

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

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

**** Thursday, February 12, 2026 ****

2:00 p.m. EDT

**Board of Regents Room
Julian M. Carroll Academic Services Building
2nd Floor 400 East Main Street
Frankfort, Kentucky 40601
(Primary Physical Location)**

MINUTES

1. Call To Order

The Finance & Advancement Committee Chair, Charles Moyer, called the meeting to order at 2:00 p.m.

2. 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 | Present |
| Regent James Obielodan | Present |
| Regent Matt Grimshaw | Present |

Six (6) Regents were in attendance and present at roll call. A quorum was therefore established.

3. Approval of the Agenda.

- Regent Charles Moyer requested a motion to approve the agenda. Regent Dukes made a motion to approve the agenda and Regent Obielodan seconded the motion.

4. Information and Board Committee Action Items.

A. **Division of Finance & Administration Updates** by Dr. Heather Bigard, Vice President of Finance and Admin/CFO.

- i. **Financial Updates.** Dr. Bigard said the FY24 audit is complete – both the financial statement audit and the A133. Dr. Bigard said the FY25 is in progress. The deadline is March.
- ii. **Insurance.** Dr. Bigard said counsel has e-mailed a copy of the insurance requested by the board at the last special called meeting, which includes the policy premium summary. She gave a summary of what is included in the policy.
 - Regent Dukes asked how often they reassess the amounts that they are paying and do they find opportunities where they can reduce those. Dr. Bigard was not sure of the last time the institution did that, but she thinks it's something they want to do every couple of years. She said part of what they do in the meantime is update the inventory of automobiles. Assured Partners is the current broker.
 - Dr. Akakpo said they did it last year and saved about \$130,000.
 - Regent Moyer and Regent Duke asked Dr. Bigard questions about the coverages.
 - Regent Obielodan asked if the policy premium summary could be sent to them via e-mail and Dr. Bigard said that it could be sent.
 - Regent Hatchett asked if this could be sent as well in advance as possible.
- iii. **Approve FY26 Budget Item.** Dr. Bigard said she mentioned in the last meeting that it would likely be in need for them to amend the budget going into the second half of the fiscal year. She summarized the slide attached to the presentation, including discussing the online budget.
 - She said the original budget for tuition was just under \$17 million. They are now projecting at least \$22 million.
 - Scholarship and waivers budget was \$3.5 million and they have spent just over \$5 million.
 - Bad debt was budgeted at \$1 million and she's still projecting a million being the

cap.

- Regent Hatchett asked about the process for determining the scholarship and waiver line as to go from \$3.5 million to \$5 million. Dr. Akakpo and Dr. Bigard responded to his question.
- Dr. Bigard further explained the FY Budget Amendment proposal line by line. The revenue will go from 34.7 to a projected 38.7 by year end.
- Salaries and wages were projected at 13.7 this year and last year it was \$15 so they are projecting salaries at 15.8.
- Dr. Bigard also discussed benefits and contracted services. Contracted services is \$8.2 million projection of which \$5 million is Magellan and Sway contracts.
- Regent Moyer asked how close the numbers are to actually reflecting changes in the institution's cash position now and a year ago and how it ties into these budget numbers. Dr. Bigard responded. Regent Moyer and Dr. Bigard continued the discussion with Dr. Bigard saying we will likely need some kind of intervention before the end of the fiscal year.
- Regent Hatchett had a question on bad debt amendment line with zero.
- Dr. Akakpo also addressed the lack of endowment to help students.
- Regent Hatchett commented on the million dollar bad debt and Dr. Akakpo commented on the bad debt as well.
- Dr. Bigard discussed auxiliary services revenue including housing, dining, uncollected and bookstore. She said they came up short by about \$307,000. Dining came up short as well. She also included expenses under auxiliary services.
- Regent Hatchett stated that the Regents need the reports in advance and Dr. Akakpo responded.
- Dr. Bigard then discussed accounts receivable, which is \$11.5 million. The total amount over a progression over the last few years is just over \$20 million and they don't know how much was written off.
- She said they are working on how to collect the funds from students and only 117 students signed up for a payment plan. She said it will be a requirement moving forward that either the whole balance is satisfied by writing a check, financial aid or a payment plan.
- She said on February 18 once their financial aid has posted and they know the balances, anybody with a balance not part of the 117 that live in a residence hall will have their meal plan turned off with notice and the same with Canvas.
- She said collection notices will start going out on March 1 for students that have a balance six months or more. She further discussed other initiatives.
- Regent Grimshaw said it raises a lot of questions for him, including how long do you hold it until it truly zeros out. Dr. Bigard responded.
- Regent Moyer commented that it reiterates the importance of seeing cash flow numbers.
- Regent Obielodan asked about the account receivable for the online program compared to the residential being proportionately the same and if this is common

