

Kentucky State University

Board of Regents Meeting

Finance and Business Committee

October 25, 2013

Regent Lavaughn Henry, Chairperson

Regent David Guarnieri

Regent Syamala Reddy

Regent Chuck Whitehead

Ms. Anita Lockridge, Staff

9:15 am to 10:00 am

KENTUCKY STATE UNIVERSITY
Regular Meeting of the
Board of Regents
Finance and Business Committee
October 25, 2013
9:15 am to 10:00 am
Board Room – Academic Services Building
Frankfort, Kentucky

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KENTUCKY STATE UNIVERSITY
Regular Meeting of the
Board of Regents
Finance and Business Committee
October 25, 2013
9:15 am to 10:00 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 Lavaughn Henry,
Chairperson |
| IV. | Approval of Minutes | Regent Lavaughn Henry,
Chairperson |
| V. | Executive Summary Report | Ms. Anita Lockridge, Vice President
for Finance Administration |
| VI. | Action Items
1. Approval of MyMath Fee | Ms. Anita Lockridge, Vice President
for Finance Administration |
| VII | Informational Items:
1. FY 2014 Budget vs. Actual
2. FY 2014 Financial Statement (unaudited) | Ms. Anita Lockridge, Vice President
for Finance Administration |
| VIII. | Discussion | |
| IX. | Adjournment | |

Agenda Item Background

To:	Board of Regents Finance and Business	Date: October 25, 2013
From:	Ms. Anita Lockridge, Vice President for Finance Administration	
Subject:	July 26, 2013 Committee Minutes	
Reason for Consideration:	Approval	Enclosures: Yes

Background:

The minutes of the Finance and Business Affairs Committee meeting for July 26, 2013, require approval in order to become an official part of the committee records.

Recommendation:

It is recommended the Finance Administration Affairs Committee approve the minutes of the July 26, 2013 meeting.

Approval

Initiator:	Ms. Anita Lockridge, Vice President for Finance Administration
Board Action Date:	October 25, 2013
Effective Date:	October 25, 2013

**Kentucky State University
Board of Regents
Finance and Business Committee
9:15 am to 10:00 am
July 26, 2013
Frankfort, Kentucky**

MINUTES

I. Call to Order

Regent Henry called the meeting to order at 10:07a.m. on July 26, 2013.

II. Roll Call

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

Regent Lavaughn Henry, present
Regent Ron Banks, present
Regent David Guarnieri, absent
Regent Syamala Reddy, absent
Regent Chuck Whitehead, present
Mrs. Lockridge, present

A quorum was declared.

III. Approval of Minutes

Action: Motion to approve the minutes from the April 26, 2013 Finance and Business Committee meeting was made by Regent Henry. The minutes stand as approved as submitted.

Regent Henry recognized Mrs. Lockridge to carry the discussion forward.

IV. Vice President's Report

Executive Summary

Vice President Lockridge gave an overview of the Executive Summary Narrative. Budget vs. Actual year-to-date through May, 2013 was presented. Staff is working to complete the June financials for the fiscal year.

FY2013 Audit

The committee was informed that the external auditors from DeanIDortonIAllenIFord have been on campus several times and will be back for about three weeks beginning the week of August 4th to begin field work. Staff have been diligently working on the audit schedules.

Vice President Lockridge introduced several staff members that have been working on the audit, Jessica Peete, Sr. Financial Analyst, Vickie Dornbusch who is working in the department on an interim basis and James Presley, Coordinator Collection and Cash Manager.

NCAA Report

Vice President Lockridge informed the committee that DeanIDortonIAllenIFord has issued the final NCAA audit report which is required every three years; the report was acceptable.

Internal Audit

The committee was informed that Tronconi Segarra & Associates were on campus the week of June 10th to perform general controls reviews in the areas of Purchasing, Accounts Payable, Human Resource Services and Student Financial Aid and will be back later in the year to perform testing.

Perkins Loan

Vice President Lockridge stated that at the January BOR meeting it was reported that the cohort default rate was at 25.9% and at June 30th it is 13.5%; below the USDOE target of below 15%. This is due to staff contacting students and explaining available repayment options, many of them qualified for forbearance. The university is working with the Department of Education (DOE) to exit the program. They have given KSU a check list that is being used to review each file to assure the elements required for completion are included prior to submitting to DOE.

Insurance Renewal

The renewal of insurance coverage for the university was completed July 1st. The renewals include Primary General Liability, Directors & Officers Employment Practices, Educators Legal Liability, Crime Insurance and Workers Compensation. Vice President Lockridge stated that the university worked with brokers from Neace Lukens and Dr. Telferi Tsegaye to acquire insurance for the research vessel referred to as Kentucky River Thorobred.

TouchNet

Vice President Lockridge stated that management has acquired additional use of rights through a company called TouchNet which offers software whereby students can go online and pay their tuition bills with a credit card. The targeted date for this plan is the end of September. Also, Payment Plan software has been acquired for creating and managing tuition installment plans. Go Live is targeted for October.

Ellucian

The university software vendor Ellucian has been on campus assisting with the loading of the budget, year-end closing and training. On-going training is being planned to assure staff is trained on the functionality of the system.

Other

The Finance Administration has partnered with the School of Business to implement an Accounting internship program. Mrs. Carla Perry, a senior with a major in Accounting was introduced and she shared her experience of working in Finance Administration's accounting department.

