

# KY COUNCIL ON POSTSECONDARY EDUCATION QUARTERLY BOARD MEETING



January 28, 2022 – 10:00 a.m. ET

Virtual meeting via ZOOM teleconferencing

Livestream: <https://www.youtube.com/c/KentuckyCouncilOnPostsecondaryEducationFrankfort>

*Indicates action item*

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**DRAFT MINUTES**  
Council on Postsecondary Education

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Type: Work Session  
Date: November 4, 2021  
Time: 2:00 p.m. ET  
Location: Transylvania University, William T Young Campus Center, Pioneer Room,  
361 N. Broadway, Lexington, KY 40508

**WELCOMING & CALL TO ORDER**

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The Council on Postsecondary Education met in a work session on Thursday, November 4, 2021, at 2:00 p.m., ET at Transylvania University in Lexington, Kentucky. Chair Lucas Mentzer presided.

**ATTENDANCE**

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Members who attended in person in attendance: Colby Birkes, Kellie Ellis, Lucas Mentzer, Richard Nelson, Madison Silvert, Elaine Walker, and Kevin Weaver.

Members who attended by teleconference: Muhammad Babar and Lori Harper.

Members not in attendance: Ronald Beal, Eric Farris, Karyn Hoover, Vidya Ravichandran, Carol Wright, and Commissioner Jason Glass.

CPE President Aaron Thompson served as Secretary of the board, per the CPE Bylaws. Ms. Heather Faesy, CPE's senior associate for Board Relations, served as recorder of the meeting minutes.

**KSU FINANCIAL REPORT/BUDGET REQUEST AND MANAGEMENT  
IMPROVEMENT PLAN**

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President Thompson and Mr. Travis Powell, CPE's Vice President and General Counsel, provided a review of the Financial Health Assessment of Kentucky State University. The review was conducted in accordance with directives 3 and 4 of Executive Order 2021-504, which stated:

- 3) CPE shall assist the KSU Board of Regents in developing a management and improvement plan with goals and measurable metrics, which shall be subject to the approval of CPE. The management and improvement plan shall be designed to assist with organizational and financial stability. The management and improvement plan shall provide for continuing oversight by, and reporting to, CPE concerning the implementation of the plan.
- 4) CPE shall make recommendations to the KSU Board of Regents concerning the KSU administrative structure and leadership.

The overview contained updates on the following:

- Cash Reserves and Working Capital Analysis
- Financial Health Assessment
- Peer Group Comparisons
- Validation of Financial Information
- Review of Controls over Financial Management and Reporting
- Recommendations and Key Takeaways

Council members discussed the progress made thus far, and concerns that remain throughout the review process. CPE staff will continue to provide updates at future Committee and Council meetings.

## **REVIEW OF THE PROPOSED 2022-24 BIENNIAL BUDGET REQUEST FOR CPE AND KENTUCKY'S PUBLIC INSTITUTIONS**

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Dr. Bill Payne, Vice President of Finance and Administration presented an overview of the 2022-24 biennial budget request for the public postsecondary education institutions. Mr. Shaun McKiernan, Executive Director for Finance and Budget, presented an overview of the 2022-24 biennial budget request for the CPE Agency. Dr. Payne, Mr. McKiernan, and President Thompson answered Council members' questions of clarification in preparation of the vote proposed at the November 5, 2021 meeting.

## **ADJOURNMENT**

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The Council adjourned at 4:10 p.m. ET.

**MINUTES REVIEWED AND APPROVED BY THE COUNCIL:** \_\_\_\_\_

**DRAFT MINUTES**  
Council on Postsecondary Education

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Type: Joint Meeting of the Council on Postsecondary Education, Institutional Presidents, and the Board of Student Body Presidents  
Date: November 4, 2021  
Time: 4:30 p.m. ET  
Location: Transylvania University, William T Young Campus Center, Pioneer Room, 361 N. Broadway, Lexington, KY 40508

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**WELCOMING & CALL TO ORDER**

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The Council on Postsecondary Education, Institutional Presidents, and the Board of Student Body Presidents met in a joint meeting on Thursday, November 4, 2021, at 4:30 p.m., ET. Chair Lucas Mentzer presided.

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**ATTENDANCE**

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Council Members attendance:

- In Person: Colby Birkes, Kellie Ellis, Lucas Mentzer, Richard Nelson, Madison Silvert, Elaine Walker, and Kevin Weaver.
- By teleconference: Muhammad Babar and Lori Harper.
- Did not attend: Ronald Beal, Eric Farris, Karyn Hoover, Vidya Ravichandran, Carol Wright, and Commissioner Jason Glass.

Advisory Council of Presidents attendance:

- In Person: Clara Stamps (KSU); Jay Morgan (MoSU); Kirsten Turner, delegate for Eli Capilouto (UK); Mason Dyer, delegate for OJ Oleka (AIKCU)
- By teleconference: David McFaddin (EKU); Paul Czarapata (KCTCS); Robert Jackson (MuSU); Ashish Vaidya (NKU); Douglas Craddock, delegate for Neeli Bendapudi (UL); and Tim Caboni (WKU)

Board of Student Body Presidents attendance:

- In Person: Jenna Grace Smith (EKU), Jason Robinson (KSU), Emily Wiley (MoSU), Ian Puckett (MuSU), Aliya Cannon (NKU), Michael Hawse (UK), Matthew Winingar (WKU), Lindsey Steffen (AIKCU)
- By teleconference: Brooke Gallagher (KCTCS), Alexandria Shouse (KCTCS), Ugonna Okorie (UL)

CPE President Aaron Thompson served as Secretary of the board, per the CPE Bylaws. Ms. Heather Faesy, CPE’s senior associate for Board Relations, served as recorder of the meeting minutes.

## **DISCUSSION**

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An agenda was distributed for the joint meeting but no action was taken. Discussion topics included ensuring students and families are not burdened by surmounting levels of student debt, how financial literacy education can become more effective, ensuring all of Kentucky’s public institutions are financially secure without raising tuition or fees, and ensuring all students have access to equitable mental health solutions.

## **ADJOURNMENT**

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The meeting adjourned at 6:00 p.m. ET.

**MINUTES REVIEWED AND APPROVED BY THE COUNCIL:** \_\_\_\_\_

**DRAFT MINUTES**  
Council on Postsecondary Education

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Type: Business Meeting  
Date: November 5, 2021  
Time: 9:30 a.m. ET  
Location: Transylvania University, William T Young Campus Center, Pioneer Room,  
361 N. Broadway, Lexington, KY 40508

**WELCOMING & CALL TO ORDER**

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The Council on Postsecondary Education met Friday, November 5, 2021, at 9:30 a.m., ET at Transylvania University in Lexington, Kentucky. Chair Lucas Mentzer presided.

**ATTENDANCE**

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Members who attended in person in attendance: Kellie Ellis, Lucas Mentzer, Richard Nelson, Madison Silvert, Elaine Walker, Kevin Weaver, and Commissioner Jason Glass.

Members who attended by teleconference: Muhammad Babar, Eric Farris, Karyn Hoover, and Carol Wright.

Members not in attendance: Ronald Beal, Colby Birkes, Lori Harper, and Vidya Ravichandran.

CPE President Aaron Thompson served as Secretary of the board, per the CPE Bylaws. Ms. Heather Faesy, CPE's senior associate for Board Relations, served as recorder of the meeting minutes.

**OATH OF OFFICE**

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Franklin County Judge Executive, Huston Wells, administered the oath of office for new Council member Kellie C. Ellis.

## **APPROVAL OF THE MINUTES**

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The minutes of the September 14, 2021 meetings were approved as distributed.

## **RESOLUTION**

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The Council approved a resolution for Council member Robert H. Staat for his support and service to the Council on Postsecondary Education and the Commonwealth of Kentucky. He served on the Council as the faculty representative from July 2013 through September 2021.

## **REPORT FROM KDE COMMISSIONER JASON GLASS**

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Kentucky Department of Education Commissioner Jason Glass provided an update on Kentucky's continued response to the COVID pandemic, the department's 2022 legislative priorities,

## **REPORT FROM CPE PRESIDENT AARON THOMPSON**

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President Aaron Thompson provided an update on the upcoming legislative session and how the agency plans to communicate that a strong education system is important for the economy to prosper. He also discussed the Kentucky Student Success Collaborative Launch and the upcoming GO!vember week which is a collaborative campaign designed to inform Kentucky high school students and their key influencers about the college-going process and encourage them to complete the FAFSA and apply for and enroll in postsecondary education.

## **2021 COMMONWEALTH EDUCATION CONTINUUM RECOMMENDATIONS AND UPDATES ON CPE P-20 INITIATIVES**

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Dr. Amanda Ellis, CPE's Associate Vice President, K-12 Policies and Programs and Dr. Jennifer Fraker, Executive Director, K-12 Policies and Programs provided an overview of the work taken by the Commonwealth Education Continuum (CEC). Formed to strengthen the education pipeline, the CEC is co-chaired by Lt. Governor Coleman, President Thompson and Commissioner Glass, and consists of 28 members ranging from early childhood to the workforce. The CEC created three workgroups with distinct focus areas: Early Postsecondary Opportunities, Educator Workforce and Diversity, and Successful Transition to Postsecondary Workgroups. Dr. Ellis and Dr. Fraker shared each of the workgroups' recommendations as well as actions the Council has already taken in response to those recommendations. They

also highlighted the funding secured thus far and the additional funding sources will be sought to expand efforts. Future updates will be provided at upcoming Council and Committee meetings.

## **KENTUCKY STATE UNIVERSITY (KSU) FINANCIAL REPORT AND MANAGEMENT AND IMPROVEMENT PLAN AREAS**

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Mr. Travis Powell, Vice President and General Counsel, presented the Management and Improvement Plan areas for Kentucky State University (KSU). The request aligns with Executive Order signed by Governor Beshear on July 20, 2021.

The initial list of seven subject matter areas were adopted by the KSU Board of Regents at its October 19, 2021, upon recommendation of CPE staff after consultation with KSU leadership. Those areas were:

1. Comprehensive Cataloging and Review of University Policies and Procedures to Ensure Efficiency and compliance with state and federal law.
2. Guidelines for Salary Ranges and Benefits for all Faculty, Staff, and Administrators.
3. Board Member Training and Development, including but not limited to financial oversight and effective committee structure.
4. Organizational Structure and Development of Human Infrastructure.
5. Academic Program Offerings, Course Offerings, and Faculty Productivity Guidelines.
6. Accounting and Fiscal Reporting Systems, Collections, Budget, and Internal Controls Over Expenditures and Financial Reporting
7. Student Success and Enrollment Management Strategies

MOTION: Mr. Nelson moved that the Council approve the subject matter areas for the Kentucky State University Management and Improvement Plan. Mr. Silvert seconded the motion.

VOTE: The motion passed. Kevin Weaver abstained from the vote.

## **DIVERSITY PERFORMANCE IMPROVEMENT PLAN FOR BIG SANDY COMMUNITY AND TECHNICAL COLLEGE**

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Mr. Powell and Dr. Dawn Offutt, Executive Director for Diversity, Equity and Inclusion presented the request from Big Sandy Community and Technical College



(BSCTC) to approve their Diversity Performance Improvement Plan. In the most recent annual review conducted by the CPE Diversity Equity and Inclusion Unit in partnership with the Committee on Equal Opportunities, BSCTC did not meet the minimum score required to automatically be eligible to apply for new academic programs. As a result, Big Sandy requested a waiver and submitted the required improvement plan.

The Committee on Equal Opportunities is charged with reviewing improvement plans submitted, however the Committee did not have a quorum present on October 25, 2021 in order to review the request. Therefore, CPE staff requested the Council review the request directly.

The plan presented BSCTC's planned improvement areas of increased internal communication, incorporation of reviewer feedback received from conversations with the evaluation report review team lead and from internal peer groups, data collection, and clearly connecting strategies to results to future actions.

MOTION: Ms. Walker moved that the Council approve the Big Sandy Community and Technical College's Diversity Performance Improvement Plan. If approved, the college will receive a temporary waiver to offer new academic programs, per KRS 164.020(19). Mr. Silvert seconded the motion.

VOTE: The motion passed.

Following the vote, Dr. Offutt invited Council members to attend the 3<sup>rd</sup> annual Higher EDquity Symposium, being held on November 16, 2021 at Western Kentucky University.

## **FINANCE COMMITTEE – REPORT AND ACTION ITEMS**

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Vice Chair Eric Farris presented the Finance Committee report and its recommendations of approval from the October 28, 2021 committee report.

