Regents Committee Meetings Schedule

July 25, 2014

9:00—10:00  External Relations & Development

10:00—10:45  Finance & Administration

10:45—11:15  Student Success & Enrollment Management

11:15—12:00  Academic Affairs Committee

12:00—12:30  Audit Committee

12:30—1:10   Lunch, President’s Dining Room

1:15——     Board Meeting
CALL TO ORDER: Regent Karen Bearden, Chair

ROLL CALL: Lori Davis, Secretary

OPENING REMARKS: Regent Bearden

PRESIDENT’S REMARKS:

OATH OF OFFICE FOR NEW REGENTS: Lori Davis

APPROVAL OF MINUTES: Regent Bearden

Action Items: Approval of Minutes from January 24, 2014 Regular Meeting
Approval of Minutes from April 25, 2014 Regular Meeting
Approval of Minutes from May 9, 2014 Special Meeting
Approval of Minutes from June 4, 2014, Special Meeting

2014-15 BOARD OF REGENTS PROPOSED QUARTERLY MEETING SCHEDULE:

Action Item: Approval of Board of Regents 2014-15 Meeting Schedule

BOARD OFFICER ELECTIONS:

A. Election of Officers

INTRODUCTION OF INTERIM PRESIDENT Regent Bearden

PRESIDENT’S REPORT:

COMMITTEE REPORTS:

A. Academic Affairs Regent Bearden

Action Items: Faculty Emeriti Status
Sabbatical Leave Request

B. Finance and Administration Regent LaVaughn Henry, Chair

C. Student Success & Enrollment Management Regent Phyllis Williams, Chair

D. External Relations and Development: Regent Charles Whitehead, Chair

E. Audit Committee: Regent Mindy Barfield, Chair
XII. CLOSED SESSION:
   A. Pending Litigation (KRS 61.810 (1)(c)
   B. Personnel Matters (KRS 61.810 (1)(f)
   C. Property Acquisition (KRS 61.810 (1)(b))

XIII. CLOSING REMARKS:

XIV. OPEN SESSION:
   A. Action: Ratification of Interim President’s Contract

XV. ADJOURNMENT:
MINUTES

I. Call to Order:

Chairperson Karen Bearden called the meeting of the Kentucky State University Board of Regents to order at 1:19 p.m. on January 24, 2014.

II. Roll Call:

Chairperson Bearden asked the Secretary to the President to conduct the Roll Call:

Regent Mindy Barfield, Present
Regent Karen Bearden, Present
Regent David Guarnieri, Present
Regent Travis Haskins, Present
Regent LaVaughn Henry, Absent
Regent Julian Jeter-Davis, Present
Regent Ekumene Lysonge, Present
Regent Elgie McFayden, Present
Regent Syamala H. K. Reddy, Absent
Regent Charles Whitehead, Present
Regent Phyllis Williams, Absent

Eight Regents were in attendance. A quorum was declared.

III. Opening Remarks:

Chairperson Bearden welcomed attendees to the meeting. Thereafter, Chair Bearden proceeded to the next order of business.

IV. Approval of Minutes:

Action: Motion to approve the minutes from the Board of Regents meeting held on October 25, 2013, was made by Regent Jeter-Davis and seconded by Regent Haskins. The motion passed, 8-0.

Action: Motion to approve the minutes from the Board of Regents meeting held on December 2, 2013, was made by Regent Barfield and seconded by Regent Whitehead. The motion passed, 8-0.
President’s Report:

Fall Commencement:
President Sias discussed the December 2013 Commencement Exercises. She stated that the graduation was well-received and attended by over 600 persons. The majority of participants were graduate students. President Sias expects that the Fall Commencement will continue to grow.

Admissions and Enrollment Update:
President Sias provided an update on student enrollment. Enrollment increased by 1% this Fall. Fall 2013 was the largest class enrolled at KSU. This class also has the highest ACT scores and cumulative grade point averages to-date.

KSU is experiencing an increase in student applications and attracting a larger group of academically prepared students. KSU was recently ranked as a Top Liberal Arts institution by the Princeton Review. KSU was also ranked 25th of HBCU’s (tied with Jackson State University).

SACS Level 5 Approval Status: Nursing Programs:
President Sias informed the board that KSU has been approved to move from Level 3 status to Level 5 status by the Southern Association of Colleges and Schools (SACS). Level 5 status allows KSU to offer up to three (3) doctoral programs. KSU plans to offer its first doctoral degree in Nursing this Fall.

President Sias stated that Dr. Constance Hendricks, a visiting nursing faculty member (and former Dean of Nursing) from Auburn University, has been assisting KSU with the launch of its doctoral program. Dr. Hendricks is also providing guidance to KSU with the implementation of a robust Four (4) Year Bachelor’s of Science in Nursing.

Dr. Sandra Holmes was introduced as the new Interim Chairman of the School of Nursing. Dr. Holmes has over 20 years of nursing practice, including advanced practice nursing. Dr. Holmes has a Ph.D. in Nursing from the University of Memphis. President Sias welcomed Dr. Holmes to her new leadership position.

Green2Gold:
President Sias discussed the Green2Gold Program. Over $1.2 million in awards were offered to KSU students in this university-based work-study type program. Students participating could work on or off campus to decrease their tuition balances. Students are placed in public or private sector environments. Most students were awarded up to $3800 per year.

Third Thursday Thing:
The KSU College of Agriculture, Food Sciences and Sustainable Systems (CAFSSSS) hosts a monthly event entitled the “Third Thursday Thing.” This event focuses on small and minority farmers and how to assist them with the latest farming techniques. The university received an award for the Third Thursday
Thing program series from the Secretary of the U.S. Department of Agriculture for 2013.

**Alltech Partnership:**
President Sias shared an initiative between KSU and the Alltech Corporation, an animal nutrition company. The College of Agriculture, Food Sciences and Sustainable Systems will have the opportunity to offer its students internships and research projects in collaboration with Alltech. Possible commercialization of jointly-developed research projects is also a planned outcome of this initiative.

**KSU Athletics:**
KSU’s Volleyball Team won the 2013 Southern Intercollegiate Athletic Conference (SIAC) Championship! Congratulations were extended to the team and coaches.

KSU’s Football Team received the 2013 highest academic (SIAC) conference honors! Congratulations were also extended to the team and their coaches.

**Freshman Pinning Ceremony:**
This Fall, KSU initiated a pinning ceremony for first-time freshman and transfer students to encourage students to commit to their learning and persistence at KSU. The ceremony is expected to become a routine component of the Freshman Orientation programming.

**Employee Service Awards:**
KSU recently celebrated its faculty and staff with five (5) or more years of service. Over 75 employees were recognized with more than 1000 years of combined service. President Sias noted that KSU has the longest serving employees of any of the comprehensive universities.

**Kentucky River Thorobred:**
The KSU Research vessel on the Kentucky River has been dry docked for the winter. The Interpretive Center located in the former Old Federal Building is expected to open soon. The Center will be hands-on and interactive for everyone, particularly for students in elementary grades through graduate school.

**KSU Website:**
KSU will launch its newly redesigned website in approximately six (6) weeks. President Sias is particularly pleased with the new interactive functionality that will be included.

**KSU Capital Campaign:**
The campaign has reached more than $5 million in contributions and is expected to reach its goal on time.
**CPE Stronger By Degrees—KSU Scorecard:**
President Sias presented a PowerPoint addressing KSU’s progress on the state CPE Stronger by Degrees Strategic Agenda. The plan outlines KSU’s progress on measures of College Readiness, Student Success, Research, Economic and Community Development and Efficiency and Innovation. The university is making progress on most measures, but is poised to increase its outcomes.

**Retention and Graduation:**
President Sias stated that KSU must increase its retention and graduation of students. There are various benefits of college completion. For instance, one who graduates from college makes $600,000 more than a person who does not. Therefore, KSU is developing initiatives to assist students in these areas.

President Sias explained how the graduation rate is calculated for a six (6) year co-hort. The calculation only includes, first time, full-time, entering freshmen. Those students who do not fall within these categories are never captured in KSU’s graduation rate. Despite not having students outside these categories “count” for purposes of the official graduation rate, President Sias plans to focus on improving student preparedness, retention and graduation through “best practice” models. KSU will measure its success on its university-wide initiative often and President Sias will report progress to the Board.

**120 Credit Hour Baccalaureate Programs:**
All of KSU’s baccalaureate programs have been reduced to 120 credit hours except for the Teacher Education and the Applied Information Technology programs. These programs have additional required courses for completion due to mandates from external accreditation agencies.

**Student Repayment Schedule Plan:**
KSU implemented a student repayment plan for Fall 2013 to assist students with outstanding balances. The university must increase its collection of student debt so that its amount for bad debt decreases. This decrease will have a positive outcome on the university’s financials.

In January 2014, there were 925 students with unpaid balances. Of this number, 112 students paid their balances this semester and the remaining 813 students were dropped for non-payment of accounts. Of the 813 students dropped, 611 were re-instated after participating in the required payment schedule plan. The remaining 202 students who did not pay their full balances or participate in the repayment plan, were ultimately dropped. Many of these students owed large balances, used financial aid refunds for other needs and/or had low grade point averages. Nonetheless, KSU will seek to graduate those students with large balances by assisting with scholarships (including need-based), Green2Gold, as well as the repayment schedule plan.
Media reports that students were dropped with only 72 hours prior notice were incorrect. Students had been notified about the mandatory repayment schedule at a Town Hall meeting and by communications through their WIRED accounts, mail and email messaging.

In response to questions asked regarding the students with large balances and financial aid refunds, Assistant Vice President for Enrollment Services, Antonio Boyle, explained that only $200 of a student’s current loan award could be applied to a prior unpaid balance. Also, Mr. Boyle noted that even students with large balances could pay off their balances except for $3,000 by adhering to the repayment schedule.

VI. Committee Reports:

Academic Affairs:
Regent Bearden presented the Academic Affairs Committee report. Regent Bearden commented upon the extensive work and research in which the faculty has been engaged since the last reporting period. She also indicated that Academic Affairs leadership will be more involved with classroom teaching observations in the upcoming semester. A written report was also provided to the board.

Action: Motion was made by Regent Jeter-Davis and seconded by Regent Travis Haskins to approve faculty emeriti status to Dr. Karan Kaul and Dr. Patricia Pearson. The motion passed 8-0.

Finance and Administration:
Regent Bearden presented the Finance and Administration report. Regent Bearden stated that the Committee was presented with the university budget vs. actual and unaudited financials.

Additional highlights include:
1. The TouchNet credit card payment processing system became operational in December 2013;
2. Internal Auditor will begin testing in the Land Grant area;
4. Two percent salary increases were processed for January 31, 2014 pay date.
5. An Inaugural Readiness for Retirement Seminar was held for employees.

No action items were reported.

Student Success and Enrollment Management:
Regent Bearden presented the Student Success and Enrollment Management Committee report. She provided an update on Student Life Activities, Health Services utilization, Career Placement, Enrollment Management, and Admissions. A written report was also provided to the Board.
Regent Bearden reported that current student enrollment is 2,168. Additionally, student applications have increased for the Fall 2014 semester. Acceptances have also increased as well. For student applicants, the average grade point average is 3.2.

SSEM goals for the balance of the year include: 1) Targeted intrusive advising to all students; 2) Increased number of police officers to two (2); 3) Acquiring additional police vehicles; 4) Implementation of Course Signals Early Warning Alert System; and 5) Implementation of Degree Works.

No action items were reported.

*External Relations and Development:*

Regent Whitehead presented the External Relations and Development report. A written report was also provided to the board. Regent Whitehead discussed the university’s focus on the Capital Campaign and that over $5 million has been pledged thus far.

Regent Whitehead stated the University’s Spring Gala would be held in April. Additional updates on the progress of the Capital campaign will be provided at that event.

Regent Whitehead updated the board regarding the activities of the Alumni Association. From over 24 alumni affiliate chapters, there are 624 annual memberships and 288 complimentary memberships provided to recent graduates.

Regent Whitehead reported that there were 335 newspaper articles and 71 television news stories featuring KSU. The majority of these were positive.

No action items were reported.

*Audit Committee:*

Regent Barfield presented the Audit Committee report. Regent Barfield advised the board that the Internal Audit firm, Tronconi and Associates had completed a review of the Financial Aid area. The firm made some suggestions as to added controls particularly in the Title IV area. Also, a suggestion was made to better track student receivables as they relate to the Return to Title IV.

The Internal Auditor firm is currently reviewing the Land Grant area and will begin a review of Auxiliary Enterprises thereafter.

No action items were reported.

**VII. Open Forum:**

Dr. George Moore, President of the KSU National Alumni Association was granted an opportunity to address the board pursuant to the KSU Board Bylaws.
Dr. Moore stated that it was not the policy of the Alumni Association to be involved in the administrative or decision-making process of the university, including personnel matters. The Alumni Association is interested in fostering its association and encourages its alumni to give to the university no matter who is in leadership.

The Alumni Association supports Dr. Sias in her efforts to move the university forward. The Association is concerned with the graduation rates at the university so that the Association will continue.

VIII. **Closed Session:**

**Action:** Motion was made to convene a closed session to discuss personnel matters, pending litigation and property acquisition pursuant to the Kentucky Open Meetings Act. The motion was made by Regent Lysonge and seconded by Regent Whitehead. The motion passed, 8-0.

The Board discussed pending litigation and personnel matters. The Board took no action in Closed Session.

The Board reconvened in Open Session. No action was taken.

VIII. **Adjournment:**

**Action:** Motion was made to adjourn the Board meeting by Regent Jeter-Davis and seconded by Regent Haskins. The motion passed 8-0.

The meeting adjourned at 5:35 p.m.

Submitted by:

Lori A. Davis, Secretary
General Counsel
Kentucky State University

Karen W. Bearden, Chair
Board of Regents
Kentucky State University

________ Approved with no corrections

________ Approved with corrections
VI. Call to Order:

Chairperson Karen Bearden called the meeting of the Kentucky State University Board of Regents to order at 1:16 p.m. on April 25, 2014.

VII. Roll Call:

Chairperson Bearden asked the Secretary to the President to conduct the Roll Call:

Regent Mindy Barfield, Absent
Regent Karen Bearden, Present
Regent David Guarnieri, Present
Regent Travis Haskins, Present
Regent LaVaughn Henry, Present
Regent Julian Jeter-Davis, Present
Regent Ekumene Lysonge, Present
Regent Elgie McFayden, Present
Regent Syamala H.K. Reddy, Absent
Regent Charles Whitehead, Present
Regent Phyllis Williams, Present

Nine Regents were in attendance. A quorum was declared.

VIII. Opening Remarks:

Chairperson Bearden welcomed the attendees to the meeting. Chair Bearden requested that the meeting proceed to the next order of business.

IX. Approval of Minutes:

Action: Motion to approve the minutes from the Board of Regents meeting held on April 11, 2014, was made by Regent Henry and seconded by Regent Whitehead. The motion passed, 9-0.

Action: Motion to approve the minutes from the Board of Regents meeting held on February 24, 2014, was made by Regent Barfield and seconded by Regent Whitehead. The motion passed, 9-0.
X. **President’s Report:**

*Student Government Association Executive Board:*
President Sias introduced the incoming members of the Student Government Association’s Executive Board for 2014-15. Ms. Breana Smith, President-Elect; Robert Willis, Chief of Staff-Elect; Sylvia Valentine, First Vice-President-Elect were welcomed.

Ms. Smith was invited to briefly discuss her platform. The theme of her platform was “Choice, Chance and Change.”

*Service Awards:*
President Sias presented Regent Elgie McFayden, Jr., with an award for his 15 years of service as a faculty member at KSU.

