contract Management System ("CMS") is the official system for tracking the life cycle of all University contracts and provides a workflow for the approval of contracts based on contract type.

1. This system serves as the central repository for all University contracts and all related documentation.
2. System access is provided only after a user has undergone Lexion training. Training may be conducted by University personnel or Lexion representatives.
3. This system shall be utilized for all University contracts.
4. Departments are expected to upload current, active contracts that predate Lexion implementation, along with any related documentation.
5. The Contract Manager is responsible for ensuring the contract information is entered and the document and related supporting documentation is uploaded.

Compliance and Monitoring

The Contract Manager is responsible for administering the contract for the purpose of compliance with the terms, notification of actions, and making business decisions based on the performance of the contract.

Contract managers shall record changes, renewals, addenda and amendments to contracts within the CMS.

Roles and Responsibilities

All individuals responsible for the purchase of goods and services on the University's behalf must be familiar with contracting requirements and this Policy.

Responsibility of Contract Requestor

Contract Requestors are responsible for inputting the contract record into the CMS.

Responsibility of Contract Manager

Contract Managers are identified by their Department head and shall be adequately skilled in Contract Management according to the level and complexity of the contract. The Contract Manager is responsible for:

1. Administering the contract and contract record in the CMS;
2. Understanding the terms of the contracts, including the business terms, scope of work and/or services, and high-level legal terms and actionable tasks, such as the notice period for contract renewal or cancellation;
3. Monitoring the performance by both the University and the vendor under the obligation of the contract;
4. Managing the relationship between the vendor and the University;
5. Ensuring charges are appropriate and payment is made in accordance with the terms of the contract;
6. Identifying the funding source for the purchase; and
7. Uploading the fully executed contract and related documentation to the CMS and recording the contract status.

Responsibility of Contract Approvers

Contract Approvers are responsible for:

1. Reading and reviewing each contract received;
2. Ensuring that the contract meets the business needs of the University; and
3. Understanding the business terms and conditions of the contract.

Responsibility of Contract Signer

The Contract Signer is responsible for:

1. Reading and understanding the contract's business terms and conditions;
2. Ensuring the vendor has signed the agreement; and
3. Physically or electronically signing the contract and approving it in the CMS.

Responsibility of General Counsel

The General Counsel is responsible for:

1. Developing standard University terms and conditions;
2. Reviewing and approving contracts as to form;
3. Reviewing and approving forms and templates;
4. Legal review of vendor contract forms and proposed changes to contract forms/templates;
5. Selecting and approving outside counsel to review and negotiate contracts on behalf of the University as needed; and
6. Ensuring conformity with applicable laws and regulations.

Responsibility of Purchasing Office

The Purchasing Office is responsible for:

1. Negotiating contracts;
2. Administering the CMS;
3. Training of system users;
4. Ensuring that the University's procurement policies are being followed by contract managers; and
5. Serving as contract managers on various contracts.

Responsibility of Accounts Payable

The Accounts Payable Office is responsible for reviewing payment requests prior to processing to ensure:

1. All required signatures are on the request;
2. Index and account coding is on the request; and
3. Payment is reviewed and processed within the payment terms.

Responsibility of Internal Audit Team

The Internal Audit Team is responsible for providing periodic review for compliance with this policy.

DEFINITIONS:

Contract

A contract is a binding commitment by or on behalf of the University that is in oral or written form, regardless of the title of the operative document or documents. For purposes of this policy, the term “contract” includes but is not limited to written contracts, agreements, leases, memoranda of understanding (“MOU”), memoranda of agreement (“MOA”), gift agreements, mutual aid agreements, settlement agreements, resolution agreements, letter agreements, and binding letters of intent.

Contract Management

Contract Management is the process of creating, negotiating, approving, executing, and implementing a contract. This includes ensuring that deliverables, deadlines, and contract terms and conditions are met; addressing related problems; incorporating changes or modifications to the contract; reviewing when contracts will expire and renew; and ensuring both parties meet their obligations under the terms of the agreement.

Contract Management System

The University’s Contract Management System (CMS) is the system of record for all University contracts. As of the effective date of this policy, the CMS uses the Lexion system.

Contract Approver

The Contract Approver is the University employee responsible for approving or rejecting requests for contracts and contract terms and conditions that fall within the realm of their responsibility. Contract approvers are able to view, edit, and update contract information in the CMS and attach related documentation for their department or division. Contract approvers are responsible for reading and approving the terms of all contracts within their scope of responsibility.

Contract Manager

The University employee responsible for managing the ongoing relationship with the vendor, including implementation, renewal, and support. This person is responsible for ensuring that the University’s rights and obligations under the contract are met. Contract Managers can view, create, and submit contracts for approval, as well as update contract information and attach related documentation for their department or division.

Contract Requestor

The University employee who can create a contract record within the CMS and submit a contract for review.

Contract Signer

An employee of the University who is authorized to sign contracts on behalf of the University. Currently, only the President, Vice President for Finance & Business Affairs, and Provost are authorized signers for the University.

Vendor/Third-Party Contract Form

A vendor/third-party contract form is a document provided to the University by a vendor or other third party that is written by a vendor, or another party, which may deviate from the University's standard terms and conditions.

Contract Form/Template

A contract form/template is a contract written using a University-approved contract template or form.

Vendor

A vendor is the party with whom the University contracts to provide the goods and/or services identified in a contract.

ENTITIES AFFECTED:

All Kentucky State University employees involved in creating, approving, signing, and/or managing contracts.

POLICY OWNER/INTERPRETING AUTHORITY:

Office of Finance & Business Affairs/Finance & Administration

Office of General Counsel

RELATED POLICIES/DOCUMENTS:

The Gold Book

STATUTORY OR REGULATORY REFERENCES:

Model Procurement Code

KAR 745 1:060



KENTUCKY STATE UNIVERSITY BOARD OF REGENTS

ACTION ITEM 5A

ACTION ITEM

Approval of FY 2024 Recommended Budget for Kentucky State University.

FACTS

KSU's recommended budget has been prepared in order for the University to begin its fiscal operations for the new year. Please note that this is a high-level budget. The University intends to present a revised budget to the Board of Regents in September, once the University has more accurate information regarding enrollment.

The budget structure for FY 2024 is categorized into four sections:

- Education & General
- Auxiliary
- Land Grant Match
- Asset Preservation

The Asset Preservation is listed independently and as the last section due to these funds being restricted for KSU's 15% match for capital projects.

Revenues

Revenues were derived from a projected full-time undergraduate enrollment of 1250 (Fall 2022 full time undergraduate enrollment was 1259).

The calculation for Tuition and Fees is as follows:

- 67% of the out-of-state enrollment of 1250 students multiplied by the rate of \$6,067, added to 33% of the in-state enrollment of 1250 students, multiplied by the rate of \$4,044
- The resulting revenue of \$6.7 million multiplied by 2, which equals \$13.5 million
- Mandatory fees of \$1,032,500 are included, bringing the overall total for tuition and fees to \$14.5 million

Other sources of revenue include:

- reimbursements
- rebates
- interest income
- investment income.

Based on projected enrollment and its impact on the budget, the decision was made to decrease institutional scholarships to \$2M (allocated institutional scholarships for FY23 was \$2.9M).



KENTUCKY STATE UNIVERSITY BOARD OF REGENTS

Expenses

There has been a substantial rise in expenses for FY24 compared to the previous year. Notably, the following items were not included in FY23's budget, leading to a significant increase in expenses for FY24:

- KPPA Pension Liability of \$2.3M
- Energy Savings \$1.3M
- Bond Payment of \$310K

New expenditures for FY24 totaling \$5M includes:

- EAB contract \$300k
- Sodexo Facilities \$3M
- Chiller Rental \$60K (for 12 weeks until a new chiller arrives in December)
- New Residence Hall \$1.3M
- Liquidating of Perkins Loans \$300K
- APA Auditor \$61K

BUDGETARY IMPLICATION

Due to the increase in expenditures for E&G, there is a deficit of \$3.1M. In order to maintain a balanced budget for FY24, Auxiliary surplus was used to offset the deficit.

RECOMMENDATION

Acting President Dr. Michael Daily recommends the Board of Regents approve the recommended budget for FY24.

MOTION

Approve the FY24 Recommended Budget for Kentucky State University.



**KENTUCKY STATE
UNIVERSITY
RECOMMENDED BUDGET
FY2024**



Kentucky State University
Summary of Revenue and Expenditures
2023-2024 Recommended Budget

	Recommended Budget 2023-2024	Percent of Total
Revenues by Source		
Educational and General		
Tuition and Fees	\$ 14,533,048	27%
State Appropriations - Operating	\$ 18,938,900	35%
State Appropriations - Debt Service	\$ 870,000	2%
Scholarships	\$ (2,000,000)	-4%
Indirect Cost Reimbursement	\$ 170,822	0%
Other Sources	\$ 914,471	2%
Non-Mandatory Fees	\$ 312,500	1%
Student Debt Relief - HEERF	\$ 1,846,045	3%
Total Educational and General	\$ 35,585,786	67%
Auxiliary		
Auxiliary Enterprises	\$ 9,033,100	
Total Auxiliary	\$ 9,033,100	17%
Land Grant Match		
Research	\$ 4,174,493	
Extension	\$ 4,707,407	
Total Land Grant Match	\$ 8,881,900	17%
Total Revenues	\$ 53,500,786	100%
Expenditures by Major Object		
Educational and General		
Personnel Services	\$ 21,260,172	40%
Operating Expenditures	\$ 1,019,875	2%
Travel Expenses	\$ 733,335	1%
Services & Contracts	\$ 6,602,224	12%
Maintenance	\$ 4,297,976	8%
Equipment	\$ 503,252	1%
Other Expenses	\$ 3,207,652	6%
Debt Service	\$ 870,000	2%
West Louisville	\$ 200,000	0%
Auxiliary	\$ 5,924,402	11%
Land Grant	\$ 8,881,900	17%
Total Expenditures by Object	\$ 53,500,786	100%



Kentucky State University
Summary of Revenue and Expenditures
2023-2024 Recommended Budget

Expenditures by Major Function

Educational and General

Instruction	\$ 6,852,893	13%
Academic Support	\$ 795,406	1%
Student Services	\$ 7,325,091	14%
Institutional Support	\$ 10,869,382	20%
Operation & Maintenance of Plant	\$ 10,081,712	19%
West Louisville	\$ 200,000	0.4%
Debt Service	\$ 870,000	2%
Vacant Positions	\$ 1,700,000	3%
Total E & G Expenditures	\$ 38,694,484	72%

Auxiliary

Auxiliary Enterprises	<u>\$ 5,924,402</u>	<u>11%</u>
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Land Grant Match

Land Grant Match Expenses	<u>\$ 8,881,900</u>	<u>17%</u>
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Total Expenditure by Function	<u>\$ 53,500,786</u>	<u>100%</u>
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Asset Preservation¹

Balance Carry Forward	\$ 1,963,674
Asset Preservation Fees collected	\$ 375,000
Total Asset Preservation Revenue	<u>\$ 2,338,674</u>

Restricted Funds¹



Kentucky State University
Educational and General
Revenue and Expenditures Summary

	Recommended Budget 2023-2024
Revenues	
Tuition and Fees	\$ 14,533,048
State Appropriation	\$ 19,808,900
Indirect Cost Reimbursement	\$ 170,822
Scholarships	\$ (2,000,000)
Other Sources	\$ 914,471
Student Debt Relief - HEERF	\$ 1,846,045
Non-Mandatory Fees	\$ 312,500
Total E & G Revenues	\$ 35,585,786
Expenditures	
Instruction	\$ 6,852,893
Academic Support	\$ 795,406
Student Services	\$ 7,325,091
Institutional Support	\$ 10,869,382
Operation & Maintenance of Plant	\$ 10,081,712
West Louisville	\$ 200,000
Debt Service	\$ 870,000
Vacant Positions	\$ 1,700,000
Total E & G Expenditures	\$ 38,694,484
Transfers	\$ -
Total E & G Expenditures and Transfers	\$ 38,694,484



Kentucky State University
Summary of Revenue and Expenditures
FY2024 Preliminary Budget
Auxiliary

REVENUE		
Housing ¹	\$	5,900,000
Dining ²	\$	3,133,100
TOTAL	\$	9,033,100

Notes:

¹ Housing is calculated from an enrollment of 1250 full-time students per semester with 1000 students utilizing housing (600 x \$2,250 & 400 x \$4,000)

² Dining is based on FY22 trend. (850 students @ \$1,843 = \$1,566,550 per semester)

EXPENDITURES BY CLASSIFICATION		
Services and Contracts	\$	5,924,402
TOTAL	\$	5,924,402



KENTUCKY STATE UNIVERSITY BOARD OF REGENTS

ACTION ITEM 5B

ACTION ITEM

Approval of FY 2024 Annual Insurance Renewal Premiums Brokered by AssuredPartners and State Risk and Insurance Services.

FACTS

The following insurance policies expire June 30, 2023, with the exception of the Athletic Accident Insurance, which expires on July 31, 2023:

1. Athletic Accident Insurance
2. Automobile
3. Cybersecurity
4. Director & Officers-Employment Practice Liability-Educators Legal Liability (D&O-EPL-ELL)
5. Excess Liability
6. Excess Side A D&O
7. General Liability
8. International Package
9. Marine/Boats
10. Student Nurse Professional
11. Workers Compensation

Our current broker for the above insurance policies is Assured Partners.

The State Fire and Tornado Insurance will also expire on June 30, 2023; however, the quote has not yet been received. The Land Grant portion of this policy is expected to increase due to several buildings at the Farm which were not included in the original policy. This insurance is required regardless of the cost. Once the quote is received, it will be presented to the Board of Regents as an information item.

BUDGETARY IMPLICATION

Insurance	FY 22-23	FY 23-24	Funding Source
AssuredPartners Received Premium Summaries	\$608,134	\$389,622	E&G
AssuredPartners Estimated Premium Summaries	N/A	\$199,328	E&G
State Risk and Insurance Services	\$436,841 \$ 54,908	TBD	E&G Land Grant
Total	\$1,099,883	\$588,950	



KENTUCKY STATE UNIVERSITY BOARD OF REGENTS

RECOMMENDATION

Acting President Dr. Michael Daily recommends that the Board of Regents:

- 1) Approve premiums at the renewal prices for those insurance policies received from AssuredPartners;
- 2) Approve premiums for not more than the estimated cost for those insurance policies not yet received from AssuredPartners;
and
- 3) Approve the State Risk and Insurance Services Fire and Tornado insurance.

MOTION

Approve the FY 2024 Annual Insurance Renewal Premiums for Kentucky State University (KSU).



KENTUCKY STATE UNIVERSITY BOARD OF REGENTS

ACTION ITEM 5C

ACTION ITEM

Approval of the Annual License Renewal of KSU's Microsoft Campus Agreement.

FACTS

Kentucky State University uses Microsoft Products and Services (Defender, Advanced Threat Protection, Office 365, Project, SQL, Exchange Online, and Visio Pro) for its enterprise academic and administrative operations. The products and services include our email hosting, Microsoft Office Suite, and computer and service licensing.

The University will renew its annual Microsoft agreement with SHI using ECU KEPC Microsoft Licensing Agreement contract # NAC-187-2021.

BUDGETARY IMPLICATION

The total cost is \$54,660.28. The funds are budgeted in FY 2024 E&G funds.

Last year's total cost was also \$54,660.28.

RECOMMENDATION

Acting President Dr. Michael Dailey recommends that the Board of Regents approve the annual license renewal of KSU's Microsoft Campus agreement.

MOTION

Approve the annual license renewal of KSU's Microsoft Campus agreement.



Pricing Proposal
Quotation #: 23555826
Reference #: 77507592
Created On: 6/6/2023
Valid Until: 7/31/2023

Kentucky State University

Wendy Dixie

400 East Main Street
Frankfort, KY 40601
United States
Phone: (502) 597-5725
Fax:
Email: wendy.dixie@kysu.edu

Microsoft Account Executive

Bryan Amiano

KY-GA Education
Phone: (908)763-4064
Fax:
Email: bryan_amiano@shi.com

All Prices are in US Dollar (USD)

	Product	Qty	Your Price	Total
1	Defender O365 P1 Edu Sub Per User Microsoft - Part#: W76-00001 Contract Name: Eastern Kentucky University - Microsoft Campus Agreements Contract #: NAC-187-2021 Coverage Term: 8/1/2023 – 7/31/2024 Note: ADP	600	\$15.55	\$9,330.00
2	Defender O365 P1 Edu Sub Per User Student Benefit Microsoft - Part#: W76-00002 Contract Name: Eastern Kentucky University - Microsoft Campus Agreements Contract #: NAC-187-2021 Coverage Term: 8/1/2023 – 7/31/2024 Note: Student	14000	\$0.00	\$0.00
3	ExchgOnlnArchEdu ShrdSvr ALNG SubsVL MVL PerUsr Microsoft - Part#: 5WS-00001 Contract Name: Eastern Kentucky University - Microsoft Campus Agreements Contract #: NAC-187-2021 Coverage Term: 8/1/2023 – 7/31/2024 Note: ADP	2	\$11.14	\$22.28
4	M365 A3 Unified Edu Sub Per User Microsoft - Part#: AAD-38391 Contract Name: Eastern Kentucky University - Microsoft Campus Agreements Contract #: NAC-187-2021 Coverage Term: 8/1/2023 – 7/31/2024 Note: Faculty	600	\$55.76	\$33,456.00
5	M365 A3 Unified Edu Sub Student Use Benefit Per User Microsoft - Part#: AAD-38397 Contract Name: Eastern Kentucky University - Microsoft Campus Agreements Contract #: NAC-187-2021 Coverage Term: 8/1/2023 – 7/31/2024 Note: Student	14000	\$0.00	\$0.00
6	O365 A1 Edu Sub Per User Microsoft - Part#: M6K-00001	2000	\$0.00	\$0.00

Contract Name: Eastern Kentucky University - Microsoft Campus Agreements
Contract #: NAC-187-2021
Coverage Term: 8/1/2023 – 7/31/2024
Note: ADP

7	O365 A1 Edu Sub Per User Microsoft - Part#: M6K-00001 Contract Name: Eastern Kentucky University - Microsoft Campus Agreements Contract #: NAC-187-2021 Coverage Term: 8/1/2023 – 7/31/2024 Note: Student	14000	\$0.00	\$0.00
8	PrjctPro ALNG LicSAPk MVL w1PrjctSvrCAL Microsoft - Part#: H30-00237 Contract Name: Eastern Kentucky University - Microsoft Campus Agreements Contract #: NAC-187-2021 Coverage Term: 8/1/2023 – 7/31/2024 Note: Faculty	570	\$5.88	\$3,351.60
9	SQLCAL ALNG LicSAPk MVL DvcCAL Microsoft - Part#: 359-00765 Contract Name: Eastern Kentucky University - Microsoft Campus Agreements Contract #: NAC-187-2021 Coverage Term: 8/1/2023 – 7/31/2024 Note: Faculty	570	\$5.65	\$3,220.50
10	SQLSvrEntCore ALNG LicSAPk MVL 2Lic CoreLic Microsoft - Part#: 7JQ-00341 Contract Name: Eastern Kentucky University - Microsoft Campus Agreements Contract #: NAC-187-2021 Coverage Term: 8/1/2023 – 7/31/2024 Note: ADP	2	\$1,090.12	\$2,180.24
11	VisioPro ALNG LicSAPk MVL Microsoft - Part#: D87-01057 Contract Name: Eastern Kentucky University - Microsoft Campus Agreements Contract #: NAC-187-2021 Coverage Term: 8/1/2023 – 7/31/2024 Note: Faculty	570	\$5.27	\$3,003.90
12	Win Server Standard Core ALng LSA 16L Microsoft - Part#: 9EM-00265 Contract Name: Eastern Kentucky University - Microsoft Campus Agreements Contract #: NAC-187-2021 Coverage Term: 8/1/2023 – 7/31/2024 Note: ADP	2	\$47.88	\$95.76
			Total	\$54,660.28

Additional Comments

Please note, if Emergency Connectivity Funds (ECF) will be used to pay for all or part of this quote, please let us know as we will need to ensure compliance with the funding program.

Hardware items on this quote may be updated to reflect changes due to industry wide constraints and fluctuations.

The products offered under this proposal are resold in accordance with the terms and conditions of the Contract referenced under that applicable line item.



KENTUCKY STATE UNIVERSITY BOARD OF REGENTS

ACTION ITEM 5D

ACTION ITEM

Approval to Renew the CBIZ Personal Service Agreement (PSC).

FACTS

CBIZ Risk & Advisory Services, LLC, is the University's internal auditing firm. The current PSC's term ends on June 30, 2023, but the PSC allows for two (2) one-year renewals. Given the University's need for an internal auditor, the PSC will need to be renewed. If Dr. Akakpo wishes for the internal auditor functions to be performed by a KSU employee, the University may terminate the renewed PSC with CBIZ for convenience upon thirty days' notice.

BUDGETARY IMPLICATION

CBIZ's fee for the scope of work is estimated at \$125 per hour. The total cost for the renewal term shall not exceed \$112,074.

RECOMMENDATION

Acting President Dr. Michael Dailey recommends that the Board of Regents approve the renewal of the CBIZ PSC.

MOTION

Approve the renewal of the CBIZ PSC.

**PERSONAL SERVICE CONTRACT FOR
INTERNAL AUDIT CONSULTING SERVICES
BETWEEN:**

KENTUCKY STATE UNIVERSITY

AND

CBIZ RISK & ADVISORY SERVICES, LLC

PSC 23-011

This Personal Service Contract is entered into by and between Kentucky State University ("KSU") and CBIZ Risk & Advisory Services, LLC ("Contractor") for internal auditing consulting services that will be utilized to support Kentucky State University. The initial PSC is effective from November 10, 2022, through June 30, 2023.

KSU and Contractor agree to the following:

I. Scope of Contract

Contractor

1. Internal audit services for engagements including processes such as operational, financial, information technology, compliance audits, risk assessments, fraud investigations, advisory and consulting, data analytics and professional training.
 - Work shall be conducted in accordance with professional standards (American Institute of Certified Public Accountants – AICPA, Institute of Internal Auditors – IIA, Information Systems Audit and Control Association – ISACA, Association of Certified Fraud Examiners – ACFE) as established by successful Offeror.
 - Findings and recommendations to strengthen internal control and accountability within departments, colleges and system office will be presented to the Kentucky State University Board of Regents. Written reports are expected quarterly, with final determination as to face to face presentation of the reports to be determined by the Board of Regents. – Follow-Up and communication on all routine inquiries and open issues by KSU will be required within five (5) business days.
 - Work assigned will be for specific engagements staffed and led by the contractor contracted for this initiative.
 - Contractor will share industry knowledge and best practices with Kentucky State University Board of Regents and University leadership.
 - All work will be performed in compliance with the US Standards of Internal Auditing.
 - The contractor shall maintain confidentiality of all data and related reports for Kentucky State University.
2. The Contractor's Engagement Letter and Fee Schedule are attached.

Kentucky State University

It shall be the responsibility of Kentucky State University to provide appropriate guidance to the Contractor to facilitate the successful completion of the projected work and work product development.

II. Contract Components

KSU's acceptance of the Contractor's offer, including the Contractor's engagement letter, is indicated by the issuance of a Personal Service Contract Award and shall create a valid contract between the Parties.

III. Negotiated Items – Not Applicable

IV. Pricing

The cost for the services described above are as follows:

The Contractor's fee for the scope of work as outlined above and attached is estimated at \$125.00 an hour but shall not exceed \$102,734.45 for the initial term unless approved. Should the contract be renewed, the total cost of the renewal term shall not exceed \$112,074.00.

1. Invoicing

The Contractor shall submit invoices to Kentucky State University via email to purchasing@kysu.edu who shall review the invoice(s) with the managing office(s) for approval. Upon approval, the invoice(s) shall be forwarded to accounts.payable@kysu.edu

Payment for services will be made upon receipt of an approved invoice using the Personal Service Contract (PSC) Invoice Form. Payment terms are net thirty (30) days.

Invoices for services must include an original signature, as well as the following: the contact number, the dates of service, the total number of hours worked, a description of services provided, and the total amount due.

Pursuant to KRS 45A.695, no payment shall be made on any personal service contract unless the individual, firm, partnership, or corporation awarded the personal service contract submits its invoice for payment on a form established by the Legislative Research Commission, Government Contract Review Committee.

The invoice form is available on the Legislative Research Commission, Government Contract Review Committee website <https://apps.legislature.ky.gov/moreinfo/contracts/homepage.html>

2. Terms and Conditions

Contract Effective Date

The initial term of this PSC is effective and binding November 10, 2022.

Contract

The Contractor's engagement letter and this Personal Service Contract shall represent the entire

agreement between the parties. Prior negotiations, representations, or agreements, either written or oral, between the parties hereto relating to the subject matter hereof which are not memorialized in the engagement letter shall be of no effect upon this Contract.

Contract Term and Renewal Option

The initial term of the contract shall be from November 10, 2022, through June 30, 2023. The contract shall have two (2) optional one-year renewals.

Changes and Modifications to the Contract

No modification or change of any provision in the Contract shall be made, or construed to have been made, unless such modification is mutually agreed to in writing by KSU and the Contractor, and incorporated as a written amendment by the KSU prior to the effective date of such modification or change. Modification shall be subject to prior approval from the Kentucky State University Purchasing Department, University General Counsel, and the LRC Government Contract Review Committee. Memoranda of Understanding, written clarification, and/or other correspondence shall not be construed as amendments to the Contract.

Notices

Unless otherwise instructed, all notices, consents, and other communications required and/or permitted by the Contract shall be in writing. After the award of the Contract, all communications of a contractual or legal nature shall be made to Kentucky State University General Counsel.

3. Personal Service Contract (PSC) Standard Terms and Conditions

Whereas, the first party, Kentucky State University, has concluded that either University personnel are not available to perform said function, or it would not be feasible to utilize University personnel to perform said function; and

Whereas, the second party, the Contractor, is available and qualified to perform such function; and

Whereas, for the abovementioned reasons, the University desires to avail itself of the services of the second party;

NOW THEREFORE, the following terms and conditions are applicable to this contract:

Choice of Law and Forum

This contract shall be governed by and construed in accordance with the laws of the Commonwealth of Kentucky. Any action brought against the University on the contract, including but not limited to actions either for breach of contract or for enforcement of the contract, shall be brought in Franklin Circuit Court, Franklin County, Kentucky in accordance with KRS 45A.245.

Cancellation

Cancellation for Convenience - Kentucky State University reserves the right to terminate this PSC without cause with a thirty (30) day written notice. Upon receipt by the contractor of a "notice of termination," the contractor shall discontinue all services with respect to the applicable contract. The cost of any agreed upon services provided by the contractor prior to cancellation will be calculated at the agreed upon rate prior to a "notice of termination".

Cancellation for Non-Performance Default - KSU may terminate the resulting contract for non-performance, as determined by the University, for such causes as:

- Adjudication as a voluntarily bankrupt, making a transfer in fraud of its creditors, filing a petition under any section from time to time, or under any similar law or statute of the United States or any state thereof, or if an order for relief shall be entered against the Contractor in any proceeding filed by or against contractor thereunder. In the event of any such involuntary bankruptcy proceeding being instituted against the Contractor, the fact of such an involuntary petition being filed shall not be considered an event of default until sixty (60) days after filing of said petition in order that Contractor might, during that sixty (60) day period, have the opportunity to seek dismissal of the involuntary petition or otherwise cure said potential default.
- Making a general assignment for the benefit of its creditors, or taking the benefit of any insolvency act, or if a permanent receiver or trustee in bankruptcy shall be appointed for the Contractor.

Notification of Default

The University will provide ten (10) calendar days' written notice of default. Unless arrangements are made to correct the non-performance issues to the University's satisfaction within ten (10) calendar days, the Director of Purchasing may terminate the contract immediately.

Permits, Licenses and Commonwealth Registration

The contractor shall procure all necessary permits and licenses and abide by all applicable laws, regulations and ordinances of all federal, state and local governments in which work under this contract is performed.

The contractor must furnish certification of authority to conduct business in the Commonwealth of Kentucky as a condition of contract award. Such registration is obtained from the Secretary of State, who will also provide the certification thereof.

The contractor shall pay any sales, use, personal property and other tax arising out of this contract and the transaction contemplated hereby. Any other taxes levied upon this contract, the transaction or the equipment or services delivered pursuant hereto shall be the responsibility of the contractor.

The contractor will be required to accept liability for payment of all payroll taxes or deductions required by local and federal law including (but not limited to) old age pension, social security or annuities.

Funding Out Provision

KSU may terminate this contract if funds are not appropriated to the contracting agency or are not otherwise available for the purpose of making payments without incurring any obligation for payment after the date of termination, regardless of the terms of the contract. The University shall provide the Contractor thirty (30) calendar days' written notice of termination of the contract due to lack of available funding.

Reduction in Contract Worker Hours

Not Applicable

Authorized to do Business in Kentucky

Businesses can register with the Secretary of State at <http://www.sos.ky.gov/pages/default.aspx>

The Contractor affirms that it is properly authorized under the laws of the Commonwealth of Kentucky to conduct business in this state and will remain in good standing to do business in the Commonwealth of Kentucky for the duration of any contract awarded.

If a foreign entity, the Contractor shall maintain a certification of authority to conduct business in the Commonwealth of Kentucky during the term of this contract. Such registration is obtained from the Secretary of State pursuant to the process outlined below.

Registration with the Secretary of State by a Foreign Entity

Pursuant to KRS 45A.480 (1)(b), an agency, department, office, or political subdivision of the Commonwealth of Kentucky shall not award a state contract to a person that is a foreign entity required by KRS 14A.9-010 to obtain a certificate of authority to transact business in the Commonwealth ("certificate") from the Secretary of State under KRS 14A.9-030 unless the person produces the certificate within fourteen (14) days of the bid or proposal opening. Therefore, foreign entities should submit a copy of their certificate with their solicitation response. If the foreign entity is not required to obtain a certificate as provided in KRS 14A.9-010, the foreign entity should identify the applicable exception in its solicitation response. Foreign entity is defined within KRS 14A.1-070.

For all foreign entities required to obtain a certificate of authority to transact business in the Commonwealth, if a copy of the certificate is not received by the contracting agency within the time frame identified above, the foreign entity's solicitation response shall be deemed non-responsive or the awarded contract shall be cancelled.

Invoices for fees

The Contractor shall maintain supporting documents to substantiate invoices and shall furnish same if required by state government. The invoice must conform to the method described in this contract.

Pursuant to KRS 45A.695, no payment shall be made on any personal service contract unless the individual, firm, partnership, or corporation awarded the personal service contract submits its invoice for payment on a form established by the committee.