Human Resource Services

Vice President Lockridge stated that performance evaluations for the University for the period July 1, 2012 through June 30, 2013 are due to HR August 16, 2013. She stated that responses to the RFP for the review of faculty and staff compensation and classification have been received and the first review committee meeting will be held August 1, 2013. She informed the committee that the annual benefit and open enrollment for FY14 was completed in May with an effective date of July 1, 2013 with very few employees changing their health insurance coverage due to an affordable health plan. Per Vice President Lockridge, we continue to monitor our requirements with the Affordable Health Care Act. The university will issue a *Notice to Employees of Coverage Options* no later than October 13, 2013. The committee was informed that to ensure all individuals receiving a paycheck are active KSU employees, ghost audits have been scheduled for Staff in August and Faculty and Students in October. She also stated that the effective date for the implementation of the change to the KTRS sick leave service credit program is September 2, 2013. The committee was informed that there is a pilot program being tested for electronic timesheets for students and also a simplification process for EPAF's has been approved by the Cabinet.

Personnel Policy Update

Attorney Davis gave a presentation for the approval of a revision to Staff Personnel Policy and Procedure Number 6.0.

Action: Regent Henry proposed a motion to take this to internal advisement and make a ruling on it at the next Board meeting. Regent Whitehead seconded the motion. The motion passed.

FY2014 Budget Tuition and Fee Increase

Per Vice President Lockridge, at the April 26, 2013 BOR meeting the stated increase in tuition and mandatory fees was noted as 2.9% instead of 2.95%.

Action: Motion to make an adjustment that the tuition and fee policy be increased to 2.95% versus already approved 2.9% was made by Regent Henry and seconded by Regent Whitehead. The motion passed.

Tuition Rates for Rosenwald Center for Families and Children

Vice President Lockridge gave an overview of the tuition rate chart for the Rosenwald Center for Families and Children.

Action: Motion to approve the FY2014 Tuition Rate Chart for Rosenwald Center for Families and Children was made by Regent Henry and seconded by Regent Banks. The motion passed.

V. Adjournment

Motion to adjourn the Finance and Business committee meeting was made by Regent Henry and seconded by Regent Whitehead. The meeting adjourned at 10:47am.

Submitted by:

Approved by:

Anita Lockridge, Vice President for Finance
Administration

Lavaughn Henry, Chairperson
Finance and Business Committee

Approved with no corrections

Approved with corrections

Agenda Item Background

To:	Board of Regents Finance Administration	Date: October 25, 2013
From:	Ms. Anita Lockridge, Vice President for Finance Administration	
Subject:	Executive Summary	
Reason for Consideration:	Informational Item	Enclosures: Yes

Background:

Recommendation:

Informational Item

Initiator:	Ms. Anita Lockridge, Vice President for Finance Administration
Board Action Date:	October 25, 2013
Effective Date:	October 25, 2013

KENTUCKY STATE UNIVERSITY
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EXECUTIVE SUMMARY

Staff Additions

The Division of Finance welcomed Ms. Deborah Martin as the Associate Vice President of Business Operations and Ms. Jane Ann Knotts as the Director of Budget, Policy and Planning to Kentucky State University.

Council on Postsecondary Education Budget Approach

The Vice President Finance Administration has been engaged with the Vice Presidents of the other postsecondary institutions in the Commonwealth to decide on a funding model. This funding model will be utilized by the Council on Postsecondary Education (CPE) to make its FB 2014-16 Budget Recommendations the Governor and to the Legislative Research Commission. The discussion have centered on several initiatives that support recently passed education legislation and others that have been deemed important to the Commonwealth. They include the following: College and Career Readiness; Research and Economic Development; Degree Production; Kentucky Adult Learners; and UK/KSU Land Grant funds. Various Trust Fund initiatives are being discussed. The evolution of the final model is planned as follows: The Vice Presidents (Chief Budget Officers) of each institution collectively review the detailed information surrounding the above areas and their respective fiscal implications. From those discussions, comes a recommendation to the Presidents of the postsecondary institutions. The Presidents make a recommendation to CPE. CPE will select the funding model and make the budget recommendations. At the present time, the Presidents are deliberating on their recommendations to CPE. CPE will probably make their decisions at its November 8th meeting.

Council on Postsecondary Education Request

The Program Review and Investigation Committee has requested through CPE data for 10 year period (2001-02 to 2011-12) from all Public Higher Education Institutions. Staff is currently working to provide this information.

Grant Training

The Vice President Finance Administration recently attended The Whitehouse Initiative on HBCUs. Additionally, the vice president and the Title III director met with the Program Officer over the university's HBCU Masters Grant.

Brickstreet Audit

A representative from Brickstreet conducted a premium audit on October 8, 2013. The goal of the audit was to assess whether or not our insurance premium accurately represented the proper risk exposure. Results when received will be shared.

Homecoming Activities

Members of the Finance department coordinated the cash management services for the Homecoming Step Show and Saturday night concert.

Other Items

Refer to the Human Resources Update contained within.

Agenda Item Background

To:	Board of Regents Finance Administration	Date: October 25, 2013
From:	Ms. Anita Lockridge, Vice President for Finance Administration	
Subject:	Preliminary Unaudited Budget vs. Actual Report & Financial Statements – for two months ending August 31, 2013	
Reason for Consideration:	Informational Item	Enclosures: Yes

Background:

The Budget vs. Actual Report presents the revenue and expenses for the Educational and General Fund (E&G), Auxiliary fund, as well as Land Grant and Action Agenda Funds. Grants and contract revenue and expenses are excluded from this report.