*Website Demonstration:*
President Sias asked Mr. Bergquist to provide an overview of the new website. Mr. Bergquist stated that the website now has a positive marketing message for the university. The new website was designed from a mobile perspective with a consistent layout, singular lines and columns. Fresh new content has been added and a rotating banner of “what makes KSU special” has been included. Approximately 20-25,000 visitors view the website each week.

*Legislative Update:*
President Sias and Mr. Stephen Mason, Sr., Chief of Staff provided an overview of the actions of the 2014 Kentucky Legislative Session. KSU’s FY 2015 and FY 2016 approved budget appropriations are $23,429,600 annually. This amount is $107,800 below the FY 2014 appropriation. The Capital Budget for 2014-16 includes projects for the Boiler Plant (state bonds) at $10.4 million; construction of a pedestrian bridge across U.S. 60/Main Street (State Road Funds); and KSU Athletic Complex (agency bonds) at $5.4 million.

Land Grant Match: Kentucky is required to match 100% of federal land grant funds appropriated to KSU. Minimally, 50% must be matched by the state. Kentucky’s current match is approximately 15%. For this reason, KSU will request a waiver of the match requirement from the federal government. As most of KSU’s capital funding has come from federal land grant monies since 2008, KSU does not want to be out of match compliance. KSU receives $6.3 million for extension and research purposes.

According to Mr. Mason, KSU, unlike the University of Kentucky, Kentucky’s other Land Grant institution, has no taxpayer funds to support its match requirement. Clearly, KSU does not wish to harm UK’s funding. KSU also received $50,000 for 2014-15 for the KSU Health Initiative Trust Fund.

Senate Resolution 93 by Senator Gerald Neal recognized KSU and Simmons College for their historic roles in the education of African-Americans in Kentucky.
KSU Golf Team:
The board congratulated the members of the KSU Golf Team for winning the 2014 Southern Intercollegiate Athletic Conference (SIAC) Championship by 5 strokes. Regent Jeter-Davis was a member of the team.

Third Party Consultant/Graduation Rate:
Corrections to the cohort data was made for the category of first-time freshmen students who were accepted to KSU, but never attended. As a result of this correction, the 2008-14 cohort of students had a graduation rate of 18.4% instead of 13.4%. KSU is also reviewing the current and past cohort numbers to insure that the graduation rates were recorded accurately.

Tuition Model/Flat Rate (15 to Finish):
President Sias shared the plan to move KSU tuition to one flat rate for students taking 12-18 credit hours. This change is expected to help completion rates, as student accounts would not have to be adjusted if a student added or dropped courses within 12-18 credit hours. The change would also have a positive impact on students as they would most likely pay less in tuition. KSU has communicated with CPE about its intent to move to the flat rate.

Doctoral Program in Nursing Practice:
The approval KSU’s Doctoral Program in Nursing Practice will be considered at CPE’s next meeting on April 28, 2014. If CPE approves KSU’s program, the university will begin accepting students in the Fall Semester. Auburn University, University of Alabama at Birmingham and Prairie View A&M University have agreed to provide consultative support for KSU’s program development.

Campus Safety:
KSU plans to hire a Risk Management professional as a result of Dr. Griskell’s departure from the university last year.

Campus security upgrades have been implemented on campus and the university has spent approximately $75,000 on security cameras.

Active Shooter Training was held in the Fall and will be offered to faculty, staff and students again.

KSU Gala:
KSU held its annual scholarship gala two weeks ago and it was a wonderful event. Congratulations were extended to Mr. Hinfred McDuffie and his staff for coordinating the event.

Dr. Gus Ridgel, a former KSU faculty and staff member, attended the Gala and presented the university with its largest single gift by an individual. Dr. Ridgel contributed $100,000 in honor of his wife, Gertrude.
Mr. Samuel Delaney also presented a large gift to the university. He contributed $40,000 to the scholarship fund.

Other gifts were presented as well. KSU appreciates all of the contributions made.

Honorary Degree Recipients:
Dr. Mary Smith Stowe, former KSU president, will receive an honorary degree from KSU at the May 2014, Commencement Exercises. Dr. Arnetta Young Boswell, educator and civil rights activist, will be honored with an honorary degree, posthumously. Dr. Boswell’s brother is former alumnus, Whitney M. Young, Jr.

VI. Committee Reports:

Academic Affairs:
Regent Bearden presented the Academic Affairs Committee report. Regent Bearden commented upon the extensive work and research in which the faculty has been engaged since the last reporting period as evidenced by the oral and written reports provided to the Committee.

Action: Motion was made by Regent Lysonge and seconded by Regent Williams to approve the conferral of degrees to Spring 2014 candidates for degrees: (in Open Session after Closed Session):

The motion passed 9-0.

Action: Motion was made by Regent Lysonge and seconded by Regent Williams to approve faculty Tenure and Promotion of the following individuals (in Open Session after Closed Session):

1. Danny Collum, Promotion to Professor
2. Minerva Cruz, Tenure and Promotion to Associate Professor
3. G. Todd Davis, Promotion to Professor
4. Beverly Downing, Tenure and Promotion to Professor
5. Arthur Hayden, Tenure and Promotion to Associate Professor
6. Fariba Nowrouzi-Kashan, Early Tenure
7. Narayanan Rajendran, Promotion to Professor
8. Reba Rye, Promotion to Professor
9. Debbra Tate, Promotion to Assistant Professor
10. Michael Unuakhalu, Promotion to Professor

The motion passed 8-0-1. Regent McFayden abstained from this vote.
Finance and Administration:
Regent Henry presented the Finance and Administration report. A written report was also provided.

Regent Henry stated that the Committee reviewed unaudited financial statements of the University. Regent Henry also highlighted the following:

6. The Kentucky General Assembly passed the University budget;
7. Internal Auditor will review the University’s Purchasing, Personnel and Travel processes;
8. Classification and Compensation Study is underway with an anticipated completion date of July 2014; and
9. The external audit firm, Dean, Dorton and Allen have made a pre-audit visit to the University.

No action items were reported.

Student Success and Enrollment Management:
Regent Williams presented the Student Success and Enrollment Management Committee report. She provided an update on Student Life Activities, Health Services utilization, Career Placement, Enrollment Management, and Admissions. A written report was also provided to the Board.

Regent Williams reported that the university experienced an increase in campus visits by prospective students. Recruitment efforts, including transfer, have increased as well for the 2014-15 school year. Approximately 242 persons participated in the Open House. New Student Orientation will be held in June and July 2014. Generally, 92% of attendees will attend KSU.

No action items were reported.

External Relations and Development:
Regent Whitehead presented the External Relations and Development report. A written report was also provided to the board.

Regent Whitehead updated the board by reporting that there were 561 newspaper articles and 145 television news stories featuring KSU. The majority of these were positive. Over 92 press releases were issued and 83 electronic messages were posted on KSU’s electronic sign board.

KSU is at 80% housing occupancy.

In the last quarter, KSU received $725,859 from 439 contributors to the Capital campaign.

No action items were reported.
Audit Committee:
Regent Barfield presented the Audit Committee report. Regent Barfield advised the board that the Internal Audit firm, Troncon and Associates had completed a review of the Financial Aid area. Additional review of grants will be undertaken as well.

No action items were reported.

VII. Closed Session:

Action: Motion was made to convene a closed session to discuss personnel matters, pending litigation and property acquisition pursuant to the Kentucky Open Meetings Act. The motion was made by Regent Henry and seconded by Regent Williams. The motion passed, 9-0.

The Board discussed pending litigation, property acquisition and personnel matters. The Board took no action in Closed Session.

The Board reconvened in Open Session. No action was taken.

VIII. Adjournment:

Action: Motion was made by Regent McFayden and seconded by Regent Lysonge. The motion passed 9-0.

The meeting adjourned at 4:47 p.m.

Submitted by:

Lori A. Davis, Secretary                      Karen W. Bearden, Chair
General Counsel                               Board of Regents
Kentucky State University                     Kentucky State University

_________ Approved with no corrections

_________ Approved with corrections
XI. **Call to Order:**

Chairperson Karen Bearden called the meeting of the Kentucky State University Board of Regents to order at 8:30 a.m. on May 9, 2014.

XII. **ROLL CALL:**

Chairperson Bearden asked the Secretary to the President to conduct the Roll Call:

Regent Mindy Barfield, *Present*
Regent Karen Bearden, *Present*
Regent David Guarnieri, *Present*
Regent Travis Haskins, *Present*
Regent LaVaughn Henry, *Present**After Roll Call*
Regent Julian Jeter-Davis, *Present**After Roll Call*
Regent Ekumene Lysonge, *Present*
Regent Elgie McFayden, *Present*
Regent Syamala H.K. Reddy, *Present**After Roll Call*
Regent Charles Whitehead, *Present*
Regent Phyllis Williams, *Present*

Eleven Regents were in attendance. A quorum was declared.

XIII. **OPENING REMARKS:**

Chairperson Bearden welcomed the attendees to the meeting.

XIV. **PRESIDENT’S REPORT:**

President Sias did not have any remarks.

XV. **CLOSED SESSION:**

Action: Motion was made to convene a closed session to discuss personnel matters, pending litigation and property acquisition pursuant to the Kentucky Open Meetings Act. The motion was made by Regent McFayden and seconded by Regent Haskins. The motion passed, 11-0.
XVI. OPEN SESSION:

The Board reconvened in Open Session. The Board took no action in Closed Session. No action was taken.

Regent Bearden made the following announcement:

Dr. Mary Evans Sias announced that she will be retiring effective June 30, 2014, after serving 10 years as President of Kentucky State University.

Regent Bearden stated that “Dr. Sias’ leadership and vision have helped Kentucky State evolve into a world class academic institution—becoming recognized for community service, advancing science and research and educating the next generation of students capable of leading globally. As a president and as a leader in higher education who has served not only KSU, but the broader higher education community, Dr. Sias has helped others across the nation see the potential of KSU and its students. Both Dr. Sias and her husband, Shad, are people of personal integrity who have given both to the university and to Frankfort.”

Regent Bearden further stated that “the Board of Kentucky State University thanks Dr. Mary Evans Sias for her service and her many contributions to Kentucky State University. We wish her and her family the very best in a well-deserved retirement.”

In closing, Regent Bearden stated that the Board of Kentucky State University will put an interim president in place by July 1, 2014, and will move quickly to select a search firm and develop a presidential search process to conduct a national search.

Action: Motion was made to approve an agreement between KSU and Dr. Mary Evans Sias by Regent McFayden and seconded by Regent Haskins. The motion passed 11-0.

VII. ADJOURNMENT:

Action: Motion was made to adjourn the Board meeting by Regent Williams and seconded by Regent Haskins. The motion passed 11-0.

The meeting adjourned at 9:03 a.m.
KENTUCKY STATE UNIVERSITY
Special Meeting of the Board of Regents
1:00 p.m., June 4, 2014
Board Room, Julian M. Carroll Academic Services Building
Frankfort, Kentucky
Karen W. Bearden, Chair

MINUTES

XVII. Call to Order:
Chairperson Karen Bearden called the meeting of the Kentucky State University Board of Regents to order at 1:00 p.m. on June 4, 2014.

XVIII. Roll Call:
Chairperson Bearden asked the Secretary to the President to conduct the Roll Call:

Regent Mindy Barfield, Present
Regent Karen Bearden, Present
Regent David Guarnieri, Present
Regent Travis Haskins, Present
Regent LaVaughn Henry, Absent
Regent Julian Jeter-Davis, Present
Regent Ekumene Lysonge, Present
Regent Elgie McFayden, Present
Regent Syamala H.K. Reddy, Absent
Regent Charles Whitehead, Present
Regent Phyllis Williams, Present

Nine Regents were in attendance. A quorum was declared.

XIX. Opening Remarks:
Chairperson Bearden welcomed the attendees to the meeting. She requested that President Sias begin with her report.

XX. President’s Report:
President Sias requested that Mr. Hinfred McDuffie come forward to provide an update on the privatized housing project with Mantra. Mantra representatives, Jeffrey Schimmel and Andrew Schimmel provided updates of the project status and responded to questions about the project description and design.

President Sias also discussed that Council on Postsecondary Education (CPE) plans to discuss a new funding model at its meeting today. President Sias believes that any funding model for postsecondary institutions must recognize KSU’s historical mission and preserves existing funding.
XXI. UNIVERSITY FINANCIAL PLAN:

President Sias asked Anita Lockridge, Chief Financial Officer/Vice President of Finance Administration, to present this section. Ms. Lockridge distributed a document entitled the Budget Proposal for FY 2014-15.

Ms. Lockridge stated that this year’s budget preparation had been challenging, though the university closed the deficit gap to $1.5 million. This amount will be taken from the University’s reserve account. Use of the reserve account would leave approximately $24 million in this amount. The gap exists because of unfunded mandates, previously unbudgeted expenses and other expenses.

Ms. Lockridge stated that the current appropriation for KSU is $23,429,600 for Fiscal Year 2014-15. This amount is .5% reduction to our current base from FY 13-14’s appropriation.

Various questions were asked about KSU’s Housing Capacity and whether the university has sufficient housing for an additional 200 students to cover the $1.5 million shortfall. Mr. Hinfred McDuffie responded to this question affirmatively and expects that KSU will have a 92% occupancy rate.

The effectiveness of academic programs were also mentioned. Dr. Beverly Downing, Interim Provost, stated that she would initiate a review of all academic affairs to determine quality and productivity. She anticipates completion of this review by December 2014. Dr. Downing also plans to seek input from the faculty about these areas as well as graduation, retention and recruitment efforts. Dr. Downing further expects to increase the graduation rate to 34% and the retention rate to 50%. These goals will occur incrementally and she fully expects faculty support of these goals.

Action: Motion was made to approve the 2014-15 University Budget. The motion was made by Regent Whitehead and seconded by Regent Barfield. The motion passed, 7-0-2. Regents Williams and Jeter-Davis abstained.

Action: Motion was made to approve the 2014-15 Tuition and Fees as listed in the Budget proposal document. The motion was made by Regent Whitehead and seconded by Regent Haskins. The motion passed, 9-0.

Action: Motion was made to approve the 2014-15 Tuition Model as listed in the Budget proposal document. The motion was made by Regent McFayden and seconded by Regent Jeter-Davis. The motion passed, 9-0.
Action: Motion was made to approve the Investment Signature Authority to include the President, Vice President of Finance Administration and the Associate Vice President of Business Operations. The signature authority requires the signatures of two of the occupants of those positions for investment transactions. The motion was made by Regent Williams and seconded by Regent Lysonge. The motion passed, 9-0.

XXII. CLOSED SESSION:

Action: Motion was made to convene a closed session to discuss personnel matters, pending litigation and property acquisition pursuant to the Kentucky Open Meetings Act. The motion was made by Regent Williams and seconded by Regent Haskins. The motion passed, 9-0.

XXIII. OPEN SESSION:

The Board reconvened in Open Session. The Board took no action in Closed Session. No action was taken.

Action: Motion was made to nominate Mr. Raymond M. Burse as Interim President of Kentucky State University by Regent Whitehead and seconded by Regent Haskins. The motion passed 8-1. Regent Williams voted “no.”

VII. ADJOURNMENT:

Action: Motion was made to adjourn the Board meeting by Regent Williams and seconded by Regent McFayden. The motion passed 9-0.

The meeting adjourned at 5:25 p.m.