Invoice form is available on the Legislative Research Commission, Government Contract Review Committee website: <http://www.lrc.ky.gov/Statcomm/Contracts/homepage.htm>

Travel expenses, if authorized

The Contractor shall be paid for no travel expenses, unless and except as specifically authorized by the specifications of this contract, or authorized in advance and in writing by the University. Either original or certified copies of receipts must be submitted for airline tickets, hotel bills, restaurant charges, rental car charges, and any other miscellaneous expenses.

Other expenses, if authorized herein

The Contractor shall be reimbursed for no other expenses of any kind, unless and except as specifically authorized within the specifications of this contract, or authorized in advance and in writing by KSU.

If the reimbursement of such expenses is authorized, the reimbursement shall be only on an out-of-pocket basis. Request for payment of same shall be processed upon receipt from the Contractor of valid, itemized statements submitted periodically for payment at the time any fees are due. The Contractor shall maintain supporting documents that substantiate every claim for expenses and shall furnish copies of same in support of requests for payment submitted to KSU.

Purchasing and specifications

The Contractor certifies that he/she will not attempt in any manner to influence any specifications to be restrictive in any way or respect nor will he/she attempt in any way to influence any purchasing of services, commodities or equipment by KSU. For the purpose of this paragraph and the following paragraph that pertains to conflict-of-interest laws and principles, "he/she" is construed to mean "they" if more than one person is involved. If a firm, partnership, corporation, or other organization is involved, then "he/she" is construed to mean any person with an interest therein.

Conflict-of-interest laws and principles

The Contractor certifies that he/she is legally entitled to enter into this contract with KSU, and by holding and performing this contract, he/she will not be violating any conflict-of-interest statute (KRS 45A.330-45A.340, 45A.990, 164.390), nor KSU's Ethical Principles and Code of Conduct.

Access to Records

The Contractor, as defined in KRS 45A.030(8) and (10), agrees that the contracting agency, KSU the Auditor of Public Accounts, and the Legislative Research Commission, or their duly authorized representatives, shall have access to any books, documents, papers, records, or other evidence, which are directly pertinent to this contract for the purpose of a financial audit or program review. The Contractor also recognizes that any books, documents, papers, records, or other evidence, received during a financial audit or program review shall be subject to the Kentucky Open Records Act, KRS 61.870 to 61.884. Records and other prequalification information confidentially disclosed as part of the bid process shall not be deemed as directly pertinent to the contract and shall be exempt from disclosure as provided in KRS 61.878(1)(c).

Protest

Pursuant to KRS 45A.285, Kentucky State University General Counsel shall have authority to determine protests and other controversies of actual or prospective vendors in connection with the solicitation or selection for award of a contract.

Any actual or prospective vendor, who is aggrieved in connection with the solicitation or selection for award of a contract, may file protest with the University General Counsel. A protest or notice of other controversy must be filed promptly and, in any event, within two (2) calendar weeks after such aggrieved person knows or should have known of the facts giving rise thereto. All protests or notices of other controversies must be in writing and shall be addressed to:

Kentucky State University
General Counsel
400 East Main Street
ASB Building
Frankfort, KY 40601

A copy of that decision shall be mailed or otherwise furnished to the aggrieved party and shall state the reasons for the action taken.

The decision by Kentucky State University shall be final and conclusive.

Social security: (check one)

X The parties are cognizant that, pursuant to 42 U.S. Code, section 418, the state is not liable for social security contributions relative to the compensation of the second party for this contract.

_____ The parties are cognizant that, pursuant to 42 U.S. Code, section 418, the state is liable for social security contributions relative to the compensation of the second party for this contract.

Violation of tax and employment laws

KRS 45A.485 requires the Contractor and all subcontractors performing work under the contract to reveal to the Commonwealth, prior to the award of a contract, any final determination of a violation by the Contractor within the previous five (5) year period of the provisions of KRS chapters 136, 139, 141, 337, 338, 341, and 342. These statutes relate to the state sales and use tax, corporate and utility tax, income tax, wages and hours laws, occupational safety and health laws, unemployment insurance laws, and workers compensation insurance laws, respectively.

To comply with the provisions of KRS 45A.485, the Contractor and all subcontractors performing work under the contract shall report any such final determination(s) of violation(s) to the Commonwealth by providing the following information regarding the final determination(s): the KRS violated, the date of the final determination, and the state agency which issued the final determination.

KRS 45A.485 also provides that, for the duration of any contract, the Contractor and all subcontractors performing work under the contract shall be in continuous compliance with the provisions of those statutes, which apply to their operations, and that their failure to reveal a final determination, as described above, or failure to comply with the above statutes for the duration of the contract, shall be grounds KSU's cancellation of the contract and their disqualification from eligibility for future state contracts for a period of two (2) years.

Discrimination

This section applies only to contracts disbursing federal funds, in whole or part, when the terms and conditions for receiving those funds mandate its inclusion. Discrimination (because of race, religion, color, national origin, sex, sexual orientation, gender identity, age, or disability) is prohibited. During the performance of this contract, the Contractor agrees as follows:

The Contractor will not discriminate against any employee or applicant for employment because of race, religion, color, national origin, sex, sexual orientation, gender identity or age. The Contractor further agrees to comply with the provisions of the Americans with Disabilities Act (ADA), Public Law 101-336, and applicable federal regulations relating thereto prohibiting discrimination against otherwise qualified disabled individuals under any program or activity. The Contractor agrees to provide, upon request, needed reasonable accommodations. The Contractor will take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, religion, color, national origin, sex, sexual orientation, gender identity, age or disability. Such action shall include, but

not be limited to the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensations; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this non-discrimination clause.

In all solicitations or advertisements for employees placed by or on behalf of the Contractor, the Contractor will state that all qualified applicants will receive consideration for employment without regard to race, religion, color, national origin, sex, sexual orientation, gender identity, age or disability.

The Contractor will send to each labor union or representative of workers with which he/she has a collective bargaining agreement or other contract or understanding a notice advising the said labor union or workers' representative of the Contractor's commitments under this section and shall post copies of the notice in conspicuous places available to employees and applicants for employment. The Contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance.

The Contractor will comply with all provisions of Executive Order No. 11246 of September 24, 1965, as amended, and of the rules, regulations and relevant orders of the Secretary of Labor.

The Contractor will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, as amended, and by the rules, regulations and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his/her books, records and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.

In the event of the Contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations or orders, this contract may be cancelled, terminated or suspended in whole or in part, and the Contractor may be declared ineligible for further government contracts or federally-assisted construction contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, as amended, and such other sanctions that may be imposed and remedies invoked as provided in or as otherwise provided by law.

The Contractor will include the provisions of paragraphs (1) through (7) of section 202 of Executive Order 11246 in every subcontract or purchase order unless exempted by rules, regulations or orders of the Secretary of Labor, issued pursuant to section 204 of Executive Order No. 11246 of September 24, 1965, as amended, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions including sanctions for noncompliance; provided, however, that in the event a Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the agency, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.

4. Approvals

This contract is subject to the terms and conditions stated herein. By affixing signatures below, the parties verify that they are authorized to enter into this contract and that they accept and consent to be bound by the terms and conditions stated herein. In addition, the parties agree that (i) electronic approvals may serve as electronic signatures, and (ii) this contract may be executed in any number of counterparts, each of which when executed and delivered shall constitute a duplicate original, but all counterparts together shall constitute a single contract.

1st Party – Kentucky State University

Signature

Dr. Ronald A. Johnson

Printed Name

Interim President

Title

10/31/2022

Date

2nd Party – Contractor

Signature

[Signature]

Frank Campagna

Printed Name

Managing Director

Title

10/28/2022

Date

Approved as to form and legality

[Signature]

Signature

Lisa K. Lang

Printed Name

General Counsel
Kentucky State University

KENTUCKY STATE UNIVERSITY

BOARD OF REGENTS

Approved

Board Meeting Date: 10/12/2022



CBIZ Risk & Advisory Services, LLC

October 31, 2022

Kentucky State University Board of Regents
Kentucky State University Interim President Ronald A. Johnson
400 East Main Street
Frankfort, Kentucky 40601

RE: Engagement Letter – Internal Audit Outsourced Services

CBIZ Risk & Advisory Services, LLC ("CBIZ" or the "Firm") is pleased to present Kentucky State University ("KYSU" or "The University") with this Engagement Letter for advisory services to perform outsourced internal audit services. This document overviews the proposed objectives, timing, and requirements of this Engagement Letter.

Scope of Services

Type of Service: Outsourced Internal Audit Services

Resources Needed: Internal Audit staff (all levels) and subject matter experts

Engagement Start Date: November 10, 2022

Engagement End Date: The initial term of the contract shall be November 10, 2022, through June 30, 2023. The contract shall include two (2) optional one-year renewals.

Specifications

CBIZ will perform internal audit and other services related to operational, IT, and accounting/finance functions. CBIZ will serve as The University's internal auditor and will follow The University's documented process and procedures. CBIZ may be asked to perform many different duties.

Responsibilities of the Parties

The parties shall meet its responsibilities as set forth in the Terms and Conditions in this document as well as the Personal Service Contract (KSU 23-11).

Professional Arrangements

Our fees for the services noted above will be billed at a blended hourly rate of \$125/hr. for internal audit services. If there is a service that requires a subject matter expert, we will request approval from the Board of Regents or the Board of Regent's designee. The approved hourly rate will be subject to the approval by the Board of Regents and the University. We agree to limit our out-of-pocket expenses to 20% of fees but will strive to limit our expenditures. Should the fees and expenses exceed the contracted amount, the parties shall seek a change in services in the manner set forth in



CBIZ Risk & Advisory Services, LLC

Exhibit A. We will work with the Board of Regents to be a valued and trusted advisor.

Our invoices for all fees will be prepared on a monthly basis as work progresses and are payable within thirty (30) days of receipt.

Service Commencement

We are available to start the fieldwork as soon as necessary and upon execution of this Engagement Letter. We will commit to an agreed upon schedule and be prepared to fulfill our commitment.

Acknowledgement and Acceptance

We are pleased to have the opportunity to provide these services and appreciate your confidence in CBIZ Risk & Advisory. If the services outlined herein are in accordance with your requirements and the terms described are acceptable, please execute one copy of this letter in the space provided below and return it to me.

Very truly yours,

A handwritten signature in black ink, appearing to read "Frank Campagna", with a long, sweeping horizontal line extending to the right.

Frank Campagna
Managing Director
CBIZ Risk & Advisory Services, LLC

Confirmation of Terms

Kentucky State University hereby engages CBIZ Risk & Advisory Services, LLC upon the terms of this letter, including the referenced terms and conditions:

Agreed by:

A handwritten signature in black ink, appearing to read "Ronald A. Jones", with a long, sweeping horizontal line extending to the right.

Title: Interim President

Date: 10/31/2022



EXHIBIT A
Terms and Conditions

These Terms and Conditions and the letter of understanding to engage CBIZ (and any attachments) (the "Engagement Letter"), and any subsequent amendments or addenda thereto, to which these Terms and Conditions are attached (collectively, the "Agreement") constitute the entire agreement between the client to which such engagement letter is addressed ("Client") and CBIZ regarding the services described in the Engagement Letter. Capitalized terms not otherwise defined herein, shall have the meaning ascribed to them in the Engagement Letter.

I. Services

- A. *Services.* CBIZ will provide the Services described in the Engagement Letter, and will use all reasonable efforts to perform the Services in accordance with the timeframe set out. CBIZ has every expectation that this engagement will be conducted by the CBIZ professionals designated for this engagement. If for any reason any of those individuals are not able to complete this engagement, professionals with similar qualifications and experience will do so. Where any changes are necessary, CBIZ will give Client reasonable notice of the changes.
- B. *Changes to Services.* Either party may request changes to the Services as set out in the Engagement Letter. Changes must be requested in writing with sufficient detail to enable the other party to assess the impact of the requested change on the cost, timing or any other aspect of the Services. Both parties agree to consider and, if appropriate, agree any changes. Any changes must be in writing and signed by both parties. Until a change is agreed in writing, the latest agreed terms will apply.
- C. *Acceptance.* The passage of ten working days without notice of non-acceptance by Client, or use by Client of the project deliverables or outputs (each a "Deliverable"), will constitute acceptance by Client of the Deliverable. If a Deliverable is not accepted, the Client's notice must specify in reasonable detail the reasons that the Deliverable fails to meet the requirements described in this Agreement in all material respects. Upon receipt of such notice and confirmation by CBIZ of the Deliverable's non-conformance with the requirements of this Agreement, CBIZ will use commercially reasonable efforts to correct the Deliverable and upon such correction will re-submit the Deliverable to Client for review. Acceptance by Client will not be unreasonably withheld.
- D. *Ownership.* Client shall own the copyright in all written material originated and prepared for and delivered to the Client under this Agreement. However, CBIZ's working papers and CBIZ Confidential Information (as defined below) belong exclusively to CBIZ. The ideas, concepts, know-how, techniques, inventions, discoveries and improvements developed during the course of this Agreement by CBIZ personnel, alone or in conjunction with Client personnel, may be used by CBIZ in any way it deems appropriate, including without limitation by or for its clients or customers, without an obligation to account, notwithstanding any provision in this Agreement to the contrary. CBIZ is in the business of providing consulting services for a wide variety of clients and the Client understands that CBIZ will continue these activities. Accordingly, nothing



in this Agreement shall preclude or limit CBIZ from providing consulting services and/or developing software or materials for itself or other clients, irrespective of the possible similarity of materials, which might be delivered to the Client.

- E. *Confidentiality.* CBIZ agrees that all financial, statistical, marketing and personnel data relating to the Client's business, and other information identified as confidential by the Client, are confidential information of the Client ("Client Confidential Information"). The Client agrees that CBIZ's proprietary software, tools and other methodologies and any other information identified as confidential by CBIZ, are confidential information of CBIZ ("CBIZ Confidential Information"). Client Confidential Information and CBIZ Confidential Information are collectively referred to as "Confidential Information." Each party shall use Confidential Information of the other party which is disclosed to it only for the purposes of this Agreement and shall not disclose such Confidential Information to any third party without the other party's prior written consent, other than to CBIZ subcontractors hired in connection with this engagement, if any, and to each other's employees on a need-to-know basis in connection with this engagement. Each party agrees to take measures to protect the confidentiality of the other party's Confidential Information that, in the aggregate, are no less protective than those measures it uses to protect the confidentiality of its own Confidential Information, but at a minimum, each party shall take reasonable steps to advise their employees (and, in the case of CBIZ, its subcontractors) of the confidential nature of the Confidential Information and of the prohibitions on copying or revealing such Confidential Information contained herein. CBIZ and the Client each agree to require that the other party's Confidential Information be kept in a reasonably secure location.

Notwithstanding anything to the contrary contained in this Agreement, neither party shall be obligated to treat as confidential, or otherwise be subject to the restrictions on use, disclosure or treatment contained in this Agreement for, any information disclosed by the other party (the "Disclosing Party") which: (1) is rightfully known to the recipient prior to its disclosure by the Disclosing Party; (2) is released by the Disclosing Party to any other person, firm or entity (including governmental agencies or bureaus) without restriction; (3) is independently developed by the recipient without any reliance on Confidential Information; or (4) is or later becomes publicly available without violation of this Agreement or may be lawfully obtained by a party from any nonparty. Neither party will be liable to the other for inadvertent or accidental disclosure of Confidential Information if the disclosure occurs notwithstanding the party's exercise of the same level of protection and care that such party customarily uses in safeguarding its own confidential information. Notwithstanding the foregoing, either party will be entitled to disclose Confidential Information of the other to a third party to the extent that this is required by valid legal or regulatory process, provided that (and without breaching any legal or regulatory requirement) the party to which the request is made provides the Disclosing Party with prompt written notice and allows the Disclosing Party to seek a restraining order or other appropriate relief.

II. Client Responsibilities.

Client management is responsible for developing and maintaining the system of internal control over financial reporting. Further, Client is responsible for implementing any of CBIZ's



recommended changes to that internal control system. Client agrees to provide reasonable workspace, administrative support, and other support, which are necessary to perform the Services. Client agrees to perform in a timely fashion those tasks and provide the personnel agreed to by the parties. Client personnel assigned to work on matters related to this engagement will be qualified for the tasks for which they are assigned. CBIZ's performance is dependent on Client carrying out its responsibilities as set out in this Agreement. Client's failure to satisfy its responsibilities under this Agreement may lead to an increase in our fees, depending upon the extent to which we have to perform more work ourselves or reschedule our commitments to deliver the Services, or our inability to provide the Services. Should Client fail to perform any of its obligations under this Agreement, CBIZ Risk and Advisory Services shall not be responsible for any delay or other consequences due to such failure.

III. Fees and Payment.

Client shall pay CBIZ the fees set forth in the Engagement Letter. All charges are exclusive of expenses as indicated in the Engagement Letter. Client shall also be responsible for paying any taxes (such as applicable sales taxes, duties or goods and services taxes) for which it is legally liable arising from this Agreement at the rate in force at the date the liability arises. All invoices will be due within thirty (30) of receipt.

IV. Term and Termination

- A. *Term of Agreement.* This Agreement will apply from the commencement date stated in the Engagement Letter. If CBIZ commenced the performance of the Services prior to the execution of this Agreement, this Agreement shall nonetheless cover the performance of such Services. This Agreement will continue until the services and deliverables have been provided unless it is terminated earlier in accordance with the terms set out elsewhere herein. The following sections of this Agreement will survive completion of the Services or its earlier termination: Confidentiality, Ownership, Limitation of Liability, Warranties, and such other provisions of this Agreement which by their nature are intended to survive.
- B. *Termination.* Either party may terminate this Agreement upon 30-day written notice to the other party. Client will be responsible for fees and expenses incurred through the date that this termination notice is received.

V. Limited Warranties.

CBIZ warrants that the Services will be performed and supervised by qualified personnel. Notwithstanding anything to the contrary contained in this agreement, ALL SERVICES PROVIDED HEREUNDER BY CBIZ ARE PROVIDED "AS IS" AND "WITH ALL FAULTS," AND TO THE EXTENT PERMITTED BY APPLICABLE LAW, CBIZ HEREBY DISCLAIMS ALL REPRESENTATIONS AND WARRANTIES OF EVERY KIND, WHETHER EXPRESS OR IMPLIED, OR WHETHER ARISING BY OPERATION OF LAW, COURSE OF PERFORMANCE OR DEALING, CUSTOM, USAGE IN THE TRADE OR PROFESSION OR OTHERWISE, INCLUDING WITHOUT LIMITATION WARRANTIES OF MERCHANTABILITY AND, FITNESS FOR A PARTICULAR PURPOSE (EVEN IF



ADVISED OF SUCH PURPOSE). In the event that the Client identifies any CBIZ employee that the client believes is not qualified to perform the Services, Client may request that such employee be replaced on the engagement. Replacement of such employee(s) is the sole remedy available to Client for breach of this warranty.

VI. Limitation of Liability.

In no event shall CBIZ be liable to Client or any third party for any loss, damage, cost or expense attributable to any act, omission or misrepresentations by Client, its directors, employees or agents. In no event shall CBIZ be liable to Client, whether a claim be in tort, contract or otherwise for (a) any amount in excess of the total professional fees paid by Client to CBIZ under the Engagement Letter or any addendum to which the claim relates or (b) any consequential, indirect, lost profit or similar damages relating to or arising from the Services provided under this Agreement, except to the extent finally determined to have resulted from the gross negligence, willful misconduct or fraudulent acts of CBIZ relating to such services. CBIZ shall have no liability to Client arising from or relating to any Third-Party hardware, software or materials ("Third Party Materials"), including, but not limited to, the selection thereof or failure of such Third-Party Materials to perform in accordance with specifications or any defects therein.

Responsibility for the selection of Third-Party Materials, and any performance or functionality issues, or defects therein, shall lie solely with the manufacturer(s) or supplier(s) thereof.

VII. General.

- A. *Non-Solicitation of Employees.* For the duration of the Assignment, and for 12 months after its termination or completion, Client will not employ or procure a third party to employ any CBIZ employee who has taken part in the performance of the Services without CBIZ's prior written consent.
- B. *Force Majeure.* Neither party shall be liable to the other for any delay or failure to perform any of the Services or obligations set forth in this Agreement due to causes beyond its reasonable control.
- C. *No Jury Trial.* In the unlikely event that differences arise between the parties related to or arising from this Agreement that are not resolved by mutual agreement, to facilitate a judicial resolution and save time and expense of both parties, Client and CBIZ agree not to demand a trial by jury in any action, proceeding or counterclaim.
- D. *Partial Invalidity.* If any provision of this Agreement is determined to be invalid under any applicable statute or rule of law, it is to that extent to be deemed omitted, and the balance of the Agreement shall remain enforceable.



- E. *Headings*. The section headings used herein are for reference and convenience only and shall not enter into the interpretation hereof.
- F. *Independent Contractor*. CBIZ, in furnishing services to the Client, is an independent contractor. CBIZ does not undertake to perform any regulatory or contractual obligation of the Client or to assume any responsibility for the Client's business or operations.
- G. *Waiver*. No waiver, delay or omission by either party in exercising any right or power shall impair such right or power or be construed to be a waiver. A waiver by either party of any of the covenants to be performed by the other or any breach thereof shall not be construed to be a waiver of any succeeding breach or of any other covenant. No waiver or discharge shall be valid unless in writing and signed by an authorized representative of the party against whom such waiver or discharge is sought to be enforced.

* * * * *



KENTUCKY STATE UNIVERSITY BOARD OF REGENTS

ACTION ITEM 5E

ACTION ITEM

Approval to Renew the Blue & Co. Personal Service Contract (PSC).

FACTS

Blue & Co., LLC, is the University's external auditing firm. The firm has completed the University's FY 2021 audit, but it has not yet completed the University's FY 2022 or FY 2023 audits. Given that the PSC's original term ends on June 30, 2023, the University will have to renew the PSC if those audits are to be completed. The PSC provides for four (4) optional one-year renewals.

BUDGETARY IMPLICATION

Blue & Co. has provided the following fee schedule:

Partner: \$450 per hour
Audit Principal: \$405 per hour
Senior Manager: \$340 per hour
Manager: \$290 per hour
Senior Staff: \$225 per hour
Staff: \$190 per hour
Intern: \$140 per hour

The estimated price per audit is \$300,000. Therefore, the total price of the PSC is not expected to exceed \$600,000.

RECOMMENDATION

Acting President Dr. Michael Dailey recommends that the Board of Regents approve the renewal of the Blue & Co. PSC.

MOTION

Approve the renewal of the Blue & Co. PSC.

KENTUCKY STATE UNIVERSITY

MODIFICATION TO PERSONAL SERVICES CONTRACT

☐ NOTICE OF AMENDMENT

☐ NOTICE OF EXTENSION

Name and Address of Individual or Firm	Personal Services Contract No.:
	Department:
	Account Number:
	Original Contract Date:
	Original Contract Amount:
	New Total Not to Exceed:

Section 1: Complete the following if form is processed as an AMENDMENT.

- A. The above referenced contract is being amended as follows:
- B. All other terms and conditions of the contract remain the same, except as modified above.

Section 2: Complete the following if form is processed as an EXTENSION.

- A. The above referenced contract is being extended from:
_____ to _____
- B. All other terms and conditions of the contract remain the same, except as modified above.
- C. If contract extended beyond current fiscal year, change contract number to KSU-_____.
- D. The balance of the contract to be carried forward to the new fiscal year is: \$_____.

Please signify your acceptance of the above contract modification(s) with your signature below.

FIRST PARTY: KENTUCKY STATE UNIVERSITY

SECOND PARTY: CONTRACTOR

Date _____

Date _____

RECOMMENDED BY:

SECOND PARTY: CONTRACTOR

Date _____

Title

REVIEWED AS TO FORM AND LEGALITY:

APPROVED BY:

Date _____

Date _____



Blue & Co., LLC / 250 West Main Street, Suite 2900 / Lexington, KY 40507
main 859.253.1100 fax 859.253.1384 email blue@blueandco.com

June 21, 2023

Dr. Michael D. Dailey
Interim President
Kentucky State University
400 East Main Street
Frankfort, KY 40601

Dear Dr. Dailey:

You have requested an audit of the financial statements of Kentucky State University (hereby referred to as the "University"). We are pleased to confirm our understanding of the services we are to provide for the University for the year ended June 30, 2022, by means of this letter.

Audit Scope and Objectives

We will audit the financial statements of the University, which comprise the statement of net position as of June 30, 2022, the statement of revenues, expenses, and changes in net position and the statement of cash flows for the year then ended, and the disclosures (hereby collectively referred to as the "financial statements"). Also, the following supplementary information accompanying the financial statements will be subjected to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America (GAAS), and we will provide an opinion on it in relation to the financial statements as a whole in a report combined with our auditor's report on the financial statements (or in a separate written report accompanying our auditor's report on the financial statements).

1. Schedule of expenditures of federal awards.

Also, accounting principles generally accepted in the United States of America (GAAP) provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the University's basic financial statements. Such information, although not a part of the basic financial statements, is required by the 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. As part of our engagement, we will apply certain limited procedures to the University's RSI in accordance with GAAS. These limited procedures will consist 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 will not express an opinion or provide any assurance on the RSI because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by GAAP and will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis
2. Schedule of proportionate share of the net pension liability
3. Schedule of pension contributions
4. Schedule of proportionate share of the net OPEB liability
5. Schedule of OPEB contributions

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and issue an auditor's report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America (GAAP). Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements. The objectives also include reporting on:

- Internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Auditor's Responsibilities for the Audit of the Financial Statements and Single Audit

We will conduct our audit in accordance with GAAS; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with Uniform Guidance, and other procedures we consider necessary to enable us to express such an opinion. As part of an audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the University or to acts by management or employees acting on behalf of the University. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements or noncompliance may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or on major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement and they may bill you for responding to this inquiry.

Allen Norvell is the engagement director and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it. Our audit engagement ends on delivery of our audit report. Any follow-up services that might be required will be a separate, new engagement. The terms and conditions of that new engagement will be governed by a new, specific engagement letter for that service.

Audit Procedures - Internal Control

We will obtain an understanding of the University and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

Audit Procedures - Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the University's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance, and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal statutes, regulations, and the terms and conditions of federal awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the OMB Compliance Supplement for the types of compliance requirements that could have a direct and material effect on each of the University's major programs. For federal programs that are included in the Compliance Supplement, our compliance and internal control procedures will relate to the compliance requirements that the Compliance Supplement identifies as being subject to audit. The purpose of these procedures will be

to express an opinion on the University's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Responsibilities of Management for the Financial Statements and Single Audit

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for (1) designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including internal controls over federal awards, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal awards, and all accompanying information in conformity with GAAP; and for compliance with applicable laws and regulations (including federal statutes), rules, and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

You are also responsible for making drafts of financial statements, schedule of expenditures of federal awards, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance; (3) additional information that we may request for the purpose of the audit; and (4) unrestricted access to persons within the University from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the University involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the

fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the University received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the University complies with applicable laws, regulations, contracts, agreements, and grants. You are also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan.

With regard to including the auditor's report in an exempt offering document, you agree that the aforementioned auditor's report, or reference to Blue & Co., LLC, will not be included in any such offering document without our prior permission or consent. Any agreement to perform work in connection with an exempt offering document, including an agreement to provide permission or consent, will be a separate engagement.

With regard to an exempt offering document with which Blue & Co., LLC is not involved, you agree to clearly indicate in the exempt offering document that Blue & Co., LLC is not involved with the contents of such offering document.

You are responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received, and COVID-19-related concepts, such as lost revenues, if applicable) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal awards in any document that contains, and indicates that we have reported on, the schedule of expenditures of federal awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with GAAP. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities

include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Scope and Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions for the report, and for the timing and format for providing that information.

With regard to publishing the financial statements on your website, you understand that websites are a means of distributing information and, therefore, we are not required to read the information contained in those sites or to consider the consistency of other information on the website with the original document.

You agree to assume all management responsibilities for the tax services, financial statements, schedule of expenditures of federal awards, and related notes, and any other nonaudit services (nonaudit services include preparation of the financial statements and the schedule of expenditures of federal awards, tax preparation, cost report preparation, and consulting services) we provide. You will be required to acknowledge in the management representation letter the tax services provided and our assistance with preparation of the financial statements, the schedule of expenditures of federal awards, and related notes and that you have evaluated the adequacy of our services and have reviewed and approved the results of the services, the financial statements, the schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

We understand that your employees will prepare all cash, accounts receivable, and other confirmations and schedules we request and will locate any documents selected by us for testing. We will schedule the engagement based in part on deadlines, working conditions, and the availability of your key personnel. We will plan the engagement based on the assumption that your personnel will cooperate and provide assistance by performing tasks such as preparing requested schedules, retrieving supporting documents, and preparing confirmations. If, for whatever reason, your personnel are unavailable to provide the necessary assistance in a timely manner, it may substantially increase the

work we have to do to complete the engagement within the established deadlines, resulting in an increase in fees over our original fee estimate.

To ensure that our independence is not impaired under the American Institute of Certified Public Accountants' (AICPA) *Code of Professional Conduct*, you agree to inform the engagement director before entering into any substantive employment discussions with any of our personnel.

Reporting

We will issue written reports upon completion of our Single Audit which will also address other information in accordance with AU-C 720, *The Auditor's Responsibilities Relating to Other Information Included in Annual Reports*. We will make reference to the other auditor's report on the audit of the financial statements of the Kentucky State University Foundation, Inc. in our report on the University's financial statements. Our reports will be addressed to the board of directors of the University. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinion, add a separate section, or add an emphasis of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinion is other than unmodified, we will discuss the reasons with you in advance. If circumstances occur related to the condition of your records, the availability of sufficient, appropriate audit evidence, or the existence of a significant risk of material misstatement of the financial statements caused by error, fraudulent financial reporting, or misappropriation of assets, which in our professional judgment prevent us from completing the audit or forming an opinion on the financial statements, we retain the right to take any course of action permitted by professional standards, including declining to express an opinion or issue a report, or withdrawing from the engagement.

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will state that (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The Uniform Guidance report on internal control over compliance will state that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

ADMINISTRATION, FEES, AND OTHER TERMS

Our work necessarily depends on you and your personnel's ability to provide required assistance in a timely manner; otherwise, it may substantially increase the work we have to do to complete the engagement within the established deadlines, resulting in an increase in fees over our original fee estimate.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditor's reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. If applicable, we will provide copies of our report for you to include with the reporting package you will submit to pass-through entities. The Data Collection Form and the reporting package must be submitted within the earlier of 30 days after receipt of the auditors' reports or nine months after the end of the audit period.

We will provide copies of our reports to the University; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information, and therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Any additional services not addressed in this engagement letter that are requested by you and agreed to by us will be documented in a separate engagement letter covering the additional services.