Request for Postsecondary Institution Operating Funds, Capital Investment and Trust Funds: The request specified the following recommendations.

Component	Fiscal 2022-23	Fiscal 2023-24	Biennial Total
<b>Operating Funds</b>			
Performance Funding	\$67,500,000	\$90,000,000	\$157,500,000
Pension Relief Funds	2,209,900	4,419,800	6,629,700
KSU Land-Grant Program	671,500	671,500	1,343,000
<b>Capital Investment</b>			
New Construction	\$0	\$0	\$0
Asset Preservation	350,000,000	350,000,000	700,000,000
– Debt Service	25,217,000	50,434,000	75,651,000
Technology Infrastructure	0	0	0
<b>Trust Funds</b>			
Endowment Match Program	\$30,000,000	\$30,000,000	\$60,000,000
– Debt Service	2,418,000	4,836,000	7,254,000
Competitive Workforce Initiative	2,225,000	4,450,000	6,675,000

MOTION: Ms. Walker moved to approve the biennial budget request for 2022-24 Postsecondary Institution funds. Mr. Silvert seconded the motion.

VOTE: The motion passed.

Request for CPE Agency Funds: The request specified the following recommendations.

Operating Funds	Fiscal 2021-22	Fiscal 2022-23	Fiscal 2023-24
Defined Calculations	\$222,900	\$214,900	\$323,900
SREB Doctoral Scholars		50,000	100,000
Expanded Duties and Responsibilities		1,032,500	1,383,400
<b>Education Continuum</b>			
Transitions and Early Postsecondary Opportunities		1,280,500	3,280,500
Healthcare Initiative		\$20,000,000	\$20,000,000
<b>Capital Investment</b>			
Student Portal		\$2,000,000	
Upgrade Regional Optical Network		\$1,000,000	

MOTION: Mr. Weaver moved to approve the 2022-24 biennial budget request for CPE Agency funds. Mr. Nelson seconded the motion.

VOTE: The motion passed.

Special Appropriation Request: The request specified the following recommendations.

Funding Component	Fiscal Year 2021-22	Fiscal Year 2022-23	Fiscal Year 2023-24
Additional Budget Requests:			
Financial Stabilization Fund (NR)	\$23,000,000	\$0	\$0
Strategic Operating Funds	0	1,000,000	1,000,000
<b>Total Additional Requests</b>	<b>\$23,000,000</b>	<b>\$1,000,000</b>	<b>\$1,000,000</b>

NR = Nonrecurring funds

MOTION: Ms. Walker moved to approve the Special Appropriation Request. Mr. Silvert seconded the motion.

VOTE: The motion passed. Mr. Weaver abstained from the vote.

## **ACADEMIC AND STRATEGIC INITIATIVES COMMITTEE – REPORT AND ACTION ITEMS**

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Chair Lucas Mentzer presented the Academic and Strategic Initiatives Committee Report, and then asked staff to present on the new statewide strategic agenda up for approval as well as the 2021 Postsecondary Degrees and Credentials Report.

### Higher Education Matters: A Statewide Strategic Agenda for Kentucky Postsecondary Education, 2022-2030

Ms. Lee Nimocks, CPE's Vice President and Chief of Staff; Mr. Travis Muncie, CPE's Executive Director of Data, Research, and Advanced Analytics; and Ms. Melissa Young, Executive Director of Special Projects and Lead Writer; presented the key points of the 2022-30 Statewide Strategic Agenda for Kentucky Postsecondary Education. The agenda sets performance goals for students and institutions that reflect high expectations and standards, emphasizes continuous improvement, and supports technology-based solutions and innovative practices.

Building on previous agendas, "Higher Education Matters" is a blueprint for accelerating change and improvement in Kentucky's public postsecondary system. The strategic priorities identified represent the primary issues and top concerns as Kentucky faces the demographic, economic, and technological forces reshaping higher education.

The following areas lead the directives of the agenda:

- Overarching Goal: Kentucky will increase the percentage of its adult population with a high-quality postsecondary credential to 60% by the year 2030.
- Cross-cutting Priority: Equity - Kentucky will ensure all students have equitable access to higher education and the necessary tools to complete their programs prepared for life and work.
- Statewide Priorities:
  1. Affordability - Kentucky will ensure postsecondary education is affordable for all Kentuckians.
  2. Transitions - Kentucky will ensure more students successfully transition to college prepared to succeed.
  3. Success - Kentucky will ensure more students earn high-quality degrees and credentials.
  4. Talent - Kentucky will increase talent and innovation to support our communities, employers and economy.
  5. Value - Kentucky will improve public understanding that postsecondary education is key to greater opportunity and economic growth.

MOTION: The Academic and Strategic Initiatives Committee recommendation of approval served as the motion. A second was not needed.

VOTE: The motion passed.

#### 2020-21 Postsecondary Degrees and Credentials Report

Mr. Muncie provided the key findings of the Kentucky's Degree and Credential Report, which describes the state of postsecondary education degree and credential attainment for 2020-21. Using data from the Kentucky Postsecondary Education Data System (KPEDS), the report details the number and types of credentials earned at Kentucky's public universities, the campuses of the Association of Independent Kentucky Colleges and Universities (AIKCU), and the Kentucky Community and Technical College System (KCTCS), and the final report will release in the coming weeks.

### **CAMPUS "GOOD NEWS" REPORTS**

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Reports from the institutions were provided in the agenda materials.

## **COMMITTEE APPOINTMENTS**

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Chair Mentzer appointed Kellie Ellis to the Finance Committee, the Academic and Strategic Initiatives Committee, and the Committee on Equal Opportunities to fulfill the faculty representative positions left vacated by Robert Staat.

## **ADJOURNMENT**

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The Council adjourned at 12:25 p.m. ET.

**MINUTES REVIEWED AND APPROVED BY THE COUNCIL:** \_\_\_\_\_

DRAFT

**TITLE:** Report from CPE President, Aaron Thompson

**DESCRIPTION:** President Thompson will highlight CPE initiatives during his report to the Council. This written report serves as his official report for the January 28, 2022 meeting.

**PRESENTER:** Aaron Thompson, CPE President

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**2022 Legislative Session** – On January 10, I participated in a press conference with Governor Beshear, Lt. Governor Coleman and KDE Commissioner Jason Glass to announce education initiatives included in the Executive Budget. The Governor proposed a 12% increase for higher education appropriations, \$50 million for Bucks for Brains, 19 capital projects, a new Better Kentucky Promise Scholarship to fully fund associate and certificate programs and increased financial aid funding to CAP and KTG. The House version of the budget also provides increases for higher education, including \$50M in new funding each year for Performance Funding, \$700M for asset preservation, \$812M for capital/renovation projects, and \$4.5M each year for pension subsidies at KERS-participating institutions. We are continuing to meet with legislators to advocate for items in our agency request. See the legislative session agenda item for bills we are tracking.

**Summer Bridge Program Grants** – CPE is offering grants of up to \$200,000 for summer bridge programs focused on improving college preparation and retention. These programs will be offered in the summer “bridge” period between high school and college. They typically last from one to six weeks and can cover a variety of skills and subjects including an in-depth orientation to college life and resources, academic and career advising, time management and study skills, and accelerated academic coursework. The grants are funded by the Governor's Emergency Education Relief Fund, known as GEER, and the American Rescue Plan Act, which aims to help mitigate the impact of COVID-19. Campuses can use the money to create new programs or expand existing efforts. The deadline for proposals is Feb. 18. All of Kentucky's public colleges and universities, along with institutions in the Association of Independent Kentucky Colleges and Universities, are eligible to apply.

**KY Graduate Profile Academy** – CPE recently convened experts from colleges and universities across the state who will work to ensure public higher education curricula includes essential skills such as critical thinking, effective communication, collaboration and quantitative reasoning. The Kentucky Graduate Profile Academy is made up of three

members from each of Kentucky's eight, four-year public universities and four KCTCS campuses. CPE will provide a \$25,000 grant to each institution to support their efforts. Participants in the Kentucky Graduate Academy will work across campuses over a three-year period to identify and implement strategies with the goal of giving all students graduating from Kentucky's public colleges and universities means to develop these crucial skills before they graduate. To achieve that, these competencies have to be fully integrated into institutions' academic offerings, co-curricular activities and work-based experiences. The Academy will have access to CPE data and tools to implement the Graduate Profile, including the employability scan, or EScan, a method for evaluating higher education programs based on how well they prepare students to succeed in a workplace.

**Higher Education Matters Campaign** – Higher Education Matters Campaign – CPE will launch a public campaign in February to communicate the value of higher education to the public and encourage high school graduates and adults to pursue college credentials. The campaign will consist of television, radio, digital and social media (TikTok, Facebook, Instagram and Twitter) advertisements; spots on streaming platforms like Pandora and Spotify; promotions by social media influencers; and a website hub with resources for potential students and education advocates. We've partnered with the public colleges and universities as well as a variety of state and nonprofit organizations focused on education to both develop and amplify the campaign's message. Funding for the campaign comes from colleges/universities and federal sources. It will kick off with a virtual launch event on February 9.

**Kentucky Adult Attainment Academy** - Kentucky was selected by the State Higher Education Executive Officers (SHEEO) and Education Strategies Group (ESG) as one of four states participating in an Educational Attainment Academy to help focus, plan and develop implementation strategies/recommendations around key areas of need. Building on the focus of the new strategic agenda, Kentucky will be building out a more comprehensive statewide strategy around improving educational outcomes for adult learners, with a strong focus on equity and addressing the needs of low-income Kentuckians and people of color. While the team will focus on "comebackers" – students who dropped out before completing a postsecondary credential, it also will devote attention to Kentucky adults who never enrolled in a postsecondary education or training program. The project will focus on barriers to enrollment and completion, academic pathways to careers, and strategies to improve outreach and communication to this diverse population.

### **Recent Speaking Engagements**

- February 3 –Visiting speaker for the University of Kentucky's Appalachian Center and Appalachian Studies Programs and the Department of Sociology.

- January 26 – Interviewed by WEKU’s Eastern Standard about the Thompson Scholars Initiative.
- January 25 – Interviewed by Leeann Akers, News Director, Morehead State Public Radio on postsecondary budget measures and other proposed legislation.
- January 24 – Invited by Senator Stivers to attend an MOU ceremony at the Capitol celebrating a partnership with Taiwan's Ministry of Education to expand Chinese language instruction in Kentucky's classrooms.
- January 13 – Represented Kentucky in a Hunt Institute Postsecondary Pathways webinar on states and institutions have navigated vaccine mandates.
- December – Was interviewed by John Gardner for the Gardner Institute higher education podcast series.
- Spoke at CPE’s Higher EDquity webinar and the Kentucky Graduate Profile Academy



**TITLE:** 2022 Legislative Session Update

**DESCRIPTION:** CPE staff will provide an update on the first weeks of the 2022 Legislative Session as it pertains to postsecondary education.

**PRESENTER:** Jennifer Fraker, CPE's Executive Director and Legislative Liaison

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The following is a summary of activity through January 21, 2022. Council staff will provide remarks at the meeting on specific bills of interest.

### **2022-24 BUDGET**

HB 1, the House Budget Bill has passed after the filing of a committee substitute. The committee substitute contained the components of the original bill (including \$50M in new funding each year for Performance Funding and \$700M for asset preservation) and includes the agenda of 813.8 million for new construction/renovation projects and an additional \$4.5M in each fiscal year for pension subsidies at KERS-participating institutions.