Submitted by:

__________________________  __________________________
Lori A. Davis, Secretary       Karen W. Bearden, Chair
General Counsel                Board of Regents
Kentucky State University      Kentucky State University

_________ Approved with no corrections

_________ Approved with corrections
Kentucky State University

Board of Regents Meeting

External Relations and Development Committee

July 25, 2014

Regent Charles Whitehead, Chairperson
Regent Travis Haskins
Regent Elgie McFayden
Regent Phyllis Williams
Regent LaVaughn Henry
Mr. Hinfred McDuffie, Staff
# KENTUCKY STATE UNIVERSITY
Regular Meeting of the
Board of Regents
External Relations and Development Committee
July 25, 2014
9:00 am to 10:00 am
Board Room – Academic Services Building
Frankfort, Kentucky

## MEETING INDEX

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<td>Action Item: External Relations and Development Committee Meeting Minutes (April 25, 2014)</td>
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<td>D2</td>
<td>Executive Summary Report</td>
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KENTUCKY STATE UNIVERSITY
Regular Meeting of the
Board of Regents
External Relations and Development Committee
July 25, 2014
9:00 am to 10:00 am
Board Room – Academic Services Building
Frankfort, Kentucky

AGENDA

I. Call to Order
   Regent Charles Whitehead, Chairperson

II. Roll Call
   Mr. Hinfred McDuffie, Executive Vice President for Administration, External Relations, and Development

III. Opening Remarks
    Regent Whitehead

IV. Approval of Minutes
    Regent Whitehead

V. Executive Summary Report
   Hinfred McDuffie

VI. Discussion
    Hinfred McDuffie

VII. Adjournment
Agenda Item Background

<table>
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<th>To:</th>
<th>Board of Regents External Relations and Development</th>
<th>Date:</th>
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</thead>
<tbody>
<tr>
<td>From:</td>
<td>Mr. Hinfred McDuffie, Executive Vice President for Administration, External Relations, and Development</td>
<td></td>
</tr>
<tr>
<td>Subject:</td>
<td>Committee Meeting Minutes (April 25, 2014)</td>
<td>Enclosures: Yes</td>
</tr>
<tr>
<td>Reason for Consideration:</td>
<td>Approval</td>
<td></td>
</tr>
</tbody>
</table>

**Background:**

The minutes of the External Relations and Development Committee meeting of April 25, 2014, require approval in order to become an official part of the committee’s records.

**Recommendation:**

That the External Relations and Development Committee approve the minutes of the April 25, 2014, meeting.

**Approval**

<table>
<thead>
<tr>
<th>Initiator:</th>
<th>Mr. Hinfred McDuffie, Executive Vice President for Administration, External Relations, and Development</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board Action Date:</td>
<td>July 25, 2014</td>
</tr>
<tr>
<td>Effective Date:</td>
<td>July 25, 2014</td>
</tr>
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</table>
KENTUCKY STATE UNIVERSITY
Regular Meeting of the
Board of Regents
External Relations and Development Committee
July 25, 2014

MINUTES

Regent Charles Whitehead, Chairperson called the External Relations and Development Committee meeting of the Kentucky State University Board of Regents to order at 8:30 a.m. on April 25, 2014. Regent Whitehead asked the secretary to call roll:

<table>
<thead>
<tr>
<th>Name</th>
<th>Status</th>
<th>Name</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Travis Haskins</td>
<td>Not Present</td>
<td>LaVaughn Henry</td>
<td>Present</td>
</tr>
<tr>
<td>Elgie McFayden</td>
<td>Present</td>
<td>Charles Whitehead</td>
<td>Present</td>
</tr>
<tr>
<td>Phyllis Williams</td>
<td>Not Present</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

A quorum was declared.

Mr. McDuffie introduced staff members of the Division of Administration, External Relations and Development for area reports as follows:

The Communications Report was presented by Ms. Felicia Lewis, Assistant Vice President for Communications and Publications.

The Auxiliary Enterprises Report was presented by Mr. Harold Hayes, Executive Director of Auxiliary Enterprises.

The Development Report was presented by Mr. William Wilson, Associate Vice President for Development and Major Gifts.

Mr. McDuffie announced that Mr. Jack McNear, Associate Vice President for Capital Planning, Construction and Facility Operations had tendered his resignation and would be leaving the university effective April 30, 2014. The Capital Planning, Construction and Facilities Operations Report was presented by Mr. McDuffie.

Mr. McDuffie recognized Dr. George Moore, president of the Kentucky State University National Alumni Association, who attended the committee for the last time as president.

The endowment summary report was presented by Ms. LouAnn Atlas and Mr. James Fereday of Fifth Third Bank.

Action

Regent Whitehead asked for approval of the minutes from the January 24, 2014, External Relations and Development Committee. The minutes were approved.

The meeting was adjourned at 9:15 a.m. by Regent Whitehead.
Submitted by: Mr. Hinfred McDuffie, Executive Vice President for Administration, External Relations, and Development

Approved by: Regent, Charles Whitehead, Chairperson External Relations and Development Committee

Approved with no corrections

Approved with corrections
Informational Items

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<td>1. Executive Summary</td>
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<td>2. Contributions Report</td>
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</tr>
<tr>
<td>3. Auxiliary Enterprises Report</td>
<td>10</td>
</tr>
<tr>
<td>4. Capital Planning, Construction</td>
<td>12</td>
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<tr>
<td>5. Communications Report</td>
<td>13</td>
</tr>
</tbody>
</table>
KENTUCKY STATE UNIVERSITY
Regular Meeting of the
Board of Regents
External Relations and Development Committee
July 25, 2014

Executive Summary

During the period of July 1, 2013, through June 30, 2014, Kentucky State University received
contributions in the amount of $928,476 from 753 contributors – alumni, employees, university friends,
corporations, foundations and organizations. The amount received for the “Uniting Generations . . .
Securing Futures – A Capital Campaign for Kentucky State University” was $5,798,672.

Auxiliary Enterprises reports that housing occupancy was at 69 percent with 708 students at the end of the
2013-2014 academic year.

Capital Planning, Construction and Facility Operations has five major projects in various stages of
completion:

- Alumni Stadium Office Building Roof Replacement – 98 percent complete
- Cheaney Legacy Plaza – 95 percent complete
- Pedestrian Bridge over US 60 – 10 percent complete
- Interpretive Center, KSU Downtown Annex – 0 percent complete
- Utility Relocation for Pedestrian Bridge – 30 percent complete
- Boiler Plant Status

The University was covered in 655 newspaper articles in Kentucky from July 1, 2013, through June 30,
2014. In addition, the advertising equivalency dollar amount (or cost saving) for newspaper coverage of
KSU was $9,126,431. The University also was covered in 178 television news stories reaching a Nielsen
audience of 4,167,501 for a total ad equivalency of $53,798 or total publicity value of $160,494. There
were 105 messages posted on KSU’s electronic message board and 109 press releases sent to the media.
<table>
<thead>
<tr>
<th>Constituency Type</th>
<th>Total Dollars Raised</th>
<th>Total Participation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alumni</td>
<td>$141,320.81</td>
<td>339</td>
</tr>
<tr>
<td>Corporations</td>
<td>$538,779.04</td>
<td>32</td>
</tr>
<tr>
<td>Employees</td>
<td>$31,608.03</td>
<td>136</td>
</tr>
<tr>
<td>Foundations</td>
<td>$716,468.00</td>
<td>31</td>
</tr>
<tr>
<td>Organizations</td>
<td>$124,330.72</td>
<td>89</td>
</tr>
<tr>
<td>University Friends</td>
<td>45,554.66</td>
<td>99</td>
</tr>
<tr>
<td>Total</td>
<td>$1,598,061.26</td>
<td>726</td>
</tr>
</tbody>
</table>

### Annual Giving

**Total Dollars Raised**

- **Students Assisted from Private Gift Donations**
  - **Number of Awards**: 551
  - **Total Funds Awarded**: $668,418
  - **Average Award**: $1,213.10

### Capital Campaign Giving

<table>
<thead>
<tr>
<th>Constituency Type</th>
<th>Total Dollars Raised</th>
<th>Total Participation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alumni</td>
<td>$666,362.77</td>
<td>1319</td>
</tr>
<tr>
<td>Corporations</td>
<td>$3,002,615.50</td>
<td>504</td>
</tr>
<tr>
<td>Employees</td>
<td>$164,501.61</td>
<td>428</td>
</tr>
<tr>
<td>Foundations</td>
<td>$994,618.66</td>
<td>152</td>
</tr>
<tr>
<td>Organizations</td>
<td>$722,573.64</td>
<td>439</td>
</tr>
<tr>
<td>University Friends</td>
<td>$248,000.09</td>
<td>414</td>
</tr>
<tr>
<td>Total</td>
<td>$5,798,672.27</td>
<td>3,256</td>
</tr>
</tbody>
</table>
KENTUCKY STATE UNIVERSITY  
Regular Meeting of the  
Board of Regents  
External Relations and Development Committee  
July 25, 2014

AUXILIARY ENTERPRISES REPORT

As of June 30, 2014, the Auxiliary Enterprise Department has recorded revenues as follows:

<table>
<thead>
<tr>
<th></th>
<th>Prior Year YTD</th>
<th>Current Year YTD</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food Services</td>
<td>2,547,000</td>
<td>2,743,000</td>
<td>196,000</td>
</tr>
<tr>
<td>Housing</td>
<td>2,966,000</td>
<td>3,007,000</td>
<td>41,000</td>
</tr>
<tr>
<td>Bookstore</td>
<td>153,000</td>
<td>75,000</td>
<td>(78,000)</td>
</tr>
<tr>
<td>Facility Usage</td>
<td>20,000</td>
<td>13,000</td>
<td>(7,000)</td>
</tr>
<tr>
<td>Laundry</td>
<td>41,000</td>
<td>39,000</td>
<td>(2,000)</td>
</tr>
</tbody>
</table>

The average housing occupancy for the 2013-14 year was 80 percent compared to 76 percent in the previous year. Housing occupancy at the end of the academic year was 69 percent with 708 students, compared to 727 students in 2013. Food Service revenues were up due to a rate increase and an increase in student count.
KENTUCKY STATE UNIVERSITY  
Regular Meeting of the  
Board of Regents  
External Relations and Development Committee  
July 25, 2014  

Capital Planning, Construction and Facility Operations  

Capital Projects  

<table>
<thead>
<tr>
<th>ID</th>
<th>Project Name</th>
<th>Start</th>
<th>Finish</th>
<th>Percentage of Completion</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Alumni Stadium Office Building Roof Replacement</td>
<td>11/1/2013</td>
<td>7/31/2014</td>
<td>98%</td>
</tr>
<tr>
<td>2</td>
<td>Cheaney Legacy Plaza</td>
<td>1/11/13</td>
<td>7/31/2014</td>
<td>95%</td>
</tr>
<tr>
<td>3</td>
<td>Pedestrian Bridge over US 60</td>
<td>3/26/2014</td>
<td>4/13/2015</td>
<td>10%</td>
</tr>
<tr>
<td>4</td>
<td>Interpretive Center KSU Downtown Annex</td>
<td>3/26/2014</td>
<td>2/24/2015</td>
<td>0%</td>
</tr>
<tr>
<td>5</td>
<td>Utility Relocation for Pedestrian Bridge</td>
<td>4/1/2014</td>
<td>8/29/2014</td>
<td>30%</td>
</tr>
</tbody>
</table>
COMMUNICATIONS REPORT
July 1, 2013 – June 30, 2014

Newspaper Coverage in Kentucky
Number of Stories - 655
Ad Equivalency - $9,126,431

Television Coverage in Kentucky
Number of Stories - 178
Run Time - 1 hour, 40 minutes, 30 seconds
Ad Equivalency - $53,798
Publicity Value - $160,494
Nielsen Audience - 4,167,501
Quarter To Quarter Coverage

Newspaper Coverage in Kentucky

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Total # Stories</th>
<th>Positive</th>
<th>Negative</th>
<th>Neutral</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fourth Quarter Fiscal Year 2013-2014</td>
<td>203</td>
<td>90%</td>
<td>3%</td>
<td>7%</td>
</tr>
<tr>
<td>Third Quarter Fiscal Year 2013-2014</td>
<td>226</td>
<td>88%</td>
<td>9%</td>
<td>3%</td>
</tr>
<tr>
<td>Second Quarter Fiscal Year 2013-2014</td>
<td>187</td>
<td>85%</td>
<td>8%</td>
<td>7%</td>
</tr>
<tr>
<td>First Quarter Fiscal Year 2013-2014</td>
<td>148</td>
<td>78%</td>
<td>4%</td>
<td>18%</td>
</tr>
</tbody>
</table>

Television News Coverage in Kentucky

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Total # Stories</th>
<th>Positive</th>
<th>Negative</th>
<th>Neutral</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fourth Quarter Fiscal Year 2013-2014</td>
<td>33</td>
<td>100%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Third Quarter Fiscal Year 2013-2014</td>
<td>74</td>
<td>49%</td>
<td>44%</td>
<td>7%</td>
</tr>
<tr>
<td>Second Quarter Fiscal Year 2013-2014</td>
<td>36</td>
<td>69%</td>
<td>3%</td>
<td>28%</td>
</tr>
<tr>
<td>First Quarter Fiscal Year 2013-2014</td>
<td>35</td>
<td>77%</td>
<td>23%</td>
<td>0%</td>
</tr>
</tbody>
</table>
Marketing

STRATEGIC / MARKET IMPACT

<table>
<thead>
<tr>
<th>Advertising / Marketing Mode</th>
<th>MARKET</th>
<th>TIME PERIOD</th>
<th>MARKET IMPACT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Billboards (3)</td>
<td>Frankfort – various locations in city</td>
<td>Annual</td>
<td>12,834,332 Impressions</td>
</tr>
<tr>
<td>Billboard (1)</td>
<td>I-64 near Frankfort Exit 58</td>
<td>Annual</td>
<td>12,096,000 Impressions</td>
</tr>
<tr>
<td>Airport Displays</td>
<td>Louisville International Airport</td>
<td>Annual</td>
<td>3.4 million Passengers</td>
</tr>
<tr>
<td></td>
<td>Blue Grass Airport (Lexington)</td>
<td>Annual</td>
<td>414,721 Passengers</td>
</tr>
</tbody>
</table>

*Reach means the percentage of population who saw the commercial.

Publications

(Art work and printed materials)

- Development/Alumni Printed Materials – Materials produced for nine campaigns/events – 24
- Printed materials produced for University events – 109
- Communication pieces
  - President’s Report to the Board – 3
  - Good News Newsletter – 5
  - Program/Departmental Newsletters & Brochures – 18
- Marketing and advertisement pieces produced – 82
- Designs for general University operations – 37
- Business cards produced – 109

ELECTRONIC COMMUNICATIONS

Electronic message board postings – 1053 messages: 97 KSU messages / 8 community messages

Press Releases – 109
Kentucky State University
Board of Regents Meeting
Finance Administration Committee

July 25, 2014

Regent LaVaughn Henry, Chairperson
Regent David Guarnieri
Regent Syamala Reddy
Regent Chuck Whitehead

Ms. Anita Lockridge, Staff
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<th>Section</th>
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<tr>
<td>B2</td>
<td>Executive Summary</td>
<td>8</td>
</tr>
<tr>
<td>B3</td>
<td>Budget vs. Actual</td>
<td>11</td>
</tr>
<tr>
<td></td>
<td>Unaudited Comparative Financial Statements</td>
<td></td>
</tr>
<tr>
<td>B4</td>
<td>Human Resource Services Report</td>
<td>20</td>
</tr>
</tbody>
</table>
KENTUCKY STATE UNIVERSITY
Regular Meeting of the
Board of Regents
Finance Administration Committee
July 25, 2014
10:00 am to 10:45 am
Board Room – Academic Services Building
Frankfort, Kentucky

AGENDA

I. Call to Order
Regent LaVaughn Henry, Chairperson

II. Roll Call
Ms. Anita Lockridge, Vice President for Finance Administration

III. Opening Remarks
Regent Henry

IV. Approval of Minutes
Regent Henry

V. Executive Summary Report
Anita Lockridge

VI. Action Items
None
Anita Lockridge

VII Informational Items:
1. Budget vs. Actual
2. FY 2013-2014 Unaudited Comparative Financial Statements
3. Human Resource Services Report
Anita Lockridge

VIII. Discussion
Anita Lockridge

IX. Adjournment
## Agenda Item Background

| To:          | Board of Regents  
|             | Finance Administration | Date:       | July 25, 2014 |
| From:       | Ms. Anita Lockridge, Vice President for Finance Administration |          |              |
| Subject:    | April 25, 2014 Committee Minutes |          |              |
| Reason for Consideration: | Approval | Enclosures: | Yes |

### Background:

The minutes of the Finance and Business Committee meeting for April 25, 2014 require approval in order to become an official part of the committee records.