The audit documentation for this engagement is our property and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to the Kentucky Auditor of Public Accounts, the United States Department of Education or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of our personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

We retain records relating to professional services that we provide so that we are better able to assist you with your professional needs and, in some cases, to comply with professional guidelines. In order to guard your nonpublic personal information, we maintain physical, electronic, and procedural safeguards that comply with our professional standards.

It is our policy to keep records related to this engagement for a period of time as defined in our record retention policy. However, we do not keep any original client records, so we will return those to you at the completion of the services rendered under this engagement. When records are returned to you, it is your responsibility to retain, and protect your records for possible future use, including potential examination by any government or regulatory agencies.

By your signature on this engagement letter, you acknowledge that you understand we will destroy our records related to this engagement upon the expiration of the designated period.

Our policy is to provide any requested advice in writing. Therefore, you should not rely on any unwritten advice because it may be tentative and not fully reviewed.

We may, from time to time and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

Certain communications involving tax advice are privileged and not subject to disclosure to the Internal Revenue Service. By disclosing the contents of those communications to anyone, or by turning over information about those communications to the government, you, your employees, or agents may be waiving this privilege. To protect this right to privileged communication, please consult with us or your attorney prior to disclosing any information about our tax advice. Should you decide that it is appropriate for us to disclose any potentially privileged communication, you agree to provide us with written, advance authority to make that disclosure.

In the interest of facilitating our services to your University, we may communicate by facsimile transmission or send electronic mail over the Internet. Such communications may include information that is confidential to your University and/or you. While we will use our best efforts to keep such communications secure in accordance with our obligations under applicable laws and professional standards, you recognize and accept that we have no control over the unauthorized interception of these communications once they have been sent, and you consent to our use of these electronic devices.

Our fee for these services will be as outlined in our contract effective November 10, 2022. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the engagement. In the event your records are not submitted in a timely manner, or are incomplete or unusable, we reserve the right to charge additional fees and expenses for services required to correct the problem. If this occurs, we will contact you to discuss the matter and the anticipated delay in completing our engagement prior to rendering further services. If additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. If additional time is necessary, our fees for these services will be based on standard billing rates.

Dr. Michael D. Dailey
Kentucky State University
June 21, 2023
Page 11 of 12

Our billings will be rendered as the work progresses, with payment to be made 30 days subsequent to billing. Interest will be charged at a rate of 1½% per month on balances in excess of 30 days. In accordance with our firm policies, work may be suspended if your account becomes overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been complete upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out of pocket expenditures through the date of termination.

Government Auditing Standards require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2020 peer review report accompanies this letter.

If any portion of this agreement is deemed invalid or unenforceable, said finding shall not operate to invalidate the remainder of the terms set forth in this engagement letter.

If a dispute arises out of or relates to this engagement letter, or the breach thereof, and if the dispute cannot be settled through negotiation, the parties agree first to try in good faith to settle the dispute by mediation administered by the American Arbitration Association under the Dispute Resolution Rules for Professional Accounting and Related Services Disputes before resorting to arbitration, litigation, or some other dispute-resolution procedure mutually agreeable to the parties. The costs of any mediation proceedings shall be shared equally by all parties.

Any claim arising out of this Agreement shall be commenced within one year of the delivery of the work product to you. Any action not brought within that one-year time period shall be barred despite any other limitations period set forth by either case law or statute. Our liability for all claims, damages, and costs of the University arising from this engagement is limited to the total amount of fees paid for this engagement.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy, and return it to us.

Very truly yours,

A handwritten signature in black ink that reads "Blue & Co., LLC". The script is cursive and fluid.

Blue & Co., LLC

Dr. Michael D. Dailey
Kentucky State University
June 21, 2023
Page 12 of 12

ACCEPTANCE

I have carefully read and understood this engagement letter and agree to all its terms and conditions.

By: _____ Date: _____
Authorized Signature

Printed Name and Title

Email Address



Blue & Co., LLC / 250 West Main Street, Suite 2900 / Lexington, KY 40507
main 859.253.1100 fax 859.253.1384 email blue@blueandco.com

June 21, 2023

Dr. Michael D. Dailey
Interim President
Kentucky State University
400 East Main Street
Frankfort, KY 40601

Dear Dr. Dailey:

You have requested an audit of the financial statements of Kentucky State University (hereby referred to as the "University"). We are pleased to confirm our understanding of the services we are to provide for the University for the year ended June 30, 2023, by means of this letter.

Audit Scope and Objectives

We will audit the financial statements of the University, which comprise the statement of net position as of June 30, 2023, the statement of revenues, expenses, and changes in net position and the statement of cash flows for the year then ended, and the disclosures (hereby collectively referred to as the "financial statements"). Also, the following supplementary information accompanying the financial statements will be subjected to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America (GAAS), and we will provide an opinion on it in relation to the financial statements as a whole in a report combined with our auditor's report on the financial statements (or in a separate written report accompanying our auditor's report on the financial statements).

1. Schedule of expenditures of federal awards.

Also, accounting principles generally accepted in the United States of America (GAAP) provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the University's basic financial statements. Such information, although not a part of the basic financial statements, is required by the 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. As part of our engagement, we will apply certain limited procedures to the University's RSI in accordance with GAAS. These limited procedures will consist 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 will not express an opinion or provide any assurance on the RSI because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by GAAP and will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis
2. Schedule of proportionate share of the net pension liability
3. Schedule of pension contributions
4. Schedule of proportionate share of the net OPEB liability
5. Schedule of OPEB contributions

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and issue an auditor's report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America (GAAP). Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements. The objectives also include reporting on:

- Internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Auditor's Responsibilities for the Audit of the Financial Statements and Single Audit

We will conduct our audit in accordance with GAAS; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with Uniform Guidance, and other procedures we consider necessary to enable us to express such an opinion. As part of an audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the University or to acts by management or employees acting on behalf of the University. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements or noncompliance may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or on major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement and they may bill you for responding to this inquiry.

Allen Norvell is the engagement director and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it. Our audit engagement ends on delivery of our audit report. Any follow-up services that might be required will be a separate, new engagement. The terms and conditions of that new engagement will be governed by a new, specific engagement letter for that service.

Audit Procedures - Internal Control

We will obtain an understanding of the University and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

Audit Procedures - Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the University's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance, and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal statutes, regulations, and the terms and conditions of federal awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the OMB Compliance Supplement for the types of compliance requirements that could have a direct and material effect on each of the University's major programs. For federal programs that are included in the Compliance Supplement, our compliance and internal control procedures will relate to the compliance requirements that the Compliance Supplement identifies as being subject to audit. The purpose of these procedures will be

to express an opinion on the University's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Responsibilities of Management for the Financial Statements and Single Audit

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for (1) designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including internal controls over federal awards, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal awards, and all accompanying information in conformity with GAAP and for compliance with applicable laws and regulations (including federal statutes), rules, and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

You are also responsible for making drafts of financial statements, schedule of expenditures of federal awards, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance; (3) additional information that we may request for the purpose of the audit; and (4) unrestricted access to persons within the University from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the University involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the

fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the University received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the University complies with applicable laws, regulations, contracts, agreements, and grants. You are also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan.

With regard to including the auditor's report in an exempt offering document, you agree that the aforementioned auditor's report, or reference to Blue & Co., LLC, will not be included in any such offering document without our prior permission or consent. Any agreement to perform work in connection with an exempt offering document, including an agreement to provide permission or consent, will be a separate engagement.

With regard to an exempt offering document with which Blue & Co., LLC is not involved, you agree to clearly indicate in the exempt offering document that Blue & Co., LLC is not involved with the contents of such offering document.

You are responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received, and COVID-19-related concepts, such as lost revenues, if applicable) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal awards in any document that contains, and indicates that we have reported on, the schedule of expenditures of federal awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with GAAP. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities

include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Scope and Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions for the report, and for the timing and format for providing that information.

With regard to publishing the financial statements on your website, you understand that websites are a means of distributing information and, therefore, we are not required to read the information contained in those sites or to consider the consistency of other information on the website with the original document.

You agree to assume all management responsibilities for the tax services, financial statements, schedule of expenditures of federal awards, and related notes, and any other nonaudit services (nonaudit services include preparation of the financial statements and the schedule of expenditures of federal awards we provide). You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements, the schedule of expenditures of federal awards, and related notes and that you have evaluated the adequacy of our services and have reviewed and approved the results of the services, the financial statements, the schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

We understand that your employees will prepare all cash, accounts receivable, and other confirmations and schedules we request and will locate any documents selected by us for testing. We will schedule the engagement based in part on deadlines, working conditions, and the availability of your key personnel. We will plan the engagement based on the assumption that your personnel will cooperate and provide assistance by performing tasks such as preparing requested schedules, retrieving supporting documents, and preparing confirmations. If, for whatever reason, your personnel are unavailable to provide the necessary assistance in a timely manner, it may substantially increase the work we have to do to complete the engagement within the established deadlines, resulting in an increase in fees over our original fee estimate.

To ensure that our independence is not impaired under the American Institute of Certified Public Accountants' (AICPA) *Code of Professional Conduct*, you agree to inform the engagement director before entering into any substantive employment discussions with any of our personnel.

Reporting

We will issue written reports upon completion of our Single Audit which will also address other information in accordance with AU-C 720, *The Auditor's Responsibilities Relating to Other Information Included in Annual Reports*. We will make reference to the other auditor's report on the audit of the financial statements of the Kentucky State University Foundation, Inc. in our report on the University's financial statements. Our reports will be addressed to the board of directors of the University. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinion, add a separate section, or add an emphasis of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinion is other than unmodified, we will discuss the reasons with you in advance. If circumstances occur related to the condition of your records, the availability of sufficient, appropriate audit evidence, or the existence of a significant risk of material misstatement of the financial statements caused by error, fraudulent financial reporting, or misappropriation of assets, which in our professional judgment prevent us from completing the audit or forming an opinion on the financial statements, we retain the right to take any course of action permitted by professional standards, including declining to express an opinion or issue a report, or withdrawing from the engagement.

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will state that (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The Uniform Guidance report on internal control over compliance will state that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

ADMINISTRATION, FEES, AND OTHER TERMS

Our work necessarily depends on you and your personnel's ability to provide required assistance in a timely manner; otherwise, it may substantially increase the work we have to do to complete the engagement within the established deadlines, resulting in an increase in fees over our original fee estimate.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditor's reports, and corrective action plan) along with the Data

Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. If applicable, we will provide copies of our report for you to include with the reporting package you will submit to pass-through entities. The Data Collection Form and the reporting package must be submitted within the earlier of 30 days after receipt of the auditors' reports or nine months after the end of the audit period.

We will provide copies of our reports to the University; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information, and therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Any additional services not addressed in this engagement letter that are requested by you and agreed to by us will be documented in a separate engagement letter covering the additional services.

The audit documentation for this engagement is our property and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to the Kentucky Auditor of Public Accounts, the United States Department of Education or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of our personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

We retain records relating to professional services that we provide so that we are better able to assist you with your professional needs and, in some cases, to comply with professional guidelines. In order to guard your nonpublic personal information, we maintain physical, electronic, and procedural safeguards that comply with our professional standards.

It is our policy to keep records related to this engagement for a period of time as defined in our record retention policy. However, we do not keep any original client records, so we will return those to you at the completion of the services rendered under this engagement. When records are returned to you, it is your responsibility to retain, and protect your records for possible future use, including potential examination by any government or regulatory agencies.

By your signature on this engagement letter, you acknowledge that you understand we will destroy our records related to this engagement upon the expiration of the designated period.

Our policy is to provide any requested advice in writing. Therefore, you should not rely on any unwritten advice because it may be tentative and not fully reviewed.

We may, from time to time and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

Certain communications involving tax advice are privileged and not subject to disclosure to the Internal Revenue Service. By disclosing the contents of those communications to anyone, or by turning over information about those communications to the government, you, your employees, or agents may be waiving this privilege. To protect this right to privileged communication, please consult with us or your attorney prior to disclosing any information about our tax advice. Should you decide that it is appropriate for us to disclose any potentially privileged communication, you agree to provide us with written, advance authority to make that disclosure.

In the interest of facilitating our services to your University, we may communicate by facsimile transmission or send electronic mail over the Internet. Such communications may include information that is confidential to your University and/or you. While we will use our best efforts to keep such communications secure in accordance with our obligations under applicable laws and professional standards, you recognize and accept that we have no control over the unauthorized interception of these communications once they have been sent, and you consent to our use of these electronic devices.

Our fee for these services will be as outlined in our contract effective July 1, 2023. The fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the engagement. In the event your records are not submitted in a timely manner, or are incomplete or unusable, we reserve the right to charge additional fees and expenses for services required to correct the problem. If this occurs, we will contact you to discuss the matter and the anticipated delay in completing our engagement prior to rendering further services. If additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. If additional time is necessary, our fees for these services will be based on standard billing rates.

Our billings will be rendered as the work progresses, with payment to be made 30 days subsequent to billing. Interest will be charged at a rate of 1½% per month on balances in excess of 30 days. In accordance with our firm policies, work may be suspended if your account becomes overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment,

Dr. Michael D. Dailey
Kentucky State University
June 21, 2023
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our engagement will be deemed to have been complete upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

Government Auditing Standards require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2020 peer review report accompanies this letter.

If any portion of this agreement is deemed invalid or unenforceable, said finding shall not operate to invalidate the remainder of the terms set forth in this engagement letter.

If a dispute arises out of or relates to this engagement letter, or the breach thereof, and if the dispute cannot be settled through negotiation, the parties agree first to try in good faith to settle the dispute by mediation administered by the American Arbitration Association under the Dispute Resolution Rules for Professional Accounting and Related Services Disputes before resorting to arbitration, litigation, or some other dispute-resolution procedure mutually agreeable to the parties. The costs of any mediation proceedings shall be shared equally by all parties.

Any claim arising out of this Agreement shall be commenced within one year of the delivery of the work product to you. Any action not brought within that one-year time period shall be barred despite any other limitations period set forth by either case law or statute. Our liability for all claims, damages, and costs of the University arising from this engagement is limited to the total amount of fees paid for this engagement.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy, and return it to us.

Very truly yours,

A handwritten signature in black ink that reads "Blue & Co., LLC". The script is cursive and fluid, with the "B" and "C" being particularly large and stylized.

Blue & Co., LLC

Dr. Michael D. Dailey
Kentucky State University
June 21, 2023
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ACCEPTANCE

I have carefully read and understood this engagement letter and agree to all its terms and conditions.

By: _____ Date: _____

Authorized Signature

Printed Name and Title

Email Address

**PERSONAL SERVICE CONTRACT FOR
EXTERNAL AUDITING SERVICES
BETWEEN**

**KENTUCKY STATE UNIVERSITY
AND
BLUE & CO, LLC
PSC 23-012**

This Personal Service Contract (PSC) is entered into, by and between Kentucky State University ("KSU") and Blue & Co., LLC. ("Contractor") to supplement a contract for auditing services to be utilized to support the Kentucky State University. The initial PSC is effective from November 10, 2022 through June 30, 2023.

KSU and Contractor agree to the following:

I. Scope of Contract

Contractor

1. The Contractor shall use its best efforts to complete within in the initial term of the contract two (2) annual examinations of Kentucky State University financial reports for Fiscal Year 2021 and for Fiscal Year 2022 in accordance with generally accepted auditing standards for financial and auditing compliance audits contained in Government Auditing Standards, issued by the United States General Accounting Office for the purpose of submitting an independent opinion, and preparing a report of findings and recommendations concerning internal accounting controls, accounting procedures, any weakness in control, policies, procedures, and instances of non-compliance with applicable law and regulations, including KERS 164A.555 through KRS 164A630. The parties recognize, however, that it is likely that the Contractor may need to carry the work forward into a renewal period.
2. The Kentucky State University Foundation is a component unit of Kentucky State University and is presented as such in the financial statements of the University.
3. The Contractor's Engagement Letter and Fee Schedule are attached.

Kentucky State University

1. It shall be the responsibility of Kentucky State University to provide appropriate guidance to the Contractor to facilitate the successful completion of the projected work and work product development.

II. Contract Components and Order of Precedence

KSU's acceptance of the Contractor's offer including Contractor's engagement letter, indicated by the issuance of a Personal Service Contract Award, shall create a valid contract between the Parties consisting of the following:

1. Procurement Statutes, Regulations and Policies
2. The parties' engagement letter
3. This written agreement and any subsequent written amendments to this agreement.

In the event of any conflict between or among the provisions contained in the contract, the order of precedence shall be enumerated above.

III. Negotiated Items – Not Applicable

IV. Pricing

The cost for the services described above are as follows:

The Contractor's fee for the scope of work as outlined above and attached is estimated at a fee not exceed \$300,000, unless approved. Fee Schedule shall be as follows:

Partner – \$450
Audit Principal - \$405
Sr. Mgr. - \$340
Mgr. – \$290
Senior Staff – \$225
Staff - \$190
Intern - \$140

1. Invoicing

The Contractor shall submit invoices to Kentucky State University via email to purchasing@kysu.edu who shall review the invoice(s) with the managing office(s) for approval. Upon approval, the invoice(s) shall be forwarded to accounts.payable@kysu.edu

Payment for services will be made upon receipt of an approved invoice using the Personal Service Contract (PSC) Invoice Form. Payment terms are net thirty (30) days.

Invoices for services must include an original signature, as well as the following: the contact number, the dates of service, the total number of hours worked, a description of services provided, and the total amount due.

Pursuant to KRS 45A.695, no payment shall be made on any personal service contract unless the individual, firm, partnership, or corporation awarded the personal service contract submits its invoice for payment on a form established by the Legislative Research Commission, Government Contract Review Committee.

The invoice form is available on the Legislative Research Commission, Government Contract Review Committee website <https://apps.legislature.ky.gov/moreinfo/contracts/homepage.html>

2. Terms and Conditions

Contract Effective Date

The initial term of this PSC is effective and binding November 10, 2022.

Contract

For purposes of this award, the contract document shall consist of the following components:

1. Procurement statutes, regulations and policies;

2. Any written agreements between the Parties (Personal Service Contract and Engagement Letter);
3. Any addenda to the solicitation;
4. The solicitation and all attachments;
5. Any best and final offer;
6. Any clarifications concerning the contractor's proposal in response to the solicitation;
7. The contractor's proposal in response to the solicitation.

In the event that any provision of the component parts of the contract conflicts with any provision of any other component parts, the component part first enumerated shall govern.

Contract Term and Renewal Option

The initial term of the contract shall be from November 10, 2022 through June 30, 2023. The contract shall have four (4) optional renewals of one (1) year in length.

Changes and Modifications to the Contract

No modification or change of any provision in the Contract shall be made, or construed to have been made, unless such modification is mutually agreed to in writing by KSU and the Contractor, and incorporated as a written amendment by the KSU prior to the effective date of such modification or change. Modification shall be subject to prior approval from the Kentucky State University Purchasing Department, University General Counsel, and the LRC Government Contract Review Committee. Memoranda of Understanding, written clarification, and/or other correspondence shall not be construed as amendments to the Contract.

Notices

Unless otherwise instructed, all notices, consents, and other communications required and/or permitted by the Contract shall be in writing. After the award of the Contract, all communications of a contractual or legal nature shall be made to Kentucky State University General Counsel.

3. Personal Service Contract (PSC) Standard Terms and Conditions

Whereas, the first party, Kentucky State University, has concluded that either University personnel are not available to perform said function, or it would not be feasible to utilize University personnel to perform said function; and

Whereas, the second party, the Contractor, is available and qualified to perform such function; and

Whereas, for the abovementioned reasons, the University desires to avail itself of the services of the second party;

NOW THEREFORE, the following terms and conditions are applicable to this contract:

Choice of Law and Forum

This contract shall be governed by and construed in accordance with the laws of the Commonwealth of Kentucky. Any action brought against the University on the contract, including but not limited to actions either for breach of contract or for enforcement of the contract, shall be brought in Franklin Circuit Court, Franklin County, Kentucky in accordance with KRS 45A.245.

Cancellation

Cancellation for Convenience - Kentucky State University reserves the right to terminate this PSC without cause with a thirty (30) day written notice. Upon receipt by the contractor of a "notice

of termination," the contractor shall discontinue all services with respect to the applicable contract. The cost of any agreed upon services provided by the contractor prior to cancellation will be calculated at the agreed upon rate prior to a "notice of termination".

Cancellation for Non-Performance Default - KSU may terminate the resulting contract for non-performance, as determined by the University, for such causes as:

- Adjudication as a voluntarily bankrupt, making a transfer in fraud of its creditors, filing a petition under any section from time to time, or under any similar law or statute of the United States or any state thereof, or if an order for relief shall be entered against the Contractor in any proceeding filed by or against contractor thereunder. In the event of any such involuntary bankruptcy proceeding being instituted against the Contractor, the fact of such an involuntary petition being filed shall not be considered an event of default until sixty (60) days after filing of said petition in order that Contractor might, during that sixty (60) day period, have the opportunity to seek dismissal of the involuntary petition or otherwise cure said potential default.
- Making a general assignment for the benefit of its creditors, or taking the benefit of any insolvency act, or if a permanent receiver or trustee in bankruptcy shall be appointed for the Contractor.

Notification of Default

The University will provide ten (10) calendar days' written notice of default. Unless arrangements are made to correct the non-performance issues to the University's satisfaction within ten (10) calendar days, the Director of Purchasing may terminate the contract immediately.

Permits, Licenses and Commonwealth Registration

The contractor shall procure all necessary permits and licenses and abide by all applicable laws, regulations and ordinances of all federal, state and local governments in which work under this contract is performed.

The contractor must furnish certification of authority to conduct business in the Commonwealth of Kentucky as a condition of contract award. Such registration is obtained from the Secretary of State, who will also provide the certification thereof.

The contractor shall pay any sales, use, personal property and other tax arising out of this contract and the transaction contemplated hereby. Any other taxes levied upon this contract, the transaction or the equipment or services delivered pursuant hereto shall be the responsibility of the contractor.

The contractor will be required to accept liability for payment of all payroll taxes or deductions required by local and federal law including (but not limited to) old age pension, social security or annuities.

Funding Out Provision

KSU may terminate this contract if funds are not appropriated to the contracting agency or are not otherwise available for the purpose of making payments without incurring any obligation for payment after the date of termination, regardless of the terms of the contract. The University

shall provide the Contractor thirty (30) calendar days' written notice of termination of the contract due to lack of available funding.

Reduction in Contract Worker Hours

Not Applicable

Authorized to do Business in Kentucky

Businesses can register with the Secretary of State at <http://www.sos.ky.gov/pages/default.aspx>

The Contractor affirms that it is properly authorized under the laws of the Commonwealth of Kentucky to conduct business in this state and will remain in good standing to do business in the Commonwealth of Kentucky for the duration of any contract awarded.

If a foreign entity, the Contractor shall maintain a certification of authority to conduct business in the Commonwealth of Kentucky during the term of this contract. Such registration is obtained from the Secretary of State pursuant to the process outlined below.

Registration with the Secretary of State by a Foreign Entity

Pursuant to KRS 45A.480 (1)(b), an agency, department, office, or political subdivision of the Commonwealth of Kentucky shall not award a state contract to a person that is a foreign entity required by KRS 14A.9-010 to obtain a certificate of authority to transact business in the Commonwealth ("certificate") from the Secretary of State under KRS 14A.9-030 unless the person produces the certificate within fourteen (14) days of the bid or proposal opening. Therefore, foreign entities should submit a copy of their certificate with their solicitation response. If the foreign entity is not required to obtain a certificate as provided in KRS 14A.9-010, the foreign entity should identify the applicable exception in its solicitation response. Foreign entity is defined within KRS 14A.1-070.

For all foreign entities required to obtain a certificate of authority to transact business in the Commonwealth, if a copy of the certificate is not received by the contracting agency within the time frame identified above, the foreign entity's solicitation response shall be deemed non-responsive or the awarded contract shall be cancelled.

Invoices for fees

The Contractor shall maintain supporting documents to substantiate invoices and shall furnish same if required by state government. The invoice must conform to the method described in this contract.

Pursuant to KRS 45A.695, no payment shall be made on any personal service contract unless the individual, firm, partnership, or corporation awarded the personal service contract submits its invoice for payment on a form established by the committee.

Invoice form is available on the Legislative Research Commission, Government Contract Review Committee website: <http://www.lrc.ky.gov/Statcomm/Contracts/homepage.htm>

Travel expenses, if authorized

The Contractor shall be paid for no travel expenses, unless and except as specifically authorized by the specifications of this contract, or authorized in advance and in writing by the University. Either original or certified copies of receipts must be submitted for airline tickets, hotel bills,

restaurant charges, rental car charges, and any other miscellaneous expenses.

Other expenses, if authorized herein

The Contractor shall be reimbursed for no other expenses of any kind, unless and except as specifically authorized within the specifications of this contract, or authorized in advance and in writing by KSU.

If the reimbursement of such expenses is authorized, the reimbursement shall be only on an out- of-pocket basis. Request for payment of same shall be processed upon receipt from the Contractor of valid, itemized statements submitted periodically for payment at the time any fees are due. The Contractor shall maintain supporting documents that substantiate every claim for expenses and shall furnish copies of same in support of requests for payment submitted to KSU.

Purchasing and specifications

The Contractor certifies that he/she will not attempt in any manner to influence any specifications to be restrictive in any way or respect nor will he/she attempt in any way to influence any purchasing of services, commodities or equipment by KSU. For the purpose of this paragraph and the following paragraph that pertains to conflict-of-interest laws and principles, "he/she" is construed to mean "they" if more than one person is involved. If a firm, partnership, corporation, or other organization is involved, then "he/she" is construed to mean any person with an interest therein.

Conflict-of-interest laws and principles

The Contractor certifies that he/she is legally entitled to enter into this contract with KSU, and by holding and performing this contract, he/she will not be violating any conflict-of-interest statute (KRS 45A.330-45A.340, 45A.990, 164.390), nor KSU's Ethical Principles and Code of Conduct.

Access to Records

The Contractor, as defined in KRS 45A.030(8) and (10), agrees that the contracting agency, KSU the Auditor of Public Accounts, and the Legislative Research Commission, or their duly authorized representatives, shall have access to any books, documents, papers, records, or other evidence, which are directly pertinent to this contract for the purpose of a financial audit or program review. The Contractor also recognizes that any books, documents, papers, records, or other evidence, received during a financial audit or program review shall be subject to the Kentucky Open Records Act, KRS 61.870 to 61.884. Records and other prequalification information confidentially disclosed as part of the bid process shall not be deemed as directly pertinent to the contract and shall be exempt from disclosure as provided in KRS 61.878(1)(c).

Protest

Pursuant to KRS 45A.285, Kentucky State University General Counsel shall have authority to determine protests and other controversies of actual or prospective vendors in connection with the solicitation or selection for award of a contract.

Any actual or prospective vendor, who is aggrieved in connection with the solicitation or selection for award of a contract, may file protest with the University General Counsel. A protest or notice of other controversy must be filed promptly and, in any event, within two (2) calendar weeks after such aggrieved person knows or should have known of the facts giving rise thereto. All protests or notices of other controversies must be in writing and shall be addressed to:

Kentucky State University
General Counsel
400 East Main Street
ASB Building
Frankfort, KY. 40601

A copy of that decision shall be mailed or otherwise furnished to the aggrieved party and shall state the reasons for the action taken.

The decision by Kentucky State University shall be final and conclusive.

Social security: (check one)

X The parties are cognizant that, pursuant to 42 U.S. Code, section 418, the state is not liable for social security contributions relative to the compensation of the second party for this contract.

_____ The parties are cognizant that, pursuant to 42 U.S. Code, section 418, the state is liable for social security contributions relative to the compensation of the second party for this contract.

Violation of tax and employment laws

KRS 45A.485 requires the Contractor and all subcontractors performing work under the contract to reveal to the Commonwealth, prior to the award of a contract, any final determination of a violation by the Contractor within the previous five (5) year period of the provisions of KRS chapters 136, 139, 141, 337, 338, 341, and 342. These statutes relate to the state sales and use tax, corporate and utility tax, income tax, wages and hours laws, occupational safety and health laws, unemployment insurance laws, and workers compensation insurance laws, respectively.

To comply with the provisions of KRS 45A.485, the Contractor and all subcontractors performing work under the contract shall report any such final determination(s) of violation(s) to the Commonwealth by providing the following information regarding the final determination(s): the KRS violated, the date of the final determination, and the state agency which issued the final determination.

KRS 45A.485 also provides that, for the duration of any contract, the Contractor and all subcontractors performing work under the contract shall be in continuous compliance with the provisions of those statutes, which apply to their operations, and that their failure to reveal a final determination, as described above, or failure to comply with the above statutes for the duration of the contract, shall be grounds KSU's cancellation of the contract and their disqualification from eligibility for future state contracts for a period of two (2) years.

Discrimination

This section applies only to contracts disbursing federal funds, in whole or part, when the terms and conditions for receiving those funds mandate its inclusion. Discrimination (because of race, religion, color, national origin, sex, sexual orientation, gender identity, age, or disability) is prohibited. During the performance of this contract, the Contractor agrees as follows:

The Contractor will not discriminate against any employee or applicant for employment because of race, religion, color, national origin, sex, sexual orientation, gender identity or age. The Contractor further agrees to comply with the provisions of the Americans with Disabilities Act

(ADA), Public Law 101-336, and applicable federal regulations relating thereto prohibiting discrimination against otherwise qualified disabled individuals under any program or activity. The Contractor agrees to provide, upon request, needed reasonable accommodations. The Contractor will take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, religion, color, national origin, sex, sexual orientation, gender identity, age or disability. Such action shall include, but not be limited to the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensations; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this non-discrimination clause.

In all solicitations or advertisements for employees placed by or on behalf of the Contractor, the Contractor will state that all qualified applicants will receive consideration for employment without regard to race, religion, color, national origin, sex, sexual orientation, gender identity, age or disability.

The Contractor will send to each labor union or representative of workers with which he/she has a collective bargaining agreement or other contract or understanding a notice advising the said labor union or workers' representative of the Contractor's commitments under this section and shall post copies of the notice in conspicuous places available to employees and applicants for employment. The Contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance.

The Contractor will comply with all provisions of Executive Order No. 11246 of September 24, 1965, as amended, and of the rules, regulations and relevant orders of the Secretary of Labor.

The Contractor will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, as amended, and by the rules, regulations and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his/her books, records and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.

In the event of the Contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations or orders, this contract may be cancelled, terminated or suspended in whole or in part, and the Contractor may be declared ineligible for further government contracts or federally-assisted construction contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, as amended, and such other sanctions that may be imposed and remedies invoked as provided in or as otherwise provided by law.


The Contractor will include the provisions of paragraphs (1) through (7) of section 202 of Executive Order 11246 in every subcontract or purchase order unless exempted by rules, regulations or orders of the Secretary of Labor, issued pursuant to section 204 of Executive Order No. 11246 of September 24, 1965, as amended, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions including sanctions for noncompliance; provided, however, that in the event a Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor

as a result of such direction by the agency, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.