### **POSTSECONDARY-RELATED BILLS OF INTEREST**

- [HB 1](#), House Budget Bill – Passed the House, Assigned to Senate
- [HB 21](#), Vaccination Requirement Prohibition – Introduced in the House
- [HB 23](#), Postsecondary Athletics – Introduced, Not Assigned to a Committee
- [HB 26](#), State Veteran's Benefits – Introduced, Not Assigned to a Committee
- [HB 28](#), Prohibition of Immunization Disclosure – Introduced, Not Assigned to a Committee
- [HB 51](#), Prohibition of Face Coverings – Introduced, Not Assigned to a Committee
- [HB 53](#), Student Loan Servicers – Introduced, Not Assigned to a Committee
- [HB 57](#), Vaccination Requirement Prohibition – Introduced, Not Assigned to a Committee
- [HB 85](#), Dual Credit Scholarships –Assigned to House Education Committee
- [HB 103](#), Kentucky Educational Savings Plan Trust – Introduced, Not Assigned to a Committee
- [HB 126](#), FAFSA Graduation Requirements – Passed the House, Assigned to the Senate

- [HB 129](#), Collaborative Center for Literacy Development – Introduced, Not Assigned to a Committee
- [HB 130](#), Campus Free Speech – Introduced, Not Assigned to a Committee
- [HB 138](#), Dyslexia Teacher Prep Programs – Introduced, Not Assigned to a Committee
- [HB 219](#), Lung Cancer Screening – Posted for Passage in House with Committee Substitute
- [HB 234](#), KEES Proprietary Schools – Assigned to House Education Committee
- [HB 247](#), Postsecondary Athletics – Introduced, Not Assigned to a Committee
- [HB 250](#), Kentucky State University – Assigned to Appropriations and Revenue for 3<sup>rd</sup> Reading
- [HB 255](#), Student Loan Repayment Credit – Introduced, Not Assigned to a Committee
- [HB 276](#), National Anthem at Sporting Events – Introduced, Not Assigned to a Committee
- [HB 277](#), Expedited Teacher Certification and Scholarship – Introduced, Not Assigned to a Committee
- [HB 283](#), Student Teacher Background Checks – Introduced, Not Assigned to a Committee
- [HB 285](#), Governor’s Executive Budget– Introduced, Not Assigned to a Committee
- [HB 290](#), Campus Student Discipline – Introduced, Not Assigned to a Committee
- [HB 302](#), Student Teacher Background Checks – Introduced, Not Assigned to a Committee
- [HB 322](#), Kentucky Education Savings Plan Trust – Introduced, Not Assigned to a Committee
- [SB 6](#), Name, Image and Likeness in Athletics – Passed 1<sup>st</sup> Reading in Senate Education Committee
- [SB 9](#), Early Literacy-Read to Succeed Act – Passed 3<sup>rd</sup> Reading in Senate Education Committee
- [SB 12](#), KEES Dual Credit Award – Assigned to Senate Education Committee
- [SB 59](#), High School Postsecondary Readiness – Passed 2<sup>nd</sup> Reading in Senate Education Committee
- [SB 61](#), Early High School Graduation Requirements – Assigned to Senate Education Committee
- [SB 79](#), Dyslexia Teacher Prep Programs – Assigned to Senate Education Committee
- [SB 94](#), Work Ready Scholarship, Intellectual Disabilities – Assigned to Senate Education Committee
- [SB 99](#), Kentucky Homeschool Scholar Program – Introduced, Not Assigned to a Committee

Component	CPE Recommendation		House Budget (HB 1/PHS 1)		Executive Budget (HB 285)	
	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24
<b>Operating Funds</b>						
Performance Funding	\$67,500,000	\$90,000,000	\$50,000,000	\$50,000,000	\$0	\$0
Base General Fund Increase <sup>1</sup>	0	0	0	0	67,500,000	90,000,000
Pension Relief Funds <sup>2</sup>	2,209,900	4,419,800	-- subsidy maintained --		-- subsidy maintained --	
Pension Subsidy Adjustment (HB 8)	0	0	4,494,300	4,494,300	0	0
<b>Mandated Programs</b>						
KSU Land Grant Match <sup>3</sup>	\$671,500	\$671,500	\$671,500	\$671,500	\$671,500	\$671,500
UK Agricultural Extension (salary adjustments)	0	0	6,100,000	6,100,000	0	0
UofL Center for Military Connected Students	0	0	300,000	300,000	300,000	300,000
EKU Center for the Arts/Community Operations Board	0	0	200,000	0	200,000	200,000
<b>Capital Investment</b>						
Asset Preservation <sup>4</sup>	\$350,000,000	\$350,000,000	\$350,000,000	\$350,000,000	\$500,000,000	\$0
– Debt Service	25,217,000	50,434,000	0	0	0	0
New Construction/Renovation Projects <sup>5</sup>	0	0	172,450,000	301,306,000	1,047,352,000	0
– Debt Service	0	0	0	0	37,737,000	75,474,000
Additional Capital Projects <sup>6</sup>	0	0	0	340,000,000	0	0
– Debt Service	0	0	0	12,248,500	0	0
<b>Trust Funds</b>						
Endowment Match Program <sup>7</sup>	\$30,000,000	\$30,000,000	\$15,000,000	\$15,000,000	\$60,000,000	\$0
– Debt Service	2,418,000	4,836,000	540,500	1,621,500	2,418,000	4,836,000
Competitive Workforce Initiative	2,225,000	4,450,000	2,225,000	4,450,000	0	0

■ = Additions to HB 1 as introduced (formerly \$0)

<sup>1</sup> The Governor's Budget provides additional operating funds for the institutions through a General Fund base increase. The increase is applied to each institution's 2021-22 revised General Fund appropriation minus debt service and mandated programs.

<sup>2</sup> In lieu of providing additional funding to offset planned subsidy reductions of 10% each year, the House and Executive budgets notwithstanding provisions of KRS 61.5991 and assume a higher beginning base, which maintains the pension subsidies for KERS-participating institutions at the 2021-22 funding level, as recommended by CPE. In addition, the House added funding to cover the cost difference between the unfunded liability estimate used in HB 8 and the final unfunded liability, as identified by KERS.

<sup>3</sup> CPE recommended, and the House Budget and Governor's Proposed Budget provide, \$671,500 additional for KSU Land Grant match in 2021-22 in addition to the appropriations for 2022-23 and 2023-24 shown above.

<sup>4</sup> CPE recommended a 50% institutional match. The House Budget requires a 25% match from research institutions only. Governor's Budget requires a 50% match, but allows CPE to grant a waiver if an institution is facing a hardship. CPE recommended base funding of 10% (\$70.0 million) with the remaining funds distributed based on VFA Study-identified need. The House Budget distributes funds based on education and general square footage. Governor's Budget allocates the funds as CPE requested. The House Budget and the Governor's Budget cash fund asset preservation pools.

<sup>5</sup> The Governor's budget provides Bond Funds for the two highest priority new construction or renovation projects at each university (three projects at KCTCS). The House Budget as amended (HB1/PHS 1) cash funds one project at UofL and each of the comprehensive universities, and two projects at KCTCS (total of \$473.8 million).

Table 1 -Postsecondary Institution Components

<sup>6</sup> The House Budget substitute provides \$340.0 million in Bond Funds for UK's new Health Education Building (\$250,000,000; debt service of \$9,006,000) and EKU's Model Laboratory School (\$90,000,000; debt service of \$3,242,500). HB1/PHS1 appropriates a total of \$813.8 million in state funds for new construction/renovation projects.

<sup>7</sup> The House Budget provides \$30.0 million for Bucks for Brains for the research institutions only. The Governor's Budget provides \$60.0 million for Bucks for Brains, with \$50.0 million allocated to the research institutions and \$10.0 million allocated to the comprehensive universities as recommended by CPE.

**Note:** CPE recommended special appropriations for KSU of \$23.0 million in 2021-22 for financial stabilization and \$1.0 million in both 2022-23 and 2023-24 for strategic operating funds. The House Budget does not provide \$23.0 million for KSU, but a \$23.0 million special appropriation for KSU is included in HB 250. The Governor's Budget provides \$23.0 million in 2021-22. Funding for KSU strategic operating funds is not included in either the House or Executive budgets.

Council on Postsecondary Education  
 Crosswalk from Current Base to 2022-2024 House Budget (HB 1/PHS 1)  
 Postsecondary Institution Operating Funds

Draft - For Discussion Purposes  
 January 21, 2022

2022-2024 House Budget (HB 1/PHS 1)

Current Year Base (2021-22):	UK	UofL	EKU	KSU	MoSU	MuSU	NKU	WKU	KCTCS	PEPF	Total
2021-22 Regular Appropriation	\$266,243,800	\$127,156,800	\$74,323,900	\$27,186,100	\$43,324,900	\$47,024,700	\$52,247,500	\$76,946,600	\$175,435,900	\$17,307,100	\$907,197,300
Plus: 2021-22 Performance Distribution	6,086,400	2,972,500	120,200	0	0	0	2,902,700	1,398,800	3,826,500	(17,307,100)	0
Special Appropriation	0	0	0	200,000	0	0	0	0	0	-- NA --	200,000
2021-22 Total General Fund	\$272,330,200	\$130,129,300	\$74,444,100	\$27,386,100	\$43,324,900	\$47,024,700	\$55,150,200	\$78,345,400	\$179,262,400	\$0	\$907,397,300
Minus: 2021-22 Debt Service	(1,013,000)	0	0	(182,000)	0	0	0	0	0	-- NA --	(1,195,000)
Performance Adjustment (KRS 164.092)	(6,086,400)	(2,972,500)	(120,200)	0	0	0	(2,902,700)	(1,398,800)	(3,826,500)	17,307,100	0
➔ 2021-22 Adjusted Net General Fund Baseline	\$265,230,800	\$127,156,800	\$74,323,900	\$27,204,100	\$43,324,900	\$47,024,700	\$52,247,500	\$76,946,600	\$175,435,900	\$17,307,100	\$906,202,300
<b>First-Year Operating Funds (2022-23):</b>											
➔ 2021-22 Adjusted Net General Fund Baseline	\$265,230,800	\$127,156,800	\$74,323,900	\$27,204,100	\$43,324,900	\$47,024,700	\$52,247,500	\$76,946,600	\$175,435,900	\$17,307,100	\$906,202,300
Plus: Additional Appropriations											
Performance Funding	0	0	0	0	0	0	0	0	0	50,000,000	50,000,000
KSU Land Grant Match	0	0	0	671,500 <sup>d</sup>	0	0	0	0	0	-- NA --	671,500
Mandated Programs	6,100,000 <sup>a</sup>	300,000 <sup>b</sup>	200,000 <sup>c</sup>	0	0	0	0	0	0	-- NA --	6,600,000
Pension Subsidy Adjustment (HB 8) <sup>e</sup>	0	0	1,401,900	231,100	383,000	981,400	0	1,401,900	95,000	-- NA --	4,494,300
2022-23 House Budget General Fund (HB 1/PHS 1)	\$271,330,800	\$127,456,800	\$75,925,800	\$28,106,700	\$43,707,900	\$48,006,100	\$52,247,500	\$78,348,500	\$175,530,900	\$67,307,100	\$967,968,100
Dollar Change from Baseline	\$6,100,000	\$300,000	\$1,601,900	\$902,600	\$383,000	\$981,400	\$0	\$1,401,900	\$95,000	\$50,000,000	\$61,765,800
Percent Change from Baseline	2.3%	0.2%	2.2%	3.3%	0.9%	2.1%	0.0%	1.8%	0.1%	-- NA --	6.8%
<b>Second-Year Operating Funds (2023-24):</b>											
➔ 2021-22 Adjusted Net General Fund Baseline	\$265,230,800	\$127,156,800	\$74,323,900	\$27,204,100	\$43,324,900	\$47,024,700	\$52,247,500	\$76,946,600	\$175,435,900	\$17,307,100	\$906,202,300
Plus: Additional Appropriations											
Performance Funding	0	0	0	0	0	0	0	0	0	50,000,000	50,000,000
KSU Land Grant Match	0	0	0	671,500 <sup>d</sup>	0	0	0	0	0	-- NA --	671,500
Mandated Programs	6,100,000 <sup>a</sup>	300,000 <sup>b</sup>	0 <sup>c</sup>	0	0	0	0	0	0	-- NA --	6,400,000
Pension Subsidy Adjustment (HB 8) <sup>e</sup>	0	0	1,401,900	231,100	383,000	981,400	0	1,401,900	95,000	-- NA --	4,494,300
Debt Service <sup>f</sup>	9,006,000	0	3,242,500	0	0	0	0	0	0	-- NA --	12,248,500
2023-24 House Budget General Fund (HB 1/PHS 1)	\$280,336,800	\$127,456,800	\$78,968,300	\$28,106,700	\$43,707,900	\$48,006,100	\$52,247,500	\$78,348,500	\$175,530,900	\$67,307,100	\$980,016,600
Dollar Change from Baseline <sup>(1)</sup>	\$15,106,000	\$300,000	\$4,644,400	\$902,600	\$383,000	\$981,400	\$0	\$1,401,900	\$95,000	\$50,000,000	\$73,814,300
Percent Change from Baseline <sup>(1)</sup>	5.7%	0.2%	6.2%	3.3%	0.9%	2.1%	0.0%	1.8%	0.1%	-- NA --	8.1%

Note: Dollar and percent change figures for the postsecondary institutions do not reflect distribution of any funds from the Postsecondary Education Performance Fund (PEPF). The funding model will be run in April each year of the upcoming biennium to determine the distribution of any available performance funds.