The comparative Interim Financial Statement of Net Position is included as of August 31, 2013 and May 31, 2013. The comparative Interim Statement of Revenues, Expenses and Changes in Net Position is included as of August 31, 2013 and August 31, 2012.

Overview:

Budget vs. Actual Report revenues are at 41.05% of budget. First quarter of State Appropriations (30%) were received in July 2013. Student tuition/fees and auxiliaries are at 55.65% and 49.76% of budget, respectively. Expenditures as of August 31, 2013 are at 15.76% of budget, which is 0.9% below budgeted amount of 16.67%. Total surplus is at \$13.8M.

Highlights of the Comparative Interim Financial Statements are discussed below:

1. Cash and cash equivalents total \$25.6 million and \$26.2 million for August 2013 and May 2013, respectively. The amount for August 2013 includes \$19.2 million that is restricted for Land Grant and Action Agenda items.
2. Accounts receivable totaling \$21.1 million and \$14.9 million for August 2013 and May 2013, respectively, includes the receivables from students, grants

and loans. As of August 2013, this amount includes \$12 million in student accounts receivables and \$9.1 million that is grants and other receivables.

3. Current liabilities for August 2013 and May 2013 amounts to \$6.7 million and \$5.5 million respectively, consisting of accounts payable, deferred revenue, accrued payroll liabilities and other current liabilities.
4. As of August 2013, net assets reflect a \$4 million increase over May 2013.
5. Tuition and fee revenue comparison for August 2013 and August 2012 represents a \$3.6 million increase. Net student tuition and fees totals \$10.3 million and \$7.6 million in August 2013 and August 2012, respectively.
6. Auxiliary revenue comparison for August 2013 and August 2012 represents an increase of \$200 thousand.
7. Operating expenses for August 2013 increased \$2.2 million compared to August 2012.

Informational Item

Initiator:	Ms. Anita Lockridge, Vice President for Finance Administration
Board Action Date:	October 25, 2013
Effective Date:	October 25, 2013

Kentucky State University

Statement of Net Position

August 31 2013

(Unaudited)

	<u>August 2013</u>	<u>May 2013</u>
ASSETS		
Current assets:		
Cash and cash equivalents	25,614,952	26,170,913
Accounts, grants and loans receivable, net	21,098,816	14,893,773
Investments	-	-
Inventory and other current assets	127,145	118,975
Total current assets	<u>46,840,913</u>	<u>41,183,660</u>
Noncurrent assets:		
Accounts, grants and loans receivable, net	400,973	458,019
Investments	13,520,106	13,803,652
Capital assets, net	82,604,086	82,592,744
Total noncurrent assets	<u>96,525,165</u>	<u>96,854,415</u>
Total assets	<u>143,366,077</u>	<u>138,038,075</u>
LIABILITIES		
Current liabilities:		
Accounts payable and accrued liabilities	2,341,464	1,120,648
Accrued compensated absences	1,633,551	1,950,795
Deferred revenue	1,321,029	1,329,936
Deposits	181,178	203,114
Other current liabilities	391,947	47,873
Bonds and capital lease obligations, current	825,613	801,227
Total Current liabilities	<u>6,694,782</u>	<u>5,453,593</u>
Noncurrent liabilities:		
Bonds and capital lease obligations	7,350,371	7,277,520
Federal grants refundable	991,709	991,709
Total Noncurrent liabilities	<u>8,342,080</u>	<u>8,269,229</u>
Total LIABILITIES	<u>15,036,862</u>	<u>13,722,822</u>

Kentucky State University

Statement of Net Position

August 31 2013

(Unaudited)

	<u>August 2013</u>	<u>May 2013</u>
NET ASSETS		
Invested in capital assets, net of related debt	74,428,102	74,513,997
Restricted		
Nonexpendable	12,002,354	12,340,278
Expendable	6,495,638	11,711,016
Unrestricted	<u>35,403,122</u>	<u>25,749,962</u>
 Total Net Assets	 <u><u>128,329,215</u></u>	 <u><u>124,315,253</u></u>

Kentucky State University
 Addendum to Statement of Net Position
 Components of Fund Balances - Disaggregated
 (Unaudited)

	<u>June 30, 2013</u>	<u>Actual YTD Activity</u>	<u>Aug 31, 2013</u>
Invested in Capital Assets,			
net of related debt	75,009,634	(581,532)	74,428,102
Restricted - Nonexpendable:			
Endowments	12,027,435	(25,081)	12,002,354
Expendable:			
Grants & Contracts	396,790	(452,366)	(55,576)
Endowments	3,744,837	(1,278,617)	2,466,220
Plant Renewal & Replacement	5,797,108	(2,383,745)	3,413,363
Capital Renewal Reserves	671,630	-	671,630
	<u>10,610,366</u>	<u>(4,114,728)</u>	<u>6,495,638</u>
Unrestricted:			
Education & General	(2,473,500)	14,961,437	12,487,936
Auxiliary	2,140,208	2,668,820	4,809,027
Land Grant Match	17,242,123	864,035	18,106,158
	<u>16,908,831</u>	<u>18,494,291</u>	<u>35,403,122</u>
Total Net Assets	<u><u>114,556,265</u></u>	<u><u>13,772,950</u></u>	<u><u>128,329,215</u></u>

Kentucky State University
Statement of Revenue and Changes in Net Position (By Function)
Periods Ending August 31 2013 and 2012
(Unaudited)