4. Approvals

This contract is subject to the terms and conditions stated herein. By affixing signatures below, the parties verify that they are authorized to enter into this contract and that they accept and consent to be bound by the terms and conditions stated herein. In addition, the parties agree that (i) electronic approvals may serve as electronic signatures, and (ii) this contract may be executed in any number of counterparts, each of which when executed and delivered shall constitute a duplicate original, but all counterparts together shall constitute a single contract.

1st Party – Kentucky State University


Signature

Dr. Ronald A. Johnson

Printed Name

Interim President

Title

10/31/2022

Date

2nd Party – Contractor


Signature

Allen Norrell

Printed Name

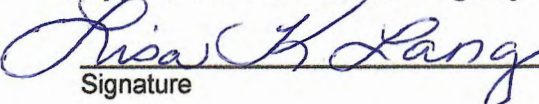
Director

Title

10/31/22

Date

Approved as to form and legality


Signature

Lisa K. Lang

Printed Name

General Counsel

Kentucky State University

KENTUCKY STATE UNIVERSITY

BOARD OF REGENTS

Approved

Board Meeting Date 10/12/2022



Blue & Co., LLC / 250 West Main Street, Suite 2900 / Lexington, KY 40507
main 859.253.1100 fax 859.253.1384 email blue@blueandco.com

October 31, 2022

Dr. Ronald A. Johnson
Interim President
Kentucky State University
400 East Main Street
Frankfort, KY 40601

Dear Dr. Johnson:

You have requested an audit of the financial statements of Kentucky State University (hereby referred to as the "University"). We are pleased to confirm our understanding of the services we are to provide for the University for the year ended June 30, 2021, by means of this letter.

Audit Scope and Objectives

We will audit the financial statements of the University, which comprise the statement of net position as of June 30, 2021, the statement of revenues, expenses, and changes in net position and the statement of cash flows for the year then ended, and the disclosures (hereby collectively referred to as the "financial statements"). Also, the following supplementary information accompanying the financial statements will be subjected to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America (GAAS), and we will provide an opinion on it in relation to the financial statements as a whole in a report combined with our auditor's report on the financial statements (or in a separate written report accompanying our auditor's report on the financial statements).

1. Schedule of expenditures of federal awards.

Also, accounting principles generally accepted in the United States of America (GAAP) provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the University's basic financial statements. Such information, although not a part of the basic financial statements, is required by the 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. As part of our engagement, we will apply certain limited procedures to the University's RSI in accordance with GAAS. These limited procedures will consist 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 will not express an opinion or provide any assurance on the RSI because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by GAAP and will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis
2. Schedule of proportionate share of the net pension liability
3. Schedule of pension contributions
4. Schedule of proportionate share of the net OPEB liability
5. Schedule of OPEB contributions

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and issue an auditor's report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America (GAAP). Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements. The objectives also include reporting on:

- Internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Auditor's Responsibilities for the Audit of the Financial Statements and Single Audit

We will conduct our audit in accordance with GAAS; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with Uniform Guidance, and other procedures we consider necessary to enable us to express such an opinion. As part of an audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the University or to acts by management or employees acting on behalf of the University. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements or noncompliance may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or on major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement and they may bill you for responding to this inquiry.

Allen Norvell is the engagement director and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it. We expect to begin our audit on approximately November 10, 2022. Our audit engagement ends on delivery of our audit report. Any follow-up services that might be required will be a separate, new engagement. The terms and conditions of that new engagement will be governed by a new, specific engagement letter for that service.

Audit Procedures - Internal Control

We will obtain an understanding of the University and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

Audit Procedures - Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the University's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance, and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal statutes, regulations, and the terms and conditions of federal awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the OMB Compliance Supplement for the types of compliance requirements that could have a direct and material effect on each of the University's major programs. For federal programs that are included in the Compliance Supplement, our compliance and internal control procedures will relate to the compliance requirements that the Compliance Supplement identifies as being subject to audit. The purpose of these procedures will be

to express an opinion on the University's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Responsibilities of Management for the Financial Statements and Single Audit

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for (1) designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including internal controls over federal awards, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal awards, and all accompanying information in conformity with GAAP; and for compliance with applicable laws and regulations (including federal statutes), rules, and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

You are also responsible for making drafts of financial statements, schedule of expenditures of federal awards, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance; (3) additional information that we may request for the purpose of the audit; and (4) unrestricted access to persons within the University from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the University involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the

fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the University received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the University complies with applicable laws, regulations, contracts, agreements, and grants. You are also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan. The summary schedule of prior audit findings should be available for our review on December 1, 2022.

With regard to including the auditor's report in an exempt offering document, you agree that the aforementioned auditor's report, or reference to Blue & Co., LLC, will not be included in any such offering document without our prior permission or consent. Any agreement to perform work in connection with an exempt offering document, including an agreement to provide permission or consent, will be a separate engagement.

With regard to an exempt offering document with which Blue & Co., LLC is not involved, you agree to clearly indicate in the exempt offering document that Blue & Co., LLC is not involved with the contents of such offering document.

You are responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received, and COVID-19-related concepts, such as lost revenues, if applicable) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal awards in any document that contains, and indicates that we have reported on, the schedule of expenditures of federal awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with GAAP. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any

presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Scope and Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions for the report, and for the timing and format for providing that information.

With regard to publishing the financial statements on your website, you understand that websites are a means of distributing information and, therefore, we are not required to read the information contained in those sites or to consider the consistency of other information on the website with the original document.

You agree to assume all management responsibilities for the tax services, financial statements, schedule of expenditures of federal awards, and related notes, and any other nonaudit services (nonaudit services include preparation of the financial statements and the schedule of expenditures of federal awards, tax preparation, cost report preparation, and consulting services) we provide. You will be required to acknowledge in the management representation letter the tax services provided and our assistance with preparation of the financial statements, the schedule of expenditures of federal awards, and related notes and that you have evaluated the adequacy of our services and have reviewed and approved the results of the services, the financial statements, the schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

We understand that your employees will prepare all cash, accounts receivable, and other confirmations and schedules we request and will locate any documents selected by us for testing. We will schedule the engagement based in part on deadlines, working conditions, and the availability of your key personnel. We will plan the engagement based on the assumption that your personnel will cooperate and provide assistance by performing tasks such as preparing requested schedules, retrieving supporting documents, and preparing confirmations. If, for whatever reason, your personnel are unavailable to provide the necessary assistance in a timely manner, it may substantially increase the

work we have to do to complete the engagement within the established deadlines, resulting in an increase in fees over our original fee estimate.

To ensure that our independence is not impaired under the American Institute of Certified Public Accountants' (AICPA) *Code of Professional Conduct*, you agree to inform the engagement director before entering into any substantive employment discussions with any of our personnel.

Reporting

We will issue written reports upon completion of our Single Audit which will also address other information in accordance with AU-C 720, *The Auditor's Responsibilities Relating to Other Information Included in Annual Reports*. We will make reference to the other auditor's report on the audit of the financial statements of the Kentucky State University Foundation, Inc. in our report on the University's financial statements. Our reports will be addressed to the board of directors of the University. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinion, add a separate section, or add an emphasis of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinion is other than unmodified, we will discuss the reasons with you in advance. If circumstances occur related to the condition of your records, the availability of sufficient, appropriate audit evidence, or the existence of a significant risk of material misstatement of the financial statements caused by error, fraudulent financial reporting, or misappropriation of assets, which in our professional judgment prevent us from completing the audit or forming an opinion on the financial statements, we retain the right to take any course of action permitted by professional standards, including declining to express an opinion or issue a report, or withdrawing from the engagement.

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will state that (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The Uniform Guidance report on internal control over compliance will state that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

ADMINISTRATION, FEES, AND OTHER TERMS

Our work necessarily depends on you and your personnel's ability to provide required assistance in a timely manner; otherwise, it may substantially increase the work we have to do to complete the engagement within the established deadlines, resulting in an increase in fees over our original fee estimate.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditor's reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. If applicable, we will provide copies of our report for you to include with the reporting package you will submit to pass-through entities. The Data Collection Form and the reporting package must be submitted within the earlier of 30 days after receipt of the auditors' reports or nine months after the end of the audit period.

We will provide copies of our reports to the University; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information, and therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Any additional services not addressed in this engagement letter that are requested by you and agreed to by us will be documented in a separate engagement letter covering the additional services.

The audit documentation for this engagement is our property and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to the Kentucky Auditor of Public Accounts, the United States Department of Education or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of our personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

We retain records relating to professional services that we provide so that we are better able to assist you with your professional needs and, in some cases, to comply with professional guidelines. In order to guard your nonpublic personal information, we maintain physical, electronic, and procedural safeguards that comply with our professional standards.

It is our policy to keep records related to this engagement for a period of time as defined in our record retention policy. However, we do not keep any original client records, so we will return those to you at the completion of the services rendered under this engagement. When records are returned to you, it is your responsibility to retain, and protect your records for possible future use, including potential examination by any government or regulatory agencies.

By your signature on this engagement letter, you acknowledge that you understand we will destroy our records related to this engagement upon the expiration of the designated period.

Our policy is to provide any requested advice in writing. Therefore, you should not rely on any unwritten advice because it may be tentative and not fully reviewed.

We may, from time to time and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

Certain communications involving tax advice are privileged and not subject to disclosure to the Internal Revenue Service. By disclosing the contents of those communications to anyone, or by turning over information about those communications to the government, you, your employees, or agents may be waiving this privilege. To protect this right to privileged communication, please consult with us or your attorney prior to disclosing any information about our tax advice. Should you decide that it is appropriate for us to disclose any potentially privileged communication, you agree to provide us with written, advance authority to make that disclosure.

In the interest of facilitating our services to your University, we may communicate by facsimile transmission or send electronic mail over the Internet. Such communications may include information that is confidential to your University and/or you. While we will use our best efforts to keep such communications secure in accordance with our obligations under applicable laws and professional standards, you recognize and accept that we have no control over the unauthorized interception of these communications once they have been sent, and you consent to our use of these electronic devices.

Our fee for these services will be as outlined in our contract effective November 10, 2022. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the engagement. In the event your records are not submitted in a timely manner, or are incomplete or unusable, we reserve the right to charge additional fees and expenses for services required to correct the problem. If this occurs, we will contact you to discuss the matter and the anticipated delay in completing our engagement prior to rendering further services. If additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. If additional time is necessary, our fees for these services will be based on standard billing rates.

Our billings will be rendered as the work progresses, with payment to be made 30 days subsequent to billing. Interest will be charged at a rate of 1½% per month on balances in excess of 30 days. In accordance with our firm policies, work may be suspended if your account becomes overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been complete upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out of pocket expenditures through the date of termination.

Government Auditing Standards require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2020 peer review report accompanies this letter.

If any portion of this agreement is deemed invalid or unenforceable, said finding shall not operate to invalidate the remainder of the terms set forth in this engagement letter.

If a dispute arises out of or relates to this engagement letter, or the breach thereof, and if the dispute cannot be settled through negotiation, the parties agree first to try in good faith to settle the dispute by mediation administered by the American Arbitration Association under the Dispute Resolution Rules for Professional Accounting and Related Services Disputes before resorting to arbitration, litigation, or some other dispute-resolution procedure mutually agreeable to the parties. The costs of any mediation proceedings shall be shared equally by all parties.

Any claim arising out of this Agreement shall be commenced within one year of the delivery of the work product to you. Any action not brought within that one-year time period shall be barred despite any other limitations period set forth by either case law or statute. Our liability for all claims, damages, and costs of the Corporation arising from this engagement is limited to the total amount of fees paid for this engagement.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy, and return it to us.

Very truly yours,

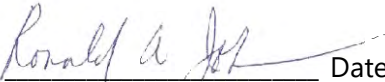
Blue & Co., LLC

Blue & Co., LLC

Dr. Ronald A. Johnson
Kentucky State University
October 31, 2022
Page 12 of 12

ACCEPTANCE

I have carefully read and understood this engagement letter and agree to all its terms and conditions.

By:  Date: 10/31/22
Authorized Signature

Dr. Ronald A. Johnson, Interim President
Printed Name and Title

Ronald.Johnson@kysu.edu
Email Address



KENTUCKY STATE UNIVERSITY BOARD OF REGENTS

ACTION ITEM 5F

ACTION ITEM

Approval of McCarthy Strategic Solutions, LLC, Personal Services Contract (PSC).

FACTS

McCarthy Strategic Solutions, LLC, currently represents KSU in discussions with the Kentucky General Assembly, Commonwealth of Kentucky Agencies, and other governmental entities. The PSC's current term expires on June 30, 2023, but the PSC allows for one (1) optional one-year renewal. The renewed term would begin on July 1, 2023, and end on June 30, 2024.

BUDGETARY IMPLICATION

McCarthy Strategic Solutions, LLC, will invoice the University \$5,000 per month for the term of the renewal. The PSC also allows for reasonable and related expenses, including any ethics commission registration fees. However, said expenses shall not exceed \$2,000. Therefore, the total price for the renewal term shall not exceed \$62,000.

RECOMMENDATION

Acting President Dr. Michael Dailey recommends that the Board of Regents approve the renewal of the McCarthy Strategic Services PSC.

MOTION

Approve the renewal of the McCarthy Strategic Services PSC.

KENTUCKY STATE UNIVERSITY

MODIFICATION TO PERSONAL SERVICES CONTRACT

☒ NOTICE OF AMENDMENT

☒ NOTICE OF EXTENSION

Name and Address of Individual or Firm	Personal Services Contract No.: KSU PSC 23-10
McCarthy Strategic Solutions, LLC	Department: Office of the President
326 West Main Street	Account Number:
Frankfort, Kentucky 40602	Original Contract Date: September 1, 2022
	Original Contract Amount: \$52,000
	New Total Not to Exceed: \$62,000

Section 1: Complete the following if form is processed as an AMENDMENT.

- A. The above referenced contract is being amended as follows:
The term for the renewal period is being extended from ten (10) months to twelve (12) months. Therefore, the contract amount is being increased by \$10,000 to reflect the additional two (2) months.
- B. All other terms and conditions of the contract remain the same, except as modified above.

Section 2: Complete the following if form is processed as an EXTENSION.

- A. The above referenced contract is being extended from:
July 1, 2023 to June 30, 2024
- B. All other terms and conditions of the contract remain the same, except as modified above.
- C. If contract extended beyond current fiscal year, change contract number to KSU-_____
PSC 24-01
62,000
- D. The balance of the contract to be carried forward to the new fiscal year is: \$_____.

Please signify your acceptance of the above contract modification(s) with your signature below.

FIRST PARTY: KENTUCKY STATE UNIVERSITY

Signature

Date

RECOMMENDED BY:

Purchasing Manager

Date

REVIEWED AS TO FORM AND LEGALITY:

Legal Counsel

Date

SECOND PARTY: CONTRACTOR

John McCarthy

6/6/2023

Signature

Date

SECOND PARTY: CONTRACTOR

John T. McCarthy, III, Founder/Managing Partner

Print or Type Name

Title

**PERSONAL SERVICE CONTRACT FOR
LEGISLATIVE CONSULTING SERVICES
BETWEEN
KENTUCKY STATE UNIVERSITY
AND
MCCARTHY STRATEGIC SOLUTIONS, LLC.
PSC 23- 10**

This Personal Service Contract (PSC) is entered into, by and between Kentucky State University ("KSU") and McCarthy Strategic Solutions, LLC ("Contractor") to establish a contract for legal services to be utilized to support the Kentucky State University. The initial PSC is effective September 1, 2022 through June 30, 2023.

KSU and Contractor agree to the following:

I. Scope of Contract

Contractor

- Develop a strategic plan during the Legislative Interim Session in preparation for the upcoming Legislative Session;
- Review all relevant legislation and regulations and provide both daily and weekly reports on any bills affecting KY State University during the Legislative Session;
- Ensure the Governor's Office, Senate Leadership, and House Leadership understand the importance of Kentucky State University's partnership with the Commonwealth;
- Educate elected officials and key decision-makers at all levels of government about KY State University;
Maximize the relationships contractor has built to foster stronger relationships on the issues of importance to KY State University;
- Attend legislative committee hearings and other relevant state or local meetings and provide reports; and
- Help draft a comprehensive fact sheet about KY State University to use with legislators and other governmental officials.

Kentucky State University

- It shall be the responsibility of Kentucky State University to provide appropriate guidance to the Contractor to facilitate the successful completion of the projected work and work product development.

II. Contract Components and Order of Precedence

KSU's acceptance of the Contractor's offer, indicated by the issuance of a Personal Service Contract Award, shall create a valid contract between the Parties consisting of the following:

1. Procurement Statutes, Regulations and Policies
2. This written agreement and any subsequent written amendments to this agreement.

In the event of any conflict between or among the provisions contained in the contract, the order of precedence shall be enumerated above.

III. Negotiated Items – Not Applicable

IV. Pricing

The cost for the services described above are as follows:

KSU agrees to pay contractor \$5,000 per month for the term of this contract and for the services provided in the scope of services. KSU also agrees to reimburse contractor for any reasonable and related expenses incurred for providing the services identified in the Scope of Contract section. Reasonable and related expenses shall include any ethics commission registration fee and shall not exceed \$2,000.00. All reasonable and related expenses shall be pre-approved by KSU.

The Contractor's fee for the scope of work during the initial term of this contract shall not exceed \$52,000.00. For the renewable period, however, the Contractor's fee shall not exceed \$62,000.00.

1. Invoicing

The Contractor shall submit invoices to Kentucky State University via email to purchasing@kysu.edu who shall review the invoice(s) with the managing office(s) for approval. Upon approval, the invoice(s) shall be forwarded to accounts.payable@kysu.edu

Payment for services will be made upon receipt of an approved invoice using the Personal Service Contract (PSC) Invoice Form. Payment terms are net thirty (30) days.

Invoices for services must include an original signature, as well as the following: the contact number, the dates of service, the total number of hours worked, a description of services provided, and the total amount due.

Pursuant to KRS 45A.695, no payment shall be made on any personal service contract unless the individual, firm, partnership, or corporation awarded the personal service contract submits its invoice for payment on a form established by the Legislative Research Commission, Government Contract Review Committee.

The invoice form is available on the Legislative Research Commission, Government Contract Review Committee website <https://apps.legislature.ky.gov/moreinfo/contracts/homepage.html>

Travel:
Not applicable.

2. Terms and Conditions

Contract Effective Date

The initial term of this PSC is effective and binding September 1, 2022.

Contract

This Personal Service Contract shall represent the entire agreement between the parties. Prior negotiations, representations, or agreements, either written or oral, between the parties hereto relating to the subject matter hereof shall be of no effect upon this Contract.

Contract Term and Renewal Option

The initial term of the contract shall be from September 1, 2022 through June 30, 2023. The contract shall have one (1) optional renewal.

Changes and Modifications to the Contract

No modification or change of any provision in the Contract shall be made, or construed to have been made, unless such modification is mutually agreed to in writing by KSU and the Contractor, and incorporated as a written amendment by the KSU prior to the effective date of such modification or change. Modification shall be subject to prior approval from the Kentucky State University Purchasing Department, University General Counsel, and the LRC Government Contract Review Committee. Memoranda of Understanding, written clarification, and/or other correspondence shall not be construed as amendments to the Contract.

Notices

Unless otherwise instructed, all notices, consents, and other communications required and/or permitted by the Contract shall be in writing. After the award of the Contract, all communications of a contractual or legal nature shall be made to Kentucky State University General Counsel.

3. Personal Service Contract (PSC) Standard Terms and Conditions

Whereas, the first party, Kentucky State University, has concluded that either University personnel are not available to perform said function, or it would not be feasible to utilize University personnel to perform said function; and

Whereas, the second party, the Contractor, is available and qualified to perform such function; and

Whereas, for the abovementioned reasons, the University desires to avail itself of the services of the second party;

NOW THEREFORE, the following terms and conditions are applicable to this contract:

Choice of Law and Forum

This contract shall be governed by and construed in accordance with the laws of the Commonwealth of Kentucky. Any action brought against the University on the contract, including but not limited to actions either for breach of contract or for enforcement of the contract, shall be brought in Franklin Circuit Court, Franklin County, Kentucky in accordance with KRS 45A.245.

Cancellation

Cancellation for Convenience - Kentucky State University reserves the right to terminate this PSC without cause with a thirty (30) day written notice. Upon receipt by the contractor of a "notice of termination," the contractor shall discontinue all services with respect to the applicable contract. The cost of any agreed upon services provided by the contractor prior to cancellation will be calculated at the agreed upon rate prior to a "notice of termination".

Cancellation for Non-Performance Default - KSU may terminate the resulting contract for non-performance, as determined by the University, for such causes as:

- Failure to provide satisfactory quality of service, including: failure to maintain adequate personnel (whether arising from labor disputes or otherwise); any substantial change in ownership or proprietorship of the contractor which, in the opinion of the University, is not in its best interest; or failure to comply with the terms of this contract.

- Failure to keep or perform (within the time period set forth herein) or violation of any of the covenants, conditions, provisions or agreements herein contained.
- Adjudication as a voluntarily bankrupt, making a transfer in fraud of its creditors, filing a petition under any section from time to time, or under any similar law or statute of the United States or any state thereof, or if an order for relief shall be entered against the Contractor in any proceeding filed by or against contractor thereunder. In the event of any such involuntary bankruptcy proceeding being instituted against the Contractor, the fact of such an involuntary petition being filed shall not be considered an event of default until sixty (60) days after filing of said petition in order that Contractor might, during that sixty (60) day period, have the opportunity to seek dismissal of the involuntary petition or otherwise cure said potential default.
- Making a general assignment for the benefit of its creditors, or taking the benefit of any insolvency act, or if a permanent receiver or trustee in bankruptcy shall be appointed for the Contractor.

Notification of Default

The University will provide ten (10) calendar days' written notice of default. Unless arrangements are made to correct the non-performance issues to the University's satisfaction within ten (10) calendar days, the Director of Purchasing may terminate the contract immediately.

Permits, Licenses and Commonwealth Registration

The contractor shall procure all necessary permits and licenses and abide by all applicable laws, regulations and ordinances of all federal, state and local governments in which work under this contract is performed.

The contractor must furnish certification of authority to conduct business in the Commonwealth of Kentucky as a condition of contract award. Such registration is obtained from the Secretary of State, who will also provide the certification thereof.

The contractor shall pay any sales, use, personal property and other tax arising out of this contract and the transaction contemplated hereby. Any other taxes levied upon this contract, the transaction or the equipment or services delivered pursuant hereto shall be the responsibility of the contractor.

The contractor will be required to accept liability for payment of all payroll taxes or deductions required by local and federal law including (but not limited to) old age pension, social security or annuities.

Attorney Fees

In the event that either party deems it necessary to take legal action to enforce any provision of the contract and in the event that the University prevails, the contractor agrees to pay all expenses of such action including attorneys' fees and costs at all stages of litigation.

Indemnification

The contractor shall indemnify, hold and save harmless the University, its affiliates and subsidiaries and their officers, agents and employees from losses, claims, suits, actions, expenses, damages, costs (including court costs and attorneys' fees of the University's attorneys), all liability of any nature or kind arising out of or relating to the Contractor's response to this RFP or its performance or failure to perform under the contract awarded from this RFP. This clause shall survive termination for as long as necessary to protect the University.

Funding Out Provision

KSU may terminate this contract if funds are not appropriated to the contracting agency or are not otherwise available for the purpose of making payments without incurring any obligation for payment after the date of termination, regardless of the terms of the contract. The University shall provide the Contractor thirty (30) calendar days' written notice of termination of the contract due to lack of available funding.

Reduction in Contract Worker Hours

Not Applicable

Authorized to do Business in Kentucky

Businesses can register with the Secretary of State at <http://www.sos.ky.gov/pages/default.aspx>

The Contractor affirms that it is properly authorized under the laws of the Commonwealth of Kentucky to conduct business in this state and will remain in good standing to do business in the Commonwealth of Kentucky for the duration of any contract awarded.

If a foreign entity, the Contractor shall maintain a certification of authority to conduct business in the Commonwealth of Kentucky during the term of this contract. Such registration is obtained from the Secretary of State pursuant to the process outlined below.

Registration with the Secretary of State by a Foreign Entity

Pursuant to KRS 45A.480 (1)(b), an agency, department, office, or political subdivision of the Commonwealth of Kentucky shall not award a state contract to a person that is a foreign entity required by KRS 14A.9-010 to obtain a certificate of authority to transact business in the Commonwealth ("certificate") from the Secretary of State under KRS 14A.9-030 unless the person produces the certificate within fourteen (14) days of the bid or proposal opening. Therefore, foreign entities should submit a copy of their certificate with their solicitation response. If the foreign entity is not required to obtain a certificate as provided in KRS 14A.9-010, the foreign entity should identify the applicable exception in its solicitation response. Foreign entity is defined within KRS 14A.1-070.

For all foreign entities required to obtain a certificate of authority to transact business in the Commonwealth, if a copy of the certificate is not received by the contracting agency within the time frame identified above, the foreign entity's solicitation response shall be deemed non-responsive or the awarded contract shall be cancelled.

Invoices for fees

The Contractor shall maintain supporting documents to substantiate invoices and shall furnish same if required by state government. The invoice must conform to the method described in this contract.

Pursuant to KRS 45A.695, no payment shall be made on any personal service contract unless the individual, firm, partnership, or corporation awarded the personal service contract submits its invoice for payment on a form established by the committee.

Invoice form is available on the Legislative Research Commission, Government Contract Review Committee website: <http://www.lrc.ky.gov/Statcomm/Contracts/homepage.htm>

Travel expenses, if authorized

The Contractor shall be paid for no travel expenses, unless and except as specifically authorized by the

specifications of this contract, or authorized in advance and in writing by the University. Either original or certified copies of receipts must be submitted for airline tickets, hotel bills, restaurant charges, rental car charges, and any other miscellaneous expenses.

Other expenses, if authorized herein

The Contractor shall be reimbursed for no other expenses of any kind, unless and except as specifically authorized within the specifications of this contract, or authorized in advance and in writing by KSU.

If the reimbursement of such expenses is authorized, the reimbursement shall be only on an out-of-pocket basis. Request for payment of same shall be processed upon receipt from the Contractor of valid, itemized statements submitted periodically for payment at the time any fees are due. The Contractor shall maintain supporting documents that substantiate every claim for expenses and shall furnish copies of same in support of requests for payment submitted to KSU.

Purchasing and specifications

The Contractor certifies that he/she will not attempt in any manner to influence any specifications to be restrictive in any way or respect nor will he/she attempt in any way to influence any purchasing of services, commodities or equipment by KSU. For the purpose of this paragraph and the following paragraph that pertains to conflict-of-interest laws and principles, "he/she" is construed to mean "they" if more than one person is involved. If a firm, partnership, corporation, or other organization is involved, then "he/she" is construed to mean any person with an interest therein.

Conflict-of-interest laws and principles

The Contractor certifies that he/she is legally entitled to enter into this contract with KSU, and by holding and performing this contract, he/she will not be violating any conflict-of-interest statute (KRS 45A.330-45A.340, 45A.990, 164.390), nor KSU's Ethical Principles and Code of Conduct.

Access to Records

The Contractor, as defined in KRS 45A.030(8) and (10), agrees that the contracting agency, KSU the Auditor of Public Accounts, and the Legislative Research Commission, or their duly authorized representatives, shall have access to any books, documents, papers, records, or other evidence, which are directly pertinent to this contract for the purpose of a financial audit or program review. The Contractor also recognizes that any books, documents, papers, records, or other evidence, received during a financial audit or program review shall be subject to the Kentucky Open Records Act, KRS 61.870 to 61.884. Records and other prequalification information confidentially disclosed as part of the bid process shall not be deemed as directly pertinent to the contract and shall be exempt from disclosure as provided in KRS 61.878(1)(c).

Protest

Pursuant to KRS 45A.285, Kentucky State University General Counsel shall have authority to determine protests and other controversies of actual or prospective vendors in connection with the solicitation or selection for award of a contract.

Any actual or prospective vendor, who is aggrieved in connection with the solicitation or selection for award of a contract, may file protest with the University General Counsel. A protest or notice of other controversy must be filed promptly and, in any event, within two (2) calendar weeks after such aggrieved person knows or should have known of the facts giving rise thereto. All protests or notices of other controversies must be in writing and shall be addressed to:

Kentucky State University
General Counsel
400 East Main Street
ASB Building
Frankfort, KY. 40601

A copy of that decision shall be mailed or otherwise furnished to the aggrieved party and shall state the reasons for the action taken.

The decision by Kentucky State University shall be final and conclusive.

Social security: (check one)

☒ The parties are cognizant that, pursuant to 42 U.S. Code, section 418, the state is not liable for social security contributions relative to the compensation of the second party for this contract.

☐ The parties are cognizant that, pursuant to 42 U.S. Code, section 418, the state is liable for social security contributions relative to the compensation of the second party for this contract.

Violation of tax and employment laws

KRS 45A.485 requires the Contractor and all subcontractors performing work under the contract to reveal to the Commonwealth, prior to the award of a contract, any final determination of a violation by the Contractor within the previous five (5) year period of the provisions of KRS chapters 136, 139, 141, 337, 338, 341, and 342. These statutes relate to the state sales and use tax, corporate and utility tax, income tax, wages and hours laws, occupational safety and health laws, unemployment insurance laws, and workers compensation insurance laws, respectively.

To comply with the provisions of KRS 45A.485, the Contractor and all subcontractors performing work under the contract shall report any such final determination(s) of violation(s) to the Commonwealth by providing the following information regarding the final determination(s): the KRS violated, the date of the final determination, and the state agency which issued the final determination.

KRS 45A.485 also provides that, for the duration of any contract, the Contractor and all subcontractors performing work under the contract shall be in continuous compliance with the provisions of those statutes, which apply to their operations, and that their failure to reveal a final determination, as described above, or failure to comply with the above statutes for the duration of the contract, shall be grounds KSU's cancellation of the contract and their disqualification from eligibility for future state contracts for a period of two (2) years.

Discrimination

This section applies only to contracts disbursing federal funds, in whole or part, when the terms and conditions for receiving those funds mandate its inclusion. Discrimination (because of race, religion, color, national origin, sex, sexual orientation, gender identity, age, or disability) is prohibited. During the performance of this contract, the Contractor agrees as follows:

The Contractor will not discriminate against any employee or applicant for employment because of race, religion, color, national origin, sex, sexual orientation, gender identity or age. The Contractor further agrees to comply with the provisions of the Americans with Disabilities Act (ADA), Public Law 101-336, and applicable federal regulations relating thereto prohibiting discrimination against otherwise qualified disabled individuals under any program or activity. The Contractor agrees to provide, upon

request, needed reasonable accommodations. The Contractor will take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, religion, color, national origin, sex, sexual orientation, gender identity, age or disability. Such action shall include, but not be limited to the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensations; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this non-discrimination clause.

