

**KENTUCKY STATE UNIVERSITY
BOARD OF REGENTS**

Finance and Business Committee

June 4, 2012

**Regent _____, Chairperson
Regent Ron Banks
Regent David Guarnieri
Regent Chuck Whitehead**

KENTUCKY STATE UNIVERSITY

BOARD OF REGENTS

June 4, 2012

FINANCE AND BUSINESS MEETING INDEX

- B1** Minutes of April 27, 2012 meeting
- B2** Executive Summary Report
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KENTUCKY STATE UNIVERSITY
Regular Meeting of the
Finance and Business Committee
Board of Regents
11:30 am, June 4, 2012
Board Room, Academic Service Building
Frankfort, Kentucky

Regent _____, Presiding

AGENDA

- | | | |
|-------|--|---------------------|
| I. | Call to Order | Chairperson |
| II. | Roll Call | Mrs. Lillian Graham |
| III. | Opening Remarks | Chairperson |
| IV. | Approval of April 27, 2012, Minutes | Chairperson |
| V. | Executive Summary Report | Mrs. Alice Johnson |
| VI. | Action Item: Approval of Fiscal 2013 Financial Plan | |
| VII. | Informational Items | |
| | - None | |
| VIII. | Discussion | Chairperson |
| XI. | Adjourn | Chairperson |

**KENTUCKY STATE UNIVERSITY
BOARD OF REGENTS
AGENDA ITEM BACKGROUND**

To:	Board of Regents Finance and Business Committee	Date:	June 4, 2012
From:	Alice B. Johnson Vice President for Finance and Business Affairs		
Subject:	Finance and Business Committee Meeting Minutes April 27, 2012		
Reason for Consideration:	Action Item	Enclosures:	Yes

Background:

The minutes of the April 27, 2012 meeting must be approved.

Recommendation:

Approval of the minutes of the meeting on April 27, 2012

Initiator:	Alice B. Johnson Vice President for Finance and Business Affairs
Board Action Date:	June 4, 2012
Effective Date:	June 4, 2012

**Kentucky State University
Finance and Business and Audit Committee Joint Meeting
Board of Regents
9:15 a.m., April 27, 2012
Frankfort, Kentucky**

MINUTES

I. Call to Order

Regent Laura Douglas sat in as a committee member and called the meeting to Order at 9:15 a.m. on April 27, 2012.

II. Roll Call

Regent Douglas asked for the roll call, which was recorded as follows:

Regent Laura Douglas, present
Regent David Guarnieri, absent
Regent Chuck Whitehead, absent
Regent Ron Banks, present
Regent Mindy Barfield, present
Regent Karen Bearden, present
Regent Syamala Reddy, absent
Regent Phyllis Williams, present
Mrs. Johnson, absent
Mrs. Gee, present

A quorum was declared.

III. Approval of Minutes

Action: Motion to approve the minutes from the January 27, 2012 Finance and Business Committee and Audit Committee meeting was made by Regent Barfield and seconded by Regent Williams. The minutes were approved as presented.

Regent Douglas recognized Dr. Sias to carry the discussion forward in Mrs. Johnson's absence.

IV. Audit Report

Dr. Griskell introduced Mr. Mark Ferm, partner with Tronconi Segarra & Associates, LLP, as the university's internal auditing firm.

V. Vice President's Report

Executive Summary Narrative

Dr. Sias gave an overview of the Executive Summary Narrative including a review of the interim financial reports.

Dr. Sias stated that there will be a Special Called Board Meeting on June 4, 2012, at which time a balanced budget will be presented. Dr. Sias shared with the committee the 2013 Financial Plan process that had been undertaken. The process included campus discussions with faculty, staff and students on the status of the 2013 planning process. Dr. Sias informed the committee about components of plan revenues and expenses. She also noted that there will be no regular salary increases in the budget for faculty or staff at this time. Dr. Sias stated that she is proud to say that all stakeholder groups in the university are in consensus about wanting to grow enrollment, continue to improve the retention rate and shorten the time it takes for students to graduate.