	<u>YTD August 2013</u>	<u>YTD August 2012</u>
REVENUES		
Operating revenues:		
Student tuition and fees (gross)	12,145,910	8,579,879
Less: Scholarship Allowances	(1,877,637)	(985,283)
Student tuition and fees (net of scholarships)	<u>10,268,273</u>	<u>7,594,596</u>
Federal grants and contracts	1,260,731	452,676
Federal appropriations	1,177,169	120,627
State and local grants and contracts	270,871	50,392
Auxiliary enterprises		
Residence halls	1,641,352	1,543,950
Dining	1,476,650	1,413,810
Bookstore	25,000	25,000
Other auxiliaries	46,843	7,000
Other operating revenues	<u>119,639</u>	<u>132,151</u>
Total Operating revenues	<u>16,286,529</u>	<u>11,340,202</u>
EXPENSES		
Operating expenses:		
Educational and general		
Instruction	1,249,365	647,294
Research	905,377	960,439
Academic Support	406,120	1,216,507
Student Services	1,086,472	372,375
Public Service	1,442,200	753,305

Operations and maintenance	731,187	1,532,339
Institutional Support	1,835,690	434,686
Student aid	3,086,640	2,428,640
Depreciation Auxiliary enterprises	683,385	644,105
Residence Halls	187,298	240,903
Dining	186,986	264,790
Other auxiliaries	81,093	105,376
Depreciation	55,039	113,666
Total Operating expenses	<u>11,936,852</u>	<u>9,714,425</u>
Operating income (loss)	<u>4,349,677</u>	<u>1,625,777</u>

Kentucky State University
Statement of Revenue and Changes in Net Position (By Function)
Periods Ending August 31 2013 and 2012
(Unaudited)

	<u>YTD August 2013</u>	<u>YTD August 2012</u>
NONOPERATING REVENUES (EXPENSES)		
State appropriations	7,061,222	7,061,222
Federal grants and contracts	2,411,509	-
Gifts	35,995	2,000
Investment income (net of investment expense)	(15,867)	132,390
Interest on capital asset-related debt	(70,389)	-
Other non operating revenues (expenses)	<u>803</u>	<u>541,662</u>
Net Non operating revenues (expenses)	<u>9,423,273</u>	<u>7,737,274</u>
Income(loss) before other revenues expenses gains or losses	<u>13,772,950</u>	<u>9,363,051</u>
Endowment Gifts	-	-
Capital appropriations	<u>-</u>	<u>-</u>
Increase (decrease) in net assets	<u><u>13,772,950</u></u>	<u><u>9,363,051</u></u>
Net assets, beginning of year	<u><u>114,556,265</u></u>	<u><u>116,943,862</u></u>
Net assets, end of year	<u><u>128,329,215</u></u>	<u><u>126,306,913</u></u>

Kentucky State University
Statement of Cash Flows
Periods Ending August 31, 2013 and August 31, 2012
(Unaudited)

	<u>YTD August 2013</u>	<u>YTD August 2012</u>
Cash flows from operating activities		
Tuition and fees	1,437,507	(388,109)
Grants and contracts	1,474,334	5,612,800
Payments to suppliers	(2,902,422)	(8,396,366)
Payments to employees	(5,410,385)	(3,636,230)
Student financial aid	(3,088,920)	
Loans issued to students	6,720	(9,620)
Collection of loans issued to students	36,188	24,376
Auxiliary enterprises:		
Residence halls and dining	3,118,003	2,957,760
Bookstore	25,000	25,000
Other auxiliaries	46,843	7,000
Other receipts	496,106	(174,123)
Net cash from operating activities	<u>(4,761,027)</u>	<u>(3,977,513)</u>
Cash flows from noncapital financing activities		
State appropriations	7,061,222	7,061,222
Federal Grants and Contracts	2,411,509	-
Gifts for other than capital purposes	35,995	2,000
Student organization agency receipts	90,366	94,271
Student organization agency disbursements	(70,044)	(73,544)
Other receipts (payments)	803	541,662
Net cash from noncapital financing activities	<u>9,529,851</u>	<u>7,625,611</u>
Cash flows from capital financing activities		
Capital appropriations	-	-
Purchases of capital assets	(156,892)	(353,834)
Proceeds from capital debt	-	-
Principal paid on capital debt	-	-
Interest paid on capital debt	(70,389)	(132,390)
Net cash flows from capital financing activities	<u>(227,281)</u>	<u>(486,224)</u>
Cash flows from investing activities		
Interest received on investments	14,350	15,075
Investment expenses	(10,783)	(4,440)
Proceeds from sale of investments	318,686	710,634
Purchases of investments	(356,828)	(588,840)
Net cash flows from investing activities	<u>(34,576)</u>	<u>132,429</u>

Net increase (decrease) in cash and cash equivalents	4,506,967	3,294,304
Cash and cash equivalents at beginning of year	<u>21,107,984</u>	<u>23,842,721</u>
Cash and cash equivalents at end of year	<u><u>25,614,952</u></u>	<u><u>27,137,025</u></u>

Kentucky State University

Statement of Cash Flows Periods Ending August 31, 2013 and August 31, 2012 (Unaudited)

	<u>YTD August 2013</u>	<u>YTD August 2012</u>
Reconciliation of net operating loss to net cash from operating activities		
Operating income (loss)	4,349,677	1,625,777
Adjustments to reconcile operating income (loss) to net cash from operating activities:		
Depreciation expense	738,424	757,771
Bad Debt Expense	-	-
Loss on disposal of capital assets	-	-
Changes in assets and liabilities:		
Receivables, net	(9,704,244)	(2,863,736)
Inventory and prepaid expenses	(13,962)	(13,941)
Accounts payable and accrued liabilities	(441,628)	(2,160,778)
Accrued compensated absences	-	-
Other liabilities	252,290	(901,223)
Deferred revenue	58,416	(421,383)
Net cash from operating activities	<u>(4,761,027)</u>	<u>(3,977,513)</u>