In all solicitations or advertisements for employees placed by or on behalf of the Contractor, the Contractor will state that all qualified applicants will receive consideration for employment without regard to race, religion, color, national origin, sex, sexual orientation, gender identity, age or disability.

The Contractor will send to each labor union or representative of workers with which he/she has a collective bargaining agreement or other contract or understanding a notice advising the said labor union or workers' representative of the Contractor's commitments under this section and shall post copies of the notice in conspicuous places available to employees and applicants for employment. The Contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance.

The Contractor will comply with all provisions of Executive Order No. 11246 of September 24, 1965, as amended, and of the rules, regulations and relevant orders of the Secretary of Labor.

The Contractor will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, as amended, and by the rules, regulations and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his/her books, records and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.

In the event of the Contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations or orders, this contract may be cancelled, terminated or suspended in whole or in part, and the Contractor may be declared ineligible for further government contracts or federally-assisted construction contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, as amended, and such other sanctions that may be imposed and remedies invoked as provided in or as otherwise provided by law.

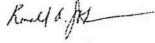
The Contractor will include the provisions of paragraphs (1) through (7) of section 202 of Executive Order 11246 in every subcontract or purchase order unless exempted by rules, regulations or orders of the Secretary of Labor, issued pursuant to section 204 of Executive Order No. 11246 of September 24, 1965, as amended, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions including sanctions for noncompliance; provided, however, that in the event a Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the agency, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.

4. Approvals

This contract is subject to the terms and conditions stated herein. By affixing signatures below, the parties verify that they are authorized to enter into this contract and that they accept and consent to be bound by

the terms and conditions stated herein. In addition, the parties agree that (i) electronic approvals may serve as electronic signatures, and (ii) this contract may be executed in any number of counterparts, each of which when executed and delivered shall constitute a duplicate original, but all counterparts together shall constitute a single contract.

1st Party – Kentucky State University



Signature

Dr. Ronald A. Johnson

Printed Name

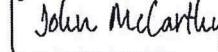
Interim President

Title

7/30/2022

Date

2nd Party – Contractor



Signature

John McCarthy

Printed Name

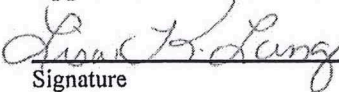
Founder/Managing Partner

Title

7/18/2022

Date

Approved as to form and legality



Signature

Lisa K. Lang

Printed Name

General Counsel

Kentucky State University



KENTUCKY STATE UNIVERSITY BOARD OF REGENTS

ACTION ITEM 5G

ACTION ITEM

Approval of Magellan Learning Solutions, LLC, Personal Service Contract (PSC).

FACTS

Magellan Learning Solutions will assist the University in all aspects of developing and operating fully online academic programs. Services will include, *inter alia*, analysis of prospective student markets for newly proposed online programs, development of a financial aid model that is specific to the University's online programs, and instruction on responsive course design and development and best practices in online teaching. Magellan Learning Solutions was chosen through a formal bid process (RFP). Development of online programs is a key component of the Management Improvement Plan.

BUDGETARY IMPLICATION

The first-year cost for Magellan Learning Solutions' services is \$2,267,297.60. However, Magellan also anticipates that travel expenses will total \$50,678.40. Therefore, the total first-year cost is \$2,317,976. The Council on Postsecondary Education (CPE) has allocated \$2,500,000 to the University for these services.

Magellan estimates that it will take at least three years to fully develop and implement the University's online programs. The total second-year cost is expected to be \$2,650,723.60, and the total third-year cost is expected to be \$2,603,923.60.

RECOMMENDATION

Acting President Dr. Michael Dailey recommends that the Board of Regents approve the Magellan Learning Solutions PSC.

MOTION

Approve the renewal of the Magellan Learning Solutions PSC.

PERSONAL SERVICE CONTRACT
BETWEEN
KENTUCKY STATE UNIVERSITY
AND
MAGELLAN LEARNING SOLUTIONS, LLC
PSC 24-XX

This Personal Service Contract (PSC) is entered into by and between Kentucky State University (the "University") and Magellan Learning Solutions, LLC, a Virginia limited liability company (the "Contractor") to establish a Contract for online program management services to be utilized to support the University. The initial Term (defined below) of this PSC is effective July 1, 2023, through June 30, 2024.

Kentucky State University and the Contractor agree to the following:

I. Scope of Contract

Contractor

The Contractor shall assist the University in all aspects of developing and operating fully online academic programs. More specifically, the Contractor shall:

- Provide robust, technically sound analysis of prospective student markets for newly proposed online programs, as well as existing programs that the University is seeking to expand.
 - o Analysis shall be completed and results communicated to University beginning in Month 1 of the contract.
 - o 110,000 student names shall be identified as potential leads in line with this research.
 - o Conduct an overall assessment of University's programs, systems, and market potential.
- Create messaging and branding aligned with the strategic marketing plan of the University and program-specific attributes in order to generate quality leads.
 - o Create and deploy inquiry generation campaign materials including email, postcards, and letters, a microsite with tracking features, and outreach to non-responders (months 7-12)
 - o Create an application generation campaign including emails, letters, postcards, call scripts, and digital ads (months 7-12)
 - o Create a new student application and admission process for online programs (months 4-6)
 - o Create and train Enrollment Support Services staff (months 1-12)
 - o Implement Degree Works (TBA)
- Document contacts with students through the University's customer relationship management (CRM) system, qualify student prospects, and counsel students in completing admission applications.
 - o Create a Call Center to shepherd students through the enrollment and matriculation process, plus provide gateway access to key student services. Call Center will serve

- as a landing point for incoming calls and will also initiate data-driven and responsive outbound calls. (months 6-12)
- o Create an SOP manual that governs data policies for the CRM and student interactions.
 - Assist the University in developing a financial aid model that is specific to its online programs and in compliance with Title IV requirements and other Department of Education (DOE) guidelines.
 - o Work shall be ongoing through months 1-12.
 - Provide engagement and retention processes and operational procedures that can be implemented to ensure student success.
 - o Create dashboards to inform decisions about student advising and retention practices (months 6-12).
 - o Create a career exploration process for incoming students (months 6-12)
 - Provide instructional design services and responsive course design and development, as well as instruction on best practices in online teaching.
 - o Evaluation of existing programs (months 3-12)
 - o Support course development and instructional design, including developing a course template (months 1-3) This template will establish a University-branded experience for its online program as well as reduce design load on faculty and extraneous cognitive load on students.
 - o As part of this project, Contractor agrees to provide the following services:
 - Contractor will provide a project coordinator who will act as the liaison between University personnel and the Contractor Design and Development Team as well as provide reporting on the development process to key stakeholders.
 - Contractor will coordinate with key stakeholders from University to conduct a needs assessment related to the development of an institutional course template and ensure that essential institutional policies and industry best practices are taken into account.
 - Contractor will provide design and development personnel to create a template outline for University approval. Three rounds of revision are included. Revisions beyond the allowance will incur an additional hourly fee of \$100 per hour.
 - Contractor will provide design and development personnel to construct the approved course template within LMS for University approval. Three rounds of editing are included. Edits beyond the allowance will incur an additional hourly fee of \$100 per hour.
 - o Transition selected existing courses to templated LMS experience (months 4-11)
 - Contractor will map each existing course in Blackboard to the new template. In any courses where the content will not neatly fit within the new template, Contractor will engage with the University-designated subject matter expert (SME) to determine how best to adjust the content before making any changes. Once a course is mapped to the new template, Contractor will manually move all course content (instructions, assignments, quizzes, videos, and other assets) from the Blackboard version of the course and organize those assets within the new version of the course.
 - Once a course has been fully transitioned, Contractor will review the course to ensure the course is complete and accurate.
 - As part of this project, Contractor agrees to provide the following services:

- Contractor will provide a project coordinator who will act as the liaison between University personnel and the MLS instructional design team as well as provide reporting on the transition process to key stakeholders.
 - Contractor will provide an instructional design team to manually move existing courses from the legacy LMS into the approved template. Contractor will conduct a basic analysis of each transitioned course as it reorganizes content for adaptation to the approved course template. No material changes will be made to content without consultation of University-approved SMEs. Within reason, Contractor will assist in making minor changes to materials in order to improve fit within the newly approved course template.
 - Contractor will check all transitioned courses for ADA compliance. Contractor will make minor edits to existing content in order to achieve ADA compliance; however, Contractor will not perform extensive edits but will report those non-compliant materials to University.
 - Contractor will provide basic reporting to University on courses found to have missing or insufficient materials based on the newly approved course template. Contractor is not redesigning these courses and will not be responsible for correcting such items which are reported.
- o Redevelop courses to conform to the new template and best practices (Months 5-12)
 - Redevelop 24 courses
 - Contractor will work with designated SMEs from University to redesign selected courses. Once courses are designed, MLS personnel will construct these courses within University's instance of the LMS, and within the newly designed courses template.
 - o As part of this project, Contractor agrees to provide the following services:
 - Contractor will provide all software and resources used to develop courses but will not be responsible for the cost of courseware or materials which are implemented by University-approved SMEs within courses as part of the curriculum.
 - Contractor will provide all design and development personnel, except for the SMEs, who will be provided and compensated by KSU.
 - Contractor will provide the following design and development personnel:
 - Project Coordinator:
 - o Organizes and coordinates with the development team and acts as liaison with the University Team.
 - o Ensures the various aspects of the vision and mission of the project are on target in terms of quality, timeline, and budget.
 - o Works with the SMEs to ensure the individual courses in the discipline properly build on one another as part of the adopted course sequence.
 - o Ensures the program area is systemically tied to and aligns with the appropriate objectives across the curriculum.
 - o Works with the development team at the onset to ensure the program mapping aligns at a macro-level.
 - o Conducts interval reviews throughout the development process to ensure the individual course lesson plans and course strategy align properly.

- Instructional Designer:
 - Implements appropriate QM & OSCQR standards, ADA compliance, & online pedagogy best practices.
 - Develops resources utilizing SME-created content.
 - Develops courses within KSU's Blackboard instance.
 - Partners with SME to translate content into a quality online learning experience.
- Assistant Instructional Designer:
 - Imports and builds the submitted, formatted, and approved content the SME and ID have worked through into the LMS.
 - Ensures the finished content in the LMS is in line with the established template of the project by the design team and project leadership, both University and Contractor.
- Creative Communication:
 - Develops creative and innovative communications resources.
 - Includes up to 40 hours of development time in any combination areas.
 - Produces/deploys University-branded Video, Graphics, Infographics, Images, Banners, Etc.
- Content Editor (Editing/Quality Control):
 - Reviews all written content to ensure against spelling & grammatical errors.
 - Reviews all design and style standards to ensure consistency.
 - Reviews all technical aspects of the course to ensure full functionality.
- Develop new online programs based on market research (months 7-12), following the design and development standards discussed above;
- In the areas of course templating, redevelopment, transitions, and new program development, University commits to the following as part of the PSC:
 - LMS Interface:
 - University will provide personnel to act in the following roles:
 - LMS Administrator
 - IT Administrator
 - Authentication Lead
 - SIS Lead.
 - University will provide oversight of designated personnel and ensure they are engaged in the implementation process in such a way as to not prevent the project from meeting specified deadlines.
 - Course Template Development:
 - University will provide personnel to coordinate with the MLS Design and Development team.
 - University will ensure that designated personnel provide timely feedback in relation to outline and template revisions.
 - Course Transitions:
 - University will provide qualified SMEs to coordinate with the MLS Instructional Design team.

- University will ensure that designated personnel provide timely feedback in relation to course content questions related to the restructure of content within the newly approved course template.
- Course Development:
 - University will provide qualified SMEs to partner with the MLS team and build the academic content for new and redeveloped courses.
 - University will provide oversight of such SMEs to ensure timely submission of required academic content and the timely turnaround of required approvals/edits of content.

APPROVALS: University will designate an official “approver” for each project. This person will act officially to accept each deliverable item from Contractor, and deem that deliverable as completed to standard. This person will also act as the source for and authority on any standard related to the associated project.

STANDARDS: University approvers will work with Contractor to establish a set of standards for each project. These standards will act as the guidelines for successful delivery of each item or service.

SURCHARGES: University agrees to pay a 10% surcharge for each applicable project task above should late submissions or delayed responses from University-designated personnel result in additional workload for the Contractor implementation team beyond the scope of the initial project. Project deadlines will be established at the beginning of the implementation project.

Such a surcharge will never be imposed without prior notification to University by Contractor and will not be frivolous in nature. The root issues leading to such charges are usually discussed and reported multiple times before discussion of an additional charge is broached. A surcharge is always assessed as a last resort when excessive lateness, non-responsiveness, or non-cooperation on the part of an agent of the institution requires a member or members of Contractor to go above and beyond the standard expectations to deliver an item or service. Such charges might also be assessed when the client organization makes changes to standards which were previously set by the parties, particularly after work has already been completed.

Example situations would be:

- An SME who becomes non-responsive for weeks at a time or misses multiple course development deadlines, resulting in a compression of work for the instructional design team to make a deadline – having to complete four weeks work in one week, for example.
 - Staff requesting changes to items or services once they have already been completed to previously agreed upon standards, requiring Contractor to devote additional time to bring the items or services into compliance with the new standard.
- Collaborate with faculty/administrators to develop and enforce policies for online learning (months 3-5)
 - Provide KPI-based oversight, including evaluation processes and coaching (months 7-12)

- Provide faculty support through professional development while taking advantage of the University's online teaching certification process.
 - o Develop and deliver professional development for faculty in areas such as instructional design, teaching online, ADA, etc. (months 3-12)
- Facilitate the process of developing an eight-week delivery carousel for graduate programs, with entry points to maximize student cohort matriculation to graduation.
 - o Develop and implement an 8-week template for online courses, to be used for multiple sub-term entries per year.
- Develop a comprehensive plan including operational procedures and mechanisms that will allow for 24/7 student support (to be provided by others).
 - o Develop a plan for help desk and other technical support, in addition to advising via the call center, including a ticketing system, chat support, and a library of materials (months 4-6)
- Assist the University with accreditation processes and state authorization.
- Assist the University with projections of initial investments, operating revenues, and expenses over a multi-year project.
 - o Regular reporting shall occur throughout the first year and thereafter.
- Assist the University in determining the most advantageous financial model.
- Participate in a partnership with the University in order to determine services to be provided, identify enrollment goals, and assess online program readiness.
- Assist the University in determining the ideal operating structure for fully online programs.
 - o Create an operational and oversight structure to manage the project and provide support for all aspects of creation of KSU online (month 1)
 - o Travel regularly to the campus to set up processes, make decisions, etc. (months 1-12)

Kentucky State University

It shall be the responsibility of Kentucky State University to provide appropriate guidance to the Contractor for the purpose of facilitating the successful completion of the projected work and work product development. The University shall also work collaboratively with the Contractor as needed. The University shall also be responsible for ensuring that payments to the Contractor are remitted in a timely manner.

The University shall also be responsible for providing the following:

- Access to the University's CRM system
- Purchase 110,000 names for potential recruitment
- Access to the University's creative team and branding strategies
- Point of contact (POC) in marketing/admissions/recruitment
- Content for Contractor team onboarding and production of recruitment materials
- Current policies and procedures for financial aid activities
- Appropriate access to student accounts, data and other University systems
- POC for online administration/oversight, academic programs and course development
- Subject Matter Experts for courses
- Working group to provide approvals/development feedback for course templates, standards and the like
- Access to the University's existing help support structures
- Access to the University's current processes and working groups for accreditation

- Identifying the key point people to work alongside the Contractor in managing the overall project.

SURCHARGES: KSU agrees to pay a 10% surcharge for each applicable project task above should late submissions or delayed responses from KSU designated personnel result in additional workload for the MLS implementation team beyond the scope of the initial project. Project deadlines will be established at the beginning of the implementation project.

II. Contract Components and Order of Precedence

Kentucky State University's acceptance of the Contractor's offer—indicated by the issuance of a Personal Service Contract Award—shall create a valid contract between the Parties consisting of the following:

1. Procurement statutes, regulations, and policies
2. This written contract and any subsequent written amendments to this contract
3. Any addenda to the solicitation (RFP)
4. The solicitation and any and all attachments
5. Any best and final offer
6. Any clarifications concerning the Contractor's proposal in response to the solicitation
7. The Contractor's proposal in response to the solicitation

In the event of any conflict between or among the provisions contained in the contract, the order of precedence shall be as enumerated above.

III. Negotiated Items

Not applicable.

IV. Pricing

The costs for the services described above are as follows:

The cost for services for each of the three (3) potential years of the overall project are detailed on Schedule 1 attached hereto ("Yearly Cost Schedule"). The first-year cost for the Contractor's services is \$2,267,297.60. The Contractor will also bill the University for travel-related expenses. The Contractor estimates that the first-year travel costs will total \$50,678.40.

Therefore, the total first-year cost for Contractor's services is \$2,317,976.

In the event that this Agreement is renewed for one or more Renewal Terms (defined below), the cost for services for such Renewal Term will be as detailed on the Yearly Cost Schedule.

a. Invoicing

Pursuant to KRS 45A.695, no payment shall be made on any invoice unless the individual, firm, partnership, or corporation awarded the Personal Service Contract submits the invoice for payment on the Personal Service Contract Invoice Form established by the Legislative Research Commission, Government Contract Review Committee.

The Contractor shall submit invoices to the Purchasing Department of Kentucky State University via email to purchasing@kysu.edu. The Purchasing Department will then review the invoices with the appropriate managing offices for approval. Upon approval, the invoices shall be forwarded to the Accounts Payable Department via email to accounts.payable@kysu.edu.

Payment for services will be made upon receipt of an approved invoice using the Personal Service Contract (PSC) Invoice Form. Payment terms are net thirty (30) days.

Invoices for services must include an original signature, as well as the following: the Contract number, the dates of service, the total number of hours worked, a description of services provided, and the total amount due.

The Invoice Form is available on the Legislative Research Commission, Government Contract Review Committee website, <https://apps.legislature.ky.gov/moreinfo/contracts/homepage.html>.

For the Initial Term of this Agreement, the Contractor will invoice for its services in accordance with the payment schedule set forth on Schedule 2 attached hereto ("Year One Payment Schedule"). For any Renewal Term, the Parties will agree on an equitable and reasonable payment schedule (similar to the Year One Payment Schedule) reflective of the applicable yearly cost detailed on the Yearly Cost Schedule.

Travel:

As noted previously, the Contractor expects that it will bill the University \$50,678.40 for travel related expenses. Travel expenses shall include airfare, lodging, meals, parking, and rental vehicles. Such expenses will be paid in accordance with the University's reimbursement policy. Original copies of receipts must be submitted to the University for reimbursement.

b. Terms and Conditions

Contract Effective Date

This Personal Service Contract shall be deemed effective following full execution by the parties and approval by the Government Contract Review Committee (GCRC).

Contract

This Personal Service Contract shall represent the entire agreement between the Parties. Prior negotiations, representations, or agreements, either written or oral, between the Parties hereto relating to the subject matter hereof shall be of no effect upon this Contract.

Contract Term and Renewal Option

The initial term of the Contract shall be from July 1, 2023, through June 30, 2024 ("Initial Term").

Renewal options are as described below:

Two (2) optional one-year renewals (each a "Renewal Term"). This Contract may be renewed for additional terms upon mutual agreement by the parties in writing and approval by the GCRC.

Changes and Modifications to the Contract

No modification or change to any provision of the Contract shall be made, or be construed to have been made, unless such modification is mutually agreed to in writing by Kentucky State University and the Contractor and incorporated as a written amendment by Kentucky State University prior to the proposed effective date of such modification or change. Modification shall be subject to prior approval from the University's Purchasing Department, the University's General Counsel, and the Legislative Research Commission, Government Contract Review Committee. Memoranda of understanding, written clarifications, and other correspondences shall not be construed as amendments to the Contract.

Notices

Unless otherwise instructed, all notices, consents, and other communications required and/or permitted by the Contract shall be in writing and delivered by email, U.S.P.S., recognized delivery service such as FedEx or UPS, or by hand delivery to the address noted below or other address provided in accordance with this provision. After the award of the Contract, all communications of a contractual or legal nature shall be directed to the University's General Counsel.

If to KSU: Kentucky State University
General Counsel
Academic Services Building, Room 540
400 East Main Street
Frankfort, KY 40601

If to Contractor: Magellan Learning Solutions, LLC
828 Main Street
Suite 1001
Lynchburg, VA 24504
Attn: Aaron D. Traphagen
Email: aaron@thinkmagellan.com

V. Personal Service Contract (PSC) Standard Terms and Conditions

Whereas, the First Party, Kentucky State University, has concluded that University personnel are not available to perform said functions or it would not be feasible to utilize University personnel to perform said functions; and

Whereas, the Second Party, the Contractor, is available and qualified to perform such functions; and

Whereas, for the aforementioned reasons, the University desires to avail itself of the services of the second part.

NOW THEREFORE, the following terms and conditions are applicable to this Contract:

Choice of Law and Forum

This Contract shall be governed by, and construed in accordance with, the laws of the Commonwealth of Kentucky. Any action brought against the University on the Contract, including, but not limited to, actions either for breach of contract or for enforcement of the contract, shall be brought in Franklin Circuit Court, Franklin County, Kentucky, in accordance with KRS 45A.245.

Dispute Resolution

The Parties to this Agreement agree that in the event that a dispute arises between them out of or relating to this Agreement, every effort should be made to amicably resolve such dispute prior to initiating litigation. To that end, the Parties agree that the following steps must be taken prior to either Party initiating any litigation:

- a. First, the Parties agree to discuss the dispute at an in-person meeting that includes one or more representative(s) from each Party who have knowledge of the circumstances giving rise to the dispute and who have authority to resolve the dispute.
- b. If the in-person meeting does not result in a resolution of the dispute, the Parties agree to engage in non-binding mediation conducted by an agreed mediator having experience and expertise in similar commercial contract disputes.

Cancellation

Cancellation for Convenience — Pursuant to KRS 45A.695(1), Kentucky State University reserves the right to terminate this PSC without cause through thirty (30) days' written notice. Upon the Contractor's receipt of a "notice of termination," the Contractor shall discontinue all services with respect to the applicable Contract. The cost of any agreed upon services provided by the Contractor prior to cancellation will be calculated at the mutually agreed rate prior to the "notice of termination."

Cancellation for Non-Performance, Default — Kentucky State University may terminate the PSC for non-performance, as determined by the University, for causes such as:

- Failure to provide satisfactory quality of service, including: (1) failure to maintain adequate personnel to timely and satisfactorily perform its obligations hereunder (whether arising from labor disputes or otherwise); (2) any substantial change in ownership or proprietorship of the Contractor which, in the reasonable opinion of the University, results in Contractor being unable to perform its obligations hereunder; or (3) material failure to comply with the terms of this Contract.
- Failure to keep or perform (within the time period set forth herein), or violation of, any of the covenants, conditions, provisions, or agreements contained herein.
- Adjudication as a voluntarily bankrupt, making a transfer in fraud of its creditors, filing a petition under any section from time to time—or under any similar law or statute of the United States or any state thereof—or if an order for relief shall be entered against the Contractor in any proceeding filed by or against the Contractor thereunder. In the event of any such involuntary bankruptcy proceeding being instituted against the Contractor, the filing of such involuntary petition shall not be considered an event of default until sixty (60) days after the filing of said petition so that the Contractor might have, during that sixty-day period, the

opportunity to seek dismissal of the involuntary petition or otherwise cure said potential default.

- Making a general assignment for the benefit of its creditors, or taking the benefit of any insolvency act, or if a permanent receiver or trustee in bankruptcy shall be appointed for the Contractor.

The University will provide thirty (30) calendar days' written notice of default. Unless such default is cured or arrangements are made to cure the default within those thirty (30) calendar days, the Director of Purchasing may terminate the Contract immediately.

Permits, Licenses, and Commonwealth Registration

The Contractor shall procure all necessary permits and licenses and abide by all applicable laws, regulations, and ordinances of all federal, state, and local governments in which work under this Contract is performed.

The Contractor must furnish certification of the authority to conduct business in the Commonwealth of Kentucky as a condition of the Contract Award. Such registration is obtained from the Secretary of State, who will also provide the certification thereof.

The Contractor shall pay all sales, use, personal property, and any other taxes arising out of this Contract and the transaction contemplated hereby. Any other taxes levied upon this Contract, the transaction, or the equipment or services delivered pursuant hereto shall be the responsibility of the Contractor.

The Contractor will be required to accept liability for payment of all payroll taxes or deductions required by local and federal law, including, but not limited to, old age pension, Social Security, or annuities.

Attorneys' Fees

If either Party deems it necessary to take legal action to enforce any provision of the Contract, and if the University prevails, the Contractor agrees to pay all expenses of such action, including the attorneys' fees and costs at all stages of litigation.

Indemnification

The Contractor shall indemnify and hold and save harmless the University, its affiliates, and its subsidiaries and their officers, agents, and employees from any losses, claims, suits, actions, expenses, damages, costs (including court costs and attorneys' fees of the University's attorneys), and liability of any nature or kind arising out of or relating to the Contractor's response to this procurement or its performance or failure to perform under the Contract awarded from this procurement. This clause shall survive termination for as long as necessary to protect the University.

Funding Out Provision

Kentucky State University may terminate this Contract if funds are not appropriated to the contracting agency or are not otherwise available for the purpose of making payments without incurring any obligation for payment after the date of termination, regardless of the terms of the Contract. The University shall provide the Contractor written notice of termination of the

Contract due to a lack of available funding as soon as practicable after the University learns of such funding issue but not fewer than thirty (30) days before the effective date of the termination. The University agrees that it may not terminate the Contract under this provision for any period of time and costs of services for which funding was previously appropriated.

Reduction in Contract Workers' Hours

Not applicable.

Authorized to do Business in Kentucky

Businesses can register with the Secretary of State at <http://www.sos.ky.gov/pages/default.aspx>

The Contractor affirms that it is properly authorized under the laws of the Commonwealth of Kentucky to conduct business in this state and will remain in good standing to do business in the Commonwealth of Kentucky for the duration of any contract awarded.

If a foreign entity, the Contractor shall maintain a certification of authority to conduct business in the Commonwealth of Kentucky during the term of this Contract. Such registration is obtained from the Secretary of State pursuant to the process outlined below.

Registration with the Secretary of State by a Foreign Entity

Pursuant to KRS 45A.480 (1)(b), an agency, department, office, or political subdivision of the Commonwealth of Kentucky shall not award a state contract to a person that is a foreign entity required by KRS 14A.9-010 to obtain a certificate of authority to transact business in the Commonwealth ("certificate") from the Secretary of State under KRS 14A.9-030 unless the person produces the certificate within fourteen (14) days of the bid or proposal opening. Therefore, foreign entities should submit a copy of their certificate with their solicitation response. If the foreign entity is not required to obtain a certificate as provided in KRS 14A.9010, the foreign entity should identify the applicable exception in its solicitation response. Foreign entity is defined within KRS 14A.1-070.

For all foreign entities required to obtain a certificate of authority to transact business in the Commonwealth, if a copy of the certificate is not received by the contracting agency within the time frame identified above, the foreign entity's solicitation response shall be deemed nonresponsive, or the awarded contract shall be cancelled.

Invoices for Fees

The Contractor shall maintain supporting documents to substantiate invoices and shall furnish same if required by state government. The invoices must conform to the method described in this Contract.

As aforementioned, pursuant to KRS 45A.695, no payment shall be made on any invoice unless the individual, firm, partnership, or corporation awarded the personal service contract submits the invoice for payment on the Personal Service Contract Invoice Form established by the Legislative Research Commission, Government Contract Review Committee.

The Invoice Form is available on the Legislative Research Commission, Government Contract Review Committee website: <http://www.lrc.ky.gov/Statcomm/Contracts/homepage.htm>

Travel Expenses, if Authorized

The Contractor shall be paid for no travel expenses, unless and except as specifically authorized by the specifications of this Contract or authorized in advance and in writing by the University. Either original or certified copies of receipts must be submitted for airline tickets, hotel bills, restaurant charges, rental car charges, and any other miscellaneous expenses.

Other Expenses, if Authorized Herein

The Contractor shall be reimbursed for no other expenses of any kind, unless and except as specifically authorized within the specifications of this Contract, or authorized in advance and in writing by Kentucky State University.

If the reimbursement of such expenses is authorized, the reimbursement shall be only on an out-of-pocket basis. Request for payment of same shall be processed upon receipt from the Contractor of valid, itemized statements submitted periodically for payment at the time any fees are due. The Contractor shall maintain supporting documents that substantiate every claim for expenses and shall furnish copies of same in support of requests for payment submitted to Kentucky State University.

Purchasing and Specifications

The Contractor certifies that it will not attempt in any manner to influence any specifications to be restrictive in any way or respect, nor will it attempt in any way to influence any purchasing of services, commodities, or equipment by Kentucky State University. For the purpose of this paragraph and the following paragraph that pertains to conflict-of-interest laws and principles, "it" is construed to mean "he" or "she" if only one person is involved. If a firm, partnership, corporation, or other organization is involved, then "it" is construed to mean any person with an interest therein.

Conflict-of-Interest Laws and Principles

The Contractor certifies that it is legally entitled to enter into this Contract with Kentucky State University, and by holding and performing this Contract, it will not be violating any conflict-of-interest statute (KRS 45A.330-45A.340, 45A.990, 164.390) or the University's Ethical Principles and Code of Conduct.

Access to Records

The Contractor, as defined in KRS 45A.030(8) and (10), agrees that the contracting agency, Kentucky State University, the Auditor of Public Accounts, and the Legislative Research Commission, or their duly authorized representatives, shall have access to any books, documents, papers, records, or other evidence, which are directly pertinent to this Contract for the purpose of a financial audit or program review. The Contractor also recognizes that any books, documents, papers, records, or other evidence received during a financial audit or program review shall be subject to the Kentucky Open Records Act, KRS 61.870 to 61.884. Records and other prequalification information confidentially disclosed as part of the bid process shall not be deemed as directly pertinent to the Contract and shall be exempt from disclosure as provided in KRS 61.878(1)(c).

Protest

Pursuant to KRS 45A.285, Kentucky State University's General Counsel shall have authority to determine protests and other controversies of actual or prospective vendors in connection with

the solicitation or selection for award of a contract.

Any actual or prospective vendor, who is aggrieved in connection with the solicitation or selection for award of a contract, may file protest with the University General Counsel. A protest or notice of other controversy must be filed promptly and, in any event, within two (2) calendar weeks after such aggrieved person or entity knows or should have known of the facts giving rise thereto. All protests or notices of other controversies must be in writing and shall be addressed to:

Kentucky State University
General Counsel
Academic Services Building, Room 541
400 East Main Street
Frankfort, KY 40601

A copy of that decision shall be mailed or otherwise furnished to the aggrieved party and shall state the reasons for the action taken.