<sup>a</sup> Additional appropriation of \$6,100,000 each year of the biennium for UK extension agent pay increases.

<sup>b</sup> Additional appropriation of \$300,000 each year of the biennium for the UofL Center for Military Connected Students.

<sup>c</sup> Additional appropriation of \$200,000 in fiscal year 2022-23 for the EKU Center for the Arts.

<sup>d</sup> Additional appropriation of \$671,500 in the current year and in each year of the upcoming biennium to meet a federal grant matching requirement for KSU's land-grant program.

<sup>e</sup> During the budget development process, several institutions indicated that the HB 8 KERS pension subsidies appropriated to them in 2021-22 were insufficient to cover 100% of the cost of transitioning to a fixed-dollar allocation method of determining employer-paid pension contributions. This adjustment provides additional dollars intended to cover 100% of the transition costs.

<sup>f</sup> Debt service to support \$250.0 million in bond funds for a new Health Education Building at the University of Kentucky and \$90.0 million in bond funds for a new Model Lab School at Eastern Kentucky University.



# 2022 Legislative Session Update

Dr. Jennifer Fraker, Executive Director  
January 28, 2022



# 2022 Regular Session of the General Assembly

State lawmakers convened the General Assembly on **Jan. 4** and currently plan to adjourn **April 14**.

The session is scheduled to last **60 days**, the maximum allowed under the state constitution in even-numbered years. Lawmakers will have until Feb. 25 to introduce bills in the House and March 1 to introduce bills in the Senate.

The calendar also provides a 10-day veto recess from March 31 through April 12, a time when lawmakers typically return to their home districts to await possible vetoes from the governor.

Legislators are scheduled to return on April 13 and 14 for the final two days of the session.

# 2022 House Bills of Interest

## **HB 85, AN ACT relating to dual credit scholarships, Tipton**

Amend KRS 164.786 to increase the dual credit tuition rate ceiling amount; add eligibility for high school freshmen and sophomores; add career and technical education courses to the Dual Credit Scholarship; amend KRS 164.787 to delete the dual credit provisions from the Work Ready Kentucky Scholarship Program.

## **HB 126, AN ACT relating to high school graduation requirements, Huff**

Create a new section of KRS Chapter 158 to require completion of the Free Application for Federal Student Aid form as a high school graduation requirement; provide waiver options for meeting the requirement; require local boards of education to develop policies and procedures to assist students in completing the requirement; require the Kentucky Department of Education to develop a process for local districts to report student data.



# 2022 House Bills of Interest

## **\*HB 130, AN ACT relating to freedom of speech at public postsecondary education institutions, Maddox**

Amend KRS 164.348 to define "institution," "public," and "staff"; require an institution to adopt a policy to not restrict off-campus speech; extend free speech protections to staff and the public; provide that student religious and political organizations shall be afforded equal access to facilities.

## **HB 219, AN ACT relating to lung cancer screening and making an appropriation therefor., Moser et. al.**

Require the Cabinet for Health and Family Services to contract with the Kentucky Cancer Consortium at the University of Kentucky and University of Louisville to provide the required support; require the amount of contracted services to be excluded from the base funding formula of the university as determined by the Council on Postsecondary Education.

# 2022 House Bills of Interest

## **HB 226, AN ACT relating to early literacy education and making an appropriation therefor, Tipton**

Create a new section of KRS Chapter 164 to require postsecondary institutions offering early childhood or elementary teacher preparation programs to include designated reading instruction; require all new teachers seeking certification in Interdisciplinary Early Childhood Education or Elementary School to take an approved reading teacher preparation test.

## **HB 234, AN ACT relating to the Kentucky Educational Excellence Scholarship program, Lawrence**

Amend KRS 164.7874 to add proprietary schools to KEES eligible institutions; define "proprietary school."

# 2022 House Bills of Interest

## **HB 250, AN ACT relating to Kentucky State University, Tipton**

Require the Council on Postsecondary Education to create and oversee a management improvement plan for Kentucky State University; identify plan requirements; require CPE and KSU to make various reports on the plan to LRC; appropriate \$23 million to KSU in fiscal year 2021-2022; require CPE to make recommendations for repayment; require CPE to provide annual reports on the status of the KSU loan.

## **\*HB 290, AN ACT relating to Student Discipline at Institutions, Banta et al.**

Require a governing board of a public postsecondary education institution to adopt a code for student conduct, establish minimum procedural requirements for a nonacademic violation when the violation is punishable by a suspension, expulsion, or termination of student housing, including a presumption of innocence, written notice, maintenance of an administrative file, the right to be present and participate meaningfully, the right to fair and impartial treatment, and the ability to bring a support person.

# 2022 Senate Bills of Interest

## **SB 6, AN ACT relating Athletics – Name, Image and Likeness, Wise**

Create new sections of KRS Chapter 164 to define terms; provide protections for student athletes seeking compensation through name, image, and likeness agreements or seeking an athlete agent; provide similar protections for institutions; establish prohibitions, conditions, and limitations on athletes earning compensation through name, image, and likeness agreements.

## **SB 9, AN ACT relating to early literacy education and making an appropriation therefor, West**

Create a new section of KRS Chapter 164 to require postsecondary institutions offering early childhood or elementary teacher preparation programs to include designated reading instruction; require all new teachers seeking certification in Interdisciplinary Early Childhood Education or Elementary School to take an approved reading teacher preparation test.

## 2022 Senate Bills of Interest

### **SB 59, AN ACT relating to the Statewide Education Accountability System, Wilson**

Amend KRS 158.6453 to delete the tenth grade college admissions examination; amend KRS 158.6455 to add postsecondary readiness indicators to the statewide accountability system.

### **SB 61, AN ACT relating to Early High School Graduation, Wise**

Amend KRS 158.142 to delete end-of-course examination and ACT benchmark requirements from the early high school graduation program.

### **SB 94, AN ACT relating to the Work Ready Kentucky Scholarship Program, Carroll**

Amend KRS 164.787 to add eligibility for the Work Ready Kentucky Scholarship Program to students with intellectual disabilities enrolled in comprehensive transition and postsecondary programs.

**KY COUNCIL ON POSTSECONDARY EDUCATION**

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**TITLE:** Report from the Academic and Strategic Initiatives (ASI) Committee

**DESCRIPTION:** The following is a summary of the Committee's January 19, 2022 meeting.

**PRESENTER:** Lori Harper, Chair of ASI Committee

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The Academic and Strategic Initiatives Committee met on January 19, 2022. Below is a summary of their work.

- Reviewed and approved two new academic programs from the University of Louisville and one new academic program from Northern Kentucky University. Both will be presented for final approval at the Council meeting.
- Reviewed and approved Western Kentucky University's request for approval of their Cultural Competency Credential Certification. Titled the WKU Inclusive Teaching Academy (ITA), the program is an initiative of the "One WKU" campaign and is a four-month professional development opportunity for all faculty ranks. Faculty from each of the five WKU colleges will be selected through a competitive application process each semester. Faculty meet once a week to study, reflect, discuss, and implement key principles of inclusive, equitable, and culturally responsive teaching. On average, faculty will spend 2-3 hours preparing for workshops, participating in sessions, and then implementing and reflecting on the concepts introduced in each module. It is anticipated that faculty will spend approximately 32 hours on academy-related functions over the course of the program. Per the Kentucky Cultural Competency Credential Certification Process adopted at the Council's June 25, 2021 meeting, the ASI Committee's approval serves as final; it is not required to go before the full Council for approval at its next meeting.
- Received an update on the development of a state web portal being developed in partnership with the Kentucky Department of Education (KDE) and Kentucky Center for Statistics (KYSTATS). The portal is being designed to help potential high school students, adult learners, and military veterans navigate their way

through postsecondary pathways that lead them to a desired career. Currently, focus groups for each of these audiences are being conducted to determine the desired and relevant functionality of the portal.

- Received an update of the steps taken thus far to implement the 2022-30 Statewide Strategic Agenda adopted at the Council's last meeting. Staff will brief the Council on these details during the meeting.

The ASI Committee's next meeting is scheduled for March 30, 2022.

**TITLE:** Proposed New Academic Programs for Review & Recommendation

**DESCRIPTION:** The Academic & Strategic Initiatives (ASI) Committee recommends the Council approve the proposed New Academic Programs from Northern Kentucky University and the University of Louisville

**PRESENTER:** Lori Harper, Chair of the ASI Committee

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### **COMMITTEE REVIEW & APPROVAL**

The ASI Committee reviewed and approved the proposed New Academic Programs from Northern Kentucky University and the University of Louisville at its January 19, 2021 meeting.

### **SUPPORTING INFORMATION**

KRS 164.020 (15) empowers the Council on Postsecondary Education to define and approve the offering of all postsecondary education technical, associate, baccalaureate, graduate, and professional degree, certificate, or diploma programs in the public postsecondary education institutions.

Council staff has reviewed the proposed programs and recommends approval by the board. The university-submitted documentation has been included in your agenda packets for review.

### **PROGRAMS PROPOSED FOR APPROVAL**

#### University of Louisville

- B.S., General Studies (CIP 24.0102)
- M.S., Health Teacher Education (CIP 13.1307)

#### Northern Kentucky University

- M.S., Cardiovascular Perfusion (CIP 51.0906)



## PROPOSED PROGRAM SUMMARY

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**Institution:** University of Louisville  
**Program Name:** General Studies  
**Degree Designation:** BACHELOR OF SCIENCE (BS)  
**Degree Level:** Baccalaureate

**CIP Code:** 24.0102  
**Credit Hours:** 120  
**Institutional Board Approval Date:** 10/28/2021  
**Implementation Date:** 8/1/2022

### **Program Description**

The proposed program will be entirely online and exclusively designed for returning adult learners who have earned college credits but stopped-out. The program will not compete with existing programs for first-time freshmen, nor will it be appropriate for current students who have accumulated credits. The program is designed for maximum flexibility and affordability. Through a combination of targeted online coursework, previously accrued undergraduate credits, and credit for prior learning; adult learners will be able to complete their bachelor's degrees.

The program aligns with the statewide postsecondary strategic agenda's focus on adult learners, as well as the mission of the College of Arts & Sciences (A&S) and the university's strategic plan to continue the commitment to adult learning and degree completion across the state.

The purpose of the program is to provide adults with some college credits with the opportunity to complete their undergraduate degrees in a timely and fiscally responsible manner.

The program goals are to:

- educate adult learners in various fields in Arts and Sciences;
- educate students in the skills associated with general studies, such as communication, teamwork, and problem-solving;
- facilitate degree completion for adult learners;
- prepare students for promotion in the workforce; and
- educate students on various diversity initiatives and skills to succeed in a diverse workforce.

### **Connection to Other Programs**

While other public institutions have General Studies programs, this proposed program is geared to the adults with some college but no degree, which is a vast market in Kentucky. This program is low cost, incorporates credit for prior learning, and has the potential to bring new students to the university and positively impact existing programs as well as meet the employment needs of local and state communities now and in the future.

Adding a General Studies degree to the university's portfolio will help the university signal to the community the institution's commitment to adult learning and degree completion across the state. The program will leverage existing online courses and recruiting and advertisement through the Delphi Center.

**Program Demand**

Over 65% of jobs in the U.S. will require a college degree by 2025 as stated by the Lumina Foundation’s A Stronger Nation report. Opportunities for adult degree completion is both a significant opportunity, as well as a civic responsibility for the University of Louisville. There are more than 81,000 adults with some college and no degree in Louisville and 557,000 in Kentucky as of 2018. These adult learners present a significant opportunity for enrollment growth and can help the University of Louisville emerge as a leader in adult education in the community.

In February 2021, Metropolitan College (the partnership between UPS and the University of Louisville) identified approximately 1,700 students who started in the Metro College program and never earned their degree. This is a prime audience for this degree to provide the opportunity to increase their earning potential.

Based on this analysis, initial estimates of enrollment are:

- Year 1 - 15
- Year 2 - 38
- Year 3 - 65
- Year 4 - 94
- Year 5 - 126

**Employment Demand**

According to the U.S. Bureau of Labor Statistics, individuals with a general studies major are employed in a wide range of fields, including business management/operations, sales/advertising, and software/computer operations. The identified jobs do not require a specific field for a bachelor’s degree, including those that required experience.

