

**KENTUCKY STATE UNIVERSITY
Board of Regents Retreat
12:15 p.m., January 26, 2012
Marriott Griffin Gate Hotel
Lexington, Kentucky**

RETREAT MINUTES

I. Call to Order:

Chairperson Laura Douglas called the retreat meeting of the Kentucky State University Board of Regents to order at 12:55 p.m. on January 26, 2012.

II. Opening Remarks:

Chair Douglas discussed the university's current \$12.5 million campaign fundraising efforts. She requested that regents consider: 1) making a personal financial commitment to the campaign; 2) identify potential donors; and 3) identify potential focus group members.

Chair Douglas also thanked university staff for a wonderful tour of the campus conducted earlier that morning.

III. Roll Call:

Chairperson Douglas asked the Secretary to the Board to conduct the roll call:

Regent Banks, *Present*
Regent Barfield, *Absent*
Regent Bearden, *Present*
Regent Coleman, *Absent*
Regent Conner, *Present*
Regent Douglas, *Present*
Regent Guarnieri, *Present*
Regent Henry, *Present*
Regent Reddy, *Present*
Regent Whitehead, *Absent*
Regent Williams, *Present*

Eight Regents were in attendance. A quorum was declared.

IV. President's Report:

President Sias addressed the Board regarding the following:

University Capital Campaign:

President Sias discussed the \$12.5 million University Capital Campaign. This is the university's first capital campaign. President Sias stated that her goal is to finish the campaign in four (4) years.

President Sias informed the board that \$ 6 million of requested capital campaign goal would be allocated for upgrades to the university's athletic infrastructure. President Sias explained that to prevent potential injuries to student-athletes and remain competitive in the conference, athletic facilities and equipment required upgrades. Additional athletic projects would include modernization of the football field, stadium track, baseball field dugouts, roof replacement at Alumni Stadium and the addition of a second story to the Alumni Stadium building.

President Sias would also allocate \$4 million to endow chairs and professors, scholarships for students in STEM (Science, Technology, Engineering and Math) fields with high grade point averages.

President Sias has made a minimum pledge of \$37,500 towards the capital campaign and she further stated that it is imperative that all should make a gift pledge to the campaign to help KSU secure futures for generations.

Legislative Update:

President Sias and Mr. Steve Mason, KSU Chief of Staff, provided an update on the 2012 Kentucky Legislative Session. The following bills were discussed:

- State Budget —Governor recommended a 6.4% cut to universities (\$1.68 million impact on KSU); no state funded bond projects included
- Senate Bill 45: Bill further defines the role of university regents
- Senate Bill 88: Bill raises the minimum grade point average and ACT score to qualify for KEES scholarship awards
- Senate Bill 111: Bill adds non-voting student member to university boards
- House Bill 260: Bill seeks to add the private University of Pikeville as a state public university
- Other bills mentioned related to:
 - early graduation of high school students
 - naming rights of public buildings
 - CPE's reorganization to Governor's Office
 - Governor's ability to remove university regents/trustees
 - KEES Supplemental awards

Mr. Steve Mason reviewed the AASCU Top 10 Higher Education State Policy Issues of 2012 with the board. A handout was provided to regents.

President Sias will serve as AASCU's Chair beginning in October 2013.

Federal Legislation:

President Sias discussed the potential impact of federal budget cuts on various programs affecting KSU and its students.

- Title III funding will be reduced in the federal budget.
- The Pell Grant program will only fund students for 12 semesters instead of the current 18 semesters
- Federal Student Loan Repayment schedules will be shortened; default repayment schedules will be shortened also

These changes in student financial aid will mean that students who do not have good grades will lose student financial aid and will need to pay for their classes on their own before becoming re-eligible for student financial aid. The impact upon some KSU students will be significant and President Sias will meet with students in the near future to share these changes. The university will also provide extensive communication with all students to inform them of these changes.

Land Grant Match

As a Land Grant institution, KSU is required to match the amount of funds the federal government provides. The Council on Postsecondary Education (CPE) is seeking to hold \$6 million KSU Land Grant match harmless in the state budget so that KSU will remain in federal compliance.

Morrill Act Anniversary

President Sias commented upon the 150th anniversary of the Morrill Act creating land grant institutions. She also shared a video presentation about the Morrill Act featuring various higher education leaders sharing their perspectives about the impact the Morrill Act has had upon their institutions. Dr. Sias was featured in this video.

V. KSU Capital Campaign Presentation

Mr. Bill Wilson, Associate Vice President of Development, announced the 125th Campaign's two Chairpersons, Mr. John Hall, former executive with Ashland, Inc. and former KSU President, Mr. Raymond Burse.

Mr. Wilson discussed the process of how regents could assist the Office of External Affairs with the cultivation of prospective donors during the campaign. Regents were also provided with a toolkit of information to support campaign fundraising efforts.

Mr. Wilson encouraged the regents to set a collective goal for the campaign.

VI. Open Meetings/Open Records Presentation:

Ms. Amye Bensenhaver, Assistant Attorney General, presented an overview of the Open Records and Open Meetings Act for the regents. Ms. Bensenhaver distributed her presentation and fielded questions from regents. The board thanked Ms. Bensenhaver for her informative presentation.

VII. Board Operations Review/ Board Statutes and Bylaws:

Ms. Lori Davis, General Counsel provided an overview of the applicable statutes affecting the board and its management of the university. Ms. Davis also reviewed the board bylaw provisions.

VIII. Endowment Management Briefing:

Investment Officers with Fifth Third Bank attended the meeting to discuss recommendations to change the university's current investment protocol. Fifth Third personnel presented the rationale to change asset inclusions and changes to asset class strategic ranges and percentages. Board members requested a copy of its current investment policy protocol. Mr. Hinfred McDuffie, Executive Vice President, will provide this policy to board members for tomorrow's board meeting.

IX. Board Statutes and Bylaws:

See Section VII above.

X. Closing Remarks: Chair Douglas informed members that tomorrow's Committee meetings and will be held in Salon C of the Marriott Griffin Gate Hotel.

XI. Adjournment:

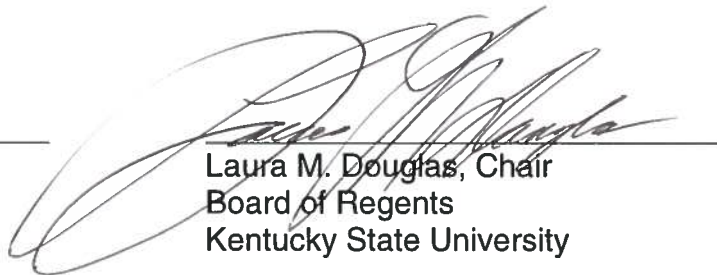
Action: Motion was made to adjourn the Board meeting by Regent Reddy and seconded by Regent Bearden. The motion passed.

The meeting adjourned at 5:09 p.m.

Submitted by:



Lori A. Davis, Secretary
General Counsel
Kentucky State University



Laura M. Douglas, Chair
Board of Regents
Kentucky State University

Approved with no corrections

Approved **with corrections**