The decision by Kentucky State University shall be final and conclusive.

Social Security (check one)

☒ The Parties are cognizant that, pursuant to 42 U.S. Code, section 418, the state is not liable for Social Security contributions relative to the compensation of the Second Party for this Contract.

☐ The Parties are cognizant that, pursuant to 42 U.S. Code, section 418, the state is liable for Social Security contributions relative to the compensation of the Second Party for this Contract.

Violation of Tax and Employment Laws

KRS 45A.485 requires the Contractor and all subcontractors performing work under the Contract to reveal to the Commonwealth, prior to the award of the Contract, any final determination of a violation by the Contractor within the previous five (5) year period of the provisions of KRS chapters 136, 139, 141, 337, 338, 341, and 342. These statutes relate to the state sales and use tax, corporate and utility tax, income tax, wages and hours laws, occupational safety and health laws, unemployment insurance laws, and workers' compensation insurance laws, respectively.

To comply with the provisions of KRS 45A.485, the Contractor and all subcontractors performing work under the Contract shall report any such final determination(s) of violation(s) to the Commonwealth by providing the following information regarding the final determination(s): the KRS violated, the date of the final determination, and the state agency which issued the final determination.

KRS 45A.485 also provides that, for the duration of any contract, the Contractor and all subcontractors performing work under the Contract shall be in continuous compliance with the provisions of those statutes, which apply to their operations, and that their failure to reveal a final determination, as described above, or failure to comply with the above statutes for the

duration of the Contract, shall be grounds Kentucky State University's cancellation of the contract and their disqualification from eligibility for future state contracts for a period of two (2) years.

Discrimination

This section applies only to contracts disbursing federal funds, in whole or part, when the terms and conditions for receiving those funds mandate its inclusion. Discrimination (because of race, religion, color, national origin, sex, sexual orientation, gender identity, age, or disability) is prohibited. During the performance of this Contract, the Contractor agrees as follows:

The Contractor will not discriminate against any employee or applicant for employment because of race, religion, color, national origin, sex, sexual orientation, gender identity, or age. The Contractor further agrees to comply with the provisions of the Americans with Disabilities Act (ADA), Public Law 101-336, and applicable federal regulations relating thereto prohibiting discrimination against otherwise qualified disabled individuals under any program or activity. The Contractor agrees to provide, upon request, needed reasonable accommodations. The Contractor will take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, religion, color, national origin, sex, sexual orientation, gender identity, age or disability. Such action shall include, but is not limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensations; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this non-discrimination clause.

In all solicitations or advertisements for employees placed by or on behalf of the Contractor, the Contractor will state that all qualified applicants will receive consideration for employment without regard to race, religion, color, national origin, sex, sexual orientation, gender identity, age or disability.

The Contractor will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding a notice advising said labor union or workers' representative of the Contractor's commitments under this section and shall post copies of the notice in conspicuous places available to employees and applicants for employment. The Contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance.

The Contractor will comply with all provisions of Executive Order No. 11246 of September 24, 1965, as amended, and of the rules, regulations, and relevant orders of the Secretary of Labor.

The Contractor will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, as amended, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records, and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

In the event of the Contractor's noncompliance with the nondiscrimination clauses of this

Contract or with any of the said rules, regulations, or orders, this Contract may be cancelled, terminated, or suspended in whole or in part, and the Contractor may be declared ineligible for further government contracts or federally-assisted construction contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, as amended, and such other sanctions that may be imposed and remedies invoked as provided in or as otherwise provided by law.

The Contractor will include the provisions of paragraphs (1) through (7) of section 202 of Executive Order 11246 in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor, issued pursuant to section 204 of Executive Order No. 11246 of September 24, 1965, as amended, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance; provided, however, that in the event the Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the agency, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.

VI. Approvals

This Contract is subject to the terms and conditions stated herein. By affixing their signatures on the next page, the Parties verify that they are authorized to enter into this Contract and that they accept and consent to be bound by the terms and conditions stated herein. In addition, the Parties agree that (i) electronic approvals may serve as electronic signatures, and (ii) this Contract may be executed in any number of counterparts, each of which when executed and delivered shall constitute a duplicate original, but all counterparts together shall constitute a single Contract.

1st Party – Kentucky State University

Signature: _____

Printed Name: _____

Title: _____

Date: _____

2nd Party – Contractor

Signature: _____

Printed Name: _____

Title: _____

Date: _____

Approved as to form and legality

Signature: _____

Printed Name: _____

Date: _____

General Counsel, Kentucky State University

Schedule 1: Yearly Cost Schedule

YEAR 1				
Item	Sub items	Unit Price	Yr 1 Units	year 1
	Research	\$150,000.00	1	\$150,000.00
Sub-totals				\$150,000.00
	Student Lead Generation (110k Names)	\$33,900.00	1	\$33,900.00
	Communications Flow Chart	\$1,800.00	1	\$1,800.00
	Inquiry and Application Generation Email Campaigns	\$12,960.00	1	\$12,960.00
	Inquiry Generation Microsite	\$11,700.00	1	\$11,700.00
	Inquiry Generation Non-Responder Postcard	\$28,497.60	1	\$28,497.60
	postcard design	\$3,060.00	1	\$3,060.00
	Application Generation Letter Package	\$37,020.00	1	\$37,020.00
	Application Generation Call Script	\$1,890.00	1	\$1,890.00
	Application Generation Digital Ads	\$2,520.00	1	\$2,520.00
	Call Center (everything up to concierge) Inbound	\$75,000.00	1	\$75,000.00
	Call Center (everything up to concierge) Outbound	\$75,000.00	1	\$75,000.00
Sub-totals				\$283,347.60
	VP for enrollment	\$125,450.00	1	\$125,450.00
	Student Application	\$60,000.00	1	\$60,000.00
	Acceptance Policy	included		
	Admissions Process	included		
	Onboarding Process & Training	included		
	Internship program	included		
	Student Onboarding Process	included		
	Student Enrollment Incentives	included		
	Enrollment Support Services	included		
	Concierge	\$125,450.00	1	\$125,450.00
Sub-totals				\$310,900.00
	FA Coordinator	\$87,350.00	1	\$87,350.00
	FA Processor/Counselor	\$66,950.00		\$-
	FAFSA	included		
	Title IV Verification	included		
	SAP	included		
Sub-totals				\$87,350.00
	Internship program in each major	Included		
	Career Services Coordinator in Year 4			\$-

Schedule 1: Yearly Cost Schedule

Sub-totals		\$-	
Dev & Deploy Standards of Online Teaching Practices	\$5,000.00	1	\$5,000.00
Create Evaluation Process for Online Faculty	\$5,000.00	1	\$5,000.00
Instructional Mentor	\$107,750.00	2	\$215,500.00
SOP Manual	\$5,000.00	10	\$50,000.00
Faculty & Staff Training	\$4,000.00	10	\$40,000.00
Faculty HUB	\$5,000.00	1	\$5,000.00
Course Template	\$50,000.00	1	\$50,000.00
Course Evaluations	\$1,800.00	100	\$180,000.00
Online Curriculum Coordinator	\$107,750.00	1	\$107,750.00
Executive Coaching (10 hours per month)	\$300.00	120	\$36,000.00
Course Transitions	\$1,000.00	100	\$100,000.00
Full Online Assessment	\$50,000.00	1	\$50,000.00
Course Development (UG)	\$16,000.00	8	\$128,000.00
Course Development (Grad)	\$18,000.00	0	\$-
Course Redevelopments	\$8,000.00	24	\$192,000.00
Sub-totals		\$1,164,250.00	
Planning and Consulting	\$24,000.00	1	\$24,000.00
Sub-totals		\$24,000.00	
Accreditation Support	\$300.00	120	\$36,000.00
Sub-totals		\$36,000.00	
Financial Coordination & Reporting	\$300.00	60	\$18,000.00
Sub-totals		\$18,000.00	
Project Manager	\$168,950.00	1	\$168,950.00
Reporting Dashboards	\$24,500.00	1	\$24,500.00
Travel	\$50,678.40	1	\$50,678.40
Sub-totals		\$244,128.40	
Totals			\$2,317,976.00

Without Travel

\$2,267,297.60

Schedule 1: Yearly Cost Schedule

YEAR 2				
Item	Sub items	Unit Price	Yr 2 Units	Year 2
	Research	\$150,000.00		\$-
Sub-totals				\$-
	Student Lead Generation (110k Names)	\$33,900.00	2	\$67,800.00
	Communications Flow Chart	\$1,800.00	2	\$3,600.00
	Inquiry and Application Generation Email Campaigns	\$12,960.00	2	\$25,920.00
	Inquiry Generation Microsite	\$11,700.00	2	\$23,400.00
	Inquiry Generation Non-Responder Postcard	\$28,497.60	2	\$56,995.20
	postcard design	\$3,060.00	2	\$6,120.00
	Application Generation Letter Package	\$37,020.00	2	\$74,040.00
	Application Generation Call Script	\$1,890.00	2	\$3,780.00
	Application Generation Digital Ads	\$2,520.00	2	\$5,040.00
	Call Center (everything up to concierge) Inbound	\$75,000.00	1	\$75,000.00
	Call Center (everything up to concierge) Outbound	\$75,000.00	1	\$75,000.00
Sub-totals				\$416,695.20
	VP for enrollment	\$125,450.00	1	\$125,450.00
	Student Application	\$60,000.00	1	\$60,000.00
	Acceptance Policy	included		
	Admissions Process	included		
	Onboarding Process & Training	included		
	Internship program	included		
	Student Onboarding Process	included		
	Student Enrollment Incentives	included		
	Enrollment Support Services	included		
	Concierge	\$125,450.00	2	\$250,900.00
Sub-totals				\$436,350.00
	FA Coordinator	\$87,350.00	1	\$87,350.00
	FA Processor/Counselor	\$66,950.00	1	\$66,950.00
	FAFSA	included		
	Title IV Verification	included		
	SAP	included		
Sub-totals				\$154,300.00

Schedule 1: Yearly Cost Schedule

Internship program in each major	Included		
Career Services Coordinator in Year 4			\$-
Sub-totals			\$-
Dev & Deploy Standards of Online Teaching Practices	\$5,000.00		\$-
Create Evaluation Process for Online Faculty	\$5,000.00		\$-
Instructional Mentor	\$107,750.00	2	\$215,500.00
SOP Manual	\$5,000.00	10	\$50,000.00
Faculty & Staff Training	\$4,000.00	10	\$40,000.00
Faculty HUB	\$5,000.00		\$-
Course Template	\$50,000.00		\$-
Course Evaluations	\$1,800.00	100	\$180,000.00
Online Curriculum Coordinator	\$107,750.00	1	\$107,750.00
Executive Coaching (10 hours per month)	\$300.00	120	\$36,000.00
Course Transitions	\$1,000.00	100	\$100,000.00
Full Online Assessment	\$50,000.00		\$-
Course Development (UG)	\$16,000.00	16	\$256,000.00
Course Development (Grad)	\$18,000.00	12	\$216,000.00
Course Redevelopments	\$8,000.00	15	\$120,000.00
Sub-totals			\$1,321,250.00
Planning and Consulting	\$24,000.00	1	\$24,000.00
Sub-totals			\$24,000.00
Accreditation Support	\$300.00	120	\$36,000.00
Sub-totals			\$36,000.00
Financial Coordination & Reporting	\$300.00	60	\$18,000.00
Sub-totals			\$18,000.00
Project Manager	\$168,950.00	1	\$168,950.00
Reporting Dashboards	\$24,500.00	1	\$24,500.00
Travel	\$50,678.40	1	\$50,678.40
Sub-totals			\$244,128.40
Totals			\$2,650,723.60

Without Travel

\$2,600,045.20

Schedule 1: Yearly Cost Schedule

YEAR 3				
Item	Sub items	Unit Price	Yr 3 Units	Year 3
	Research	\$150,000.00		\$-
Sub-totals				\$-
	Student Lead Generation (110k Names)	\$33,900.00	2	\$67,800.00
	Communications Flow Chart	\$1,800.00	2	\$3,600.00
	Inquiry and Application Generation Email Campaigns	\$12,960.00	2	\$25,920.00
	Inquiry Generation Microsite	\$11,700.00	2	\$23,400.00
	Inquiry Generation Non-Responder Postcard	\$28,497.60	2	\$56,995.20
	postcard design	\$3,060.00	2	\$6,120.00
	Application Generation Letter Package	\$37,020.00	2	\$74,040.00
	Application Generation Call Script	\$1,890.00	2	\$3,780.00
	Application Generation Digital Ads	\$2,520.00	2	\$5,040.00
	Call Center (everything up to concierge) Inbound	\$75,000.00	1	\$75,000.00
	Call Center (everything up to concierge) Outbound	\$75,000.00	1	\$75,000.00
Sub-totals				\$416,695.20
	VP for enrollment	\$125,450.00	1	\$125,450.00
	Student Application	\$60,000.00	1	\$60,000.00
	Acceptance Policy	included		
	Admissions Process	included		
	Onboarding Process & Training	included		
	Internship program	included		
	Student Onboarding Process	included		
	Student Enrollment Incentives	included		
	Enrollment Support Services	included		
	Concierge	\$125,450.00	3	\$376,350.00
Sub-totals				\$561,800.00
	FA Coordinator	\$87,350.00	1	\$87,350.00
	FA Processor/Counselor	\$66,950.00	1	\$66,950.00
	FAFSA	included		

Schedule 1: Yearly Cost Schedule

Title IV Verification	included		
SAP	included		
Sub-totals			\$154,300.00
Internship program in each major	Included		
Career Services Coordinator in Year 4			\$-
Sub-totals			\$-
Dev & Deploy Standards of Online Teaching Practices	\$5,000.00		\$-
Create Evaluation Process for Online Faculty	\$5,000.00		\$-
Instructional Mentor	\$107,750.00	3	\$323,250.00
SOP Manual	\$5,000.00	10	\$50,000.00
Faculty & Staff Training	\$4,000.00	10	\$40,000.00
Faculty HUB	\$5,000.00		\$-
Course Template	\$50,000.00		\$-
Course Evaluations	\$1,800.00		\$-
Online Curriculum Coordinator	\$107,750.00	1	\$107,750.00
Executive Coaching (10 hours per month)	\$300.00	120	\$36,000.00
Course Transitions	\$1,000.00		\$-
Full Online Assessment	\$50,000.00		\$-
Course Development (UG)	\$16,000.00	16	\$256,000.00
Course Development (Grad)	\$18,000.00	12	\$216,000.00
Course Redevelopments	\$8,000.00	15	\$120,000.00
Sub-totals			\$1,149,000.00
Planning and Consulting	\$24,000.00	1	\$24,000.00
Sub-totals			\$24,000.00
Accreditation Support	\$300.00	120	\$36,000.00
Sub-totals			\$36,000.00
Financial Coordination & Reporting	\$300.00	60	\$18,000.00
Sub-totals			\$18,000.00
Project Manager	\$168,950.00	1	\$168,950.00
Reporting Dashboards	\$24,500.00	1	\$24,500.00
Travel	\$50,678.40	1	\$50,678.40
Sub-totals			\$244,128.40
Totals			\$2,603,923.60

Without Travel

\$2,553,245.20

Schedule 2: Year One Payment Schedule

Invoice Date	Payment Date	Payment	Items	Total
Upon Agreement	Upon Agreement	1	Initial Payment	\$ 566,824.40
01/07/23	01/08/23	2	August, 2023	\$ 207,528.13
01/08/23	01/09/23	3	September, 2023	\$ 79,312.22
01/09/23	01/10/23	4	October, 2023	\$ 148,687.22
01/10/23	01/11/23	5	November, 2023	\$ 106,770.55
01/11/23	01/12/23	6	December, 2023	\$ 109,770.55
01/12/23	01/01/24	7	January, 2024	\$ 230,031.25
01/01/24	01/02/24	8	February, 2024	\$ 142,020.55
01/02/24	01/03/24	9	March, 2024	\$ 142,020.55
01/03/24	01/04/24	10	April, 2024	\$ 142,020.55
01/04/24	01/05/24	11	May, 2024	\$ 142,020.55
01/05/24	01/06/24	12	June, 2024	\$ 142,020.55
01/06/24	01/07/24	13	July, 2024	\$ 108,270.55
Total:				\$ 2,267,297.60



KENTUCKY STATE UNIVERSITY BOARD OF REGENTS

ACTION ITEM 5H

ACTION ITEM

Approval to Renew the Personal Service Contract (PSC) with Johnson, Bowman & Branco, LLP

FACTS

Attorney William “Bill” Johnson has served honorably as Kentucky State University's primary outside counsel for over 50 years. At its November 17, 2022, meeting, the Executive Committee of the Board of Regents approved Attorney Johnson’s amended PSC with the University. The amended PSC allowed Attorney Johnson to continue his representation of the University, its Board of Regents, and its employees in legal matters that include, but are not limited to, intellectual property, contract disputes, claims of constitutional and statutory deprivations, and discrimination. The amended PSC is set to expire on June 30, 2023. Per the terms of the amended PSC, the parties have one (1) optional one-year renewal. The Board’s approval would allow the University to exercise that renewal option and retain Attorney Johnson’s services for another year.

BUDGETARY IMPLICATION

Johnson, Bowman & Branco, LLP

Personal Service Contract (Legal Services)

Rate: \$125.00 per hour

Expenses: The University will pay no more than \$2,000 per fiscal year for travel expenses such as airfare, lodging, ground transportation, parking, and meals.

Total Contract Amount: The total amount, including travel expenses, shall not exceed \$75,000 per fiscal year.

RECOMMENDATION

Acting President Dr. Michael Dailey recommends that the Board of Regents approve the renewal of the PSC with Johnson, Bowman & Branco, LLP.

MOTION

Approve the renewal of the PSC with Johnson, Bowman & Branco, LLP.

PERSONAL SERVICE CONTRACT FOR LEGAL SERVICES
BETWEEN

KENTUCKY STATE UNIVERSITY

AND

JOHNSON BOWMAN BRANCO, LLP

PSC _____

This Amended Personal Service Contract (PSC) is entered into by and between Kentucky State University ("KSU") and Johnson Bowman Branco, LLP ("Contractor") to establish a contract for legal services to be utilized to support Kentucky State University. The initial PSC was effective July 1, 2022. This Amended PSC is effective from December 15, 2022, through June 30, 2023. This PSC is amended to expand the Contractor's scope of work and the total contractual amount.

KSU and Contractor agree to the following:

I. **Scope of Contract**

Contractor

The Contractor's original duties include:

- Providing legal services to Kentucky State University, its Board of Regents, agents and/or employees relating to legal representation in matters where counsel services cannot feasibly be provided by Kentucky State University personnel or insurance counsel due to conflicts of interest or heavy workloads.
- Providing support in matters relating to intellectual property, contract disputes, claims of constitutional and/or statutory deprivations, discrimination on the bases of race, sex, age physical, and/or mental handicaps and other matters as needed.

The Contractor's duties are expanded to include:

- Providing legal counsel and guidance to the officers of the institution and other upper management on a variety of legal and policy matters relevant to the University, including, but not limited to, those relating to students, faculty, and staff.
- Anticipating and identifying legal issues and counseling officers of the institution and other upper management personnel.
- Reviewing and counseling officers of the institution and other upper management on policies and procedures, regulations, bylaws, and other legal documents.
- Reviewing contracts, leases, and other legal documents; researching legal issues and recommending revisions as necessary.
- Representing or overseeing the representation of the institution and upper management in judicial and administrative proceedings.

Kentucky State University

It shall be the responsibility of Kentucky State University to provide appropriate guidance to the Contractor to facilitate the successful completion of the projected work and work product development.

II. Contract Components and Order of Precedence

KSU's acceptance of the Contractor's offer, indicated by the issuance of a Personal Service Contract Award, shall create a valid contract between the Parties consisting of the following:

1. Procurement Statutes, Regulations, and Policies
2. This written agreement and any subsequent written amendments to this agreement.

In the event of any conflict between or among the provisions contained in the contract, the order of precedence shall be as enumerated above.

III. Negotiated Items – Not Applicable

IV. Pricing

The cost for the services described above are as follows:

The Contractor's fees for the scope of work as outlined shall be paid an hourly rate of \$125.00, plus travel-related expenses. Travel expenses related to this personal service contract include airfare, lodging, ground transportation, parking, and meals, but such expenses shall not exceed \$2,000 per fiscal year. The total amount of this personal service contract shall not exceed \$75,000 per fiscal year.

1. Invoicing

The Contractor shall submit invoices to Kentucky State University via email to accounts.payable@ksu.edu.

Payment for services will be made upon receipt of an approved invoice using the Personal Service Contract (PSC) Invoice Form. Payment terms are net thirty (30) days.

Invoices for services must include an original signature, as well as the following: the contract number, the dates of service, the total number of hours worked, a description of services provided, and the total amount due.

Pursuant to KRS 45A.695, no payment shall be made on any personal service contract unless the individual, firm, partnership, or corporation awarded the personal service contract submits an invoice for payment on a form established by the Legislative Research Commission, Government Contract Review Committee.

The invoice form is available on the Legislative Research Commission, Government Contract Review Committee website <https://apps.legislature.ky.gov/moreinfo/contracts/homepage.html>

Travel:
Not applicable.

2. Terms and Conditions

Contract Effective Date

The initial term of the PSC became effective and binding July 1, 2022. This amended PSC becomes effective and binding on December 15, 2022.

Contract

This Amended Personal Service Contract shall represent the entire agreement between the parties. Prior negotiations, representations, or agreements, either written or oral, between the parties hereto relating to the subject matter hereof shall be of no effect upon this Contract.

Contract Term and Renewal Option

The initial term of the contract, as amended, shall be from December 15, 2022, through June 30, 2023. The contract shall have one (1) optional renewal.

Changes and Modifications to the Contract

No modification or change of any provision in the Contract shall be made, or construed to have been made, unless such modification is mutually agreed to in writing by KSU and the Contractor, and incorporated as a written amendment by KSU prior to the effective date of such modification or change. Modification shall be subject to prior approval from the Kentucky State University Purchasing Department, University General Counsel, and the LRC Government Contract Review Committee. Memoranda of Understanding, written clarification, and/or other correspondence shall not be construed as amendments to the Contract.

Notices

Unless otherwise instructed, all notices, consents, and other communications required and/or permitted by the Contract shall be in writing. After the award of the Contract, all communications of a contractual or legal nature shall be made to Kentucky State University General Counsel.

3. Personal Service Contract (PSC) Standard Terms and Conditions

Whereas, the first party, Kentucky State University, has concluded that either University personnel are not available to perform said functions, or it would not be feasible to utilize University personnel to perform said functions; and

Whereas, the second party, the Contractor, is available and qualified to perform such functions; and

Whereas, for the abovementioned reasons, the University desires to avail itself of the services of the second party;

NOW THEREFORE, the following terms and conditions are applicable to this contract:

Choice of Law and Forum

This contract shall be governed by and construed in accordance with the laws of the Commonwealth of Kentucky. Any action brought against the University on the contract, including but not limited to actions either for breach of contract or for enforcement of the contract, shall be brought in Franklin Circuit Court, Franklin County, Kentucky, in accordance with KRS 45A.245.

Cancellation

Cancellation for Convenience - Kentucky State University reserves the right to terminate this PSC without cause with a thirty (30) days' written notice. Upon receipt by the Contractor of a "notice of termination," the Contractor shall discontinue all services with respect to the applicable contract. The cost of any agreed upon services provided by the contractor prior to cancellation will be calculated at the agreed upon rate prior to a "notice of termination."

Cancellation for Non-Performance Default - KSU may terminate the resulting contract for non-performance, as determined by the University, for such causes as:

- Failure to provide satisfactory quality of service, including: failure to maintain adequate personnel (whether arising from labor disputes or otherwise); any substantial change in ownership or proprietorship of the contractor which, in the opinion of the University, is not in its best interest; or failure to comply with the terms of this contract.
- Failure to keep or perform (within the time period set forth herein) or violation of any of the covenants, conditions, provisions, or agreements herein contained.
- Adjudication as a voluntarily bankrupt, making a transfer in fraud of its creditors, filing a petition under any section from time to time, or under any similar law or statute of the United States or any state thereof, or if an order for relief shall be entered against the Contractor in any proceeding filed by or against contractor thereunder. In the event of any such involuntary bankruptcy proceeding being instituted against the Contractor, the fact of such an involuntary petition being filed shall not be considered an event of default until sixty (60) days after filing of said petition in order that Contractor might, during that sixty (60) day period, have the opportunity to seek dismissal of the involuntary petition or otherwise cure said potential default.
- Making a general assignment for the benefit of its creditors, or taking the benefit of any insolvency act, or if a permanent receiver or trustee in bankruptcy shall be appointed for the Contractor.

Notification of Default

The University will provide ten (10) calendar days' written notice of default. Unless arrangements are made to correct the non-performance issues to the University's satisfaction within ten (10) calendar days, the Director of Purchasing may terminate the contract immediately.

Permits, Licenses, and Commonwealth Registration

The contractor shall procure all necessary permits and licenses and abide by all applicable laws, regulations and ordinances of all federal, state and local governments in which work under this contract is performed.

The contractor must furnish certification of authority to conduct business in the Commonwealth of Kentucky as a condition of contract award. Such registration is obtained from the Secretary of State, who will also provide the certification thereof.

The contractor shall pay any sales, use, personal property and other tax arising out of this contract and the transaction contemplated hereby. Any other taxes levied upon this contract,

the transaction or the equipment or services delivered pursuant hereto shall be the responsibility of the contractor.

The contractor will be required to accept liability for payment of all payroll taxes or deductions required by local and federal law including (but not limited to) old age pension, social security or annuities.

Attorney Fees

If either party deems it necessary to take legal action to enforce any provision of the contract, and if the University prevails, the contractor agrees to pay all expenses of such action, including attorneys' fees and costs at all stages of litigation.

Indemnification

The contractor shall indemnify, hold and save harmless the University, its affiliates and subsidiaries and their officers, agents, and employees from losses, claims, suits, actions, expenses, damages, costs (including court costs and attorneys' fees of the University's attorneys), all liability of any nature or kind arising out of or relating to the Contractor's response to this RFP or its performance or failure to perform under the contract awarded from this RFP. This clause shall survive termination for as long as necessary to protect the University.

Funding Out Provision

KSU may terminate this contract if funds are not appropriated to the contracting agency or are not otherwise available for the purpose of making payments without incurring any obligation for payment after the date of termination, regardless of the terms of the contract. The University shall provide the Contractor thirty (30) calendar days' written notice of termination of the contract due to lack of available funding.

Reduction in Contract Worker Hours

Not Applicable

Authorized to do Business in Kentucky

Businesses can register with the Secretary of State at <http://www.sos.ky.gov/pages/default.aspx>

The Contractor affirms that it is properly authorized under the laws of the Commonwealth of Kentucky to conduct business in this state and will remain in good standing to do business in the Commonwealth of Kentucky for the duration of any contract awarded.

If a foreign entity, the Contractor shall maintain a certification of authority to conduct business in the Commonwealth of Kentucky during the term of this contract. Such registration is obtained from the Secretary of State pursuant to the process outlined below.

Registration with the Secretary of State by a Foreign Entity

Pursuant to KRS 45A.480 (1)(b), an agency, department, office, or political subdivision of the Commonwealth of Kentucky shall not award a state contract to a person that is a foreign entity required by KRS 14A.9-010 to obtain a certificate of authority to transact business in the Commonwealth ("certificate") from the Secretary of State under KRS 14A.9-030 unless the person produces the certificate within fourteen (14) days of the bid or proposal opening. Therefore, foreign entities should submit a copy of their certificate with their solicitation response. If the foreign entity is not required to obtain a certificate as provided in KRS 14A.9-010, the foreign entity should identify the applicable exception in its solicitation response.

Foreign entity is defined within KRS 14A.1-070.

For all foreign entities required to obtain a certificate of authority to transact business in the Commonwealth, if a copy of the certificate is not received by the contracting agency within the time frame identified above, the foreign entity's solicitation response shall be deemed non-responsive or the awarded contract shall be cancelled.

Invoices for fees

The Contractor shall maintain supporting documents to substantiate invoices and shall furnish same if required by state government. The invoice must conform to the method described in this contract.

Pursuant to KRS 45A.695, no payment shall be made on any personal service contract unless the individual, firm, partnership, or corporation awarded the personal service contract submits its invoice for payment on a form established by the committee.

Invoice form is available on the Legislative Research Commission, Government Contract Review Committee website: <http://www.lrc.ky.gov/Statcomm/Contracts/homepage.htm>

Travel expenses, if authorized

The Contractor shall be paid for no travel expenses, unless and except as specifically authorized by the specifications of this contract, or authorized in advance and in writing by the University. Either original or certified copies of receipts must be submitted for airline tickets, hotel bills, restaurant charges, rental car charges, and any other miscellaneous expenses.

Other expenses, if authorized herein

The Contractor shall be reimbursed for no other expenses of any kind, unless and except as specifically authorized within the specifications of this contract, or authorized in advance and in writing by KSU.

If the reimbursement of such expenses is authorized, the reimbursement shall be only on an out-of-pocket basis. Request for payment of same shall be processed upon receipt from the Contractor of valid, itemized statements submitted periodically for payment at the time any fees are due. The Contractor shall maintain supporting documents that substantiate every claim for expenses and shall furnish copies of same in support of requests for payment submitted to KSU.

Purchasing and specifications

The Contractor certifies that he/she will not attempt in any manner to influence any specifications to be restrictive in any way or respect nor will he/she attempt in any way to influence any purchasing of services, commodities or equipment by KSU. For the purpose of this paragraph and the following paragraph that pertains to conflict-of-interest laws and principles, "he/she" is construed to mean "they" if more than one person is involved. If a firm, partnership, corporation, or other organization is involved, then "he/she" is construed to mean any person with an interest therein.

Conflict-of-interest laws and principles

The Contractor certifies that he/she is legally entitled to enter into this contract with KSU, and by holding and performing this contract, he/she will not be violating any conflict-of-interest statute (KRS 45A.330-45A.340, 45A.990, 164.390), nor KSU's Ethical Principles and Code of Conduct.

Access to Records

The Contractor, as defined in KRS 45A.030(8) and (10), agrees that the contracting agency, KSU, the Auditor of Public Accounts, and the Legislative Research Commission, or their duly authorized representatives, shall have access to any books, documents, papers, records, or other evidence which are directly pertinent to this contract for the purpose of a financial audit or program review. The Contractor also recognizes that any books, documents, papers, records, or other evidence, received during a financial audit or program review shall be subject to the Kentucky Open Records Act, KRS 61.870 to 61.884. Records and other prequalification information confidentially disclosed as part of the bid process shall not be deemed as directly pertinent to the contract and shall be exempt from disclosure as provided in KRS 61.878(1)(c).