### Recommendation:

It is recommended that the Finance and Business Committee approve the minutes of the April 25, 2014 meeting.

### Initiator:

Ms. Anita Lockridge, Vice President for Finance Administration

| Board Action Date: | July 25, 2014 |
| Effective Date:    | July 25, 2014 |
Regent Lavaughn Henry, Chairperson called the Finance and Business Committee meeting of the Kentucky State University Board of Regents to order at 9:15 a.m. on April 25, 2014. Regent Henry asked the secretary to call roll:

LaVaughn Henry Present Charles Whitehead Present
David J. Guarnieri Present
Syamala Reddy Not Present

A quorum was declared.

I. Approval of Minutes

Action: Motion to approve the minutes from the January 24, 2014 Finance and Business Committee meeting was made by Regent Whitehead and seconded by Regent Guarnieri. The minutes stand approved as presented.

Regent Henry informed the committee that Vice President Lockridge had lost her voice and would be unable to give today’s report but that her colleagues would make the presentation.

Regent Henry recognized Deborah Martin, Ann Knotts and Gary Meiseles to carry the discussion forward.

II. Vice President’s Report

Executive Summary

Ms. Martin made the following report:

- The Budget vs. Actual and the financial statements for February 2014 were presented.

- The internal auditors Tronconi, Segarra and Associates were on site March 24-27 to review Accounts Payable, Purchasing, Travel and Investments.

- A pre-planning audit meeting took place with Dean Dorton Allen Ford (DDAF) to discuss dates of testing. Dean Dorton Allen Ford will return May 5th to review Fall 2013 financial aid, June 23rd to review Spring 2014 financial aid and other financial compliance reviews and the beginning of August they will be on site to complete their field work.

- The Student and Billing Collection Office made contact with currently enrolled students who had outstanding balances to remind them of their financial obligation to the University. Also, a letter
was mailed to the address of record along with their statement, a copy of the KSU Requirement Payment Schedule and a message was sent to the student’s wired email account.

- The University received a formal acknowledgment from the Department of Revenue (DOR) on March 5th stating that they will assist KSU with the collection of delinquent student accounts. The DOR procedures were outlined. Also, the DOR can levy bank accounts and real property and can garnish wages. There is no charge to the University for their service; however, a 25% fee will be added to the debtor’s account.

- Currently the accounts receivable project is underway to determine an estimate of uncollectible accounts by reviewing every account with an open balance.

**Human Resource Services**

Mr. Meiseles reported that the University has retained United Healthcare as our healthcare provider for FY 14-15. The fees will increase approximately 3.7% and the additional amount will be shared between the University and the employee. Also, dental, vision, life and disability has been renewed with the existing carriers with no rate change.

Annual benefits open enrollment meetings are scheduled for April 29th and 30th. Online enrollment is scheduled through May 13th. All changes are effective July 1, 2014.

Per Mr. Meiseles, HR has received about 50% of the requested PDQ’s for the classification and compensation project. He stated that HR is working with the Cabinet to obtain the rest of them.

**Budget**

Ms. Ann Knotts, Director Budget Policy and Planning stated that the budget department is currently reviewing the FY13-14 actual results compared to budget on a regular basis to track achieving our targeted result.

She reported that budget planning is underway and that the University is considering moving to a flat rate tuition model. The Budget Office has a meeting scheduled April 29th with CPE to review several options for the flat rate tuition model.

**Adjournment**

Motion to adjourn the Finance and Business committee meeting was made by Regent Whitehead and seconded by Regent Guarnieri. The Finance and Business committee meeting adjourned at 9:58 am.

Submitted by: Ms. Anita Lockridge, Vice President for Finance Administration

Approved by: Regent, LaVaughn Henry, Chairperson
Finance and Business Committe
# Informational Items

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</tr>
<tr>
<td>2. Budget vs. Actual</td>
<td>14</td>
</tr>
<tr>
<td>3. Financial Statements</td>
<td>15</td>
</tr>
<tr>
<td>4. Human Resources Update</td>
<td>20</td>
</tr>
</tbody>
</table>
Report to the

Finance and Business Committee

Anita Lockridge
Vice President for Finance Administration

July 25, 2014
Fiscal 2013-2014 Budget vs. Actual and Financial Statements (unaudited)

For Fiscal 2013, planned budget results and unaudited comparative financials are presented as of May 31, 2014 on page 14.

Audit Update

Dean|Dorton|Allen|Ford staff was on campus the week of June 23rd for Spring 2014 Financial Aid testing and Grants testing (through 3/31/14) and to discuss other testing that can be done in advance of year-end. Their IT department will be on campus the week of July 14th for revenue testing through the Banner system. Afterwards, the audit team will return the weeks of August 18th and August 25th to complete the annual audit procedures. The Finance & Administration Cabinet Office of the Controller requests completed audit reports by October 3rd.

Budget for FY 14-15

The Financial Plan for FY 14-15 was approved at a meeting of the Board of Regents (BOR) on June 4, 2014. At this meeting, the BOR approved of the University transitioning from a per-credit-hour pricing structure to a flat-rate structure in 2014-15. At the June 20, 2014 Council on Postsecondary Education meeting, the Council approved the 2014-15 tuition and mandatory fee rates that were approved by the BOR for Kentucky State University as well as the other Kentucky Public Institutions.

Also, the approved budgets have been loaded into Banner. For the current fiscal year, half of the operating budget excluding salaries will be made available in July and December.

Kentucky Council on Postsecondary Education

As previously reported, on November 7, 2013, the Council adopted a resolution directing the Council President to establish a working group for the purpose of developing a comprehensive model for the allocation of State General Fund appropriations for institutional operations that incorporated elements of campus performance, mission, and enrollment for implementation in the 2016-18 biennial budget recommendation.

To date, there have been several meetings to discuss the development of a model. At the June 23rd meeting of the Funding Model Steering Committee, the goals and guiding principles were discussed and most were agreed upon. Also, the Mississippi Public Universities performance allocation model summary was discussed. The target date to finalize the funding strategy recommendation is April 2015.
Enrolled Students

As previously reported, on March 28th, the Bursar’s Office made contact with the current enrolled students who had an outstanding balance to remind them of their financial requirement to return to the University Fall 2014. Additional communication has been made with all students.

Insurance Renewal

The renewal of insurance coverage for the University with an effective date of July 1st was completed with the assistance of our insurance broker, Neace Lukens. The University has changed Worker’s Compensation carriers from Brickstreet to Kentucky Employers Mutual Insurance (KEMI).

New Student Orientation

The Student Billing and Collection Office participated in the New Student Orientation that took place on June 20th.

Staffing

A Grant Accountant was hired in the Accounting Department. Interviews were conducted and an offer issued to fill the Director of Accounting position. Other vacancies in the Finance Administration Division are actively being recruited.

Other Items

Refer to the Human Resources Update contained within.
Unaudited Comparative Financial Statements
(For the 5 months ending November 30, 2013)

Background:

The comparative Interim Statement of Revenues, Expenses and Changes in Net Position (SRECNP) are included as of May 31, 2014 and May 31, 2013.

The Statement of Net Position (SNP) is as of May 31, 2014 and June 30, 2013. The SNP is a summary of the financial balances at a given point in time, whereas the SRECNP shows the University's revenues and expenses during a particular period of time. A brief summary explanation of certain current assets and plant items follows:

1. Cash and cash equivalents total $25.1 million and $21.1 million for May 2014 and June 2013, respectively. The amount for May 2014 includes $17.5 million that is restricted for Land Grant and Action Agenda programs and $1.7 million that is restricted for plant purposes. The remainder is current operating cash that will be available for current operations during the year.

2. Accounts receivable totaling $13.1 million and $10.9 million for May 2014 and June 2013, respectively, includes the receivables from students, grants and loans. As of May 2014, this amount includes $8.0 million in student accounts receivables, and $5.1 million that is grants and other accounts receivables. Student accounts receivable has increased $2.9 million since June 2013, from $5.1 million to $8.0 million. Grants receivable has increased $717 thousand. The KSU Student Balance Required Payment Schedule was implemented in November 2013 to address the issue of students not making required payments on their accounts. January 2014 collections were just under $1 million.

3. Current liabilities for May 2014 and June 2013 amount to $7.6 million and $7.3 million, respectively, consisting of accounts payable and accrued payroll liabilities. Accrued compensated absences total $2.0 million and Deferred Revenue totals $1.1 million as of May 2014.

4. As of May 31, 2014, net assets reflect a $4.8 million increase over June 2013, primarily due to $4.0 million increase in cash and equivalents, $2.2 million increase in receivables, and $3.3 million decrease in capital assets (net of depreciation.)

5. Tuition and fee revenue comparison for May 2014 and 2013 represents a $1.5 million decrease. Net Student Tuition & Fees totals $15.8 million and $17.3 million as of May 2014 and 2013, respectively.

6. Auxiliary revenue comparison for May 2014 and 2013 represents a $233 thousand increase.

7. Operating expenses as of May 2014 decreased $1.6 million compared to May 2013. Expense reduction was in the following categories: Instruction, Research, Academic Support, Student Services, Operation/Maintenance and Depreciation. Increased expense categories include: Public Service, Institutional Support and Student Aid.

8. The Statement of Cash Flows reflects a net increase of $4.0 million at May 2014. Operations consumed $23.3 million and $24.8 million as of May 2014 and 2013, respectively.
9. As of May 31, 2014, we are through 91.67% of the annual fiscal budget period. Total expenditures were 81.90%, which is 18.10% under budget. Total revenue was 95.17% of total budget. The result is a $4.8 million increase in net assets, of which $6.3 million is E & G, $478 thousand Auxiliary, and $417 thousand Land Grant.
# Kentucky State University

## Budget vs. Actual

### Eleven months ending May 31, 2014

(Amounts shown in dollars)

<table>
<thead>
<tr>
<th>YTD ACTUAL BY FUND GROUP</th>
<th>Education and General</th>
<th>Auxiliary</th>
<th>Land Grant and Action Agenda</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUE</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State appropriations</td>
<td>20,108,937</td>
<td>3,428,463</td>
<td></td>
</tr>
<tr>
<td>Student tuition &amp; mandatory fees</td>
<td>20,607,074</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Auxiliaries</td>
<td>6,174,012</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>1,581,359</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td>42,297,370</td>
<td>6,174,012</td>
<td>3,428,463</td>
</tr>
</tbody>
</table>

| **EXPENDITURES**                             |                       |           |                               |
| Salaries / Wages / Benefits                  | 22,128,879             | 1,113,297 | 2,425,176                     |
| Supplies and other                           | 1,577,891              | 139,873   | 157,540                       |
| Travel                                       | 825,512                | 92        | 35,243                        |
| Communications                               | 298,800                | 5,628     | 5,330                         |
| Services                                     | 3,361,765              | 3,411,072 | 280,595                       |
| Interdepartmental                            | 164,474                | (198,046) | 44,769                        |
| Fixed Costs                                  | 1,376,349              | 932,151   | 16,302                        |
| Student Aid                                  | 5,501,636              | 290,334   | 15,723                        |
| Capital                                      | 79,421                 | 1,589     | 30,453                        |
| **Total expenditures**                       | 35,314,727             | 5,695,990 | 3,011,131                     |

| Surplus (deficit) before transfers           | 781,946                | 7,877,997 |                               |
|**Mandatory & non mandatory transfers**      |                       |           |                               |
| (781,946)                                   |                       |           | (681,979)                     |
|**Surplus (deficit) before other activity**  | 0                      | 7,196,018 |                               |
|**Other fund net activity**                  | 0                      | (2,403,862)|                               |
|**Surplus (deficit)**                        | 0                      | 4,792,156 |                               |

Year to date – 91.67% of budget has expired
Kentucky State University
Statement of Net Position

<table>
<thead>
<tr>
<th></th>
<th>May 2014</th>
<th>June 2013 (audited)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>25,115,827</td>
<td>21,107,984</td>
</tr>
<tr>
<td>Accounts, grants, and loans receivable, net</td>
<td>13,072,329</td>
<td>10,875,339</td>
</tr>
<tr>
<td>Investments</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Inventory and other current assets</td>
<td>119,468</td>
<td>538,521</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>38,307,624</td>
<td>32,521,844</td>
</tr>
<tr>
<td>Noncurrent assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts, grants, and loans receivable, net</td>
<td>250,044</td>
<td>443,881</td>
</tr>
<tr>
<td>Investments</td>
<td>15,081,642</td>
<td>13,501,397</td>
</tr>
<tr>
<td>Capital assets, net</td>
<td>79,908,643</td>
<td>83,185,618</td>
</tr>
<tr>
<td><strong>Total noncurrent assets</strong></td>
<td>95,240,329</td>
<td>97,130,896</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>133,547,953</td>
<td>129,652,740</td>
</tr>
<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>3,505,844</td>
<td>3,291,014</td>
</tr>
<tr>
<td>Accrued compensated absences</td>
<td>1,983,753</td>
<td>1,633,551</td>
</tr>
<tr>
<td>Unearned revenue</td>
<td>1,123,929</td>
<td>1,280,078</td>
</tr>
<tr>
<td>Deposits</td>
<td>168,501</td>
<td>160,856</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>85,520</td>
<td>63,283</td>
</tr>
<tr>
<td>Bonds and capital lease obligations, net</td>
<td>719,861</td>
<td>875,082</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>7,587,408</td>
<td>7,303,864</td>
</tr>
<tr>
<td>Noncurrent liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bonds and capital lease obligations</td>
<td>6,577,210</td>
<td>7,300,902</td>
</tr>
<tr>
<td>Other long term liabilities</td>
<td>534,914</td>
<td>991,709</td>
</tr>
<tr>
<td><strong>Total noncurrent liabilities</strong></td>
<td>7,112,124</td>
<td>8,292,611</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>14,699,532</td>
<td>15,596,475</td>
</tr>
<tr>
<td><strong>NET ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Invested in capital assets, net of related debt</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted</td>
<td>75,831,833</td>
<td>75,009,634</td>
</tr>
<tr>
<td>Nonexpendable</td>
<td>11,409,979</td>
<td>8,657,506</td>
</tr>
<tr>
<td>Expendable</td>
<td>1,719,752</td>
<td>5,905,037</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>29,886,857</td>
<td>24,484,088</td>
</tr>
<tr>
<td><strong>Total Net Assets</strong></td>
<td>118,848,421</td>
<td>114,056,265</td>
</tr>
</tbody>
</table>
# Kentucky State University

Statement of Revenues, Expenses and Changes in Net Position (By Function)

Periods Ending May 31, 2014 and 2013

(Unaudited)