	<b>Regional</b>	<b>State</b>	<b>National</b>
<b>Type Of Job</b>	<b>Administrative Services and Facilities Managers</b>		
Avg. Wage	\$72,010	\$70,060	\$96,940
# Jobs (Postings)	1036	3079	325900
Expected Growth	11%	6%	6%
<b>Type Of Job</b>	<b>Advertising, Promotions, and Marketing Managers</b>		
Avg. Wage	\$71,130	\$66,280	\$135,900
# Jobs (Postings)	62	209	314900
Expected Growth	8%	6%	6%
<b>Type Of Job</b>	<b>Computer Occupations, All Other</b>		
Avg. Wage	\$72,440	\$76,910	\$88,550
# Jobs (Postings)	1184	2637	431100
Expected Growth	15%	10%	6%
<b>Type Of Job</b>	<b>General and Operations Managers</b>		
Avg. Wage	\$80,450	\$71,200	\$129,890
# Jobs	8911	31352	697900

(Postings)			
Expected Growth	10%	8%	15%
<b>Type Of Job</b>	<b>Management Analyst</b>		
Avg. Wage	\$74,950	\$69,370	\$100,780
# Jobs (Postings)	2136	5486	2486400
Expected Growth	19%	11%	6%
<b>Type Of Job</b>	<b>Medical and Health Services Managers</b>		
Avg. Wage	\$76,970	\$81,660	\$85,260
# Jobs (Postings)	1283	5328	876300
Expected Growth	20%	16%	11%

**Budget**

The financial rationale lies in the attraction of a currently under-served population of adult learners who stopped out and are likely to complete an online degree. The program is inexpensive because it primarily leverages existing resources. Relative to the potential revenue, investment is minimal.

The proposed budget supports one part-time lecturer in the fourth year and two part-time lecturers in the fifth year.

**Projected Revenue over Next Five Years: \$13,330,368**

**Projected Expenses over Next Five Years: \$464,000**

## PROPOSED PROGRAM SUMMARY

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**Institution:** University of Louisville  
**Program Name:** Health Professions Education  
**Degree Designation:** MASTER OF SCIENCE (MS)  
**Degree Level:** Master's

**CIP Code:** 13.1307

**Credit Hours:** 33

**Institutional Board Approval Date:** 4/22/2021

**Implementation Date:** 8/23/2021

### **Program Description**

The focus of this 33-credit-hour graduate degree program is to prepare faculty and graduate students of medicine, dentistry, public health, and nursing for teaching in their respective fields. Potential candidates for the degree are faculty members, graduate students, and subspecialty fellows in training with the intent of entering academic medicine or dentistry. Expected time to complete the degrees is two to three years. Many classes are hybrid, meaning they are conducted in a classroom and online.

This program has three over-arching goals or objectives:

- To provide educational leaders in the health professions with foundational knowledge and skills in the practice of education
- To provide academic health institutions with educational leaders to serve the educational needs of faculty, students, and post-graduate trainees.
- To provide the field of health professions education with scholars who can advance our understanding and practice of health professions education.

All three goals address important societal needs. Two of the most important societal needs addressed with these goals are healthcare and education. In fact, with this proposed program, the needs of healthcare and education overlap as the University of Louisville works to develop the next generation of healthcare professionals. The three goals work together to improve the education received by health sciences students, residents, fellows, and other trainees. This will could lead to improved patient outcomes in healthcare for the community, region, and nation.

Through the process of earning the master's degree, students will develop an in-depth knowledge of the following cross-cutting threads that are crucial aspects of the 15-hour core courses:

- Learner Centeredness
- Communication
- Designing effective learning activities
- Developing effective learning outcomes (learning objectives)
- Assessment and evaluation
- Benefits of being a reflective educator
- Educational leadership

### **Connection to Other Programs**

This program will build upon the existing 12-credit hour Graduate Certificate in Health Professions Education. The graduate certificate will continue as a hybrid program at the medical school and an online offering as the first four classes of the M.S. in Health

## Professions Education.

The success of the Graduate Certificate in HPE can be built upon with the help of the faculty, staff, and methodologies from the award-winning M.A. in Higher Education Administration. The M.A. in Higher Education Administration program at the University of Louisville has been ranked #2 by the Best Online Master's Program in Higher Education. In addition, among the educational administration online offerings, the Higher Education Administration program at the University of Louisville was also ranked #2 in the nation and received a national distinction for being most responsive to graduate student transfers into its program.

### **Program Demand**

The institution determined the need for this program in multiple ways. First, as a Health Sciences Center, more faculty were taking part in the Graduate Certificate for Health Professions Education with anecdotal evidence that faculty were interested in pursuing an advanced degree. The Graduate Certificate in Health Professions Education was recently redesigned with best practices from the Department of Educational Leadership, Evaluation, and Organizational Development (ELEOD) at the College of Education and Human Development at the University of Louisville. Since that redesign, enrollment has grown from eight and nine students in a class to 21 to 22 in a class.

Second, a faculty development survey was developed and sent to the entire faculty of the Health Sciences Center, with a 32% response rate. One-third of the respondents indicated they were at least interested in pursuing this type of degree. Last, more and more of the accrediting bodies in health professions require or expect that program directors receive specific training in teaching and learning topics related to education in clinical or healthcare disciplines.

Third, from 1998 to 2013, the number of master's degrees in health professions education worldwide has grown from single digits to 121 programs, according to the *Journal of Academic Medicine*.

Fourth, according to the institution's Office of Faculty Affairs and Advancement, the University of Louisville has approximately 1,000 faculty members at the University of Louisville's Health Sciences Campus and School of Medicine. The University of Louisville Health Sciences Campus is an award-winning and pioneering institution. As a vital driver of the university's research activities, the faculty of the health sciences campus are continually training healthcare researchers, providers, and faculty. The Schools of Medicine, Dentistry, and Nursing can continue to maintain and improve upon their groundbreaking activities by training the faculty that lead these results.

In addition, the accrediting bodies in medicine and dentistry are requiring faculty to possess more background knowledge in educating health professional students. For medicine the Liaison Committee for Medical Education (LCME) and the Accreditation Council for Graduate Medical Education (ACGME) have both undergone recent transitions requiring medical faculty to have education backgrounds in the topics of: (a) feedback and assessment, (b) curriculum development, (c) teaching and learning, (d) educational leadership. In addition, the Commission on Dental Accreditation (CODA) require faculty to be able to develop program and course goals and objectives. The dental faculty must also be able to assess these learner goals and objectives in multiple assessment methods.

Based on this analysis, initial estimates of enrollment are:

- Year 1 - 6
- Year 2 - 8
- Year 3 - 10
- Year 4 - 12
- Year 5 - 14

**Employment Demand**

Health Specialties Instructors teach courses in health specialties, in fields such as dentistry, laboratory technology, medicine, pharmacy, public health, therapy, and veterinary medicine. Nursing instructors/teachers demonstrate and teach patient care in classroom and clinical units to nursing students. This field includes both teachers primarily engaged in teaching and those who do a combination of teaching and research. Colleges, universities, and professional medical schools are the industries with the highest concentration of employment.

	<b>Regional</b>	<b>State</b>	<b>National</b>
<b>Type Of Job</b>	<b>Health Specialties Instructors</b>		
Avg. Wage	\$94,708	\$72,829	\$97,320
# Jobs (Postings)	31140	2828	59100
Expected Growth	23%	23%	23%
<b>Type Of Job</b>	<b>Nursing Instructors and Teachers</b>		
Avg. Wage	\$73,183	\$73,254	\$74,600
# Jobs (Postings)	9820	1068	13800
Expected Growth	20%	22%	20%

**Budget**

While it is expected that a certain percentage of students will receive tuition waivers because of their employment at the University of Louisville, the measurable benefit to the state and university will be through generating tuition dollars by attracting new students to a new program. No new costs are anticipated in the first five years. This is considered a 'budget neutral' program because current faculty and staff can absorb the launch of the program, and no new faculty will be hired. Incoming tuition will cover incremental costs that may arise if enrollment exceeds projections.

**Projected Revenue over Next Five Years: \$485,181**  
**Projected Expenses over Next Five Years: \$386,000**

## PROPOSED PROGRAM SUMMARY

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**Institution:** Northern Kentucky University  
**Program Name:** Cardiovascular Perfusion  
**Degree Designation:** MASTER OF SCIENCE (MS)  
**Degree Level:** Master's

**CIP Code:** 51.0906  
**Credit Hours:** 77  
**Institutional Board Approval Date:** 11/28/2021  
**Implementation Date:** 5/1/2021

### **Program Description**

This program relates to an allied health science field that prepares students to use heart/lung machines and other technologies to maintain the health of patients during heart surgery and other medical procedures. Graduates of this program will work with and under the direction of anesthesiologists and surgeons.

A perfusionist is a very specialized health care professional with a primary focus on the operation of the heart/lung machine during cardiac surgery. The heart/lung machine replaces a patient's circulatory and respiratory function while providing a motionless and bloodless field for the surgeon to operate. Perfusionists are required in all pediatric and adult cardiac surgery programs. A perfusionist typically works inside the hospital setting in departments such as surgery, catheterization lab, intensive care units, and the emergency room.

This program is eligible for accreditation by the Commission on Accreditation of Allied Health Education Programs (CAAHEP), and students successfully completing this program are eligible for certification by the American Board of Cardiovascular Perfusion.

The goals of this program are to:

- prepare competent entry-level perfusionists in the cognitive (knowledge), psychomotor (skills), and affective (behavior) learning domains.
- provide a base knowledge of perfusion theory, the skill to implement that knowledge and proficiency in its application in accordance with the needs of healthcare providers and employers.
- provide students with the knowledge, skills and experience to work cooperatively and safely with a healthcare team to perform perfusion techniques to ensure quality patient outcomes.
- prepare students to assess perfusion related patient and clinical situations accurately and act appropriately.

Utilizing existing coursework, the program will also offer a Degree Advancement Option (DAO) that allows working perfusionists, who have completed a CAAHEP-accredited undergraduate or certificate perfusion program, the opportunity to advance their education and professional goals while working in their home communities.

### **Connection to Other Programs**

This program will complement the portfolio of allied health offerings in NKU's College of Health and Human Services and enhance simulation education in NKU's state-of-art Health Innovation Center. There are no other perfusion programs in the state of Kentucky. The nearest perfusion education programs are located at Vanderbilt in

Nashville, Rush University in Chicago, Cleveland Clinic, and University of Pennsylvania Medical Center in Pittsburgh.

### **Program Demand**

Northern Kentucky University determined the need based on the local community demand. The local perfusion community, including Perfusion Consultants and Perfusion Partners, LLC through St. Elizabeth Health network; UCHealth; and Cincinnati Children's Hospital, reached out to NKU specifically expressing the demand for perfusionists and the need for more perfusion education in this region.

Based on this analysis, initial estimates of enrollment are:

Year 1 - 10  
Year 2 - 20  
Year 3 - 24  
Year 4 - 26  
Year 5 - 28

### **Employment Demand**

The demand for cardiovascular perfusionists in the United States is greater than the current supply, and the annual attrition rate exceeds the graduation rate or additions of new Certified Clinical Perfusionists (CCP).

Students will graduate into an entry-level position as a Cardiovascular Perfusionist at a hospital in which cardiac surgery is performed.

Cardiovascular perfusion is a specialized field that is currently not reflected in national databases. The employment demand is based on a methodology that examines the current vacancy rate of 12.3%, turnover rate of 14.7%, and the anticipated retirement of CCPs in the next one to ten years. There are approximately 400 perfusion positions open across the country.

In the Northern Kentucky/Greater Cincinnati area, there are currently 50 CCP's with three current vacancies. In the next three years, there are more than six expected vacancies and more than 10 expected vacancies over the next five years. Further, there are 10 additional openings throughout the state of Kentucky, which represents a 14% state vacancy rate.

### **Budget**

The program will be initially funded with investment funds from the university through budget requests, and there will be a return on investment over a five-year period.

A cohort enrollment size of 10 will be admitted yearly. Further, five Degree Advancement Option students will be admitted in the second year, with the intent to grow this type of enrollment by two students each year. This will result in a total enrollment of 28 students by the fifth year.

In the first year, a program director, one full-time faculty, and three adjunct faculty members will be hired. An additional adjunct faculty member will be hired in the second year and one full-time faculty member will be hired in the fourth year.

