TO: Faculty Senate  
FROM: Sherry Robinson  
DATE: October 29, 2015  
SUBJECT: Board of Regent Policy Actions

At the October 19, 2015, Board of Regents meeting, the Board approved the following policies:

- Policy 1.5.1, Financial Exigency
- Policy 4.6.16, Dismissal of Faculty
- Policy 4.6.17, Annual Review of Tenured Faculty
- Policy 4.8.1, Annual Evaluation of Academic Administrators
- Policy 8.2.6, Faculty and Staff Tuition Waiver
- Policy 8.3.8, Return to Work
- Policy 9.1.1, Consumption and Serving of Alcoholic Beverages on Campus

The Board made the following amendments prior to adoption of Policy 1.5.1 and Policy 4.6.16.

**For Policy 1.5.1**
Original Language: Definition of Financial Exigency:
Financial exigency is bona fide if there is any imminent and extraordinary decline in the University’s financial resources such that the University as a whole cannot maintain current programs and activities at a level sufficient to fulfill its educational goals and priorities or its public mission, including a reduction in the current operating budget to the extent that the University would be unable to meet existing financial obligations that include, but are not limited to, contractual obligations (specifically recognizing that all funds are not equally transferable for all uses). The University need not be on the brink of complete collapse in order to declare financial exigency. Rather, it needs to demonstrate that substantial injury to the institution’s educational goals and priorities will result from prolonged and drastic reductions in funds available to the institution, and it needs to demonstrate that the determination of its financial health is guided by generally accepted accounting principles. Academic programs reduced or eliminated for academic reasons shall not be included within the scope of this definition. Reorganization shall not be included in this definition unless it results in the layoff of tenured faculty and is motivated by financial exigency. A current operating deficit or mere financial strain or pressure that does not threaten the survival of the University’s educational goals and priorities shall not be included within the scope of this definition.

Board Approved Amendment:
Financial Exigency is as determined by the Board pursuant to KRS Chapter 164 and all applicable law.
For Policy 4.6.16
The made the following amendments to Policy 4.6.16:

1. Amended the definition of Financial Exigency to match the amended definition (above) in Policy 1.5.1.
2. Removed the phrase “bona fide”:

   DISMISSAL OF FACULTY DUE TO BONA FIDE FINANCIAL EXIGENCY

   The Board of Regents has a statutory duty to the people of Kentucky to maintain a quality educational program within available or projected financial resources. Pursuant to Policy 4.6.4, Tenure and Promotion, a tenured faculty member may be dismissed when a bona fide financial exigency exists. Because of the significance of dismissal decisions regarding tenured faculty, the Board shall ensure that such dismissal decisions occur only after a careful review of alternative measures determine that dismissals of tenured faculty are unavoidable. With regard to notification of dismissal of faculty, including tenured and non-tenured faculty, for financial exigency, Policy 4.6.16 supersedes other University policies.

3. Added “and the Board” to sentence below.

   “The Provost shall ensure that steps 1-8 do not exceed 90 days. An extension of the timeline may be granted with the consent of the President, Faculty Senate, and the Board.”