<table>
<thead>
<tr>
<th>REVENUES</th>
<th>May 2014</th>
<th>May 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating revenue:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student tuition and fees (gross)</td>
<td>20,694,224</td>
<td>21,554,464</td>
</tr>
<tr>
<td>Less: Scholarship allowances</td>
<td>(4,892,933)</td>
<td>(4,254,798)</td>
</tr>
<tr>
<td>Student tuition and fees (net of scholarships)</td>
<td>15,801,291</td>
<td>17,299,666</td>
</tr>
<tr>
<td>Federal grants and contracts</td>
<td>5,408,071</td>
<td>8,028,365</td>
</tr>
<tr>
<td>Federal appropriations</td>
<td>6,209,041</td>
<td>6,089,063</td>
</tr>
<tr>
<td>State and local grants and contracts</td>
<td>1,916,147</td>
<td>1,262,581</td>
</tr>
<tr>
<td>Auxiliary enterprises</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Residence halls</td>
<td>3,143,682</td>
<td>2,775,211</td>
</tr>
<tr>
<td>Dining</td>
<td>2,875,114</td>
<td>2,786,133</td>
</tr>
<tr>
<td>Bookstore</td>
<td>75,000</td>
<td>140,000</td>
</tr>
<tr>
<td>Other auxiliaries</td>
<td>80,216</td>
<td>239,364</td>
</tr>
<tr>
<td>Other operating revenues</td>
<td>1,980,758</td>
<td>1,044,498</td>
</tr>
<tr>
<td><strong>Total operating revenue</strong></td>
<td>37,489,321</td>
<td>39,664,881</td>
</tr>
</tbody>
</table>

| EXPENSES                                       |                |                |
| Operating expenses:                            |                |                |
| Educational and general                        |                |                |
| Instruction                                   | 10,677,734     | 11,072,146     |
| Research                                      | 4,826,793      | 5,259,171      |
| Public service                                | 6,631,831      | 6,351,878      |
| Academic support                              | 2,151,207      | 3,081,026      |
| Student services                              | 6,545,051      | 6,583,022      |
| Institutional support                          | 9,251,919      | 9,153,415      |
| Operations and maintenance of plant            | 4,788,868      | 5,423,426      |
| Student aid                                   | 8,945,538      | 8,666,019      |
| Depreciation                                  | 3,789,290      | 3,827,630      |
| Auxiliary enterprises                          |                |                |
| Residence halls                               | 1,230,061      | 1,776,749      |
| Dining                                        | 2,569,085      | 2,464,980      |
| Other auxiliaries                             | 1,606,276      | 921,273        |
| Depreciation                                  | 300,237        | 309,442        |
| **Total operating expenses**                   | 63,313,891     | 64,890,177     |

Operating income (loss)                        | (25,824,570)   | (25,225,296)   |
Kentucky State University

Statement of Revenues, Expenses and Changes in Net Position (By Function)

Periods Ending May 31, 2014 and 2013

(Unaudited)

<table>
<thead>
<tr>
<th>NON-OPERATING REVENUES (EXPENSES)</th>
<th>May 2014</th>
<th>May 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>State appropriations</td>
<td>23,537,400</td>
<td>23,645,973</td>
</tr>
<tr>
<td>Federal grants and contracts</td>
<td>5,900,221</td>
<td>5,895,289</td>
</tr>
<tr>
<td>Gifts</td>
<td>(1,500)</td>
<td>6,612</td>
</tr>
<tr>
<td>Investment income (net of investment expenses)</td>
<td>1,478,813</td>
<td>1,318,264</td>
</tr>
<tr>
<td>Interest on capital asset related debt</td>
<td>(317,534)</td>
<td>(178,813)</td>
</tr>
<tr>
<td>Other non-operating revenues (expenses)</td>
<td>5,150</td>
<td>1,754,458</td>
</tr>
<tr>
<td><strong>Net non-operating revenues</strong></td>
<td><strong>30,602,550</strong></td>
<td><strong>32,441,783</strong></td>
</tr>
</tbody>
</table>

Income (loss) before other revenues, expenses, gains or losses 4,777,980 7,216,486

Endowment Gifts 14,176 7,276
Capital appropriations 0 0

Increase (decrease) in net assets 4,792,156 7,223,762

Net assets, beginning of year 114,056,265 117,091,491
Net assets, end of year 118,848,421 124,315,253
Kentucky State University

Statement of Cash Flows

Periods Ending May 31, 2014 and 2013

(Unaudited)

<table>
<thead>
<tr>
<th>Cash flows from operating activities</th>
<th>May 2014</th>
<th>May 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuition and fees</td>
<td>12,986,586</td>
<td>13,598,426</td>
</tr>
<tr>
<td>Grants and contracts</td>
<td>14,019,296</td>
<td>17,677,646</td>
</tr>
<tr>
<td>Payments to suppliers</td>
<td>(17,668,680)</td>
<td>(21,326,541)</td>
</tr>
<tr>
<td>Payments to employees</td>
<td>(32,741,309)</td>
<td>(32,286,332)</td>
</tr>
<tr>
<td>Student financial aid</td>
<td>(8,458,683)</td>
<td>(9,218,639)</td>
</tr>
<tr>
<td>Loans issued to students</td>
<td>30,537</td>
<td>126,543</td>
</tr>
<tr>
<td>Collection of loans issued to students</td>
<td>163,299</td>
<td>160,363</td>
</tr>
<tr>
<td>Auxiliary enterprises</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Residence halls and dining</td>
<td>6,018,796</td>
<td>5,561,344</td>
</tr>
<tr>
<td>Bookstore</td>
<td>75,000</td>
<td>140,000</td>
</tr>
<tr>
<td>Other auxiliaries</td>
<td>80,216</td>
<td>239,364</td>
</tr>
<tr>
<td>Other receipts</td>
<td>2,150,123</td>
<td>1,039,351</td>
</tr>
<tr>
<td><strong>Net cash from operating activities</strong></td>
<td>(23,344,819)</td>
<td>(24,757,540)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash flows from noncapital financing activities</th>
<th>May 2014</th>
<th>May 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>State appropriations</td>
<td>23,537,400</td>
<td>23,645,973</td>
</tr>
<tr>
<td>Federal grants and contracts</td>
<td>5,900,221</td>
<td>5,895,289</td>
</tr>
<tr>
<td>Gifts for other than capital purposes</td>
<td>12,676</td>
<td>13,888</td>
</tr>
<tr>
<td>Student organization agency receipts</td>
<td>77,689</td>
<td>155,427</td>
</tr>
<tr>
<td>Student organization agency disbursements</td>
<td>(70,044)</td>
<td>(73,304)</td>
</tr>
<tr>
<td>Other receipts (payments)</td>
<td>5,150</td>
<td>1,754,458</td>
</tr>
<tr>
<td><strong>Net cash from noncapital financing activities</strong></td>
<td>29,463,092</td>
<td>31,391,730</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash flows from capital financing activities</th>
<th>May 2014</th>
<th>May 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital appropriations</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Purchases of capital assets</td>
<td>(812,552)</td>
<td>(2,217,575)</td>
</tr>
<tr>
<td>Proceeds from capital debt</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Principal paid on capital debt</td>
<td>(878,913)</td>
<td>(593,871)</td>
</tr>
<tr>
<td>Interest paid on capital debt</td>
<td>(317,534)</td>
<td>(178,813)</td>
</tr>
<tr>
<td><strong>Net cash flows from capital financing activities</strong></td>
<td>(2,008,999)</td>
<td>(2,990,259)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash flows from investing activities</th>
<th>May 2014</th>
<th>May 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest received on investments</td>
<td>(351,485)</td>
<td>160,549</td>
</tr>
<tr>
<td>Investment expenses</td>
<td>(55,087)</td>
<td>(51,948)</td>
</tr>
<tr>
<td>Proceeds from sale of investments</td>
<td>11,210,093</td>
<td>2,873,512</td>
</tr>
<tr>
<td>Purchases of investments</td>
<td>(10,904,952)</td>
<td>(4,297,851)</td>
</tr>
<tr>
<td><strong>Net cash flows from investing activities</strong></td>
<td>(101,431)</td>
<td>(1,315,739)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net increase (decrease) in cash and cash equivalents</th>
<th>May 2014</th>
<th>May 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>4,007,843</td>
<td>2,328,192</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash and cash equivalents at beginning of year</th>
<th>May 2014</th>
<th>May 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>21,107,984</td>
<td>23,842,721</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash and cash equivalents at end of year</th>
<th>May 2014</th>
<th>May 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>25,115,827</td>
<td>26,170,913</td>
</tr>
</tbody>
</table>
## Statement of Cash Flows

**Periods Ending May 31, 2014 and 2013**

(UNAUDITED)

<table>
<thead>
<tr>
<th>Description</th>
<th>May 2014</th>
<th>May 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Reconciliation of net operating gain (loss) to net cash from operating</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>activities</strong></td>
<td>(25,824,570)</td>
<td>(25,225,296)</td>
</tr>
<tr>
<td><strong>Adjustments to reconcile operating income to net cash from</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>operating activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation expense</td>
<td>4,089,527</td>
<td>4,137,072</td>
</tr>
<tr>
<td>Gain (loss) on disposal of capital assets</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Bad debt expense</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Changes in assets and liabilities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receivables, net</td>
<td>(2,003,154)</td>
<td>(240,446)</td>
</tr>
<tr>
<td>Inventory and prepaid expenses</td>
<td>419,053</td>
<td>(32,323)</td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>214,830</td>
<td>(2,661,265)</td>
</tr>
<tr>
<td>Accrued compensated absences</td>
<td>350,202</td>
<td>220,425</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>(434,558)</td>
<td>(74,310)</td>
</tr>
<tr>
<td>Unearned revenue</td>
<td>(156,149)</td>
<td>(881,397)</td>
</tr>
<tr>
<td><strong>Net cash from operating activities</strong></td>
<td>(23,344,819)</td>
<td>(24,757,540)</td>
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Human Resources Update

Background:
Human Resource Services has initiated and continued several significant projects for the University as described below:

Recommendation:

1. The faculty and staff Classification and Compensation systems review project (C&C) is proceeding with the collection of Position Description Questionnaires (PDQ) completed by non-faculty employees. Cabinet officials have been notified of the PDQs needed from their areas so the documents can be provided to the project consultant, Dr. James Fox, of Fox Lawson & Associates.

2. Annual benefits open enrollment meetings were held on April 29th and April 30th. Employees were given the opportunity to make changes to their elections via the BeneSolv portal by May 13, 2014. Changes were effective July 1, 2014.

3. Human Resources participated in a meeting regarding the implications of the Campus Sexual Violence Elimination (SaVE) Act and will be an active participant for reporting and/or processing matters effective fall 2014.
Kentucky State University
Board of Regents Meeting

Student Success and Enrollment Management Committee

July 25, 2014

Regent Phyllis Williams, Chairperson
Regent Ekumene Lysonge
Regent Syamala Reddy
Regent Karen Bearden

Dr. Lorenzo Esters, Staff
AGENDA

I. Call to Order  Regent Phyllis Williams, Chairperson

II. Roll Call  Dr. Lorenzo L. Esters, Vice President for Student Success and Enrollment Management

III. Opening Remarks  Regent Williams

IV. Approval of Minutes  Regent Williams

V. Executive Summary Report  Dr. Esters

VI. Discussion  Regent Williams

VII. Adjournment
Agenda Item Background

<table>
<thead>
<tr>
<th>To:</th>
<th>Board of Regents</th>
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<tr>
<td></td>
<td>Student Success and Enrollment Management</td>
</tr>
<tr>
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<tr>
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<table>
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<th>Reason for Consideration:</th>
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| Enclosures: | Yes |

Background:

The minutes of the Student Success and Enrollment Management Committee of April 25, 2014 require approval in order to become an official part of the committee records.

Recommendation:

That the Student Success and Enrollment Management Committee approve the minutes of the April 25, 2014 meeting.

Initiator: Dr. Lorenzo L. Esters, Vice President for Student Success and Enrollment Management

<table>
<thead>
<tr>
<th>Board Action Date:</th>
<th>July 25, 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effective Date:</td>
<td>July 25, 2014</td>
</tr>
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</table>
KENTUCKY STATE UNIVERSITY
Regular Meeting of the
Board of Regents
Student Success and Enrollment Management Committee
July 25, 2014

MINUTES

Regent Phyllis Williams, Chairperson called the Student Success and Enrollment Management Committee meeting of the Kentucky State University Board of Regents to order at 10:45 a.m. on April 25, 2014. Regent Williams asked the secretary to call roll:

Phyllis Williams Present
Syamala Reddy Not Present
Karen Bearden Present
Ekumene Lysonge Not Present

A quorum was not declared.

Dr. Lorenzo L. Esters began by introducing the new Registrar, Dr. Carlos Clark. Dr. Clark has a Doctor of Philosophy in Higher Education Administration from the University of Mississippi.

Dr. Esters presented a PowerPoint which covered the activities that had transpired in the Student Success and Enrollment Management area since the January Board of Regents meeting.

The meeting adjourned at 10:30 a.m.

Submitted by:

Approved by:

Dr. Lorenzo L. Esters, Vice President for Student Success and Enrollment Management

Regent, Phyllis Williams, Chairperson
Student Success and Enrollment Management Committee

. Approved with no corrections

. Approved with corrections
### Informational Items

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<tr>
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<th>Page</th>
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</thead>
<tbody>
<tr>
<td>Executive Summary</td>
<td>6</td>
</tr>
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</table>
Executive Summary

The Division of Student Success and Enrollment Management (SSEM) continues to focus on its strategic goals as outlined in the Division’s 2013-2018 Strategic Plan. Those goals are to enhance the recruitment, retention and success of all students and assure the safety of students, faculty, staff, administrators and visitors to the KSU campus.

A summary of key activities since the April Board of Regents meeting includes the following:

- The University has had stable enrollment during its three summer sessions. A total unduplicated headcount for the three sessions as of June 3, 2014 is 394 students.

- The University continues to experience an increase in the quantity and quality of applications for both prospective first-time freshmen and transfer students for fall 2014 as compared to applications at this point last year. The University continues to observe quality among accepted prospective first-time freshmen students for fall 2014.

- University hosted new student orientation on June 20, 2014 with a total of 168 students plus 335 parents. As of July 3, 2014, a total of 124 students have registered for the July 2014 new student orientation. A third and final orientation is scheduled for August 14, 2014. All new students must attend a new student orientation.

- The Division is in the process of reviewing each unit’s performance assessment plans from the 2013-14 academic year and preparing an annual report for the same. Based on the assessment results, new goals are developed for the 2014/15 academic year. The goals will be discussed at the Division’s Leadership Retreat on July 28 and 29, 2014.

- The Division is updating several important documents for the upcoming academic year. The University catalog is scheduled for completion and publication by August 2014 and the updated Student Handbook is scheduled for completion during the fall 2014 semester. The current Student Handbook will guide student conduct during the fall term.
The Office of Enrollment Services maintains as its primary mission the planning, implementation, coordination, monitoring and evaluation of a comprehensive enrollment management plan that fosters collaboration and promotes teamwork in the achievement of an academically enriched student population. Enrollment Services consists of the Green to Gold Program, Office of Admissions, Office of Student Financial Aid, Office of the Registrar and the Student One Stop Shop.

2014/15 Programmatic Priorities

As outlined in the Division’s Strategic Plan, the 2014/15 annual programmatic priorities for the area of Enrollment Services includes the following:

- To increase the overall institutional enrollment;
- To recruit and serve students who are an institutional fit; and
- To improve delivery of services that are responsive to students’ unique needs and that promote effective learning.

Summary of Area Progress and Programmatic Activities

- **Summer 2014 Enrollment**
  Enrollment for the summer has been stable. Below is a summary of the enrollments to date.

<table>
<thead>
<tr>
<th>Summer Term</th>
<th>Term Dates</th>
<th>Term Length</th>
<th>Total Enrollment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Summer 201432 (I)</td>
<td>May 17th – June 27th</td>
<td>Six Weeks</td>
<td>180</td>
</tr>
<tr>
<td>Summer 201434 (II)</td>
<td>June 28th – August 8th</td>
<td>Six Weeks</td>
<td>179</td>
</tr>
<tr>
<td>Summer 201436 (III)</td>
<td>May 17th – July 25th</td>
<td>Ten Weeks</td>
<td>144</td>
</tr>
<tr>
<td>2014 Total Summer Enrollment*</td>
<td></td>
<td></td>
<td>503</td>
</tr>
<tr>
<td>2014 Unduplicated Head Count</td>
<td></td>
<td></td>
<td>394</td>
</tr>
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</table>

*There was no summer sessions offered in 2013.