Protest

Pursuant to KRS 45A.285, Kentucky State University's General Counsel shall have authority to determine protests and other controversies of actual or prospective vendors in connection with the solicitation or selection for award of a contract.

Any actual or prospective vendor, who is aggrieved in connection with the solicitation or selection for award of a contract, may file protest with the University General Counsel. A protest or notice of other controversy must be filed promptly and, in any event, within two (2) calendar weeks after such aggrieved person knows or should have known of the facts giving rise thereto. All protests or notices of other controversies must be in writing and shall be addressed to:

Kentucky State University
General Counsel
400 East Main Street
ASB Building
Frankfort, KY. 40601

A copy of that decision shall be mailed or otherwise furnished to the aggrieved party and shall state the reasons for the action taken.

The decision by Kentucky State University shall be final and conclusive.

Social security: (check one)

☒ The parties are cognizant that, pursuant to 42 U.S. Code, section 418, the state is not liable for social security contributions relative to the compensation of the second party for this contract.

☐ The parties are cognizant that, pursuant to 42 U.S. Code, section 418, the state is liable for social security contributions relative to the compensation of the second party for this contract.

Violation of tax and employment laws

KRS 45A.485 requires the Contractor and all subcontractors performing work under the contract to reveal to the Commonwealth, prior to the award of a contract, any final determination of a violation by the Contractor within the previous five (5) year period of the provisions of KRS chapters 136, 139, 141, 337, 338, 341, and 342. These statutes relate to the state sales and use tax, corporate and utility tax, income tax, wages and hours laws, occupational safety and health laws, unemployment insurance laws, and workers compensation insurance laws, respectively.

To comply with the provisions of KRS 45A.485, the Contractor and all subcontractors performing work under the contract shall report any such final determination(s) of violation(s) to the Commonwealth by providing the following information regarding the final determination(s): the KRS violated, the date of the final determination, and the state agency which issued the final determination.

KRS 45A.485 also provides that, for the duration of any contract, the Contractor and all subcontractors performing work under the contract shall be in continuous compliance with the provisions of those statutes, which apply to their operations, and that their failure to reveal a final determination, as described above, or failure to comply with the above statutes for the duration of the contract, shall be grounds KSU's cancellation of the contract and their disqualification from eligibility for future state contracts for a period of two (2) years.

Discrimination

This section applies only to contracts disbursing federal funds, in whole or part, when the terms and conditions for receiving those funds mandate its inclusion. Discrimination (because of race, religion, color, national origin, sex, sexual orientation, gender identity, age, or disability) is prohibited. During the performance of this contract, the Contractor agrees as follows:

The Contractor will not discriminate against any employee or applicant for employment because of race, religion, color, national origin, sex, sexual orientation, gender identity or age. The Contractor further agrees to comply with the provisions of the Americans with Disabilities Act (ADA), Public Law 101-336, and applicable federal regulations relating thereto prohibiting discrimination against otherwise qualified disabled individuals under any program or activity. The Contractor agrees to provide, upon request, needed reasonable accommodations. The Contractor will take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, religion, color, national origin, sex, sexual orientation, gender identity, age or disability. Such action shall include, but not be limited to the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensations; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this non-discrimination clause.

In all solicitations or advertisements for employees placed by or on behalf of the Contractor, the Contractor will state that all qualified applicants will receive consideration for employment without regard to race, religion, color, national origin, sex, sexual orientation, gender identity, age or disability.

The Contractor will send to each labor union or representative of workers with which he/she has a collective bargaining agreement or other contract or understanding a notice advising the said labor union or workers' representative of the Contractor's commitments under this section and shall post copies of the notice in conspicuous places available to employees and applicants for employment. The Contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance.

The Contractor will comply with all provisions of Executive Order No. 11246 of September 24, 1965, as amended, and of the rules, regulations and relevant orders of the Secretary of Labor.

The Contractor will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, as amended, and by the rules, regulations and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his/her books, records and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.

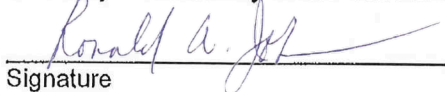
In the event of the Contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations or orders, this contract may be cancelled, terminated or suspended in whole or in part, and the Contractor may be declared ineligible for further government contracts or federally-assisted construction contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, as amended, and such other sanctions that may be imposed and remedies invoked as provided in or as otherwise provided by law.

The Contractor will include the provisions of paragraphs (1) through (7) of section 202 of Executive Order 11246 in every subcontract or purchase order unless exempted by rules, regulations or orders of the Secretary of Labor, issued pursuant to section 204 of Executive Order No. 11246 of September 24, 1965, as amended, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions including sanctions for noncompliance; provided, however, that in the event a Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the agency, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.

4. Approvals

This contract is subject to the terms and conditions stated herein. By affixing signatures below, the parties verify that they are authorized to enter into this contract and that they accept and consent to be bound by the terms and conditions stated herein. In addition, the parties agree that (i) electronic approvals may serve as electronic signatures, and (ii) this contract may be executed in any number of counterparts, each of which when executed and delivered shall constitute a duplicate original, but all counterparts together shall constitute a single contract.

1st Party – Kentucky State University


Signature

Ronald A. Johnson
Printed Name

Interim President
Title

11/21/2022
Date

2nd Party – Contractor

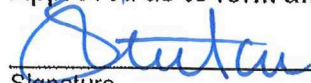

Signature

William E. Johnson
Printed Name

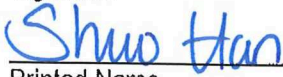
Partner
Title

Nov. 18, 2022
Date

Approved as to form and legality



Signature



Printed Name



General Counsel

Kentucky State University



KENTUCKY STATE UNIVERSITY BOARD OF REGENTS

ACTION ITEM 5I

ACTION ITEM

Approval to use of Evans-Allen Research funds to purchase a Dual Channel Ion Chromatograph (Shimadzu) for use at the School of Agriculture, Communities, and the Environment (Atwood Building).

FACTS

Kentucky State University's (KSU) College of Agriculture, Community, and the Sciences facilitates research and extension programs. Currently, there is no Dual Channel Ion Chromatograph to analyze nutrients in cationic or anionic forms of any environmental water or soil or wetland-extracted solution samples. This Ion Chromatography instrument will analyze cations and anions and other chemicals in water samples or any solution samples. Information on cationic and anionic nutrients of environmental samples is vital for obtaining insights into water pollution, as well as chemical load in waterbodies.

BUDGETARY IMPLICATION

If approved, \$86,578.40 in Evans-Allen research funds will be used to purchase a Dual Channel Ion Chromatograph, and \$18,156 will be used to purchase a three-year (36 month) value plan from Shimadzu.

RECOMMENDATION

Acting President Dr. Michael Dailey recommends that the Board of Regents approve the purchase of the Dual Channel Ion Chromatograph and three-year value plan.

MOTION

Approve the purchase of the Dual Channel Ion Chromatograph and three-year value plan.

Customer:

Atanu Mukherjee
Kentucky State University
400 E Main St
Frankfort, KY 40601
Phone: (352) 870-1228
Fax:
E-mail: atanu.mukherjee@kysu.edu

Sales Engineer:

Rex Jackson
Shimadzu Scientific Instruments
1 TW Alexander Drive, Suite 100
Durham, NC 27703
Regional Office: (800) 951-9167 Ext.
Direct Dial:
E-mail: rmjackson@shimadzu.com

Sales Proposal

Quotation: SSI-227769-C8R2

Expiration: 6/30/2023

Quote Description:

Ion Chromatography HPLC system for rapid analysis of Anions, Cations, and transition metals.
IC system requires Mobile Phase of 12 mmol/L sodium hydrogen carbonate, 0.6 mmol/L sodium carbonate (Anion analysis) and 2.5 mmol/L oxalic acid (Cation analysis)

Computer/monitor are optional but are REQUIRED for operation. Contact your Shimadzu representative for details on minimum PC specifications.

Proposed Ship Date: 60 Days/ARO

FOB: COLUMBIA

Ship Method: BEST WAY

Shipping Terms: PREPAID & ADD

Incoterms:

Additional Information:

For proposal questions or modifications, please contact your sales representative.

For Order Placement:

Reference Quotation Number on Purchase Order

Please note that state and local taxes, if applicable, will be added at invoicing.
Forward official tax exempt documentation if applicable.

Thank you for your interest in Shimadzu Scientific Instruments.

Shimadzu Scientific Instruments
7102 Riverwood Drive, Columbia, MD 21046
Toll Free: 800-477-1227
Local: 410-381-1227 Fax: 410-381-6781
E-mail: customer.service@shimadzu.com

International:
Fax: 410-309-6130
E-mail: icsc@shimadzu.com

Authorization Signature*



Faith Hays

Date: 5/16/2023

*Sales Proposal is not valid without Authorized Signature.

Sales Quotation - please reference the quotation when submitting purchase order.

Dual-line Analysis

	Product #	Qty	Description	Price Per Unit	Ext'd Price
1	220-91657-01	1	SCL-40 with Installation Kit	\$4,034.00	\$4,034.00
2	228-65019-58	1	DGU-405 5-channel Degasser	\$4,264.00	\$4,264.00
3	228-65202-58	1	CTO-40C Column Oven	\$5,835.00	\$5,835.00
4	228-15617-41	1	Column Clamp, B5, 40C	\$35.00	\$35.00
5	228-15617-42	1	Column Clamp, B8, 40C	\$35.00	\$35.00
6	228-65623-58	1	FCV-14AHi	\$5,033.00	\$5,033.00
7	228-72589-41	1	FCV Attachment Kit (CTO-40C)	\$664.00	\$664.00
8	228-41302-41	1	Dual Kit Non-suppressed for CDD-10Avp	\$5,995.00	\$5,995.00
9	228-65512-57	1	Option Box S, Nexera Series	\$638.00	\$638.00

Anion IC System

	Product #	Qty	Description	Price Per Unit	Ext'd Price
10	228-65010-58	2	LC-20Ai Inert HPLC Pump	\$8,349.00	\$16,698.00
11	228-45568-42	2	Automatic Rinsing Kit, LC-20Ai	\$769.00	\$1,538.00
12	228-65106-58	1	SIL-20AC HPLC Autosampler	\$19,617.00	\$19,617.00
13	228-65310-58	1	CDD-10Avp Conductivity Detector	\$7,732.00	\$7,732.00
14	228-74020-41	1	ICDS-40A Starter Kit	\$8,911.00	\$8,911.00
15	228-37616-92	1	Sample rack for 4 mL vials, SIL-20A/AC, SIL-30AC	\$433.00	\$433.00
16	228-65312-58	1	SPD-40 UV Detector	\$11,058.00	\$11,058.00
17	220-91413-04	1	1L HDPE Bottle Set with 3-Hole Caps (6/pk)	\$535.00	\$535.00
18	220-91428-00	1	PEEK Tubing Kit For HPLC Installs	\$376.00	\$376.00
19	220-91440-00	1	2 Gallon Waste Can, Polypropylene Fittings	\$1,054.00	\$1,054.00
20	220-91524-15	1	Column, LC, Shodex IC SI-90 4E, Column, Anion suppressed, 9um, 4.0 x 250mm	\$1,262.00	\$1,262.00
21	220-91524-05	1	Column, LC, Shodex IC SI-90G, Guard Column, Anion suppressed, 9um, 4.6 x 10mm	\$618.00	\$618.00
22	220-91524-06	1	Column, LC, Shodex IC YS-50 Cation 5 micron, 4.6 x 125mm	\$1,797.00	\$1,797.00
23	220-91524-07	1	Column, LC, Shodex IC YS-G Cation Guard 5 micron, 4.6 x 10mm	\$561.00	\$561.00
24	228-31537-91	3	Vials, LC, 4mL Plastic, 100/pk.	\$299.00	\$897.00
25	220-97330-80	1	Syringes, Syrfi Disposable Syringes, Plastic, Luer-lock, 3 mL, 100/pk	\$75.00	\$75.00
26	220-97330-75	1	Syringe Filters, Syrfi Syringe Filters, 25MM 0.45UM POLYETHERSULFONE, 100/pk	\$155.00	\$155.00

27	220-95315-05	1	HPLC Virtual Advisor USB for Prominence and Nexera Systems	\$1,425.00	\$0.00
28	220-91545-01	1	Solvents, LC, Honeywell B&J LCMS Grade Solvent Kit for Installations	\$561.00	\$561.00
29	TIER 2 I&F	1	Tier 2 Installation and Customer Familiarization	\$2,500.00	\$0.00
30	1YW	1	1 YEAR WARRANTY	\$0.00	\$0.00
31	228-65011-58	1	Reservoir Changer Valve Kit	\$1,602.00	\$1,602.00
32	228-74090-41	1	Option plate for ICDS-40A	\$1,324.00	\$1,324.00
33	228-68372-41	1	Waste tube cover for ICDS-40A	\$170.00	\$170.00
34	228-70247-43	1	Nexera Series Wiring Kit, C	\$256.00	\$256.00

Computer & Software

	Product #	Qty	Description	Price Per Unit	Ext'd Price
35	223-62700-51	1	LabSolutions LCGC Single LC License	\$3,893.00	\$3,893.00
36	223-19335-51	1	LabSolutions LCGC WorkStation, Installation Disc	\$567.00	\$567.00

Total List Price:	\$112,148.00
Total Line Item Discount:	\$3,925.00
20% Academic Discount:	\$21,644.60
Quote Sub-Total:	\$86,578.40
Total Amount:	\$86,578.40

By placing an Order for any Products related to this Sales Proposal and Quotation, Customer agrees to the terms and conditions at <https://www.ssi.shimadzu.com/terms/General-Terms-Conditions-of-Sale.html>, which are incorporated herein and applicable hereto. SSI reserves the right to update its Terms and Conditions at any time, however the terms and conditions in effect at the date of delivery of Products related to this Sales Proposal and Quotation shall apply to that purchase.

Sales Quotation - please reference the quotation when submitting purchase order.

Optional Items

Optional Items:

Anion IC System

	Product #	Qty	Description	List Price	Ext'd Price
1	220-91524-26	1	Column, LC, Shodex IC SI-35 2B, Rapid analysis, Suppressed, 3.5um, 2.0 x 50mm	\$1,532.00	\$1,532.00
2	220-91524-27	1	Column, LC, Shodex IC SI-2GF, Guard filter and holder for SI-35 2B	\$398.00	\$398.00

Computer & Software

	Product #	Qty	Description	List Price	Ext'd Price
3	220-97317-85	1	Standard PC, 16 GB RAM, 1 TB SSD, MS Office	\$3,399.00	\$3,399.00
4	220-97321-10	1	Dell 24" Widescreen Flat Panel	\$457.00	\$457.00
5	220-93021-00	1	CONVERTER, RS-232 TO USB	\$142.00	\$142.00

Service Agreement Plans Available

As Quoted

Quantity	Plan Name	Plan Price	Disc't %	Ext'd Price	Products Covered
1	Preventative Maintenance	\$3,899.00	0.00%	\$3,899.00	LC-20Ai Inert HPLC Pump, DGU-405 5-channel Degasser, SIL-20AC HPLC Autosampler, CTO-40C Column Oven, CDD-10Avp Conductivity Detector, SPD-40 UV Detector, FCV-14AHi, SCL-40 with Installation Kit, ICDS-40A Starter Kit
1	Premium Preventative Maintenance	\$8,230.00	0.00%	\$8,230.00	LC-20Ai Inert HPLC Pump, DGU-405 5-channel Degasser, SIL-20AC HPLC Autosampler, CTO-40C Column Oven, CDD-10Avp Conductivity Detector, SPD-40 UV Detector, FCV-14AHi, SCL-40 with Installation Kit, ICDS-40A Starter Kit
1	Extended Warranty	\$7,150.00	0.00%	\$7,150.00	LC-20Ai Inert HPLC Pump, DGU-405 5-channel Degasser, SIL-20AC HPLC Autosampler, CTO-40C Column Oven, CDD-10Avp Conductivity Detector, SPD-40 UV Detector, FCV-14AHi, SCL-40 with Installation Kit, ICDS-40A Starter Kit
1	Extended Warranty Plus	\$13,126.00	0.00%	\$13,126.00	LC-20Ai Inert HPLC Pump, DGU-405 5-channel Degasser, SIL-20AC HPLC Autosampler, CTO-40C Column Oven, CDD-10Avp Conductivity Detector, SPD-40 UV Detector, FCV-14AHi, SCL-40 with Installation Kit, ICDS-40A Starter Kit
1	Three Year(36 month) Value Plan Service Agreement	\$21,360.00	15.00%	\$18,156.00	LC-20Ai Inert HPLC Pump, DGU-405 5-channel Degasser, SIL-20AC HPLC Autosampler, CTO-40C Column Oven, CDD-10Avp Conductivity Detector, SPD-40 UV Detector, FCV-14AHi, SCL-40 with Installation Kit, ICDS-40A Starter Kit

Descriptions of Service Coverage

Preventative Maintenance

Preventative Maintenance (PM) visits will be scheduled by SSI at the mutual convenience of the buyer and SSI, or performed during any other service visit. PM visits, when provided under this Agreement, may include necessary cleaning, adjustments, verification, lubrication and parts replacement according to the PM checklist. Labor, travel expenses, and selected consumable parts will be included during the PM visit at no additional cost to the buyer.

Premium Preventative Maintenance

Premium Preventative Maintenance visits will be scheduled by SSI at the mutual convenience of the customer and SSI, or performed during any other service visit. This Premium PM will be performed by SSI according to established SSI procedures. Premium PM visits, when performed under this Agreement, will include necessary cleaning, adjustments, verification, lubrication and parts replacement. Labor, travel expenses and selected consumables parts* (list of parts available upon customer request) will be included during the Premium PM visit at no additional cost to the customer. A travel zone fee is added to the agreement to cover travel costs. Purchase of the Premium PM option does not excuse Customer from performing normal daily, weekly or monthly maintenance that may be required.

Extended Warranty

Extended Warranty coverage includes all labor and parts (excluding consumables) necessary to restore the products to operating specifications.

This coverage level is not available for MS products and the associated turbo and roughing pumps. The MS products require a coverage level which includes a Premium PM.

Extended Warranty Plus

A combination of one scheduled Premium PM visit and Extended Warranty Coverage. Premium Preventative Maintenance visits will be scheduled by SSI at the mutual convenience of the customer and SSI, or performed during any other service visit. Premium PM visits, when performed under this Agreement, will include necessary cleaning, adjustments, verification, lubrication and parts replacement. Labor, travel expenses and selected consumables parts* (list of parts available upon customer request) will be included during the Premium PM visit at no additional cost to the customer. The extended Warranty Includes all labor and parts (excluding consumables outside of PM) necessary to restore the products to operating specifications. A travel zone charge is added to the contract to cover travel costs. In the event of a covered product failure, SSI will use its best effort to provide on-demand service.

Premium Total Coverage

This level of agreement provides the customer with a level of coverage includes all labor and non-consumable parts, a Premium PM visit, and in addition provides for the replacement of consumable parts outside of a PM visit at no additional cost to the buyer. Use of this level of Service will be monitored by SSI and in the event that the buyer's use does not exceed two visits during the effective dates of the agreement, the buyer will be entitled to an agreed upon rebate at the end of the agreement term. This rebate must be applied to the purchase of future service agreements or other services offered by SSI.

Three Year Value Plan

Three Year Value Plan Service Agreement:

Following system installation, provides 3 consecutive years of FULL warranty coverage, Customer Care follow-up Year1, and Scheduled Premium Preventative Maintenance (PPM) on-site service during Year2 and Year3.

Sales Quotation - please reference the quotation when submitting purchase order.

Line Item Descriptions

Product # Description

Dual-line Analysis

220-91657-01 SCL-40 with Installation Kit

The SCL-40 system controller is the central communication and control module for the Nexera series. An advanced, color touchscreen allows system control and monitoring. A built-in reservoir tray for HPLC mobile phase bottles is included.

The SCL-40 system controller is the central communication and control module for the Nexera series. Advanced pressure-sensitive color touchscreen allows system control and monitoring. System components connect via fiber optic cables for easy configuration. Internal web server offers convenient control and monitoring of the HPLC system through a web browser. A network switch and built-in reservoir tray are included.

228-65019-58 DGU-405 5-channel Degasser

A 5-channel degassing unit for the Nexera Series (U)HPLC. Degassing reduces the occurrence of bubbles in the HPLC which can lead to poor chromatographic outcomes. This degasser provides efficient vacuum degassing for four pump lines plus the rinse line for the autosampler.

Inline membrane degasser utilizing PTFE AF® for rapid degassing of HPLC mobile phases. Convenient 5th channel for degassing the autosampler rinse phase for optimum injection reproducibility performance.

228-65202-58 CTO-40C Column Oven

Full-sized forced air column oven that provides temperature control from (ambient - 10 C) to 100 C. Can accommodate a manual injector, mixer, and 2 switching valves. For columns up to 300 mm length.

Linear temperature programming is possible; Optional Column Management Device and Mixer Recognition Device can be used with CTO-40C dual ports.

228-15617-41 Column Clamp, B5, 40C

Column clip for the CTO-40C. Can accommodate columns with an O.D of 6.5-9.5 mm.

Column clip for the CTO-40C. Can accommodate columns with an O.D of 6.5-9.5 mm.

228-15617-42 Column Clamp, B8, 40C

Column clip for the CTO-40C. Can accommodate columns with an O.D of 9.5-12.7 mm.

Column clip for the CTO-40C. Can accommodate columns with an O.D of 9.5-12.7 mm.

228-65623-58 FCV-14AHi

6-position 7-port inert flow control valve for pH 1-14. For use in CTO or Option Box.

Not for use with FCV-S or FCV-Box.

228-72589-41 FCV Attachment Kit (CTO-40C)

Attachment kit for the CTO-40C that allow the attachment of up to 2 valves in the oven.

Attachment kit for the CTO-40C that allow the attachment of up to 2 valves in the oven.

228-41302-41 Dual Kit Non-suppressed for CDD-10Avp

Dual Kit Non-suppressed for CDD-10Avp, anions and cations can be detected simultaneously.

Dual Kit Non-suppressed for CDD-10Avp, anions and cations can be detected simultaneously.

228-65512-57 Option Box S, Nexera Series

Cabinet for housing 2 flow control valves. Will hold FCV-11AL, 11AL(S), 11ALvp, 15AL, FCV-12AH, FCV-32AH, FCV-13AL, FCV-14AH, or FCV-36AH. Equipped with a leak sensor.

Does not include a subcontroller unit. Use 228-65512-58 for Option Box VP with subcontroller. Black case matches LC-40 components.

Anion IC System

228-65010-58 LC-20Ai Inert HPLC Pump

The LC-20Ai pump is a fully inert, biocompatible pump for use in applications which require a metal-free flow path. The LC-20Ai pump uses a tandem dual-piston design for accurate and reproducible flow rates up to 30 MPa (~4400 psi) and can be used in a HPGE configuration for gradient delivery and solvent blending.

Similar to the LC-20AT pump in design but with a metal free flow path. Not compatible with low pressure gradient formation (no LPGE), specify as binary pump system for gradient operation. 0.001-10 mL/min flow rate, 30 MPa pressure tolerance up to 5 mL/min (22 MPa at >5 mL/min).

Black color.

228-45568-42 Automatic Rinsing Kit, LC-20Ai

This kit is used for continuously automatically rinsing the rear section of the plunger seal on the LC-20Ai by using a rinse pump and rinse solution. Useful when using buffer solutions high in salt concentrations. Can also be used together with the automatic rinsing bottle kit, 228-61067-91.

228-65106-58 SIL-20AC HPLC Autosampler

High speed, temp controlled (4-40C), low carryover autosampler for analytical HPLC. Needle in the flow path design and advanced materials eliminate carryover. PEEK valve, 20 MPa pressure limit.

Standard rack holds 105 1.5 mL vials. Optional racks sample capacities: 175 1 mL; 70 2 mL; 50 4 mL, 2 MTP (STD 96, DW 96, or STD 384); Control Rack 10 2 mL vials; 0.1 to 100 µL inj vol. Black front panel.

228-65310-58 CDD-10Avp Conductivity Detector

The CDD-10Avp is a conductivity detector for analysis of organic acids and charged species such as cations and anions in water samples, amino acids, etc. Offers excellent sensitivity with a wide dynamic range for both low and high level concentrations. Requires CTO-40S or CTO-40C for flow cell temperature control.

Flow cell must be mounted in the CTO-40 column oven to maintain temperature stability. A low-pulsation pump (LC-40D or LC-20AT with pulse dampening) is required.

228-74020-41 ICDS-40A Starter Kit

Modification kit for the CDD-10Avp to outfit it with a ICDS-40 electrolytic suppressor. Requires installation by a Shimadzu Service Engineer.

Modification kit for the CDD-10Avp to outfit it with a ICDS-40 electrolytic suppressor. Requires installation by a Shimadzu Service Engineer. Includes suppressor, suppressor power supply, and suppressor piping kit.

228-37616-92 Sample rack for 4 mL vials, SIL-20A/AC, SIL-30AC

Capacity of 50 4mL vials.

Insulated metal rack for SIL-20A/AC.

228-65312-58 SPD-40 UV Detector

The SPD-40 UV detector is a dual wavelength UV-Vis detector with a wavelength range of 190-700 nm. The standard temperature controlled flow cell coupled with noise reduction and optical processing technologies result in extremely low noise and a greatly extended linear range.

Includes temperature controlled flow cell (ambient + 5 C) to 50 C; 10 mm path length standard cell; linear to 2.5 AU. Optional flow cells UHPLC, semi-micro, inert, and preparative applications are available.

220-91413-04 1L HDPE Bottle Set with 3-Hole Caps (6/pk)

Set of 6 1L HDPE bottles recommended for Ion Chromatography analysis. Includes 3-hole caps for connection to the LC system, with a filter plug and solid plug to vent the bottle and prevent dust and debris from contaminating the mobile phase. Polypropylene caps are also included for solvent storage when not in use.

220-91428-00 PEEK Tubing Kit For HPLC Installs

This kit includes Blue (0.010" i.d.) and Red (0.005" i.d.) PEEK tubing (two 5 ft rolls of each color) and 2 lengths of one-piece fingertight fittings for HPLC installation convenience. Also included are a PEEK tubing cutter, 2 PEEK unions, PEEK column plugs, and spare nuts and ferrules for the DGU-20A3 or A5 degassers.

This kit includes Blue (0.010" i.d.) and Red (0.005" i.d.) PEEK tubing (two 5 ft rolls of each color) and 2 lengths of one-piece fingertight fittings for HPLC installation convenience. Also included are a PEEK tubing cutter, 2 PEEK unions, PEEK column plugs, and spare nuts and ferrules for the DGU-20A3 or A5 degassers.

220-91440-00 2 Gallon Waste Can, Polypropylene Fittings

Sturdy polyethylene waste can with a solvent vapor filter and tubing manifold to accept waste from 1 autosampler and 1 detector. Additional fittings to allow multiple systems to feed one waste can are sold separately. For reversed-phase solvents only. Use 220-91442-00 (2 gal) or 220-91443-00 (5 gal) for normal phase solvents.

Tubing manifold and vapor filter attach to the can with a polypropylene quick-disconnect fitting for ease of emptying and vapor filter replacement. Because polypropylene swells when exposed to THF, chloroform, hexane, heptane, etc. this can is not recommended for normal phase solvents.

220-91524-15 Column, LC, Shodex IC SI-90 4E, Column, Anion suppressed, 9µm, 4.0 x 250mm

Shodex IC SI-90 4E Anion column for suppressed IC. 9µm, 4 x 250mm. Guard column SI-90G 220-91524-05 and coupler 220-91524-99 are recommended.

220-91524-05 Column, LC, Shodex IC SI-90G, Guard Column, Anion suppressed, 9µm, 4.6 x 10mm

Anion analysis guard column for suppressed IC, 4.6 x 10mm. Use with SI-90 4E Anion analytical column 220-91524-15. Requires PEEK coupler 220-91524-99.

Shodex SI-90G

220-91524-06 Column, LC, Shodex IC YS-50 Cation 5 micron, 4.6 x 125mm

The IC YS-50 column has a carboxyl functional group on silica base material, used for non-suppressed cation separations. It is especially effective for simultaneous analysis of mono- and divalent cations, for alkyl amines and for good separation of sodium

Product Base Material: Polyvinyl Alcohol

Product Functional group: Carboxyl

Product In-column solvent: H₂O

Product Max. Pressure (MPa): 15

Product Max. Usable Flow Rate (mL/min): 2.0

Product Particle size, µm: 5

Product Plate number (TP/Column): >5,500

Product Scope of application: Simultaneous separation of monovalent and divalent cations

Product Size (I.D. x Length, mm): 4.6 x 125

Product Temperature Range (°C): 20 - 60

Product Type: Cation

220-91524-07 Column, LC, Shodex IC YS-G Cation Guard 5 micron, 4.6 x 10mm

Shodex IC YS-G Guard column for Shodex IC YS-50 cation analysis column

Shodex IC YS-G Guard column for Shodex IC YS-50 cation analysis column

228-31537-91 Vials, LC, 4mL Plastic, 100/pk.

Polypropylene, 15 x 48 mm. For SIL-10ADvp Racks 3 and 13, and for LC-2010, SIL-HT, and SIL-20 rack for 4.0 mL vials. 100 pcs./set

4mL Polypropylene vial set. Quantity 100 w/caps and silicone septa.

220-97330-80 Syringes, Syrfi Disposable Syringes, Plastic, Luer-lock, 3 mL, 100/pk

3mL syringe with polyethylene barrel and polypropylene plunger. The Luer lock outlet is compatible with any Syrfi syringe filter and provides a secure fit when filtering viscous or high particulate samples.

220-97330-75 Syringe Filters, Syrfi Syringe Filters, 25MM 0.45UM POLYETHERSULFONE, 100/pk

The polyether sulfone (PES) membrane is the best choice for ion chromatography (IC) applications, due to certification by ICP for low-level interferences.

Filter inlet can be connected to either a Luer slip or lock syringe. Filter outlet can accommodate a Luer slip needle or other connector. Polypropylene housing, 25mm diameter, 0.45µm membrane, 100/pk. Not compatible with aqueous protein based samples, concentrated acids, dichloromethane, chloroform, hexane, acetone, MEK. Polypropylene sample vials are recommended for IC applications.

220-95315-05 HPLC Virtual Advisor USB for Prominence and Nexera Systems

HPLC Virtual Advisor for Prominence, Nexera and i-Series Systems. Stock card with information about Virtual Advisor and links to the websites for current advisors.

HPLC Virtual Advisor for Prominence, Nexera and i-Series Systems. Stock card with information about Virtual Advisor and links to the websites for current advisors.

There is also a coupon for 10% off in the Webstore.