at other universities. Dr. Akakpo responded.

- Regent Obielodan and Dr. Bigard discussed cutting off residential living.

iv. Approve Shauntee Hall Renovations. Jack McNear was introduced as the new associate vice president for facilities and capital planning and he summarized some of the work his department has been doing since he arrived a month ago.

- Mr. McNear said they are asking for approval of a project on Shauntee Hall renovations to go from \$6.79 million to \$9.7 million, which will be the new school of engineering. He further discussed what is in the building. He said they need an additional \$3 million to proceed with the project.
- Regent Obielodan had a question on the project approval in the fall. Dr. Akakpo responded to the question.
- Regent Dukes asked what is a maker room and Mr. McNear responded.

v. Jackson Hall easement. Mr. McNear said they have to provide an easement for Jackson Hall and that the easement goes to the state historical preservation society.

- Mr. McNear said they have a project to improve the crenellations – the towers sticking up, which are failing and deteriorating. They have \$437,000 to complete the project, which is coming from National Park Service.
- Regent Obielodan had a question, which Mr. McNear answered.
- Regent Moyer asked Regent Dukes if this was going to be voted on at the board level and she responded yes.
- Regent Hatchett asked where the money was coming from to fund the Shauntee Hall renovation project. He said 70% is coming from the state and 30% from the federal government.
- Regent Hatchett asked what happens to the Carver Hall project and Dr. Akakpo said they will go ahead and renovate Carver Hall, but it will not be for engineering.
- Regent Obielodan asked about parking and additional safety for students.

B. Institutional Advancement Activity by Regent Moyer.

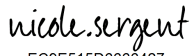
i. Investment Discussion. Regent Moyer said he wasn't sure if they were going to do anything with the investment decisions and requested advice from general counsel, Nicole Sergent.

- General Counsel Sergent gave her recommendations. Regent Dukes said she thinks the best course of action is that any decisions be made in the committee.
- Regent Moyer asked if there are any action items in the investment area. Counsel Sergent said there will be a presenter in the investment area.

- There was an investment presentation by David King in the form of a report. For calendar year, KYSU started with \$25.2 million; has roughly \$1 million of cash outflows and \$3.2 million of positive market change and end with \$27.4 million. Fiscal year to date investment gains is at about \$2.1 million with outflows of \$518,000.
- Regent Hatchett had a comment/question on whether they were doing foreign investments for the portfolio. Regent Moyer responded that there is a provision for some international investment and it's an appropriate discussion to engage in. Regents Hatchett, Moyer and Grimshaw further discussed foreign investment along with Mr. King's response.
- Regent Obielodan asked if the report is available and Mr. King said he could provide a copy of the report to Secretary Sergeant.
- There was a discussion if the action items would be voted on today or by the full board. It was agreed that this time the action items would be voted on by the full board.


5. Adjournment. Regent Moyer asked for a motion for adjournment. Regent Grimshaw made a motion for adjournment and Regent Dukes seconded the motion.

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