- **First-time Freshmen Applications and Acceptances for Fall 2014**
  The University has experienced an increase in applications for admission over last year. At this time last year, the Office of Admissions had a total applicant pool of 5,354 as compared to 6,276 applications received this year to date. This represents a 17% increase over last year. The total number of acceptances at this time last year was 2,302 as compared to 2,901 acceptances this year to date. This represents a 26% increase.

- **Continued Academic Quality Among Accepted First-time Freshman Students for Fall 2014**
  The average cumulative high school GPA for accepted prospective first-time freshman for fall 2014 to date is 3.5 as compared to 3.0 at this time last year. The average composite ACT score among prospective accepted first-time freshmen for fall 2014 is 20 which is the same as last year this time.
Transfer Student Applications and Acceptances for Fall 2014
The University has experienced an increase in applications for transfer admission over last year. At this time last year the Office of Admissions had a total transfer student applicant pool of 502 as compared to 608 applications received this year to date. This represents a 21% increase over last year. The total number of acceptances at this time last year was 146 as compared to 159 acceptances this year to date. This represents a 9% increase.

<table>
<thead>
<tr>
<th>Fall 2013 Acceptances</th>
<th>Fall 2014 Acceptances</th>
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<tbody>
<tr>
<td><strong>Average GPA</strong></td>
<td><strong>Average GPA</strong></td>
</tr>
<tr>
<td>3.0</td>
<td>3.50</td>
</tr>
<tr>
<td><strong>Average ACT</strong></td>
<td><strong>Average ACT</strong></td>
</tr>
<tr>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td><strong>Percentile</strong></td>
<td><strong>Percentile</strong></td>
</tr>
<tr>
<td>65%</td>
<td>70%</td>
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</table>

New Student Orientation Session
The University hosted the first of two mandatory summer New Student Orientation sessions on June 20, 2014. A total of 168 students attended (100 first-time freshmen and 68 transfer students) and 335 parents and guests. For the July 18, 2014 session a total of 168 students had registered by July 9, 2014. A third session is scheduled for August 14, 2014 during New Thorobred Week for all those students who did not attend either of the summer sessions.

Financial Literacy Planning
The Office of Financial Aid is working on the programmatic schedule for the KSU initiative for Financial Literacy/Awareness campaigns. Beginning this year, financial literacy will be infused into the freshman seminar course as well as in the advising sessions offered in the Center for Academic Persistence and Success. All freshmen must participate. The Division has secured a $100,000 grant from USAFunds to support its financial literacy programming efforts.

Financial Aid Award Planning
As of July 3, 2014, the Office of Financial Aid has produced over 1200 Award letters sent to incoming KSU students. Notification was sent via paper letter as well as email notice.

Loan Default Prevention Efforts
The Office of Financial Aid continues to send notices, via paper and email, to former KSU students regarding their loan status as part of the default aversion initiative. The staff in the Student One Stop Shop continues to counsel students on loan repayment responsibilities through exit counseling sessions. In the month of May, 79 students participated in counseling.

Updated University Catalog
The Office of the University Registrar collaborated with students, faculty, and staff to create the 2013 – 2014, 2014 – 2015, and 2015 – 2016 online academic catalogs. The catalogs are scheduled to be updated each semester. The catalogs will be finalized no later than July 15, 2014.
Retention Management and Advising Services (RMAS) is one of three major areas within the Division of Student Success and Enrollment Management at Kentucky State University. The departments that comprise Retention Management and Advising Services are: Academic Center for Excellence (ACE), Center for Academic Persistence and Success (CAPS), Placement, Testing, Career Preparation, and Student Support Services (SSS). The goal of this comprehensive area is to increase student retention rates and persistence to graduation with a focus on academic success and achievement through intrusive, early intervention, academic support programming, and systematic tracking of students from matriculation to graduation.

2014/15 Programmatic Priorities
As outlined in the Division’s strategic plan, the 2014/15 annual programmatic priorities for the area of Retention Management and Advising Services includes the following:

- To increase student retention, progression and timely degree completion
- To decrease the number of students with academic action

Summary of Area Progress and Programmatic Activities
- Focus on Impacting Graduation Rates
  The University continues its efforts to impact future cohort graduation rates. Staff is currently focused on students in the 2009 cohort who have earned 92+ credit hours. During summer 2014, several graduation audits were performed and 20 students have graduated as a result. We believe this intrusive monitoring will have a huge impact on future graduation rates.

- Focus on Student Academic Support
  ACE served over 700 students during the 2013-14 academic year with an average pass rate of 82% in tutored classes for regular clientele (8 or more visits per semester). This group also averaged a 2.791 GPA per semester and earned an average of 13 out of 15 attempted credit hours. Eighty-eight percent of student survey respondents reported that tutoring sessions contributed significantly to their understanding of the subject studied. Eighty-four percent reported that the sessions contributed significantly to their confidence level in the subject studied. Structured, collaborative supplemental support for BUA320, Business Statistics, increased the pass rate from 58% in fall 2012 to 70% in spring 2014.

- Focus on Non Traditional Students
  The Finding Resources in Education for Nontraditional Students (FRIENDS) program is designed to support the University’s nontraditional and commuter student population by fostering an engaging and responsive academic and social climate. During the 2013-14 academic year, the FRIENDS program served 113 regular student clientele (students who visit the FRIENDS program 4 or more times), an 18% increase over last year’s participation. This clientele achieved an average 3.013 GPA for the year and earned an average of 12.5 hours from an average of 13 attempted hours.

- Focus on Pre-registration and Advising
The Center for Academic Persistence and Success staff has held 426 one-on-one sessions during the last quarter. The staff has been engaged with calling returning students over the summer to ensure they are registered for the fall. Moreover, the staff has created a comprehensive advising calendar to assure that all first time freshmen with 30 or fewer credit hours will be assigned to an Academic Persistence Officer and participate in regularly scheduled advising sessions during the fall 2014 semester.

- **Placement, Testing, and Career Preparation (CPCP)**
  The Center for Professional and Career Preparation (CPCP) and Placement Testing has provided services to students and prospective students from April through June 2014. These collaborative efforts support the University’s strategic goal for student retention and graduation. The Office provided Math placement testing to 68 students during the June New Student Orientation, served 59 students for LSAT, PRAXIS and SAT Exams, and served 23 students for the CBT’s-Computer Based Test (CLEPS, Correspondence for the Miller Analogies and NLN/ACE-Nursing Exam).

- **Student Support Services (SSS)**
  Student Support Services continues to impact graduation and retention at KSU with a wide range of services. During the current academic year (2013 – 14), SSS graduated nine (9) participants with an average GPA of 3.12. In addition to academics, SSS hosted the second annual cultural fair entitled, Essence of Culture: One Community Many Voices on April 17, 2014. The focus again this year was Food, Fashion, Art and Music and there was bold participation from several ethnic groups as well as our international students from across the globe. The Highlighted features of this year’s fair was an essay contest entitled, “Your Educational Experience in a Diverse Campus Setting” and a raffle that generated a tremendous amount of student interest and participation campus wide.
Student Engagement and Leadership Development

Student Engagement and Leadership Development (SELD) consists of the following offices: Health Services, Career Counseling and Placement, Judicial Affairs/Director of Women, and Student Life. The current major initiatives of SELD are: to enhance student engagement outside the classroom, on and off campus; to implement early monitoring of student leaders’ academic performance; to partner with local health agencies to provide health education and initiatives; and to provide leadership development and training aimed at preparing students for life after graduation. To this end, the following strategies are being implemented in an effort to reach these goals:

2014/15 Programmatic Priorities

As outlined in the Division’s strategic plan, the 2014/15 annual programmatic priorities for the area are as follows:

- To ensure that undergraduates participate in 1 of 2 community service projects annually.
- To implement monthly student activities and leadership programs, including evenings and weekend programming and programs for off-campus students.
- To increase the cumulative GPA of student leaders annually.

The current objectives for the Office of Career Placement and Planning are:

- To increase federal job placement annually.
- To increase in-state job placement annually.

The current objectives for the Office of Health Services are:

- To implement educational programs related to substance abuse, physical health, and mental health, in conjunction with local health agencies.

In the area of Student Judicial Affairs the objectives are:

- To revise the Student Code of Conduct sanctions to include less punitive and more educational sanctioning workshops to foster student development (i.e., Conflict Resolution, Decision Making, Substance Abuse, and Anger Management) while still enrolled as opposed to out of school suspensions.

Summary of Area Progress and Programmatic Activities

- **Focus on Health and Wellness**
  The Office of Health Services conducted a blood drive with participation by a 100 donors. The office has conducted a total of 9 HIV screenings and 60 GC/Chlamydia screenings in the last quarter. A total of 90 students participated in the Youth HIV Awareness Day event held in Student Center.

- **Focus on Sexual Assault Prevention**
  The University is currently revising its sexual assault policy, student handbook and other policies in an effort to be compliant with the new Campus SAVE Act requirements. The new requirements have several implications for policies, procedures and reporting at the University.

- **Mental Health Counseling**
  There were a total of 17 students seen by the mental health counselor during the second quarter of 2014 totaling 43 visits. Of those 17 students, 7 were referred by faculty or staff. The breakdown of diagnoses consist of 1 for Posttraumatic stress syndrome, 5 for depression, 1 suicidal attempt, 5
for anxiety, 2 for anger management and 3 for conflict resolution. One student (suicidal attempt) was referred to Eastern State Hospital for a higher level of care.

- **Student Volunteers and Training**
  A total of 8 student peer educators were trained in support of the Substance Abuse Mental Health Service Administration Grant Project.

- **Updating of the Student Handbook**
  The student handbook and code of conduct is currently being updated to reflect detailed descriptions and or definitions of violations and their sanctions and or penalties. Also, changes have been made to include the role of the Title IX Coordinator, a frequently requested number listing and portions of the Crisis Intervention Procedures Manual from Betty White Student Health Services.
The University Safety and Security Affairs Department is committed to creating an environment in which learning, living, research, and teaching may flourish. The Department is focused on promoting a positive community environment while upholding and enforcing the law and minimizing risks to ensure the safety of students, faculty, staff and the guests at Kentucky State University. All Departmental personnel strive to maintain excellence and integrity in respecting the rights and dignity of all persons with whom they make contact.

Summary of Area Progress and Programmatic Activities

- **Focus on Visibility**
  The police department is in the process of opening a new substation in the student center to provide more visibility in high traffic locations. This substation will be staffed full-time during the periods the Student Center is open and will be online by August 1st. Effective August 1, 2014, staff will also be deployed to walk more on campus and to patrol the campus using bikes.

- **Focus on Preparation**
  The Department will sponsor a table top exercise for the University’s leadership team on Aug 6th. Following this exercise, additional table top exercises will be scheduled as well as a campus wide crisis simulation to include personnel from the City of Frankfort.

- **Student Engagement in Safety Initiatives**
  Staff is currently preparing for the launch of the KSU Thorobred Eyes Program in fall 2014. This program is a student effort that focuses on being alert and aware of one’s surroundings at all times and what to do when suspected activity is observed.
Kentucky State University
Board of Regents Meeting

Academic Affairs Committee

July 25, 2014
Regent Karen Bearden, Chairperson
Regent Mindy Barfield
Regent Syamala Reddy
Dr. Beverly Downing, Staff
**MEETING INDEX**

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<tr>
<td>Approval of Minutes</td>
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<tr>
<td>A2</td>
<td>7</td>
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<tr>
<td>Executive Summary Information</td>
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<tr>
<td>A3</td>
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<tr>
<td>Action Item: Faculte Emeriti Status</td>
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<tr>
<td>A4</td>
<td>17</td>
</tr>
<tr>
<td>Action Item: Sabbatical Leave Request</td>
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AGENDA

I. Call to Order
   Regent Karen Bearden, Chairperson

II. Roll Call
    Dr. Beverly Downing, Interim Provost/Vice President for Academic Affairs

III. Opening Remarks
     Regent Bearden

IV. Approval of Minutes
     Regent Bearden

V. Executive Summary Report
   Dr. Downing

VI. Action Items:
    1. Sabbatical Leave
    2. Faculty Emeriti Status

VII. Adjournment
Agenda Item Background

<table>
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<tr>
<th>To:</th>
<th>Board of Regents Academic Affairs</th>
<th>Date:</th>
<th>July 25, 2014</th>
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<td>Dr. Beverly Downing, Interim Provost/Vice President for Academic Affairs</td>
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<tr>
<td>Subject:</td>
<td>April 25, 2104 Committee Minutes</td>
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<tr>
<td>Reason for Consideration:</td>
<td>Approval</td>
<td>Enclosures:</td>
<td>Yes</td>
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**Background:**
The minutes of the Academic Affairs Committee meeting for April 24, 2014, require approval in order to become an official part of the committee records.

**Recommendation:**
It is recommended that the Academic Affairs Committee approve the minutes of the April 25, 2014 meeting.

**Approval**

<table>
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<th>Initiator:</th>
<th>Dr. Beverly Downing, Interim Provost/Vice President for Academic Affairs</th>
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<td>Board Action Date:</td>
<td>July 25, 2014</td>
</tr>
<tr>
<td>Effective Date:</td>
<td>July 25, 2014</td>
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</table>
Regent Karen Bearden, Chairperson called the Academic Affairs Committee meeting of the Kentucky State University Board of Regents to order at 10:30 a.m. on April 25, 2014. Regent Bearden asked the secretary to call roll:

Karen Bearden Present
Mindy Barfield Not Present
Lavaughn Henry Present
Syamala Reddy Present
Julian Jeter-Davis Present

A quorum was declared.

Action: A motion was made to convene a closed session to discuss personnel matters pursuant to the Kentucky Open Meetings Act. The motion was made by Regent Jeter-Davis and seconded by Regent Henry. The motion passed.

The Academic Affairs Committee discussed personnel matters. No action was taken in closed session.

The Academic Affairs Committee reconvened in Open Session at 10:37 a.m. Dr. Joel Thierstein, Provost presented his report on academic affairs activities that have occurred since the last Board of Regents meeting. The report affirms that Academic Affairs and Land Grant faculty and staff remain dedicated to teaching, research, and service.

Action: A motion to approve the Academic Affairs Committee’s January 25, 2014, minutes was made by Regent Jeter-Davis and seconded by Regent Bearden. The motion passed.

Action: A motion to approve the recommendations for faculty tenure and/or promotion was made by Regent Jeter-Davis and seconded by Regent Bearden. The motion passed.

<table>
<thead>
<tr>
<th>Faculty</th>
<th>School/ Division</th>
<th>Nature of Application</th>
<th>Action</th>
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<td>Collum, Danny</td>
<td>LLP</td>
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</tr>
<tr>
<td>Cruz, Minerva</td>
<td>PUA/SW/CJ</td>
<td>Promotion to Associate Professor</td>
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<tr>
<td>Cruz, Minerva</td>
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<td>Tenure</td>
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<tr>
<td>Hayden, Arthur</td>
<td>PUA/SW/CJ</td>
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<td>Nowrouzi-Kashan, Fariba</td>
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### Promotion to Professor

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<tr>
<td>Unuakhalu, Michael</td>
<td>COS</td>
<td>Promotion to Professor</td>
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</table>

**Action:** A motion to approve granting the President authorization to confer the degrees at the May 10, 2014 commencement ceremony was made by Regent Jeter-Davis and seconded by Regent Bearden. The motion passed.

The Academic Affairs’ Committee meeting adjourned at 10:58 a.m.

**Submitted by:  
Dr. Beverly Downing, Interim Provost/Vice President for Academic Affairs**

**Approved by:  
Regent, Karen Bearden, Chairperson Academic Affairs Committee**

- Approved with no corrections
- Approved with corrections
EXECUTIVE SUMMARY

UNIT ACCOMPLISHMENTS

OFFICE OF ACADEMIC AFFAIRS
Staff Change
Dr. Beverly L. Downing was named Interim Provost and Vice President for Academic Affairs on May 30, 2014.