**Projected Revenue over Next Five Years: \$2,531,900**  
**Projected Expenses over Next Five Years: \$1,939,681**



**TITLE:** Implementation Update - 2022-30 Statewide Strategic Agenda

**DESCRIPTION:** Staff will provide an update on the implementation status of the 2022-30, which was approved at the last Council meeting.

**PRESENTER:** Lee Nimocks, Vice President and Chief of Staff

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## **BACKGROUND INFORMATION**

The Council approved the 2022-30 Statewide Strategic Agenda for Postsecondary Education at its November 2021 meeting. The agenda advances a bold vision for increased economic growth and vitality in the Commonwealth through improvements in the education and skill levels of our workforce. It established 5 strategic priorities to drive higher education innovation and improvement, and key performance indicators to monitor progress toward an ambitious educational attainment goal – for 60% of working-age Kentuckians to have a high-quality postsecondary credential by the year 2030.

## **IMPLEMENTATION UPDATE**

Following the Council’s approval on November 5, the following steps have been taken or are in progress.

- Formal distribution document has been finalized – see attachment
- Virtual launch event planned for February 9, 2022 @ 11:30 am ET.
- Work with campuses on development of campus-level strategies and performance targets.
- Development of state-level implementation plans for each objective.

CPE Vice President Lee Nimocks will provide additional details on each of these steps. It is anticipated that a complete briefing to the full Council will be provide at the April 16, 2022 Council meeting.



Affordability



Transitions



Success



Equity



Talent



Value

# HIGHER EDUCATION *Matters*

A Statewide Strategic Agenda for  
Kentucky Postsecondary Education

2022-2030



# KENTUCKY'S PUBLIC POSTSECONDARY SYSTEM

## VISION

Kentucky will be a national leader in building a strong, sustainable and equitable economy through increased educational attainment and affordable, high-quality postsecondary programs.

## MISSION

Kentucky's postsecondary education system drives innovation, enhances public health and well-being, breaks cycles of generational poverty and improves quality of life by preparing students to be lifelong learners and excel in a diverse, knowledge-based economy.

## VALUES

- Inclusion, equity & diversity
- Transparency & accountability
- Comprehensive student support
- Institutional collaboration
- Quality & excellence
- Affordability & accessibility
- Innovation
- Business & community partnerships



## FROM THE PRESIDENT

Aaron Thompson, Ph.D.

In accordance with Kentucky Revised Statute 164.020, we are pleased to present “Higher Education Matters: A Statewide Strategic Agenda for Kentucky Postsecondary Education, 2022-2030.”

This agenda advances a bold vision for increased economic growth and vitality in the Commonwealth through improvements in the education and skill levels of our workforce. It establishes strategic priorities to drive higher education innovation and improvement, and key performance indicators to monitor progress toward an ambitious educational attainment goal - for 60% of working-age Kentuckians to have a high-quality postsecondary credential by the year 2030.

The previous iteration of this agenda, “Stronger by Degrees,” promoted high-impact practices that enabled us to reimagine developmental education and infuse workplace essential skills into select degree programs. “Higher Education Matters” will accelerate the adoption of high-impact practices that further improve teaching and learning, ensure the quality and relevancy of postsecondary credentials and invite non-traditional and historically excluded individuals onto our campuses in greater numbers.

A critical focus of “Higher Education Matters” is creating equitable higher education opportunities for low-income and minoritized Kentuckians. The COVID-19 pandemic reminded us how

easily academic momentum can be stalled by unemployment, poor physical or mental health, food and housing insecurity and the lack of reliable broadband access. We must ensure at-risk students are provided access to life-changing postsecondary credentials, as well as the academic, social and emotional supports to succeed. Doing so is both an economic and moral imperative.

As Kentucky recovers from the global pandemic, we will continue to deal with its aftereffects. This strategic agenda provides a framework that is fixed enough to provide focus and stability, yet flexible enough to respond to future crises.

This plan was not created in a vacuum. It relies on the contributions of many constituencies and committees. I would be remiss if I did not thank the hundreds of individuals - including CPE board members, higher education leaders, faculty members, students, K-12 educators, legislators, employers and partners - that provided valuable insight and direction throughout the development process.

This is not CPE’s strategic plan; this agenda belongs to each and every one of us. Kentucky will rise or fall based on our collective, united efforts to enable all citizens to reach their highest potential. We have a lot of ground to cover, but together we can navigate the path toward a more equitable and prosperous Commonwealth.

***Kentucky will rise or fall based on our collective, united efforts to enable all citizens to reach their highest potential.***



# INTRODUCTION

## Higher Education Matters

### Restoring Higher Education's Value Proposition

This strategic agenda for Kentucky postsecondary education is built on a simple, enduring premise: higher education matters to our state and its people.

Higher education empowers individuals to reach their highest potential and achieve personal and professional fulfillment. It improves collective health and well-being, advances knowledge and discovery, ignites innovation and fuels our economy.

Research studies enumerate its benefits to individuals and society. On average, college graduates earn more money, have lower rates of unemployment, enjoy better health, live longer and are more active citizens and volunteers. States with high levels of educational attainment - like Massachusetts, Colorado and Washington - generate higher tax revenues, create more jobs and spend fewer resources on public assistance, disease, addiction and incarceration.

Despite these findings, the value of college is now a matter of debate. Media stories portray recent college graduates as underemployed and overburdened with debt. Editorials encourage young people to forgo college and learn a trade (which, ironically, mostly requires some postsecondary education or training).

These voices have undermined the public's faith in higher education, at a time when a college credential is more important than ever. The Georgetown Center on Education and the Workforce found that since 2008, 99% of all new jobs created require some level of postsecondary education and training, but less than half of Americans between the ages of 25-34 have the necessary credentials to fill these jobs.

We must restore the value proposition to higher education. Kentucky's future prosperity and quality of life depend on it.

### Developing the Agenda

This agenda is Kentucky's plan to create a more inclusive, innovative higher education system that serves students of all ages, backgrounds and beliefs. It reaffirms our goal for 60% of Kentucky adults to have a postsecondary credential by the year 2030, and builds on unprecedented gains in degree production over the last decade.

*We must restore the value proposition to higher education.*

It responds to the suggestions and concerns of hundreds of Kentuckians - higher education faculty and administrators, K-12 educators, board members, legislators, employers and others - who worked with us on its development. Based on trend analysis, research and stakeholder feedback, this agenda identifies the strategic priorities that will focus our efforts over the next decade, with equity as a cross-cutting priority. They are: affordability, transitions, success, talent and value.

### A Framework for Accountability

This agenda includes common objectives that will guide system-wide progress. The statewide strategies will be led by CPE, in conjunction with its partners. Public institutions will develop campus-level strategies that respond to each objective. All strategies will be reviewed and revised every three years.

CPE and campuses will set numeric targets for key performance indicators, which also will be updated on a three-year cycle. Additional contextual metrics will help us monitor progress and adjust strategies as needed, but targets will not be set.

Kentucky's higher education institutions will pursue these objectives, strategies and targets as one system, united by common challenges and enhanced by individual strengths.





**Higher education strengthens the economy, creates wealth, reduces inequality, breaks cycles of generational poverty, improves health and well-being and preserves democracy.**





**60% of Kentucky working-age adults (ages 25-64) will have a high-quality postsecondary credential by the year 2030.**



## KY's 60x30 Goal Our North Star

### Progress Toward the Goal

In ancient times, sailors used the North Star as a navigational guide due to its fixed position in the sky. Today, the North Star has come to symbolize any guiding principle or purpose. During prosperity or adversity, it is a steadfast point on which we set our sights.

For Kentucky's postsecondary system, the 60x30 goal is our North Star. The previous strategic agenda, "Stronger by Degrees," established this statewide educational attainment goal back in 2016. With its adoption, Kentucky joined 45 other states and the Lumina Foundation in efforts to raise the education and skill levels of our workforce to meet current and future demands for talent.

Since 2009, Kentucky has made phenomenal progress toward the goal, increasing educational attainment by 18.9 percentage points, outpacing a 13.8 percentage-point national gain. Only two other states, Arizona and Louisiana, made more progress than Kentucky during this time frame. At 49.4%, Kentucky's attainment rate is fast approaching the national average of 51.9%.

Much of this progress is due to increases in short-term credentials, which include certificates and industry certifications. The state's current short-term credential attainment rate is 13.3%, of which 9.2% are certificates and 4.1% are industry certifications. Since 2014-15, short-term credentials awarded by KCTCS (unduplicated count) have risen 53% (not including diplomas).

### Statewide Challenges

However, Kentucky is facing some strong headwinds in the decade to come, which threaten to blow us off course. These include:

- **A declining number of high school graduates.** In its report, "Knocking at the College Door," the Western Interstate Commission on Higher Education projects that the number of high school graduates in Kentucky will peak during the year 2025 at 52,120, falling to 44,508 by 2030, a 14.6% decline. Combined with decreases in the college-going rate of high school graduates over the last decade, this decline almost certainly will result in lower postsecondary enrollments, unless institutions increase participation among working-age adults and out-of-state students.
- **Falling adult enrollments.** Unfortunately, undergraduate enrollment among working-age adults has decreased 47% since 2011-12. Kentucky will need aggressive recruitment efforts and redesigned programs and supports to attract adults pursuing their first postsecondary credential.
- **Unequal rates of attainment.** There are significant disparities in educational attainment linked to race and ethnicity that must be addressed, especially since the state's population is growing more diverse. The educational attainment rate is 28.6% for African-American/Black Kentuckians and 26.7% for Hispanic/Latinx Kentuckians, compared to 36.1% for White Kentuckians. These gaps must be closed.

*Kentucky's attainment rate has increased 18.9 points since 2009.*

### Looking Ahead

In the decade ahead, CPE will provide more detailed projections to monitor progress toward the 60% attainment goal, including annual average increases needed in statewide degree production.

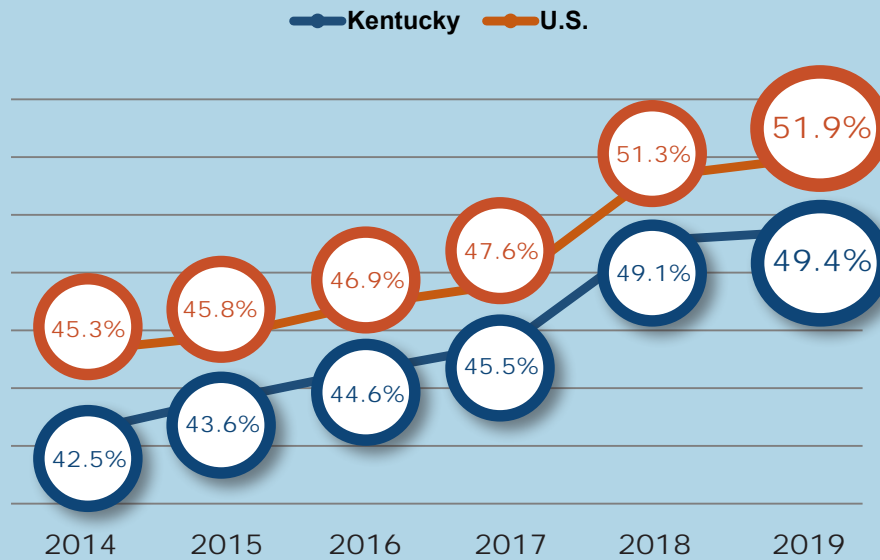




# KENTUCKY'S ATTAINMENT GOAL

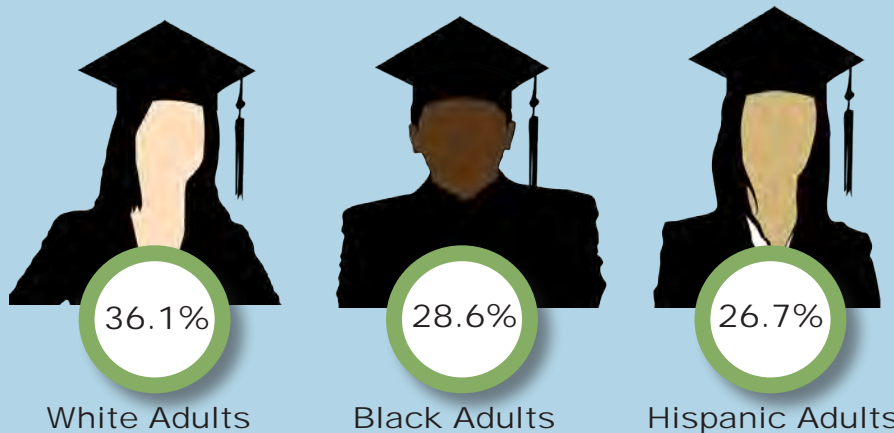
## 60% with a postsecondary credential

### KY is making progress toward the 60% goal,



Percentage of adults (25-64) with a short-term certificate or higher, 2014-2019. The jump from 2017 to 2018 is due to the inclusion of industry-recognized certifications. Source: Lumina Foundation's "A Stronger Nation," [luminafoundation.org/stronger-nation/report/#/progress](http://luminafoundation.org/stronger-nation/report/#/progress).