220-91545-01 Solvents, LC, Honeywell B&J LCMS Grade Solvent Kit for Installations

Honeywell B&J brand LCMS grade solvents. Packaged as a case of four 1L bottles. Case contains the following solvents:

1L of Acetonitrile
 1L of Methanol
 1L of Water
 1L of 2-propanol

Please note that overnight shipping is not possible for this item due to hazmat restrictions

Honeywell B&J brand LCMS grade solvents. Packaged as a case of four 1L bottles. Case contains the following solvents:

1L of Acetonitrile
 1L of Methanol
 1L of Water
 1L of 2-propanol

Size: 1L bottles

****Please note that overnight shipping is not possible for this item due to hazmat restrictions****

TIER 2 I&F

Tier 2 Installation and Customer Familiarization

Tier 2 Installation and Customer Familiarization.

Tier 2 Installation and Customer Familiarization.

1YW

1 YEAR WARRANTY

1 YEAR WARRANTY

1 YEAR WARRANTY

228-65011-58

Reservoir Changer Valve Kit

2-Position reservoir switching valve that is installed in the LC-30AD or LC-20Ai pumps. Black color.

228-74090-41

Option plate for ICDS-40A

228-68372-41

Waste tube cover for ICDS-40A

228-70247-43

Nexera Series Wiring Kit, C

Includes three 600 mm FO cables, one 800 mm FO cable, and a wiring cover.

Includes three 600 mm FO cables, one 800 mm FO cable, and a wiring cover.

Computer & Software

223-62700-51

LabSolutions LCGC Single LC License

Shimadzu LabSolutions® Workstation Software provides system control, data acquisition and reporting for Shimadzu HPLC and GC systems.

LabSolutions Workstation provides user-friendly workstation software for HPLC and GC instruments. LabSolutions has built in system security and system management functions. Data can be saved, in a proprietary format, to a computers local hard drive or to network location.

LabSolutions Workstation supports digital data acquisition of data through RS-232, USB, or Ethernet connection to Shimadzu and third party instruments. Analog signal acquisition can also be performed when an optional A/D board is used.

This part number provides a license to control a single Shimadzu LC using LabSolutions Workstation. It does not include any PDA or GC licenses

Each LabSolutions Workstation and LabSolutions Database computer can accommodate a combined maximum of 4 HPLC and GC instruments. Additional licenses can be added at a later date if needed.

Adding an instrument may also require purchasing additional RS-232C or Ethernet Cables for the connection.

223-19335-51

LabSolutions LCGC WorkStation, Installation Disc

Shimadzu LabSolutions® Workstation Software provides system control, data acquisition and reporting for Shimadzu HPLC and GC systems.

LabSolutions Workstation provides user-friendly workstation software for HPLC and GC instruments. LabSolutions has built in system security and system management functions. Data can be saved, in a proprietary format, to a computers local hard drive or to network location.

LabSolutions Workstation supports digital data acquisition of data through RS-232, USB, or Ethernet connection to Shimadzu and third party instruments. Analog signal acquisition can also be performed when an optional A/D board is used.

This item includes an installation disc for the current version of LabSolutions Workstation software.

It does not include any LabSolutions licenses. Any licenses must be purchased separately.

Optional Item Descriptions

Product # Description

Anion IC System

220-91524-26 Column, LC, Shodex IC SI-35 2B, Rapid analysis, Suppressed, 3.5um, 2.0 x 50mm

Column, LC, Shodex IC SI-35 2B, Rapid analysis, Suppressed, 3.5um, 2.0 x 50mm. Column designed for the rapid analysis of general inorganic ions with a suppressor. Functional Group = Quaternary Ammonium. Column is shipped in 1.0mM Na₂CO₃ + 2.0mM NaHCO₃ Aq. Base material is Polyvinyl Alcohol with a housing made of peek.

Column, LC, Shodex IC SI-35 2B, Rapid analysis, Suppressed, 3.5um, 2.0 x 50mm. Column designed for the rapid analysis of general inorganic ions with a suppressor. Functional Group = Quaternary Ammonium. Column is shipped in 1.0mM Na₂CO₃ + 2.0mM NaHCO₃ Aq. Base material is Polyvinyl Alcohol with a housing made of peek.

220-91524-27 Column, LC, Shodex IC SI-2GF, Guard filter and holder for SI-35 2B

Column, LC, Shodex IC SI-2GF, Guard filter and holder for SI-35 2B. Contents include one holder and one filter. Filter is designed to remove insoluble components in the sample. For more filters please reorder PN: 220-91524-28.

Column, LC, Shodex IC SI-2GF, Guard filter and holder for SI-35 2B. Contents include one holder and one filter. Filter is designed to remove insoluble components in the sample. For more filters please reorder PN: 220-91524-28.

Computer & Software

220-97317-85 Standard PC, 16 GB RAM, 1 TB SSD, MS Office

Dell computer suitable for most Shimadzu software packages. It is a small form factor computer (approximately 11.5"x11.5"x3.5") and includes an 11th gen Intel Xeon processor, 16Gb of RAM, a 1 TB SSD, a DVD+ R/W drive, 2 ethernet ports, Windows 10 Pro, and Microsoft Office Home & Business.

Model: Dell Precision 3450

Design: Small form factor tower

Dimensions: 11.53 x 11.42 x 3.65"

Operating System (OS): Windows 10 Pro

RAM: 16 GB

Hard Drive: Single 1 TB SSD

Processor: 11th gen Xeon

Ports:

- Ethernet (2)
- DisplayPort (2)
- RS-232 (1)
- USB A (9)
- USB C (1)

Additional devices: DVD+ R/W, Dell Wired Keyboard, Dell Optical Mouse

Additional software: Microsoft Office Home & Business

Warranty: 3-year on-site repair

220-97321-10 Dell 24" Widescreen Flat Panel

24" Widescreen LCD display, resolution to 1920 x 1080, contrast ratio (typical): 1000:1. Brightness (typical): 250 cd/m², 0.277 mm pixel pitch.

Limited warranty: Three years Advanced Portable Exchange through Dell.

- Resolution: 1920 x 1080
- Panel Type: In-Plane Switching Technology
- DisplayPort
- Limited warranty: Three years Advanced Portable Exchange through Dell
- Dell PN: P2411H

220-93021-00 CONVERTER, RS-232 TO USB

RS-232 to USB converter.



KENTUCKY STATE UNIVERSITY BOARD OF REGENTS

ACTION ITEM 5J

ACTION ITEM

Approval of FY 2024 Tuition and Fee Schedule.

FACTS

During the April 12, 2023 Board of Regents meeting, the Board approved a three percent (3%) increase in tuition and fees for FY 2024. The attached fee schedule represents the tuition and fees for the upcoming fiscal year.

This percentage increase adheres to the maximum limit set by the Council for Postsecondary Education for resident undergraduate tuition and mandatory fees, ensuring that the base rates do not exceed a 3.0 percent annual increase, as set for public research and comprehensive universities.

A year-over-year worksheet is provided to differentiate changes between fiscal years 2024 and 2023.

BUDGETARY IMPLICATION

Per the FY 2024 recommended budget, this increase will generate \$14.5 million in tuition and fees revenue from an updated projected 1250 headcount enrollment target.

RECOMMENDATION

Acting President Dr. Michael Dailey recommends that the Board of Regents approve the FY 2024 tuition and fee schedule.

MOTION

Approve the FY 2024 tuition and fee schedule.

2023-2024

Tuition and Fee Schedule (Per Semester)

Full-Time Classification Fee Schedule

Resident (In-State Students)

Credit Hours	Tuition
12 to 18	\$ 4,044.00
19	\$ 4,381.00
20	\$ 4,718.00
21	\$ 5,055.00

Non-Resident (Out-of-State Students)

Credit Hours	Tuition
12 to 18	\$ 6,067.00
19	\$ 6,572.00
20	\$ 7,077.00
21	\$ 7,582.00

****Flat-Fee tuition rate applies to Undergraduate ONLY**

Undergrad	Per Credit Hour
Resident	\$ 337.00
Non-Res	\$ 505.00

Online ^{<1>}	Per Credit Hour
Undergrad	\$ 420.00
Graduate	\$ 583.00

Graduate	Per Credit Hour
Resident	\$ 583.00
Non-Resident	\$ 583.00

High School	Per Credit Hour
Dual Enroll High School ^{<2>}	\$ 80.00

****Maymester, Summer, and Wintermester courses will be billed PER CREDIT HOUR.**

Residence Halls

Dormitory	Single	Double	Triple	Quad	Suite
Chandler	\$ 2,553.00	\$ 2,250.00	n/a	n/a	\$ 3,250.00
Kentucky	\$ 2,553.00	\$ 2,250.00	\$ 2,000.00	n/a	\$ 3,250.00
The Halls	\$ 2,553.00	\$ 2,250.00	n/a	n/a	\$ 3,250.00
Combs	n/a	\$ 2,250.00	n/a	n/a	n/a
McCullin	\$ 4,000.00	\$ 3,250.00	n/a	n/a	\$ 3,250.00
Young	n/a	n/a	n/a	n/a	\$ 3,250.00
*New Dorm	\$ 4,800.00	\$ 4,400.00	n/a	\$ 4,000.00	n/a
*Hotel	n/a	n/a			

Meal Plans

Commuter Meals	
Plan 275	\$250.00
On-Campus:	
12 weekly meals w/ \$500	\$ 1,843.00

Associated Fees:

Laundry Fee	\$ 60.00
Housing Reservation Fee ^{<5>}	\$ 250.00

Associated Fee:

ID Card Replacement	\$ 25.00
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Academic Services Building - 3rd Floor

Registrar 502-597-6234

Housing 502-597-5951

Bursar 502-597-6278

Cashier 502-597-6250

Financial Aid 502-597-5960

Mandatory Fees

Activity Fee	\$ 175.00	Safety & Security Fee-Per Semester-Res/Non	\$ 52.00
Asset Preservation Fee*-Res/Non - Per Semester	\$ 150.00	Safety & Security Fee-PerCreditHour(pt-time)	\$ 10.00
Asset Preservation Fee*-PerCreditHour(part-time)	\$ 10.00	Technology Fee-Per Semester-Res/Non	\$ 156.00
Homecoming Fee (Fall Semester)	\$ 60.00	Technology Fee-Per Course (part-time)	\$ 30.00

ALL FEES ARE SUBJECT TO CHANGE WITHOUT NOTICE

Tuition and/or fees are subject to approval by the Kentucky Council on Postsecondary Education

Other Participatory Fees**Application Fees:**

International: \$ 100.00

Graduation Fees^{<3>}:

Undergraduate: \$ 100.00

Graduate : \$ 150.00

Miscellaneous Fees^{<4>}:

Late Registration \$ 200.00

Orientation Fee \$ 250.00

Vehicle Registration(student, faculty/staff) \$ 100.00

Miscellaneous Fees, cont'd:

Payment Plan \$ 50.00

Returned Check Fee \$ 50.00

Thesis Fee \$ 40.00

Transcript Fee \$ 10.00

Diploma Replacement (Undergraduate) \$ 20.00

Diploma Replacement Cover (Undergrad) \$ 30.00

Diploma Replacement (Graduate) \$ 30.00

Diploma Replacement Cover (Graduate) \$ 50.00

Nursing Student Liability \$ 25.00

Nursing Student Drug Screening \$ 50.00

Course Material Fee-Undergrad & Grad^{<5>} \$ 37.00

Course Fees**Biology**

BIO 101 107 108 111 204 210 212 301 302 303
304 305 307 309 309 315 316 317 318 408
410 411 412 413 417 427 460 \$ 50.00

Aquaculture

AQU 410 412 428 510 512 \$ 50.00

Chemistry

CHE 109 110 120 209 303 310 320 350 414 425 \$ 55.00

Applied Information Technology

CIT 110 111 112 120 136 137 200 220 255 310
355 360 450 451 \$ 40.00

Computer Science

COS 100 101 108 109 180 200 230 232 242 250
300 301 340 350 410 420 481 482 483 484
485 502 504 511 512 513 514 515 517 518
520 533 581 582 583 584 585 585 586 587
588 589 \$ 30.00

Nursing

NUR 105 114 204 214 \$ 350.00

Physical Science

PHS 201 202 \$ 40.00

Physics

PHY 111 112 207 208 211 212 390 \$ 40.00

Social Work

SOW 201 \$ 100.00

Art

ART 101 110 112 113 211 305 306 310

319 330 405 419 430 431 432 \$ 50.00

ART 130 360 \$ 25.00

ART 220 240 315 317 340 415 417 420

433 434 435 436 437 438 439 440

441 442 443 444 \$ 70.00

ART 307 312 322 407 412 451 452 453

454 \$ 100.00

Music

MUS 112 114 212 214

Music Theory I, II, III, IV \$ 50.00

Half Hour Private Lesson \$ 70.00

One Hour Private Lesson \$ 100.00

Test Fees

ACT Test Fee National \$ 34.00

ACT Test Fee Residual \$ 34.00

Correspondence Exams \$ 25.00

MAT (Miller Analogies Test) \$ 77.00

NLN/ACE \$ 70.00

NCLEX Review \$ 350.00

SAT 1 Test (Reasoning) \$ 49.00

SAT 2 Test - Subject (each) \$ 22.00

SAT 2 Test (Listening) \$ 22.00

TOEFL Test \$ 125.00

Testing Transcript (per copy) \$ 5.00

ALL FEES ARE SUBJECT TO CHANGE WITHOUT NOTICE

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Fiscal Year 2023 - 2024				Fiscal Year 2022 - 2023				Year-Over-Year	
	Fall	Spring	FY 23-24 Total		Fall	Spring	FY 22-23 Total	Dollar (\$)	Percent (%)
<u>Tuition</u>				<u>Tuition</u>					
Undergraduate			24-36 credit hours	Undergraduate			24-36 credit hours		
Resident	\$4,044.00	\$4,044.00	\$8,088.00	Resident	\$3,927.00	\$3,927.00	\$7,854.00	\$234.00	2.98%
Non-resident	\$6,067.00	\$6,067.00	\$12,134.00	Non-resident	\$5,891.00	\$5,891.00	\$11,782.00	\$352.00	2.99%
Graduate (pch)			18-credit hours	Graduate (pch)			18-credit hours		
Resident	\$583.00	\$583.00	\$10,494.00	Resident	\$428.00	\$428.00	\$7,704.00	\$2,790.00	36.21%
Non-resident	\$583.00	\$583.00	\$10,494.00	Non-resident	\$643.00	\$643.00	\$11,574.00	-\$1,080.00	-9.33%
			3-credit hours				3-credit hours		
Dual Credit (pch)	\$80.00	\$80.00	\$240.00	Dual Credit (pch)	\$72.00	\$72.00	\$216.00	\$24.00	11.11%
				Math 115 & 115A (pch)	\$20.00	\$20.00	\$60.00	\$180.00	300.00%
				English 101 (pch, 4-crh)	\$20.00	\$20.00	\$80.00	\$160.00	200.00%
Online Courses (pch)			30-credit hours	Online Courses (pch)			30-credit hours		
Undergraduate	\$420.00	\$420.00	\$12,600.00	Undergraduate	\$408.00	\$408.00	\$12,240.00	\$360.00	2.94%
			18-credit hours				18-credit hours		
Graduate	\$583.00	\$583.00	\$10,494.00	Graduate	\$510.00	\$510.00	\$9,180.00	\$1,314.00	14.31%
<u>Mandatory Fees</u>				<u>Mandatory Fees</u>				<u>Year-Over-Year</u>	
Full-time Students	Fall	Spring	FY 23-24 Total	Full-time Students	Fall	Spring	FY 22-23 Total	Dollar (\$)	Percent (%)
Activity Fee	\$175.00	\$175.00	\$350.00	Activity Fee	\$170.00	\$170.00	\$340.00	\$10.00	2.94%
Asset Preservation Fee	\$150.00	\$150.00	\$300.00	Asset Preservation Fee	\$150.00	\$150.00	\$300.00	\$0.00	0.00%
Safety & Security Fee	\$52.00	\$52.00	\$104.00	Safety & Security Fee	\$50.00	\$50.00	\$100.00	\$4.00	4.00%
Technology Fee	\$156.00	\$156.00	\$312.00	Technology Fee	\$155.00	\$155.00	\$310.00	\$2.00	0.65%
Homecoming Fee (Fall Semester Only)	\$60.00	\$0.00	\$60.00	Homecoming Fee (Fall Semester Only)	\$50.00	\$0.00	\$50.00	\$10.00	20.00%
Total	\$593.00	\$533.00	\$1,126.00	Total	\$575.00	\$525.00	\$1,100.00	\$26.00	2.36%
Part-time Students	Fees are applied per credit hour			Part-time Students	Fees are applied per credit hour				
Asset Preservation Fee	\$10.00	\$10.00		Asset Preservation Fee	\$10.00	\$10.00			
Safety & Security Fee	\$10.00	\$10.00		Safety & Security Fee	\$10.00	\$10.00			
Technology Fee	\$30.00	\$30.00		Technology Fee	\$30.00	\$30.00			

<u>Participatory Fees</u>				<u>Participatory Fees</u>				<u>Year-Over-Year</u>	
	Fall	Spring	FY 23-24 Total		Fall	Spring	FY 22-23 Total	Dollar (\$)	Percent (%)
Course Material Fee (pch)			30-credit hours	Course Material Fee (pch)			30-credit hours		
Undergraduate	\$37.00	\$37.00	\$1,110.00	Undergraduate	\$27.00	\$27.00	\$810.00	\$300.00	37.04%
			18-credit hours				18-credit hours		
Graduate	\$37.00	\$37.00	\$666.00	Graduate	\$27.00	\$27.00	\$486.00	\$180.00	37.04%
Payment Plan	\$50.00	\$50.00		Payment Plan	\$50.00	\$50.00			
Late Registration Fee	\$200.00	\$200.00		Late Registration Fee	\$100.00	\$100.00		\$100.00	100.00%
New Student Orientation Fee	\$250.00	\$0.00		New Student Orientation Fee	\$200.00	\$200.00		\$50.00	25.00%
Vehicle Registration	\$100.00	\$0.00		Vehicle Registration	\$100.00	\$0.00			
Nursing Student Liability	\$25.00	\$25.00		Nursing Student Liability	\$25.00	\$25.00			
Nursing Student Drug Screening	\$50.00	\$50.00		Nursing Student Drug Screening	\$50.00	\$50.00			

<u>Meal Plans</u>	Fall	Spring	FY 23-24 Total
Plan 275 (Commuter)	\$250.00	\$250.00	\$500.00
12 weekly meals w/\$500	\$1,843.00	\$1,843.00	\$3,686.00
<u>Residence Halls</u>	Fall	Spring	FY 23-24 Total
<u>Associated Fees</u>			
Laundry Fee	\$60.00	\$60.00	\$120.00
Housing Reservation Fee	\$250.00	\$0.00	\$250.00
<u>Chandler Hall (114 Beds)</u>	Female Only		
Single	\$2,553.00	\$2,553.00	\$5,106.00
Double	\$2,250.00	\$2,250.00	\$4,500.00
Suite	\$3,250.00	\$3,250.00	\$6,500.00
	Fall	Spring	FY 23-24 Total
<u>Kentucky Hall (125 Beds)</u>	Female Only		
Single	\$2,553.00	\$2,553.00	\$5,106.00
Double	\$2,250.00	\$2,250.00	\$4,500.00
Triple	\$2,000.00	\$2,000.00	\$4,000.00
Suite	\$3,250.00	\$3,250.00	\$6,500.00
	Fall	Spring	FY 23-24 Total
<u>The Halls (322 Beds)</u>	107 female and 215 male beds		
Single	\$2,553.00	\$2,553.00	\$5,106.00
Double	\$2,250.00	\$2,250.00	\$4,500.00
Suite			
	Fall	Spring	FY 23-24 Total
<u>Combs Hall (106 Beds)</u>	22 female and 84 male beds		
Double	\$2,250.00	\$2,250.00	\$4,500.00

<u>Meal Plans</u>	Fall	Spring	FY 22-23 Total
Plan A 355 (Commuter)	\$355.00	\$355.00	\$710.00
Plan B 490 (Commuter)	\$490.00	\$490.00	\$980.00
Plan C 620 (Commuter)	\$620.00	\$620.00	\$1,240.00
14 weekly meals w/\$500	\$1,843.00	\$1,843.00	\$3,686.00
9 Weekly meals w/\$650	\$1,843.00	\$1,843.00	\$3,686.00
<u>Residence Halls</u>	Fall	Spring	FY 22-23 Total
<u>Associated Fees</u>			
Laundry Fee	\$50.00	\$50.00	\$100.00
Housing Reservation Fee	\$150.00	\$0.00	\$150.00
<u>Chandler Hall (114 Beds)</u>	Female Only		
Single	\$2,553.00	\$2,553.00	\$5,106.00
Double	\$1,837.00	\$1,837.00	\$3,674.00
Suite	\$2,756.00	\$2,756.00	\$5,512.00
	Fall	Spring	FY 22-23 Total
<u>Kentucky Hall (125 Beds)</u>	Female Only		
Single	\$2,553.00	\$2,553.00	\$5,106.00
Double	\$1,837.00	\$1,837.00	\$3,674.00
Triple	\$1,782.00	\$1,782.00	\$3,564.00
Suite	\$2,756.00	\$2,756.00	\$5,512.00
	Fall	Spring	FY 22-23 Total
<u>The Halls (322 Beds)</u>	107 female and 215 male beds		
Single	\$2,553.00	\$2,553.00	\$5,106.00
Double	\$1,837.00	\$1,837.00	\$3,674.00
Suite			
	Fall	Spring	FY 22-23 Total
<u>Combs Hall (106 Beds)</u>	22 female and 84 male beds		
Double	\$1,837.00	\$1,837.00	\$3,674.00

<u>Year-Over-Year</u>	
Dollar (\$)	Percent (%)
-\$210.00	-29.58%
\$0.00	0.00%
<u>Year-Over-Year</u>	
Dollar (\$)	Percent (%)
\$20.00	20.00%
\$100.00	66.67%
\$0.00	0.00%
\$826.00	22.48%
\$988.00	17.92%
<u>Year-Over-Year</u>	
Dollar (\$)	Percent (%)
\$0.00	0.00%
\$826.00	22.48%
\$436.00	12.23%
\$988.00	17.92%
<u>Year-Over-Year</u>	
Dollar (\$)	Percent (%)
\$0.00	0.00%
\$826.00	22.48%
<u>Year-Over-Year</u>	
Dollar (\$)	Percent (%)
\$826.00	22.48%

	Fall	Spring	FY 23-24 Total			Fall	Spring	FY 22-23 Total		Year-Over-Year	
McCullin Hall (97 Beds)	36 female and 61 male beds				McCullin Hall (97 Beds)	36 female and 61 male beds				Dollar (\$)	Percent (%)
Single	\$4,000.00	\$4,000.00	\$8,000.00		Single	\$2,553.00	\$2,553.00	\$5,106.00		\$2,894.00	56.68%
Double	\$3,250.00	\$3,250.00	\$6,500.00		Double						
Suite	\$3,250.00	\$3,250.00	\$6,500.00		Suite	\$2,756.00	\$2,756.00	\$5,512.00		\$988.00	17.92%
	Fall	Spring	FY 23-24 Total			Fall	Spring	FY 22-23 Total		Year-Over-Year	
Young Hall (150 Beds)	116 female and 34 male beds				Young Hall (150 Beds)	116 female and 34 male beds				Dollar (\$)	Percent (%)
Suite	\$3,250.00	\$3,250.00	\$6,500.00		Suite	\$2,756.00	\$2,756.00	\$5,512.00		\$988.00	17.92%
	Fall	Spring	FY 23-24 Total			Fall	Spring	FY 22-23 Total		Year-Over-Year	
The New Hall (408 Beds)	235 female and 173 male beds				The New Hall (408 Beds)	235 female and 173 male beds				Dollar (\$)	Percent (%)
Single	\$4,800.00	\$4,800.00	\$9,600.00		Single						
Double	\$4,400.00	\$4,400.00	\$8,800.00		Double						
Quad	\$4,000.00	\$4,000.00	\$8,000.00		Quad	\$4,000.00	\$4,000.00	\$8,000.00		\$0.00	0.00%



KENTUCKY STATE UNIVERSITY BOARD OF REGENTS

ACTION ITEM 5K

ACTION ITEM

Approval to Restructure the Divisions of Academic Affairs and the Division of Student Engagement and Campus Life to the Division of Academic and Student Affairs.

FACTS

Academic Affairs

The proposed new organizational structure for the Division of Academic Affairs recommends the following:

- 1) The merger of the School of AFE with STEM to create the School of Agriculture, Communities, Environment, and the Sciences;
- 2) The conversion of the School of Aquaculture and Aquatic Science into the Center of Aquaculture and Aquatic Science (CPE identified this as a Center of Distinction);
- 3) The merger of the Division of Literature, Languages and Philosophy with the School of Humanities and Performing Arts and Library Sciences to create the School of Arts, Communications, and the Humanities;
- 4) The merger of the School of Behavioral and Social Sciences with the School of Criminal Justice and Political Science to create the School of Criminal Justice, Behavioral, Political and Social Sciences;
- 5) The merger of the School of Business with the School of Public Administration to create the School of Business, Public and Health Administration; and
- 6) The addition of the Liberal Arts and Honors Collegium to the School of Social Work, which would subsequently be renamed as the Whitney M. Young, Jr. School of Social Work, Liberal Arts, and the Honors Collegium.

As a result of the restructuring, the Division of Academic and Student Affairs now has two deans and seven chairpersons versus the three deans and twelve chairpersons found in last fiscal year's structure. In addition to the merged schools, the low-performing and very few majors found in the Chemistry and Mathematics degree-granting programs will be sunset and restructured into the Department of Biological and Physical Sciences and Department of Mathematics and Computer Sciences, respectively. The chemistry and mathematics programs will require teach-out plans.

Student Affairs

The co-curricular aspects of student life at institutions of higher education play a critical role in improving the traditional markers of student success (retention, progression, and graduation). During the COVID-19 pandemic, the role of student affairs was even more pronounced (e.g., mental health services, testing/quarantine, virtual engagement, etc.), which led to some reversals in the pre-pandemic trend of the decreased importance of comprehensive student affairs units (Ching & Agbayani, 2019). Student engagement at historically Black institutions is central to what it means to have a "HBCU experience," especially in a politically vulnerable climate which has led to increased interest and enrollment in the safe, affirming spaces provided by HBCUs.

Doing more with less is essential to KSU's ability to survive and thrive as Kentucky's sole public HBCU. In an effort to create



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cost efficiencies and reductions, the Division of Student Engagement must streamline to maximize productivity with minimal pressure on the fiscal landscape while aligning with the current student needs of the institution. The current structure of the division has a vice president and three assistant vice presidents (student success, enrollment management, and dean of students), which is financially cumbersome for an institution with approximately 1500-2000 students residing on campus. The organizational chart below eliminates the Vice President for Student Engagement and AVPs. To increase collaboration and alignment with Academic Affairs, a new Vice Provost of Student Experience will serve under the direction of the University Provost/Vice President for Academic and Student Affairs.

The unit will be aligned under three functional areas:

- Student Success Center will offer academic support, transition and retention services, and advising. The Student Success Center will encompass First-Year Experience, tutoring, readiness and assessment, services for special populations, and career and academic advising.
- Enrollment Management will have oversight of admissions, registrar, dual credit, and Financial Aid/Bursar (dotted line, as FA directly reports to the Chief Financial Officer). This area will encompass the BREDS office, New Student Orientation and Move-In, and all pre-college/pipeline programs.
- Student Wellness and Safety will lead student conduct, student activities, counseling center services, housing and resident experience, student health, and disability services.

Ultimately, this realignment reduces duplication of efforts and tailors the unit to the specific demands of a small, public HBCU. The new plan is designed to employ generalists to move students in, through, and out of the institution successfully. The restructuring reduces the administrative-heaviness of the unit in the most cost-effective way, while simultaneously allowing for seamless transitions in the student lifecycle. Additionally, the movement will increase communication within and between units eliminating the silos that sometimes exist within student affairs units, which leads to increased accountability, efficiency, and transparency.

BUDGETARY IMPLICATION

The restructuring will lessen the Division's budgetary impact on the University, which will result in cost savings.

RECOMMENDATION

Acting President Dr. Michael Dailey recommends that the Board of Regents approve the restructuring of the Divisions of Academic Affairs and Student Engagement and Campus Life to the Division of Academic and Student Affairs.

MOTION

Approve the restructuring of the Divisions of Academic Affairs and Student Engagement and Campus Life to the Division of Academic and Student Affairs.

Student Engagement*

Vice Provost of Student
Experience

Administrative Assistant,
Student Experience

Student Success

Director, Student
Success

Associate Director,
Work-Based Learning
and Employer
Relations

Academic/Career
Advisors (3)

Coordinator, Academic
Support and Transition
Services

Grant Programs

Director, TRiO
Programs

Program Manager,
Student Support
Services

Program Manager,
Upward Bound

Program
Coordinators (2)

Enrollment Management

Director, Admissions

Coordinator, Recruitment
(2)

Admissions Counselor

Director, Financial
Aid/Scholarships

Counselors, Financial Aid
(2)

University Registrar

Registrar, Coordinator (2)

Student Wellness and Safety

Director, Student Wellness and Safety

Student Conduct
Officer

Coordinator,
Student Health
and Disability
Services

Mental Health
Counselors (3)

Associate Director,
Student Activities

Coordinator,
Student Activities

Associate Director,
Housing

Housing Operations
Officer

Hall Directors and
Resident Assistants

Student Success

Director, Student Success
Associate Director
Academic/Career Advisor
Academic/Career Advisor
Academic/Career Advisor
Coordinator, Academic Support and Transition

Grant Programs

Director, TRiO programs
Program Manager, SSS
Program Manager, UB
Program Coordinator, SSS
Program Coordinator, UB
Administrative Assistant, UB
Administrative Assistant, SSS

Enrollment Management

Admissions Director
Recruitment Coordinator
Recruitment Coordinator
Admissions Counselor
Director, Financial Aid/Scholarships
Financial Aid Counselor
Financial Aid Counselor
University Registrar
Coordinator, Registrar
Coordinator, Registrar

Student Wellness and Safety

Director, Student Wellness and Safety
Student Conduct Officer
Coordinator, Student Health and Disability
Mental Health Counselor
Mental Health Counselor
Mental Health Counselor
Associate Director, Student Activities
Coordinator, Student Activities
Associate Director, Housing
Housing Operations

Recommended Salary Ranges:

<i>Directors</i>	<i>\$70-85,000</i>
<i>Associate Directors</i>	<i>\$60-65,000</i>
<i>Therapists and Advisors</i>	<i>\$50-55,000</i>
<i>Coordinators</i>	<i>\$42-48,000</i>

**Maintains competitiveness with higher education institutions in Kentucky, as most increased salaries to align with the 2016 proposed DOL annual salary requirement.*