Accreditation
The Fifth-Year Interim and Quality Enhancement Plan (QEP) Report is near completion and on target to have the first draft completed by August 1, 2014. Faculty and Staff responsiveness to providing data using the Project Manager for this initiative was positive with few exceptions. Faculty have engaged in the development and revision of Student Learning Outcomes (SLO) for about 85% of all courses. This initiative is scheduled for completion during the Assessment Day on August 12, 2014 as part of the Opening Faculty and Staff Institute.

Grant Writing
Submission of a First in the World proposal was submitted to the Fund for the Improvement of Postsecondary Education (FIPSE) to support the Thorobred Academy (Summer Bridge). KSU is the lead on this partnership grant with Texas A&M Kingsville, TX; Salish Kootenai College, Northern Montana; the Council on Education, Washington, DC; and the University of Kansas Achievement and Assessment Institute.

COLLEGE OF ARTS AND SCIENCES
Scholarship
Dr. Tierra Freeman and Dr. Mara Merlino have been invited to attend the American Society of Questioned Document Examiners 72nd Annual and Australian Society of Forensic Document Examiners Joint Meeting in Honolulu, Hawaii to present the findings of their final report as part of their NIJ Grant. The Conference will be held in August.

Dr. Kazi Javed as part of his National Science Foundation Grant, attended the NSF Chemistry Case Studies workshop at the University of California in Riverside, California in June.

Dr. Tom McPartland attended the Lonergan Symposium where he presented his paper, “Epistemic Virtue: Creative Thinking and Critical Thinking” at Loyola Marymount University in Los Angeles, California in April.
Dr. McPartland also attended the Lonegran Workshop where he presented his paper, “Lord of the Rings: Mystery, Freedom, and Destiny.” The paper will be published in the peer-reviewed Lonergan Workshop publication. The workshop was held at Boston College in June.

Dr. Tamara Sluss attended the Joint Aquatic Sciences Meeting sponsored by the Association for the Sciences of Limnology and Oceanography, The Society of Freshwater Science, the Society of Wetland Science and the Psychological Society in Portland, Oregon. Dr. Sluss co-chaired the session, “The future of Aquatic Science, an Educational Section particularly for Undergraduates” and volunteered with INSTARS, a mentoring program for underrepresented undergraduate students in the aquatic sciences.

Student Accomplishments
Mr. David Shabazz accompanied Journalism students, Traci Thomas, Morgan Jones, Somto Adi, Madalyn Holt, and Alexis Meza, and KSU graduates, Kendra Farmer, Tajh Chappell, and Julius Stallworth to the Society of Professional Journalists Metro Louisville Journalism Awards banquet in Louisville, Kentucky June 19. Although this report had to go to press before the banquet, we anticipate reporting student awards in the next board report.

COLLEGE OF PROFESSIONAL STUDIES
School of Nursing
The School of Nursing has taken steps to implement two new programs: a Doctor of Nursing Practice (DNP) and a generic baccalaureate (BSN). Both programs are currently moving through the approval process outlined by the Kentucky Board of Nursing (KBN), the KY Council of Postsecondary Education (CPE), and the Southern Association of Colleges (SACs). These programs will increase the number of practicing nurses in our community (and beyond), foster nursing excellence, and bring evidence-based nursing recommendations to the profession.

School of Education
The Council for the Accreditation of Educator Preparation Programs (CAEP) accreditation was renewed with no areas for improvement.

The SOE received a letter from the Educational Professional Standards Board (EPSB) indicating that all programs were approved. They are waiting the final audit results on July 30, 2014.

The Interim Chair conducted the first Education and Assessment Retreat.

The School of Public Administration, Social Work, and Criminal Justice
The School of Public Administration, Social Work, and Criminal Justice is currently working on the SACS/COC Fifth-Year Interim Accreditation Report.

COLLEGE OF BUSINESS AND COMPUTER SCIENCE
Teaching Innovation
A pilot program was run in the School of Business for two high risk courses in collaboration with Ms. Sue Stamper, Director of the Academic Center for Excellence (ACE). Results are being summarized this summer and the next steps will be determined for the fall 2014 term.

Supply Chain Management, a new concentration in the Business School, will start in the Fall 2014 term.
Eight teachers have been trained and are doing training this summer to integrate SAP into their classes for fall, 2014. The objective is to collaborate between the two units to give students a broader experience. In addition, the goal is to move to a concentration in Business Analytics and Information Systems.

**Current Activity**
Dr. Abdul Turay is leading the Business School’s re-affirmation of the Accreditation Council for Business Schools and Programs (ACBSP) efforts. Recruiting continues in both units and a record freshman class is expected.

Ms. Debora Lanier joined the College as the Director of the Center of Excellence.

**Community Service**
Several faculty members judged events in Business and Computer Science for the Future Business Leaders of America competition (FBLA) that was held in Louisville, Kentucky.

**COLLEGE OF AGRICULTURE, FOOD SCIENCE AND SUSTAINABLE TEACHING INNOVATION**
CAFSSS faculty are developing six new courses, including Apiculture and Pollination Biology with enhanced lectures using videography and photographs. New courses, AFE 407/507 – Agroforestry are under development for undergraduate/graduate studies for AFE/MES students. Three other courses are being developed as well. A new course, “AFE 489/ENV 589 Remote Sensing of Environment” was approved by the Faculty Senate to be offered in the Spring 2015 term.

**Scholarly Activities/Publications**

**DIVISION OF AGRICULTURE AND NATURAL RESOURCES**


**DIVISION OF AQUACULTURE**

**DIVISION OF ENVIRONMENTAL STUDIES & SUSTAINABLE SYSTEMS**

**Presentations**

**DIVISION OF AGRICULTURE AND NATURAL RESOURCES**

**DIVISION OF ENVIRONMENTAL STUDIES & SUSTAINABLE SYSTEMS**
Okpara University, Nigeria, Cooperative Extension Building.

DIVISION OF FOOD & ANIMAL SCIENCE

Grants Submitted
A total of seventeen grants and proposals were submitted for a request of $5,051,826.54.

Grants Awarded
A total of seven grants received notification of funding for a total of $1,704,904 awarded.

Awards
Dr. Hideka Kobayashi: CHM (Certified Horticulture Merit) for Phalaenopsis (syn. Sedirea) japonica var.

ACADEMICS WITH ATTITUDE
Kentucky State University’s SACS Quality Enhancement Plan Academics with Attitude (AWA) program finished its fifth spring semester with 62.6% of its summer 2013 cohort enrolled (72/122). Forty-five of 345 students who were admitted as AWA eligible in the spring chose to enroll. Enrollment of AWA students for their first spring semester was the lowest since 2009. A major factor of that decline was financial difficulties. Drop in enrollment of the summer 2013 cohort to 62% for spring 2014 is similar to the 69% observed in spring 2011 for the summer 2010 cohort. 246 students from all cohorts had been registered for spring 2014. Fall enrollment is incomplete.

The College Student Inventory and Mid-Year Student Assessments continue to indicate student attitudes and inform advising and the living-learning community interventions. By November 2013, the Mid-Year Assessment indicated Math and Science Confidence had risen 6.8 percentage points from 36.0% to 42.8%. This could be attributed to the summer math coaching and the coach’s efforts to align math skills with the content of MAT 095 and MAT 096 for the fall. By mid-year 2013, the 2013 cohort had risen above the national norm to 52.9% in Verbal and Writing Confidence (Noel-Levitz Summary and Planning Report Kentucky State University Mid-Year Assessment, 2013). This may be attributed to the Accelerated Reading and Writing pilot that provided a more rigorous reading and writing experiences in both summer and fall 2013 semesters. In interviews, students expressed feeling “more motivated” to continue their studies (AWA Student Voices video, spring 2014).

On behalf of KSU and its accelerated learning pilot, the Directors of AWA, ACE, and several faculty members presented a poster at the CPE 3rd Annual Summit.
Although 95\% of the students who completed the 2013 AWA summer semester were retained into fall 2013, only 84\% (103/122) of the students met the QEP admission standard for fall 2013 as compared with the 56\% (52/92) who would have met the QEP admission standard for fall 2012. Of the 19 students who failed to meet the QEP/AWA admission standards in summer 2013, 15 have been readmitted (80\%).

**OFFICE OF REGIONAL STEWARDSHIP AND CIVIC ENGAGEMENT**

**Community and Statewide Collaborations/Engagement Activities**

Frankfort Public Arts Tour *FPAT*: Two years ago the Office of Regional Stewardship and Civic Engagement partnered with the Downtown Frankfort Incorporated, Liberty Hall Historic Site, Franklin County Tourism Office and Ms. Joanna Hay to create a web-based cell phone application that highlighted twelve tourist attractions in the Frankfort community. The attractions included the Whitney Young Statue and Hathaway Hall. The purpose of the next phase is to promote awareness and use of the FPAT through social media; to develop web-based activities that will encourage both residents and visitors, to engage more deeply with the arts. During the next two semesters, KSU service learning students from UNV-101, Art, Photography, and Computer Science courses will participate in both phases of this project.

**50th Anniversary of the MLK March on Frankfort**

On March 5, over 175 KSU students joined thousands at the state Capitol including participants from the original march to recreate the historic event that protested the old public accommodation laws in 1964. KSU students had several meetings in February and created signs that supported equal pay for women, raising the minimum wage, protecting voting rights, and increasing federal and state funding for historically black colleges and universities. A new display was added to the Visitors Center at the Academic Services Building celebrating this historic event.

**Operation Preparation: One-on-One Advising and Career Planning for 8th and 10th grade Students**

On March 10 and 11, the Office of Regional Stewardship and Civic Engagement hosted over 900 eighth and tenth grade students from the Franklin County School district for two days of college and career planning. Sessions included one-on-one advising sessions with over 125 volunteer community and campus professionals and a “soft skills” workshop. KHEAA, Green Jobs in the 21st Century, and Upward Bound Opportunities made presentations. This was the third year KSU hosted this event.

**Be a College Student for a Day**

Each semester, UNV-101 students host over twenty first generation high school students from Lexington, Louisville, and surrounding counties for a day of classes, dorm visits and a culminating etiquette dinner.
This semester, students visited from the West End Baptist Church in Louisville and the Lexington Division of Youth Services “Path to Success.”

**THE GRADUATE SCHOOL**

**Recruitment Activities and Strategic Initiatives**

Between April and June (2014), the DGS participated in graduate recruitment/career fairs at the following institutions: Kentucky State University (4/17/2014), St. Catherine College, (4/10/2014) and the University of Louisville (4/3/2014). An information session was held with graduating sciences students at St. Catherine College on 4/24/2014. Strategic partnerships will be established with St. Catherine and other institutions that only offer bachelor’s degrees in an effort to establish feeder schools for KSU’s graduate programs.

The DGS followed up with each prospective graduate student by email within 24 hours of returning from a graduate recruitment event. Each Program Coordinator is encouraged to follow up as well with prospective students who have indicated interest in their program.

*Project development on Banner-native online graduate application system has been suspended. University upper administration support is needed for implementation.*

Three email marketing recruitment messages were sent to all KSU senior students during the spring semester. Additionally, graduate studies flyers were developed and emailed to some HBCUs for dissemination amongst their senior students.

In line with the Strategic Graduate Enrollment Plan, a Graduate Recruiter position was advertised. Approximately 20 applications were received. The graduate recruitment aspect of the Graduate Studies Office is scheduled for transfer to Student Success and Enrollment Management on 6/30/2014. The DGS met with Dr. Esters and other SSEM staff to provide them with a graduate recruitment information update.

**Graduation Data for Spring 2014 Semesters**

About 35 graduate students graduated in May 2014.

**DUAL CREDIT**

The Dual Credit director traveled to Henry County High School, Carroll County High School, and Trimble County High school with Professor Karen Heavin to promote the *Access to Algebra* program and to continue building relationships with our partnering schools. Carroll County High School announced that they will not be continuing with KSU in the fall due to the loss of a teacher as a result of budget cuts. They reported that they may be interested in partnering with KSU again, if/when they are able to secure another teacher to fulfill the dual credit responsibilities.

Fourteen high schools (475 students) were enrolled in dual credit courses for the spring, 2014 semester (MAT 115, 398; BUA 101, 46; ENG 102, 31). Dual enrollment will be housed under the Office of Enrollment Services as of June 30, and will be reporting to Dr. Lorenzo Esters. *As of June 13, the new Dual Credit Program Coordinator had not been identified.*

**BLAZER LIBRARY**

Blazer Library continues to work on the new library learning commons project to create a center of learning that meets the needs of today’s students for collaborative learning. In May 2014, Mrs. Dantrea Hampton submitted the grant, *Reading is Grand!* The grant is supported by the Black Caucus of the
American Library Association’s Family Literacy Project. It is scheduled to run from September 7 -
December 14, 2014.

On May 28-30, 2014, Ms. Debbra Tate attended the Ohio Valley Group of Technical Services Librarians
Annual Conference in Athens, Ohio.

On May 30, 2014, five librarians from Blazer Library, Dr. Nkechi Amadife, Mr. Raphael Jackson, Mrs.
Sharon McGee, Ms. Margaret Hecker, and Mrs. Dantrea Hampton attended “The Value of Academic
Libraries: Making an Institutional Impact” assessment workshop held at Eastern Kentucky University.

The Library Director, Ms. Sheila Stuckey attended the FoKAL (Federation of Kentucky Academic
Libraries) Summit at General Butler State Park on June 5-6, 2014. The two day summit focused on space
planning in libraries and the business meeting of FoKAL. The Library Director was appointed to serve on
the 2014-2015 FoKAL Executive Board.

On June 16-20, 2014, Mrs. Sharon McGee, the Archives Records Manager participated in the HBCU
Library Alliance Summer Institute at the Emory Center for Digital Scholarship in Atlanta, GA. The
weeklong institute focused on acquiring technical skills for building select digital projects. The Institute
was funded by the Andrew W. Mellon Foundation.

Blazer Library is working with the 1890 Library Deans and Directors group in cooperation with Dr.
Carolyn Brooks, Executive Director of 1890 Research Directors on planning for the 125th Anniversary
Celebration of the Second Morrill Act and the establishment of 1890 Land Grant Institutions. The
Library Deans and Directors will participate by creating a promotional timeline/exhibit to be displayed at
various federal and state buildings. The ARD anniversary celebration will begin in January 2015 and
will culminate in mid July 2015 in Washington, DC. Blazer Library has submitted documents and photos
to be included in the exhibit in Washington, DC.

On June 12, 2014, Mr. Bobby Walter, the Education Librarian, coordinated and hosted the National
Men’s Health Month Community Outreach Program. Two speakers, Mr. Kristopher Grimes, KSU
Assistant Professor, State Specialist for Nutrition and Nutrition Education from the College of
Agriculture, Food Science, and Sustainable Systems, and Mr. Ryan Zeronis, a Sport and Wellness
Chiropractor presented information on nutrition and health. The event was held in Blazer Library.

UPWARD BOUND/TRIO/I3
Upward Bound serves students that attend three local high schools in Frankfort. The program has served
40 students during the 2013-2014 academic year and is in the process of interviewing and selecting 13
additional students for the reporting period of 2013-2014.

During the month of May, Upward Bound hosted its end of the year award banquet for graduating seniors.
Current students and parents came to campus to celebrate and recognize the ten graduates who will be
attending college in the fall. The program also discussed the summer program that will be held June 23-
July 23. At the end of May, the program took its seniors to Cincinnati where the staff conducted a
workshop on the college experience. The seniors were also able to visit Kings Island.

