

**KENTUCKY STATE UNIVERSITY BOARD OF REGENTS
FINANCE & ADVANCEMENT COMMITTEE MEETING**

***** Meeting Was Conducted in Person and by
videoconference *****

Thursday, December 4, 2025

9:00 a.m. EDT

Board of Regents Room

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

MINUTES

I. Call To Order

The Board of Regent's Chair, Regent Tammi Dukes, called the meeting to order at 9:04 a.m.

II. Roll Call

The Board's Secretary, Nicole Sergent, called the roll:

Regent Tammi Dukes	Present
Regent Charles Moyer	Present
Regent Edward Hatchett	Present
Regent Jonathan Rabinowitz	Not Present
Regent James Obielodan	Not Present
Regent Matthew Grimshaw	Not Present

Three (3) Regents were in attendance and present at roll call. A quorum was therefore established.

III. **Approval of the Agenda.**

- Regent Dukes moved to approve today's agenda. Regent Hatchett seconded the motion.

IV. **Finance and Administration Updates by Dr. Heather Bigard.**

A. Current budget.

- Projecting revenue of \$34.7 million. Currently at \$18.3 million now. Projecting will be a little below budget at \$33.4 due to the increased investment they have made in scholarships and waivers to assist students with their tuition.
- Also trying to align payroll to the original budget.
- Also paying attention to trends in terms of expenses and contracts that were renewed.
- Projecting deficit of \$728,000 in the EMG budget.
- Will come back with an amended budget in January or at the next meeting that will include a reduction whenever possible in operational expenditures.
- Regent Hatchett commented on the blank spaces in the report and the inadequate attention to uncollected student debt.
- Regent Hatchett also commented on being behind last year in net student tuition and fees collection. Collected 57.1% last year and is at 48.1% this year.
- Dr. Bigard discussed the updates on the items that Regent Hatchett referred to as blanks.
- There was a discussion between Regent Hatchett and Dr. Bigard on the issue of uncollected student debt.
- Regent Moyer discussed the example used by healthcare for projected bad debt.
- Regent Moyer inquired on the relationship between bad debt and the scholarship account.
- Dr. Bigard discussed the three categories of scholarships, discounts and waivers for fees. She also discussed endowment scholarships.
- Regent Moyer commented on generally accepted accounting principles.
- Regent Dukes commented that this is the most reliable set of numbers that they have seen in a while and they are trying to make sure they have full transparency.
- Dr. Bigard responded that they are working on the cash flow because that is where they are seeing impact of the budget activities.
- Regent Moyer commented that he has confidence that they are making good progress on their financial reporting.
- Regent Hatchett and Regent Moyer asked questions about the endowment and

endowment interest. Dr. Bigard responded to the question as did Michael DeCourcy and Regent Obielodan.

- Regent Obielodan commented on the year 2026 budget report for ENG as an improvement. Discussed the shift from internal staffing towards external service contracts. Dr. Bigard responded to the comments on the shift towards contracted services.
- Regent Hatchett commented on the two contracts worth \$8.4 million to Magellan and Sway Communications that they are being asked to approve at the meeting.
- Dr. Bigard discussed the contracts as continuing contracts as an extension of the original. One is for the online partner and the other for marketing.
- Regent Obielodan further discussed hiring qualified faculty in each program area.
- Regent Obielodan said housing revenue is down by about 39%; dining revenue down by 45%. Questioned how to bring those back up.
- Dr. Bigard said a couple of dorms are offline right now and when they come back online, they will be able to generate more revenue off of housing. She also discussing the study of the dining service contract and the costs. She said they are going to do a cost analysis of the service area to determine strategies needed to grow the auxiliary services.
- Regent Obielodan asked if they were going to be able to establish some KPIs to see the program.

B. Audit.

- Regent Moyer said the audits are incomplete for FY24.
- Dr. Bigard said they expect to receive the financial statement audit today. However, may not receive the single audit, which includes audits of grants and external revenues from federal resources.
- Dr. Akakpo said they will get their decision of the warning status at the Nashville SAC's annual visit, but the 2024 audit is a must because per policy they cannot be on warning for more than 24 months.
- The FY25 audit has already begun under leadership of controller Dr. Hicks.
- Targeting March 2026 as the completion for that audit.
- Regent Moyer asked if the projected 2025 audit date comports with SACS requirements.
- Dr. Bigard said they need to get it to them by that deadline so it can be on the June agenda board meeting.
- Regent Obielodan inquired about the possibility of expedited work on their part. Dr. Bigard responded that the current FY24 was expedited.
- There was a discussion about the completion of the FY24 audit and the cost for the consultant.
- There was a discussion that violations were 16 and is down to 5, which are related to the audit.
- Regent Dukes commented that they are learning their lessons on the audits and the

quality of the proper supporting audit documentation since being on the board.

- Regent Moyer asked when it would be reasonable to expect it after the books are closed for a fiscal year. Dr. Bigard responded no more than 6 months.
- Regent Moyer asked about the difference in the amount of money spend with auditors and the amount you could expect to spend in a normal world.
- Dr. Bigard responded we will get to keep millions of dollars.
- Regent Moyer, Regent Obielodan and Regent Hatchett both commented on the audit and Dr. Bigard and Dr. Akakpo responded.

C. Personal Service Contracts.

- Dr. Bigard commented on the Magellan contract stating there is one more renewal option on this agreement, should they choose to. She summarized what is included in the contract for academic operations and the implementation of the online program itself.
- Has projected revenue of \$8.4 million and projected expense of \$7.6 million and that includes the SWAY agreement. Net revenue of \$788,000.
- Dr. Dailey also discussed the contract with the model goal of 90/10 where 90% of your investment is reinvested in the program and 10% is revenue generating. He said the ultimate goal is 80/20 and if you're extremely productive, it's 70/30.
- Regent Hatchett had a question on how the contract review committee feels about the current contract that they will be voting to extend tomorrow.
- There was a long general conversation on the Magellan and Sway contracts by Regent Moyer, Regent Fields, Regent Obielodan, Regent Hatchett and Dr. Dailey and the personnel positions compensation.

D. Tuition increase.

- Dr. Bigard said they elected to implement the maximum increase of \$420 last year for this current fiscal year. Going into 26-27, they are not going over \$210 for tuition. Dr. Dailey also discussed the tuition.

E. Ethics hotline report.

- Regent Dukes said they did not have any reports on the ethics hotline.
- Regent Hatchett inquired about how it compares with typical record keeping periods.
- Regent Dukes responded that they receive very few reports issued through the hotline. She said they need to do a better job of maybe posting as she does not think it's getting enough publicity.
- It was stated that most complaints come through e-mail and phone calls.

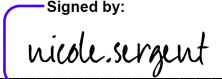
F. Other.

- It was reported that a draft of a financial statement audit has been received. It was not what they were expecting so they will continue working on it. It's only the draft.
- 1,000 individuals; 1,500 transactions; 10 new scholarships.
- There were 8 new scholarships.
- Number one in dollars raised for the entire Bluegrass Gives on Giving Tuesday.
- \$112,000 raised in impact.
- Number one out of 234 organizations that participated.

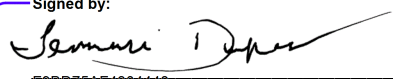
G. Adjournment.

- Regent Moyer made motion to adjourn the meeting. Regent Obielodan seconded the motion.
- Meeting adjourned.

Submitted by:

Signed by:

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Nicole Sergent, Secretary
Board of Regents
Kentucky State University

Signed by:

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Regent Tammi Dukes, Chair
Board of Regents
Kentucky State University

X

Approved with no corrections

Approved with corrections