Dr. Sias asked Gary Meiseles, Director of Human Resource Services to talk briefly about the findings on the university's health insurance. Mr. Meiseles stated that rates have changed to better align plan structure with performance to minimize over insuring and to improve plan cost efficiency for the university and the employees. Mr. Meiseles informed the committee that by increasing deductibles to \$1000, \$2000 and \$4000, the premiums will be lower on all three tiers which will save the university and the employee money.

Action: Motion to approve the proposed 2012-2013 Tuition Fees Rates by 5% was made by Regent Bearden and seconded by Regents Banks. The motion passed.

Motion to approve the 2012-2013 Schedule of Course Fees & Optional Participation Fees was made by Regent Williams and seconded by Regent Bearden. The motion passed.

VI. Informational Items

Dr. Sias informed the committee that the university has signed a contract with an outside provider to prepare and update the university's Affirmative Action Plan.

Dr. Sias stated that the university is in a reenrollment period for health insurance and other benefits offered to university employees.

VI. Adjournment

Motion for adjournment of the Finance and Business and Audit Committee's April 27, 2012 meeting was made by Regent Bearden and seconded by Regent Williams. The meeting adjourned at 9:53 a.m.

Submitted by:

Alice B. Johnson
Vice President for Finance and
Business
Kentucky State University

Approved by:

, Chair
Finance and Business Committee
Board of Regents
Kentucky State University

**KENTUCKY STATE UNIVERSITY
BOARD OF REGENTS
AGENDA ITEM BACKGROUND**

To:	Board of Regents Finance and Business Committee	Date: June 4, 2012
From:	Alice B. Johnson Vice President for Finance and Business Affairs	
Subject:	Executive Summary	
Reason for Consideration:	Informational Item	Enclosures: Yes

Background:

Recommendation:

Initiator:	Alice B. Johnson Vice President for Finance and Business Affairs
Board Action Date:	June 4, 2012
Effective Date:	June 4, 2012

**KENTUCKY STATE UNIVERSITY
BOARD OF REGENTS**

**Report to the
Finance and Business Committee**

**Alice B. Johnson
Vice President for Finance and Business Affairs**

June 4, 2012

Kentucky State University
Finance and Business Committee Meeting
June 4, 2012

Fiscal 2013 Financial Plan

The Fiscal Year 2013 Financial Plan is the university's plan for the expenditure of available revenues. This financial plan is the product of multiple reviews and close scrutiny of budget requests. Continuing operations and fixed costs increases were reviewed to identify possible modifications to help meet the 6.4% state appropriation reduction. Special scrutiny of vacant positions and projected enrollment increases resulted in this balanced budget. Due to the unpredictability of student enrollments, past budgets have not included 100% of student revenues. This budget relies on 100% of expected student revenue, which is a change from prior periods where more conservative revenue estimates were utilized.

Total projected revenue is \$61,846,316 and includes \$24,075,400 from the state, which consists of an expected \$538,000 state grant for the College of Agriculture and \$23,537,400 in state appropriations. Revenue from students is projected at \$25,975,156. Auxiliary revenues from housing, dining and other auxiliaries are projected at \$7,203,860. Other revenue sources total \$4,591,900. The 2013 Financial Plan also includes a 5% tuition/fee increase. Room and board fees, along with the tuition rate increase for 2012-2013 were approved by the Board of Regents at the January 27, 2012 meeting.

Campus wide participation from faculty, students and staff has resulted in a balanced financial plan for 2013. Continued close monitoring of enrollment, retention and spending during 2013 will determine whether midyear measures are required to achieve the plan.

Priority focus has centered on continued delivery of quality instruction, enrollment growth and improved retention while emphasizing academic programs in Business, Gerontology Teacher Education, and Criminal Justice.

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AGENDA ITEM BACKGROUND**

To:	Board of Regents Finance and Business Committee	Date: June 4, 2012
From:	Alice B. Johnson Vice President for Finance and Business Affairs	
Subject:	Fiscal 2013 Financial Plan	
Reason for Consideration:	Action Item	Enclosures: Yes

Background:

Recommended action:

Approval of the 2013 Financial Plan

Initiator:	Alice B. Johnson Vice President for Finance and Business and Affairs
Board Action Date:	June 4, 2012
Effective Date:	June 4, 2012