Kentucky State University

Budget vs. Actual

For the two months ending August 31, 2013

Amounts shown in dollars

	Approved Budget	YTD Actual Activity	YTD Actual % of Budget	% Expired	Variance	YTD ACTUAL BY FUND GROUP			
						Education & General	Auxiliary	Land Grant & Action Agenda	
Revenues									
State Appropriations	23,267,279	7,061,222	30.35%	16.67%	-69.65%	5,565,778			1,495,444
Student Tuition & Mandatory Fees	21,650,044	12,047,736	55.65%	16.67%	-44.35%	12,047,736			
Auxiliaries	6,409,856	3,189,846	49.76%	16.67%	-50.24%		3,189,846		
Other	3,208,348	89,614	2.79%	16.67%	-97.21%	89,614			
Revenues Total	54,535,527	22,388,418	41.05%	16.67%	-58.95%	17,703,128	3,189,846		1,495,444
Expenditures									
Salaries/Wages/Benefits	32,162,212	3,982,395	12.38%	16.67%	-87.62%	3,364,045	200,657		417,693
Supplies & Other	2,208,498	350,437	15.87%	16.67%	-84.13%	330,341	2,589		17,507
Travel	1,087,275	62,272	5.73%	16.67%	-94.27%	61,987			285
Communications	169,550	45,220	26.67%	16.67%	-73.33%	44,180		11	928
								2	
									36,918

Services	8,989,771	648,900						200,408	
Interdepartmental	209,064	(526)	-0.25%	16.67%	-100.25%	9,054	(22,222)		12,642
Fixed Costs	2,794,201	1,067,273	38.20%	16.67%	-61.80%	933,088	128,027		6,159
Student Aid	4,792,142	2,297,251	47.94%	16.67%	-52.06%	2,297,251			
Capital	1,340,867	18,080	1.35%	16.67%	-98.65%	4,000			14,080
Expenditures Total	53,753,581	8,471,303	15.76%	16.67%	-84.24%	7,455,520	509,572		506,211
Surplus (Deficit) before Transfers Mandatory & Non mandatory transfers	781,946	13,917,115				10,247,608	2,680,274		989,233
	(781,946)	(144,165)				(144,165)			
Surplus (Deficit)	0	13,772,950				10,103,443	2,680,274		989,233

Agenda Item Background

To:	Board of Regents Finance and Business	Date: October 25, 2013
From:	Ms. Anita Lockridge, Vice President for Finance Administration	
Subject:	Human Resources Update	
Reason for Consideration:	Informational Item	Enclosures: Yes

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

1. The firm of Fox Lawson & Associates has been selected to review the faculty and staff compensation and classification systems, general compensation practices, and the university's performance management system. The firm has been in the compensation consulting practice since 1981 with 90% of their business conducted with public employers and 40% of their business conducted with colleges and universities including HBCUs and land grant institutions. The project will require the active participation of all faculty and staff and should be completed within ten to eleven months.
2. The mandatory issuance of a *Notice to Employees of Coverage Options* under the Affordable Health Care Act (ACA) was mailed to the home address of every KSU employee by the October 1, 2013 deadline. A copy of the notice is enclosed as an informational item.
3. Performance evaluations for the period of July 1, 2012 through June 30, 2013 are being received in the Office of Human Resources.
4. The payroll ghost audit of staff, to ensure that all individuals receiving a paycheck are active Kentucky State University employees, was completed with 430 of 433 staff employees completing the process. The remaining three staff employees either failed to report to Payroll or are on administrative leave. The appropriate documentation for these individuals will be collected either when they report to Payroll to obtain a "paper" paycheck or upon their return from administrative leave. The audit for faculty and students will be completed during October 2013.
5. The university's inaugural Health Fair and Tobacco Free campus initiative occurred on October 21, 2013. A copy of the poster is enclosed as an informational item.
6. The university's inaugural Retirement Readiness Fair is scheduled for October 28, 2013.

7. The October 2013 Office of Human Resources newsletter is enclosed as an informational item.
8. The simplification process for Electronic Personnel Action Forms (EPAF) was implemented on August 1, 2013 per approval by the Cabinet.

Informational Item

Initiator:	Mr. Gary Meiseles, Director of Human Resource Services
Board Action Date:	October 25, 2013
Effective Date:	October 25, 2013



Employee Health Fair

Sponsored by: **NEACE LUKENS**
An Award Partners Company

*Join us as we
officially kickoff
the tobacco free campus
initiative!!!*

- No cost screening is only open to employees and covered dependents, 18 years of age or older, covered by KSU's medical plan provided by United Health Care (UHC).
- Employees are highly recommended to bring their UHC medical card on the day of the event but not required.

Date:
Monday, October 21, 2013

Time:
10:00 am - 4:00 pm

Location:
Carl M. Hill Student Center
Fourth Floor Ballroom

Hurry and register today at:
<https://register.wellness-inc.com/KSU>
or call the hotline at 866-935-5462

Knowing your numbers may keep little health issues from growing into big ones.

Your screening services include:

- Height & Weight Measurement
- Body Mass Index Calculation
- Blood Pressure Reading
- Cholesterol & Glucose Screening

Adult Immunization Management (AIM), will be present to provide flu shots at no cost to all adult participants in the KSU/UHC health plan. Non – participant cost is \$24.00.