### but attainment gaps must be addressed.



Source: Lumina Foundation. Percentages represent Kentuckians ages 25-64 with an associate degree or higher in 2019. Short-term certificates are not available by race/ethnicity.

# STRATEGIC PRIORITIES

Building on previous agendas, “Higher Education Matters” is a blueprint for accelerating change and improvement in Kentucky’s public postsecondary system. The strategic priorities identified in this plan represent our primary issues and top concerns as we face head-on the demographic, economic and technological forces reshaping higher education in Kentucky.





**Kentucky will ensure all students have equitable access to postsecondary education and the necessary tools to complete their programs prepared for life and work.**





# EQUITY

## A Cross-Cutting Priority

### Statewide Challenges

Since its founding, America has been known as a land of opportunity, where hard work and perseverance lead to prosperity. Yet in reality, our nation has not provided a level playing field for all of its citizens.

Inequities in Kentucky's educational systems have exacerbated disparities in employment, income and health. These opportunity gaps prevent all Kentuckians from reaching their full potential.

The educational attainment rates of Kentuckians historically underrepresented in postsecondary institutions trail White Kentuckians by a considerable margin. While 36.1% of White Kentuckians (ages 25-64) have a college degree, only 28.6% of African-American/Black, 26.7% of Hispanic/Latinx and 25.4% of Native Americans/Alaskan Natives do.

Demographers predict that the United States will become a minority majority nation by the year 2045. Currently, 87.5% of Kentucky residents identify as White, but by 2040, that percentage is projected to fall to 77%. Kentucky's ability to meet our 60x30 attainment goal hinges on enrolling and graduating a more diverse student body, requiring us to create more inclusive, welcoming and supportive educational spaces.

### Systemwide Responses

To address these challenges, the Council on Postsecondary Education has adopted one of the most comprehensive diversity, equity and inclusion policies in the nation. The policy requires campuses to implement actions to increase enrollment,

retention and completion of minoritized students, as well as improving cultural competence among members of the campus community. Campuses set targets annually, and failure to reach quantitative and qualitative goals limits their ability to offer new academic programs.

Additionally, the state's performance funding model places a premium on degrees awarded to underrepresented, minoritized and low-income students. Since its adoption, Kentucky has made significant headway in closing opportunity gaps, but more improvement is needed.

*The U.S. will become a minority majority nation by the year 2045.*

### Equity Cuts Across all Other Issues

Kentucky will no longer accept an educational system that produces inequitable results for individuals of similar talents, aspirations and abilities. Because of the urgency of this challenge, equity has been identified as a cross-cutting priority of this agenda.

There are no specific statewide objectives and strategies proposed for equity, because equity is a critical component of every strategic priority. As we implement the statewide strategies set forth in this agenda, each action will be examined through an equity lens. Action plans will outline how interventions will be targeted to at-risk students. For every key performance indicator, we will disaggregate results to ensure improvement rates are equitable among targeted student populations.

Through an unwavering focus on diversity, equity and inclusion, Kentucky's postsecondary system will work to ensure that income, race, ethnicity, religion, sexual orientation or geography are never a barrier to college success.



# AFFORDABILITY

## A Strategic Priority

### Statewide Challenges

Over the last two decades, federal and state disinvestment in public higher education has shifted the majority of college costs to students and their families. In 2000, Kentucky subsidized 66% of operational costs for public postsecondary institutions, with tuition and fees covering the remaining 34%. By 2020, the state's share of funding was down to 32%, with 68% borne by students.

Consequently, increases in college costs have become a serious burden for many Kentucky families. While the cost of living has steadily increased, real wages have remained flat. Declining amounts of college savings mean student borrowing is at an all-time high. According to Forbes, student loans now comprise the largest chunk of U.S. non-housing debt, more than credit cards or auto loans.

At a time when postsecondary education and training is essential to long-term economic security, college is becoming financially inaccessible to our most vulnerable populations. If left unchecked, declines in college access will lead to greater income inequality, making it all but impossible for everyday Kentuckians to get ahead.

In a national survey conducted by the Citizens Financial Group, 70% of current college students said worries about college affordability had a moderate to high impact on their enrollment plans for the fall 2021 semester. Responding to rising concerns from students, parents and

elected officials, the Council has elevated college affordability to one of five strategic priorities our public postsecondary system will pursue over the next eight years.

### Systemwide Responses

To this end, the state's higher education system will build on the success achieved over the last decade to increase college access and affordability.

We will work with elected leaders to increase state funding for postsecondary education and student financial aid, so rising costs are not passed on to students.

We will work to limit increases in tuition and fees, while exploring collaborative purchasing agreements, open educational resources and other efficiency measures to keep ancillary costs in check.

*Federal & state disinvestment in public higher education has shifted costs to students.*

We will work in partnership with P-12 educators, advisors, counselors and other stakeholders to help incoming students understand the complexities of college pricing, and the role of grants, scholarships and responsible borrowing in managing costs. The published cost of attendance stops many students and families in their tracks. Providing greater transparency around out-of-pocket costs will ensure sticker shock does not prevent students from applying.

We also will focus on decreasing the time it takes to earn a credential, since additional semesters mean additional cost. Early postsecondary opportunities and improved advising are strategies that can help students graduate on time.



**Kentucky will ensure postsecondary education is affordable for all Kentuckians.**





# AFFORDABILITY

## Objectives, Strategies & KPIs

### 1. Reduce financial barriers to college enrollment and completion.

- 1a. Work with campuses, stakeholders and other state leaders to increase access to grants and scholarships for low- and middle-income students.
- 1b. Moderate increases in tuition and mandatory fees at Kentucky's public colleges and universities.
- 1c. Increase opportunities for institutional collaboration to reduce campus expenditures and limit increases in college costs.

### 2. Improve the public's understanding of how to pay for college.

- 2a. Provide informational resources and advising strategies for counselors, teachers and community partners on paying for college.
- 2b. Coordinate and support efforts to increase the number of Kentuckians who complete the Free Application for Federal Student Aid (FAFSA).
- 2c. Establish state-level networks for high school counselors and other college access professionals to share effective practices, build expertise and develop common outreach and messaging for Kentucky students.

### Key Performance Indicators

**Average Unmet Financial Need (State & Campus-Level):** The cost of attendance minus the sum of expected family contribution and all federal, state and local government and institutionally funded scholarships or grants received by students in an academic year.

**Time to Degree (State & Campus-Level):** Total number of academic years enrolled prior to degree completion.

**FAFSA Completion (State-Level):** Percent of recent high school graduates who matriculated to a Kentucky public postsecondary institution and completed a FAFSA application.



# COLLEGE IN KENTUCKY

## May Cost Less Than You Think

**The actual cost of college is less than advertised.**

The published cost of college, including tuition, room, board & other expenses

Federal, state & institutional grants and scholarships

Out-of-pocket cost of a credential



**Sticker Price**

**Financial Aid**

**Net Price**

<b>2-Yr. Public</b>	<b>\$6,531</b>	<b>\$3,523</b>	<b>\$5,460</b>
<b>4-Yr. Public</b>	<b>\$14,151</b>	<b>\$6,400</b>	<b>\$10,802</b>

*This chart reflects median annual amounts in 2019-20 for in-state, undergraduate students at public institutions. For median amounts by institution, visit KY Students' Right to Know at [https://kystats.ky.gov/Reports/Tableau/2021\\_KCSRK](https://kystats.ky.gov/Reports/Tableau/2021_KCSRK).*

**The typical undergraduate borrows \$32K or less.**

Median loan amounts at graduation:



**\$8,595**

For a certificate or diploma



**\$8,309**

For an associate degree finished in 3 years



**\$25,421**

For a bachelor's degree finished in 4 years



**\$32,058**

For a bachelor's degree finished in 5 years

*Amounts reflect median balances for undergraduate students enrolled in public postsecondary institutions only. Source: Council on Postsecondary Education. "Early Economic Return on Higher Education Investment."*





**Kentucky will ensure more students transition to college prepared to succeed.**



# TRANSITIONS

## A Strategic Priority

### Statewide Challenges

Over the decade, the U.S. saw little movement in the percentage of high school seniors enrolling directly in college, which remained around 66%. Kentucky, on the other hand, experienced a rather steep decline in its in-state college-going rate, falling from 55% in 2014 to 50.5% in 2019.

As we approach 2022, the COVID-19 pandemic continues to disrupt the postsecondary plans of thousands of Kentuckians. Some are delaying college to help make ends meet, or to care for parents or relatives who are ill. For many rural and low-income students, a lack of reliable broadband access made it difficult to remain engaged in remote learning. For these individuals, the financial, physical and emotional toll of COVID will linger long after the virus recedes.

### Systemwide Responses

While these circumstances are beyond our control, there are actions higher education can take to provide extra guidance to students. We can remove tripwires that cause individuals to stumble on the path to college, particularly if they are first-generation or historically underserved by postsecondary institutions. We can simplify bureaucratic and onerous admission processes, for instance, and help demystify financial aid applications like the FAFSA.

The rise of early college experiences in high school show tremendous promise. Dual credit and enrollment, Advanced Placement (AP),

International Baccalaureate (IB) and similar programs allow students to earn college credit while still in high school, giving them a jump-start on postsecondary education. The challenge is to expand access to students of all socioeconomic backgrounds and ability levels, and ensure credits count toward degree requirements and not just as electives.

It is unrealistic to expect high school guidance counselors to help every student navigate the maze of college admission requirements and decisions. With its partners, CPE will advocate for dedicated college coaches and advisors serving every school district in the Commonwealth, and create resources that walk students and their parents step-by-step through the planning and application process.

Colleges and universities also must do their part to enroll and retain students through those critical first months. CPE will work with campuses to increase recruitment of individuals historically excluded or underrepresented in higher education, including working-age adults balancing careers and families. We will streamline and digitize admission processes and materials to the greatest extent possible. Predictive analytics can help pinpoint at-risk students and better target intervention strategies.

Such actions will go a long way toward creating smoother educational transitions, from cradle to career.

*The rise of early college experiences in high school show tremendous promise.*



## TRANSITIONS

### Objectives, Strategies & KPIs

### 3. Increase students' readiness to enter postsecondary education.

- 3a. Expand access to high-quality, early postsecondary opportunities.
- 3b. Develop digital resources to help students explore career interests and college options.
- 3c. Partner with public K-12 schools and postsecondary institutions to provide outreach to students to help them prepare and plan for college.

### 4. Increase enrollment in postsecondary education.

- 4a. Enhance college recruitment strategies through partnerships with postsecondary institutions and other stakeholders, with attention to underrepresented, minoritized, adult and low-income students.
- 4b. Work with education providers to streamline and simplify postsecondary admission processes.

### Key Performance Indicators

**Undergraduate Enrollment (State & Campus-Level):** Total unduplicated number of students who enroll in an undergraduate program in an academic year, either full-time or part-time.

**College-Going Rate (State-Level):** Percent of recent Kentucky high school graduates who attend any in-state or out-of-state postsecondary institution in the summer, fall or spring following high school graduation.

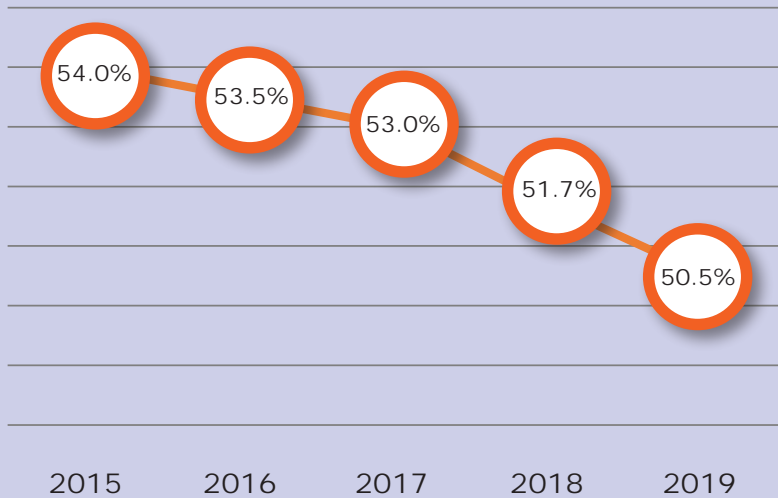




# IMPROVING COLLEGE ACCESS

## Strengthening K-12 to College Transitions

**Kentucky must increase its in-state college-going rate.**



**45.3%**

Current in-state college-going rate of Hispanic students in Kentucky.