GO COLLEGE
Extended School Day
GO College students were provided with two-hour learning community sessions during the Extended
School Day (ESD) from 2:30 – 4:30 pm. The ESD model allows students to receive an additional two hours
of instructional time outside of the normal school day. Each student receives the opportunity to participate in one or two hours of programming focused on academic remediation and college and career readiness. Each student is allowed to select the session they will attend on each Monday, Wednesday, and Thursday that ESD programming is provided.

**Saturday Math**
From January-May, GO College students and parents attended the Saturday Math Academy sessions with GO College coaches Sherrick O’Quinn and Brandon Gatson. Students and parents engaged in various interactive and graphic math activities to promote proficiency in algebra, academic perseverance, and acquisition of problem solving skills. The events sponsored during this reporting period were held at the University of Louisville and Jefferson Community and Technical College.

**Events and Activities**
Throughout the year, GO College has participated in several activities. Currently, the coaches are in the process of recruiting new students into the program. They are seeking to recruit 60 rising 9th graders. GO College coaches have met with middle school principals, teachers, and students to spread awareness about the program. The program also met with the GO College parents for parent advisory meetings to discuss the status of the program and to provide educational awareness information to the parents. The participants attended a service learning activity in Louisville and toured the campuses of Mt. Saint Joseph, the Art Academy of Cincinnati, Xavier University, KSU, Georgetown College, the University of Kentucky, and the University of Louisville. These activities were held during the months of April and May.

**DIVERSITY AND INCLUSION**
The Assistant Vice President for Diversity and Inclusion attended the Committee on Equal Opportunities’ (COE) May quarterly meeting held at the Council on Postsecondary Education (CPE). At its April 29, 2014 meeting, the CPE unanimously approved the recommendation made by the CEO at its March meeting to amend the current statewide definition of diversity to include the terms “gender identity” and “gender presentation.”

Three institutions gave PowerPoint presentations that highlighted their institutional Diversity Plans during the May quarterly meeting. Kentucky State University is scheduled to present during the October quarterly meeting.

The meeting also featured presentations on the topic, “Focus on Diversity: Programs/Strategies/Services for Special Focus Groups: International Students, Low-Income/Socioeconomic, LGBTQ, Veterans, etc.” Northern Kentucky University, Morehead State University and KCTCS were the presenters. The October meeting will feature presentations that focus on the topic, “Special Initiatives, Programs, and Collaborations with K-12 to Promote Higher Education.” The Assistant Vice President for Diversity and Inclusion will be one of the featured speakers for the October meeting.

**OFFICE OF GRANTS AND SPONSORED PROGRAMS**
The mission of the Office of Sponsored Programs (OSP) is to enhance the environment for research, public service, and outreach activities at KSU, to encourage and facilitate external funding, and to support the University’s pursuit of excellence in delivery of high-quality academic services and production of graduates who are global citizens. The Office of Grants and Sponsored Programs assists with pre-award functions to include identification of funding opportunities, proposal development and adherence to submission guidelines dictated by the sponsoring agency. The OSP also supports KSU researchers in post-award grant administration by reviewing and executing award documents and contractual agreement, managing account set-up in banner, monitors grant expenditures to ensure adherence to OMB circulars and, ensures the timely submission of required technical and financial reports.
In FY 14, the Office of Grants and Sponsored Programs (OSP) developed and implemented strategies that ensured the university is a worthy steward of federal, state, and local investments in research and development efforts at KSU. These efforts also fostered the university’s ability to increase the capacity of researchers at KSU to efficiently target resources that address scholarly work, support STEM initiatives, improve research facilities, and prepare students for the global marketplace.

During FY14, the Office of Sponsored Programs examined the organization, mission, and goals of the office and their relationship to key university stakeholders. The OSP also wrote a Grants Management Guide for use by all university personnel, activated the Animal Welfare Committee, and obtained certification through the Animal and Plant Health Inspection Service at the United States Department of Agriculture. The OSP reestablished Institutional Review Board (IRB) certifications that were outdated through the office of Research Integrity at the National Institutes of Health.

The Office of Research, Grants, and Sponsored Programs processed 74 proposals totaling $34,490,038 from July 1, 2013 until June 15, 2014. Competitive grants/contracts managed by the OSP include 91 active competitive grant projects with budgeted totals for FY14 of $23,369,728.41. To date, 13 entitlement grants/contracts are active and have budgets totaling $22,771,705.07.
Agenda Item Background

To:          Board of Regents  
             Academic Affairs  

From:       Dr. Beverly Downing, Interim  
             Provost/Vice President for Academic Affairs

Date:       July 25, 2014

Subject:    Faculti Emeriti Status

Reason for Consideration: Approval

Enclosures: No

Background:

Dr. Edwin Conner has been approved by the Dr. Mary Evans Sias, President and Dr. Joel Thierstein Provost/Vice President for Academic Affairs to receive Faculty Emeriti Status. Dr. Conner meets all of the criteria set forth in Section 2.1.3.1 of the Faculty Handbook for award of this honor.

Recommendation:

Approval

Initiator:  Dr. Beverly Downing, Interim Provost/Vice President for Academic Affairs

Board Action Date:  July 25, 2014

Effective Date:  July 25, 2014
Background:

Upon the recommendation of Dr. Beverly Downing, Interim Provost/Vice President for Academic Affairs, and Dr. Mary Evans Sias, President, the Board of Regents is asked to approve the following recommendation for faculty sabbatical leave.

Dr. Cynthia Lynne Shelton requests sabbatical leave for the spring 2015 semester. Dr. Shelton meets all the requirements for sabbatical leave as stated in section 2.9.4.1 of the Faculty Handbook. It is verified that Dr. Shelton’s absence from the University will not hamper the work of the unit or the University, and no additional funding will be required to offer all necessary courses.

Dr. Shelton’s plan of work includes the completion of the manuscript, “Uninterrupted White: The Associative Activity of Black Women.”

Recommendation:

Approval

Initiator: Dr. Beverly Downing, Interim Provost/Vice President for Academic Affairs

Board Action Date: July 25, 2014
Effective Date: July 25, 2014
Kentucky State University
Board of Regents Meeting

Audit Committee

July 25, 2014

Regent Mindy Barfield, Chairperson
Regent Karen Bearden
Regent David Guarnieri
Regent Travis Haskins
KENTUCKY STATE UNIVERSITY
Regular Meeting of the
Board of Regents
Audit Committee
July 25, 2014
12:00 – 12:30 p.m.
Board Room – Academic Services Building

AGENDA

I. Call to Order

II. Roll Call

III. Opening Remarks

IV. Approval of Minutes
   • Approval of the April 25, 2014, minutes

V. Report

VI. Discussion

VII. Adjournment

Regent Mindy Barfield, Chairperson
Sonia Sanders, Staff
Regent Barfield
Regent Barfield
Mark Ferm, Internal Auditor
Tronconi Segarra & Associates
### Agenda Item Background

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<th>Board of Regents</th>
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<td>Reason for Consideration:</td>
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<td>Enclosures: Yes</td>
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**Background:**

The minutes of the Audit Committee meeting for April 25, 2014, require approval in order to become an official part of the committee records.

**Recommendation:**

It is recommended that the Audit Committee approve the minutes of the April 25, 2014 meeting.

### Approval

<table>
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KENTUCKY STATE UNIVERSITY
Regular Meeting of the
Board of Regents
Audit Committee
July 25, 2014
12:00 noon
Board Room – Academic Services Building
Frankfort, Kentucky

MINUTES

Call to Order

Regent Bearden, in the absence of Regent Barfield, called the meeting of the Kentucky State University Board of Regents Audit Committee to order at 12:15 p.m. on April 25, 2014. Meeting was held in the Board Room – Academic Services Building.

Roll Call

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<td>David Guarnieri</td>
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<td>Travis Haskins</td>
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A quorum was established

Approval of Minutes

Approval of the January 25, 2014 minutes – motioned by Regent Bearden, seconded by Regent Guarnieri—Approved.

Opening Remarks

Discussion

Mr. Ferm presented additional focus areas of the 2014 audit plan. He reviewed the timeline established for upcoming interviews and walkthroughs for June 2014. Mr. Ferm called attention to the moderate risk areas of Student Financial Aid and Land Grant and other grants.

Adjournment

Action: Motion to adjourn by Regent Bearden and seconded by Regent Guarnieri. Meeting was adjourned at 12:31 p.m.

Submitted and Approved by:

Regent Karen Bearden, Acting Chair
Audit Committee
Board of Regents

[ ] Approved with no corrections
[ ] Approved with corrections
Kentucky State University

2014 – 2015
Initial Risk Assessment
and Internal Audit Plan

Presented by:

TRONCONI SEGARRA & ASSOCIATES, LLP
Certified Public Accountants
Business Consultants
SOLUTIONS BEYOND THE OBVIOUS
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To the Audit Committee of
Kentucky State University

We are pleased to present an update of our initial risk assessment of the internal controls of Kentucky State University (the “University”). This report contains our initial risk assessment and internal audit plan for the fiscal year ended June 30, 2015. The purpose of our engagement is to assist you in the development of a risk assessment of University operations, to perform various internal audit services, and provide recommendations to strengthen controls and reduce the identified risks. This report was developed from inquiry of University faculty and staff, observations, inspection of various policies and procedures, and testing of the operating effectiveness of some controls. We plan to issue additional periodic reports throughout the course of the engagement, which will follow the proposed rotation plan for significant cycles as documented in the internal audit plan.

The importance of an adequate system of internal control is to promote effective and efficient operations so as to help the University carry out its mission; to provide reasonable, but not absolute, assurance that assets are safeguarded against inappropriate or unauthorized use; to promote the accuracy and reliability of accounting data and financial reporting to ensure transactions are executed in accordance with management’s authorization and recorded properly in accounting records; to encourage adherence to management’s policies and procedures for conducting programs and operations; and to ensure compliance with applicable laws and regulations. Furthermore, a successful system of internal control includes performing an annual assessment to identify potential weaknesses in policies and procedures and to implement corrective actions.

The University’s risks are the risks that an action or event will adversely affect the University’s ability to successfully achieve its objectives. The Initial Risk Assessment section of the report analyzes the significant risk findings that were identified during our assessment.

The accompanying comments are intended solely for the information and use of the Audit Committee, Board of Regents, department heads, and others within the University and should not be used for any other purpose.

We appreciate the opportunity to serve you and thank the employees of the University for their cooperation. We have already discussed many of these comments and suggestions with various University personnel, and we will be pleased to discuss them in further detail at your convenience.

July 25, 2014
Initial Risk Assessment
Overview

The University’s risks are the risks that an action or event will adversely affect its ability to successfully achieve its objectives. During our engagement we became aware of various sources of risk that impact the University. We evaluated these risks by using two distinct assessments of impact and likelihood. A simple rating scale has been developed for this purpose. The rating scale ranges from minor to significant impact, and low to high likelihood, using a 3-point scale.

Impact refers to the extent of the consequences or implications if the risk does occur. To assess impact, we have determined how much of an impact the risk has if it does occur:

- A minor impact suggests that the risk would not have important implications on the University.
- A moderate impact suggests that the risk could have implications for the University’s ability to succeed.
- A significant impact suggests that the risk would have important implications on the University.

Likelihood refers to the probability that the risk may occur given the current context of the University. To assess likelihood, we have determined how likely it is that the risk will occur in the future, given what is currently done to manage said risk:

- A low likelihood suggests that the risk is unlikely to occur, given its nature and current risk management practices in place.
- A medium likelihood of occurrence suggests that the risk has a moderate probability of occurrence.
- A high likelihood of occurrence suggests that the risk is likely to occur, despite the current risk management practices in place.

The Risk Management Tolerance Model and the Risk Assessment Matrix that follows summarizes these risks and assesses their impact and likelihood.
Cycles plotted in the red sections of the model are considered to be high risk and, as such, the related deficiencies should be given urgent attention in terms of priority. Cycles plotted in the yellow sections are considered to have moderate risk, are considered to be important, and should be given second priority after the high risk cycles. Cycles plotted in the green section of the model are considered least risky and remediation efforts to address deficiencies in these cycles would be expected to be addressed during routine operations of the University.

We have developed our initial risk assessment around significant transaction cycles as a means by which the associated risks can be easily understood and managed. The cycles or areas that have been evaluated are:

- Student Financial Aid - Reporting (SFA –RP)
- Student Financial Aid - GAP’s and Cash Management (SFA – CM)
- Administrative Capability (SFA – AC)
- Land and Other Grants (G)
- Payroll and Personnel (PP)
- Travel & Entertainment (T&E)
- Debt (D)
- Accounts Receivable and Collections (AR)
- Auxiliary Enterprises (AE)
- Information Technology (IT)
We have not yet rated the areas surrounding Debt, Accounts Receivable and Collections, and the Student Financial Aid areas of Reporting, GAP’s and Cash Management, and Administrative Capability. We will provide an initial risk assessment on these areas in a future report.
Proposed Rotation Plan for Significant Cycles

We proposed a three-year rotation plan as a result of our initial risk assessment reported to the audit committee on July 27, 2012. Subsequent to the issuance of this rotation plan, we are recommending to modify it by performing additional work in the areas of Information Technology and Auxiliary Enterprises in the 2014 – 2015 Audit Plan. The inclusion of the additional area is the only recommended change.

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For each cycle selected for a given year, we will gain an understanding of the design and operating effectiveness of key internal controls through observation, inquiry, walkthroughs, and testing a sample of transactions/attributes.

The area of Student Financial Aid can further be broken down into the areas of Institution Eligibility and Participation, Reporting, Student Eligibility, Disbursements, Return of Title IV funds, GAP’s and Cash Management, and Administrative Capability. These areas will be factored in our rotation plans, and the number of areas to be covered impacts the need to address Student Financial Aid every year.

In the area of Information Technology, our focus will be to analyze the status of management’s progress in implementing our recommendations resulting from our Final Risk Assessment Report for fiscal 2012-2013.
Timeline for 2014 – 2015

The following outlines our preliminary internal audit plan and estimated timeline for the fiscal year ended June 30, 2015. The actual timeline of our work will be dictated by the availability of University Staff coupled with the scheduling of our resources.

<table>
<thead>
<tr>
<th>Transaction Cycle/Area</th>
<th>Interviews and Walkthroughs</th>
<th>Control Testing Performed</th>
<th>Recommendations Proposed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student Financial Aid (SFA)</td>
<td></td>
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<td></td>
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<tr>
<td>■ Reporting (SFA – RP)</td>
<td>January</td>
<td>April</td>
<td>June</td>
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<tr>
<td>Student Financial Aid (SFA)</td>
<td></td>
<td></td>
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<tr>
<td>■ GAP’s and Cash Management (SFA – CM)</td>
<td>August</td>
<td>October</td>
<td>January</td>
</tr>
<tr>
<td>Student Financial Aid (SFA)</td>
<td></td>
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<td></td>
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<tr>
<td>■ Administrative Capability (SFA – AC)</td>
<td>August</td>
<td>October</td>
<td>January</td>
</tr>
<tr>
<td>Land and Other Grants (G)</td>
<td>October</td>
<td>January</td>
<td>April</td>
</tr>
<tr>
<td>Payroll and Personnel (PP)</td>
<td>October</td>
<td>January</td>
<td>April</td>
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<tr>
<td>Travel &amp; Entertainment (T&amp;E)</td>
<td>January</td>
<td>April</td>
<td>June</td>
</tr>
<tr>
<td>Debt (D)</td>
<td>August</td>
<td>October</td>
<td>January</td>
</tr>
<tr>
<td>Accounts Receivable and Collections (AR)</td>
<td>January</td>
<td>April</td>
<td>June</td>
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<tr>
<td>Auxiliary Enterprises (AE)</td>
<td>October</td>
<td>January</td>
<td>April</td>
</tr>
<tr>
<td>Information Technology (IT)</td>
<td>August</td>
<td>October</td>
<td>January</td>
</tr>
</tbody>
</table>