Participating Vendors:

- Generations of Wellness (UHC)
- Whole Foods Market
- Frankfort Regional Medical Center
- Franklin County Health Department
- Office of Health Equity—Kentucky Department of Public Health
- College of Agriculture, Food Sciences and Sustainable Systems - Healthy Foods Van
- BeneSolv
- UNUM
- Delta Dental
- American General Life Insurance (AIG/AGLA)
- Aflac
- Colonial Life

Many giveaways throughout the day!!!



KENTUCKY STATE UNIVERSITY

October 2013

OFFICE OF HUMAN RESOURCES



Web site: www.kysu.edu

KSU GOES TOBACCO FREE

The U.S. Surgeon General's office has long reported that exposure to secondhand tobacco smoke and use of tobacco are significant health hazards, causing strokes, emphysema, lung, throat, mouth, bladder, cervical, stomach, and kidney cancer. More women today get lung cancer than breast cancer. Smoking causes problems during pregnancy, and babies born into homes where the adults smoke have more health problems and greater mortality rates than those born into non-smoking homes to non-smoking parents.

In the interest in promoting a healthy environment for students, faculty and staff, visitors, and vendors, Kentucky State University (KSU) became tobacco free on October 1, 2013! All forms of tobacco, including lighted smoking instruments of any kind, all smokeless tobacco products, and e-cigarettes, are prohibited on all campus grounds, in parking lots (including in private automobiles on KSU grounds), in buildings, KSU-owned vehicles, and at all University events. Read the full policy on KSU's Human Resources web page. If you need help stopping smoking or tobacco use, there are several resources available to assist.

Smoking Cessation Classes

Dr. Kristopher Grimes and nurse Phyllis Rogers of the College of Agriculture Food Sciences and Sustainable Systems will offer free smoking cessation classes on campus this year. Frankfort Regional Medical Center and the Franklin County Health Department will also provide classes in the community. These classes will be announced in campus email when scheduled.

The Little Clinic in Kroger on Frankfort's west side provides individualized programs as well.



Address: 1309 U.S. 127 Frankfort, KY 40601

Phone: (502) 875-6390

Hours:

Monday—Thursday 8:00 am—8:00 pm

Saturday 8:00 am—5:00 pm

Sunday 10:30 am— 5:00 pm

United Healthcare Services (UHC)

For covered employees and dependents, UHC offers Simply Engaged Health Coaches who can assist with those who want to stop smoking. The Simply Engaged program offers a \$75 reward for participating.

UHC also offers an online smoking cessation program, a health discount program that allows 10-25% off services and products to support smoking cessation and to develop a healthy lifestyle.

Campus Kickoff

KSU will officially kickoff the tobacco free campus initiative in conjunction with the employee health fair on October 21, 2013 from 10:00 am— 4:00 pm in the Carl M. Hill Student Center fourth floor ballroom.



Services for Employees with Disabilities

Did you know that as many as 15% of adults have some type of disability? Disabilities may be permanent or temporary. They may be mild or debilitating. Because of the range of differences in severity, some individuals with disabilities are able to continue working with no problems arising. In some cases, however, they may need assistance. For employees who have disabilities and need accommodations, Kentucky State University provides support in accordance with the Americans with Disabilities Act (ADA).

The university assists employees with disabilities whose conditions impact their ability to perform their jobs by providing reasonable accommodations as required by the ADA. Using official documentation from physicians and other health professionals, eligibility for accommodations is determined. The types of accommodations provided to employees are determined based on their individual needs. Examples of common accommodations may include, but are not limited to: temporary reassignment of work duties; assistive technology; training for new responsibilities; job restructuring; providing special seating or desk equipment; and allowing alternate work schedules to allow for doctor appointments or therapy.

The university also provides reasonable accommodations to students and campus visitors with disabilities through the Disability Resource Center (DRC) in room 220 of the Student Center, and the Office of Human Resources in 429 Academic Services Building. Employees, supervisors, and program coordinators who would like more information on services available to individuals with disabilities should contact Corlia Logsdon at 502-597-6863 or corlia.logsdon@kysu.edu. Students with disabilities are invited to contact Kendis Smith in the DRC at 502-597-5076 or Kendis.smith@kysu.edu for information on eligibility, required documentation, and available services.

Classification and Compensation Study

Kentucky State University has contracted with the firm of Fox Lawson & Associates, a division of Gallagher Benefit Services, Inc., to conduct a comprehensive study of the faculty and staff classification and compensation systems. Fox Lawson has been in the compensation consulting practice since 1981 with 90% of their business conducted with public employers and 40% of their business conducted with colleges and universities including HBCUs and land grant institutions.

The project will require the active participation of all faculty and staff and should be completed within ten or eleven months. Formal kick-off, to include a project overview from the consulting firm, is anticipated for December 2013.

The Office of Human Resources will provide project updates through the university's website, this newsletter, as well as the daily Campus Announcements.

Patient Protection and Affordable Health Care Act

In March 2010 President Obama and Congress passed the Patient Protection and Affordable Health Care Act (PPACA or ACA). In compliance with provisions contained in the Act, prior to October 1, 2013 KSU mailed to employee home addresses a mandated notice. The flyer reproduced on the following page, prepared by our broker, Assured NL Insurance Agency, Inc., enhances the information that was contained in the mailed notice.

Another important provision of the act is the requirement that individuals obtain health coverage for themselves and their family members, effective January 1, 2014, or pay a penalty. This requirement is known as the "Individual Mandate."

In order to comply with the "Individual Mandate" of the Act, individuals will have four options to obtain coverage: The "Marketplace" (also known as "Exchanges"); Medicaid, CHIP, or other government sponsored program; Employer health plan; Spouse's employer health plan (if applicable).

Continued on Page 4

Employer Marketplace Notice

WHAT IS THIS NOTICE?

Why am I Receiving this Notice?

Employers are required to provide a notice to each employee on or before October 1, 2013 which provides basic information about the new Marketplace (also called an Exchange). The Notice provides you with information about your employer-sponsored coverage that will be important if you decide to purchase coverage through the Marketplace. Employers are also required to give all newly hired employees the notice within 14 days of their start date. There are two types of notices: one for employees whose company does offer health insurance coverage and one for employees whose companies do offer coverage.

Why is this information important to me?

The Notice will provide you information about:

- Open Enrollment dates for purchasing coverage through the Marketplace
- Financial Assistance available to certain individuals
- How your employer-sponsored coverage may affect your ability to get a subsidy through the Marketplace
- Where to get additional information about coverage through the Marketplace

What do the terms "Minimum Value" and "Affordable" mean under this Notice?

A plan is determined to have Minimum Value if it contains certain essential benefits and/or the plan's share of the total cost of benefits is at least 60%.

A plan is Affordable if the employee's share of the premium cost for single coverage does not exceed 9.5% of the employee's income.



How will I know if I am eligible for financial assistance?

First, it is important to understand that if your employer offers coverage to you and your family that is both of minimum value and affordable, you are not eligible for financial assistance (a tax credit or subsidy) through the Marketplace.

If your employer offers coverage, you will find the following statement on your Notice:

- If checked, this coverage meets the minimum value standard, and the cost of this coverage to you is intended to be affordable, based on employee wages.

If the box is checked on your Notice, you will likely not qualify for a subsidy for coverage through the Marketplace.

Where can I find more information about the Marketplace in my state?

If you decide to shop for coverage in the Marketplace, HealthCare.gov will guide you through the process. Click on the "What is the Marketplace in my state?" section. Choose the state in which you are a legal resident from the drop down box. This will tell you where you can go to get more information about your state's Marketplace.

PART B: Information About Health Coverage Offered by Your Employer

This section contains information about any health coverage offered by your employer. If you decide to complete an application for coverage in the Marketplace, you will be asked to provide this information. This information is numbered to correspond to the Marketplace application.

3. Employer name Kentucky State University		4. Employer Identification Number (EIN) 61-1099712	
5. Employer address 400 E Main Street		6. Employer phone number 502-597-6218	
7. City Frankfort	8. State KY	9. ZIP code 40601	
10. Who can we contact about employee health coverage at this job? Delores Shirley			
11. Phone number (if different from above)		12. Email address delores.shirley@kysu.edu	

Here is some basic information about health coverage offered by this employer:

- As your employer, we offer a health plan to:
 - All employees.
 - Some employees. Eligible employees are:
Full-time equivalent employees working at least 100 hours per month.
- With respect to dependents:
 - We do offer coverage. Eligible dependents are:
Lawful spouse of a subscriber. Dependent child under the age of 26 (newborn, stepchild, legally placed for adoption or legally adopted, child for whom legal guardianship has been awarded, or a child for whom the Subscriber has a legal obligation under a divorce decree or other court order).
 - We do not offer coverage.
- If checked, this coverage meets the minimum value standard, and the cost of this coverage to you is intended to be affordable, based on employee wages.
- Even if your employer intends your coverage to be affordable, you may still be eligible for a premium discount through the Marketplace. The Marketplace will use your household income, along with other factors, to determine whether you may be eligible for a premium discount. If, for example, your wages vary from week to week (perhaps you are an hourly employee or you work on a commission basis), if you are newly employed mid-year, or if you have other income losses, you may still qualify for a premium discount.

If you decide to shop for coverage in the Marketplace, HealthCare.gov will guide you through the process. Here's the employer information you'll enter when you visit HealthCare.gov to find out if you can get a tax credit to lower your monthly premiums.



Office of Human Resources
 400 E. Main Street
 ASB 429
 Frankfort, KY 40601
 (502) 597-6438
 Fax: (502) 597-6438
 www.kysu.edu

TO: All Kentucky State University Employees
 (Including benefit and non-benefit eligible personnel, student workers and adjuncts)

FROM: Gary Meiseles 
 Director of Human Resources

DATE: September 26, 2013

SUBJECT: NEW Health Insurance Marketplace (Exchange) Coverage Options and Your Health Coverage

The Federal Patient Protection and Affordable Care Act (PPACA), requires that by October 1, 2013, we provide you with the information found in the attached notice.

It is the opinion of our broker, Assured NL Insurance Agency, Inc. that Kentucky State University offers a health plan option that meets the minimum value standard and the cost of this coverage to you is intended to be affordable and that you would not qualify for a subsidy or premium discount.

In 2014, the health care reform law creates a new type of online marketplace for purchasing health insurance coverage. This marketplace is referred to as a Health Insurance Marketplace, or an Exchange.

The Federal Law says:

“Even if your employer intends your coverage to be affordable, you may still be eligible for a premium discount through the Marketplace (Exchange). The Marketplace (Exchange) will use your household income, along with other factors, to determine whether you may be eligible for a premium discount. If, for example, your wages vary from week to week (perhaps you are an hourly employee or you work on a commission basis), if you are newly employed mid-year, or if you have other income losses, you may still qualify for a premium discount.”

If you purchase coverage through a Marketplace/Exchange, you may be eligible for a federal subsidy that lowers your monthly premiums or reduces your cost sharing. However, to receive these federal savings, you cannot be eligible for health plan coverage through the university that is affordable and provides “minimum value.”

The availability of coverage through the Marketplace does not affect your eligibility for coverage through Kentucky State University.

The enclosed notice provides information you will enter if you visit healthcare.gov to find out if you can get a tax credit to lower your monthly premiums. More information on the health care reform law and the Marketplace/Exchange is available at www.healthcare.gov or www.kynect.ky.gov.

Also, please note that “affordable care” is a term used by the Federal Government and does not reflect the opinion of Kentucky State University as to affordability of the Kentucky State University provided health care insurance program.

Attachments



New Health Insurance Marketplace Coverage Options and Your Health Coverage

Form Approved
OMB No. 1210-0149
(expires 11-30-2013)

PART A: General Information

When key parts of the health care law take effect in 2014, there will be a new way to buy health insurance: the Health Insurance Marketplace. To assist you as you evaluate options for you and your family, this notice provides some basic information about the new Marketplace and employment-based health coverage offered by your employer.

What is the Health Insurance Marketplace?

The Marketplace is designed to help you find health insurance that meets your needs and fits your budget. The Marketplace offers "one-stop shopping" to find and compare private health insurance options. You may also be eligible for a new kind of tax credit that lowers your monthly premium right away. Open enrollment for health insurance coverage through the Marketplace begins in October 2013 for coverage starting as early as January 1, 2014.

Can I Save Money on my Health Insurance Premiums in the Marketplace?

You may qualify to save money and lower your monthly premium, but only if your employer does not offer coverage, or offers coverage that doesn't meet certain standards. The savings on your premium that you're eligible for depends on your household income.

Does Employer Health Coverage Affect Eligibility for Premium Savings through the Marketplace?

Yes. If you have an offer of health coverage from your employer that meets certain standards, you will not be eligible for a tax credit through the Marketplace and may wish to enroll in your employer's health plan. However, you may be eligible for a tax credit that lowers your monthly premium, or a reduction in certain cost-sharing if your employer does not offer coverage to you at all or does not offer coverage that meets certain standards. If the cost of a plan from your employer that would cover you (and not any other members of your family) is more than 9.5% of your household income for the year, or if the coverage your employer provides does not meet the "minimum value" standard set by the Affordable Care Act, you may be eligible for a tax credit.¹

Note: If you purchase a health plan through the Marketplace instead of accepting health coverage offered by your employer, then you may lose the employer contribution (if any) to the employer-offered coverage. Also, this employer contribution—as well as your employee contribution to employer-offered coverage—is often excluded from income for Federal and State income tax purposes. Your payments for coverage through the Marketplace are made on an after-tax basis.

How Can I Get More Information?

For more information about your coverage offered by your employer, please check your summary plan description or contact Benefit@1-866-892-2956.

The Marketplace can help you evaluate your coverage options, including your eligibility for coverage through the Marketplace and its cost. Please visit HealthCare.gov for more information, including an online application for health insurance coverage and contact information for a Health Insurance Marketplace in your area.

¹ An employer-sponsored health plan meets the "minimum value standard" if the plan's share of the total allowed benefit costs covered by the plan is no less than 60 percent of such costs.

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7. City Frankfort	8. State KY	9. ZIP code 40601	
10. Who can we contact about employee health coverage at this job? Deiores Shirley			
11. Phone number (if different from above)		12. Email address deiores.shirley@kysu.edu	

Here is some basic information about health coverage offered by this employer:

- As your employer, we offer a health plan to:
 - All employees.
 - Some employees. Eligible employees are:
Full-time equivalent employees working at least 100 hours per month.

- With respect to dependents:
 - We do offer coverage. Eligible dependents are:
Lawful spouse of a subscriber. Dependent child under the age of 26 (newborn, stepchild, legally placed for adoption or legally adopted, child for whom legal guardianship has been awarded, or a child for whom the Subscriber has a legal obligation under a divorce decree or other court order).
 - We do not offer coverage.
- If checked, this coverage meets the minimum value standard, and the cost of this coverage to you is intended to be affordable, based on employee wages.
 - Even if your employer intends your coverage to be affordable, you may still be eligible for a premium discount through the Marketplace. The Marketplace will use your household income, along with other factors, to determine whether you may be eligible for a premium discount. If, for example, your wages vary from week to week (perhaps you are an hourly employee or you work on a commission basis), if you are newly employed mid-year, or if you have other income losses, you may still qualify for a premium discount.

If you decide to shop for coverage in the Marketplace, HealthCare.gov will guide you through the process. Here's the employer information you'll enter when you visit HealthCare.gov to find out if you can get a tax credit to lower your monthly premiums.

Agenda Item Background

To:	Board of Regents Finance Administration	Date: October 25, 2013
From:	Ms. Anita Lockridge, Vice President for Finance Administration	
Subject:	MyMath Lab Plus License Fee	
Reason for Consideration:	Approval	Enclosures: No

Background:

MyMath Lab Plus License Fee of \$80 was erroneously omitted from the FY2014 Financial Plan that included the fee schedule. This fee supports digital online learning materials for the Math 095 and Math 096 courses.

Recommendation:

Approval of the MyMath Lab Plus License Fee.

Approval

Initiator:	Ms. Anita Lockridge, Vice President for Finance Administration
Board Action Date:	October 25, 2013
Effective Date:	October 25, 2013