**44.6%**

Current in-state college-going rate of Black students in Kentucky.

Percentage of KY high school students who enroll directly in an in-state public or private college the fall or spring following graduation.

Source: KY Center for Statistics (KYSTATS)

## These statewide initiatives will help.



- A federal grant program administered by CPE
- Provides early college awareness & readiness
- Serves more than 12,000 high school and college students in low-income schools across Kentucky
- Teaches students how to plan, apply and pay for college
- Follows students from middle school through their first year of college
- Offers mentoring and support



## Commonwealth Education Continuum

- Collaboration of CPE, KDE, KHEAA and the Education & Workforce Development Cabinet
- Recommendations for more equitable early college experiences
- Strategies for improved college & career readiness
- Diversification of teaching & advising corps



# SUCCESS

## A Strategic Priority

### Statewide Successes & Challenges

Kentucky’s colleges and universities made impressive gains in retention and completion over the last decade. The six-year graduation rate rose from 47.6% to 56.4% at public universities, while the three-year graduation rate at KCTCS jumped 13.3 points to 33%.

However, while institutions are narrowing completion gaps at a historic pace, more progress is needed to close them. The six-year graduation rate of African-American/Black, Hispanic/Latinx, indigenous and mixed-race students currently stands at 44%, and the three-year rate is 24.3%.

Increasing degree production for everyone is an overriding concern of this agenda, but we are not prioritizing quantity over quality. High-quality credentials equip students to thrive in a rapidly evolving world that demands critical thinking, ingenuity, flexibility and teamwork. From certificates to doctorates, we must ensure students master the content, skills and mindsets necessary for future success and fulfillment. The challenge is producing quality credentials at a pace commensurate with our overarching attainment goal.

### Systemwide Responses

In the years ahead, Kentucky higher education will double down on the widespread adoption of high-impact practices that research has proven to be effective. As we begin this agenda, CPE is launching the Kentucky Student Success

Collaborative, a one-of-a-kind center dedicated to the advancement of innovative strategies and best practices. This entity will increase our capacity to engage and unite campuses in more sustained, comprehensive improvement efforts.

We will continue to improve transfer from two-year to four-year institutions by helping students and practitioners understand how credits apply to specific degree programs across the state. We will promote credit for prior learning and accelerated programs to make our institutions friendlier for working-age adults, an underserved market that is critical to creating a more competitive workforce and reaching our 60x30 goal.

*The system will not prioritize the quantity of credentials over quality.*

Just as technology is revolutionizing the way we work, it is also transforming teaching and learning. Digital classrooms, global online collaborations and personalized learning software are only the beginning. Combined with face-to-face instruction, technology can accelerate and deepen learning in profound ways. But we cannot harness this powerful tool if educators lack training and resources, or if broadband access is not universally accessible and affordable.

Finally, we intend to make internships, apprenticeships, service and other forms of work-based learning a mandatory curricular experience. Students should be able to connect classroom learning to the world of work, and articulate these connections to employers. More robust employer partnerships will increase the relevance and responsiveness of academic programs, and ensure students are able to secure meaningful employment in their field of study.





**Kentucky will ensure more students earn high-quality degrees and credentials.**



# SUCCESS

## Objectives, Strategies & KPIs

### 5. Increase persistence in and timely completion of postsecondary programs.

- 5a. Share, implement and evaluate emerging, promising and proven practices supporting student success and college completion.
- 5b. Identify and promote efforts to ensure “on-time” program completion.
- 5c. Work with campuses and other state and national partners to close opportunity and success gaps for historically underserved students of color and students from low-income backgrounds.
- 5d. Work with education providers to limit barriers to enrollment and completion for adult learners and other students balancing the competing demands of work, life, family and school.

### 6. Maximize transfer of academic and experiential credit.

- 6a. Work with campuses to reduce barriers that prevent the seamless transfer of credit.
- 6b. Promote transfer opportunities and program pathways.

### 7. Ensure academic offerings are high-quality, relevant and inclusive.

- 7a. Work with campuses to ensure the essential competencies and outcomes outlined in the Kentucky Graduate Profile are embedded in all academic programs.
- 7b. Work with campuses to ensure academic and co-curricular offerings are equity-focused and inclusive.

### Key Performance Indicators

**Undergraduate Credentials Conferred (State & Campus-Level):** Total degrees and credentials awarded by public universities and KCTCS institutions.

**Graduation Rate (State & Campus-Level):** The percent of first-time, full-time credential-seeking students receiving a bachelor’s degree within 6 years at public universities, or an associate degree or credential within 3 years at KCTCS from their starting institution.

**2-Year to 4-Year Transfer (Campus-Level):** Percent of first-time, full-time credential-seeking students entering KCTCS in the fall who transfer to any in-state, 4-year public institution within 3 years of entry.

**Persistence Rate (State-Level):** Percent of first-time, credential-seeking students enrolled in the summer or fall who are still enrolled the following fall at any in-state postsecondary institution or, in the case of KCTCS students, have completed a credential.

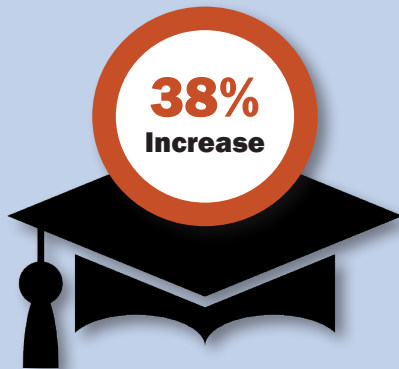
**Retention Rate (Campus-Level):** Percent of first-time, credential-seeking students enrolled in the summer or fall who return to the same institution the following fall.



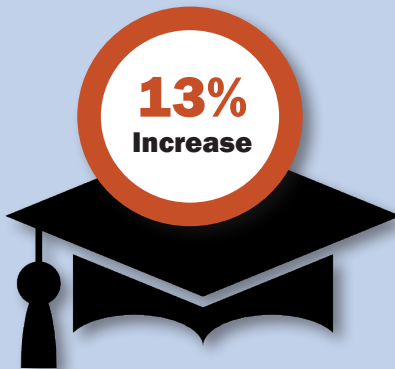
# ACCELERATING SUCCESS

## Building on a Decade of Credential Growth

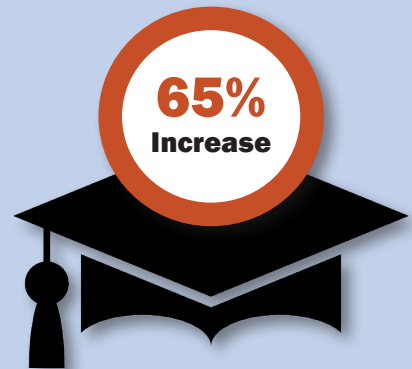
### Undergraduate Credential Growth Over the Last Decade:



In Certificates & Associate Degrees Awarded by KCTCS



In Bachelor's Degrees Awarded by Public Universities



In Credentials Awarded by Public Institutions to Underrepresented Minoritized Students

## The Kentucky Student Success Collaborative

To accelerate meaningful transformation around student success, CPE launched the KYSSC, a first-of-its-kind statewide program supporting greater degree completion and successful career transitions. KYSSC offers its higher education partners the following resources and assistance:

#### Professional Development

Virtual and online assistance based on campus priorities.

#### Communities of Practice

Collaboration and resource sharing around common challenges and opportunities.

#### Resource & Knowledge Hub

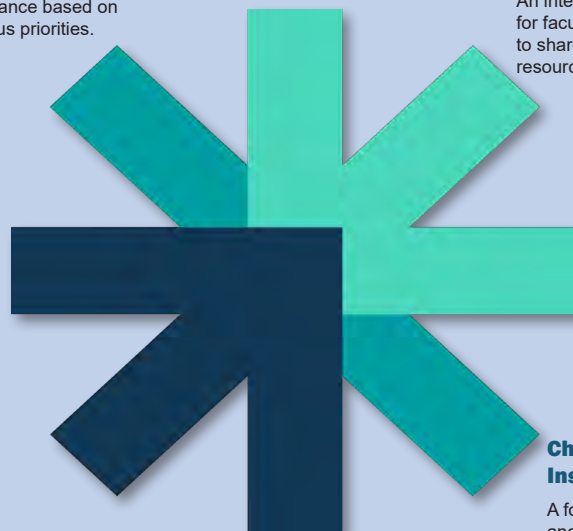
An interactive, online platform for faculty and practitioners to share experiences and resources.

#### Technical Assistance

Guidance from national organizations and thought leaders on issues and challenges.

#### Change Leadership Institute

A forum for faculty, staff, and administrators to build capacity for growth and innovation.



<https://kystudentsuccess.org>





**Kentucky will increase talent and innovation to support our communities, employers and economy.**



## TALENT A Strategic Priority

### Statewide Challenges

A primary purpose of postsecondary education is to produce adaptive, highly skilled workers to fuel the economy. In the recent past, a high school education was sufficient to secure gainful employment capable of supporting a family. However, automation and outsourcing are rendering these jobs nearly obsolete. As noted by the Georgetown Center on Education and the Workforce, two out of three high-wage jobs created in the U.S. since 2008 demand postsecondary experience.

A 2021 report by the Kentucky Chamber of Commerce estimates that the state has 90,000 to 100,000 job openings in any given month, and 65% to 85% of these vacancies require training, credentialing or degrees beyond high school. Data from the Chamber's Talent Pipeline Management (TPM) program show that only 30% of the state's jobs require a high school diploma or less, corroborating this finding.

At 56.3%, Kentucky currently has one of the lowest workforce participation rates in the nation. Poor health, substance use disorders and childcare shortages are partly to blame, but the lack of requisite skills and credentials is a large and growing part of the problem. The lack of active, skilled workers limits Kentucky's economic growth and expansion, increases spending on entitlement programs and reduces state tax revenues.

### Systemwide Responses

Kentucky must expand postsecondary access to undereducated, working-age adults to fill critical work shortages in healthcare, STEM fields, early childhood development and other high-demand

areas. Work-based education opportunities, tuition assistance and public-private partnerships like UPS's Metropolitan College can put adults to work while they gain valuable credentials that move them up the career ladder.

Endless debates pitting technical training against liberal arts education miss the larger point: today's graduates need both. We must ensure liberal arts graduates gain technical and vocational proficiencies, just as students pursuing more technical and vocational credentials gain exposure to the humanities and liberal arts.

**65% to 85%  
of Kentucky  
job openings  
require training  
beyond high  
school.**

CPE's recent partnership with the Quality Assurance Commons put essential employability skills front and center. The Kentucky Graduate Profile identifies career-focused learning outcomes that each graduate should demonstrate as part of their college curriculum. The Kentucky Graduate Academy, which includes representatives from each public campus, will assess the extent to which academic programs equip students with essential employability skills, making adjustments as needed.

Besides talent production, higher education institutions drive economic development through basic and applied research and business services. Innovations originating in laboratories are driven to the marketplace, spawning new companies and creating products and processes that improve our lives. This agenda will focus on strategies to ensure these efforts are aligned with the state's emerging and existing industries.

Finally, Kentucky's postsecondary system will continue its mission of regional stewardship by working with community partners to exchange knowledge and expertise for the mutual benefit of the Commonwealth.



## **TALENT**

### **Objectives, Strategies & KPIs**

## **8. Improve the career outcomes of postsecondary graduates.**

- 8a. Work with campuses to include a work-based learning or other career-relevant experience in all undergraduate programs.
- 8b. Work with colleges and universities to strengthen campus-based career advising and development.
- 8c. Facilitate meaningful partnerships between employers, community partners and education providers to improve the career outcomes of postsecondary programs.

## **9. Increase research and service to support strong communities and economies.**

- 9a. Identify high-growth, high-demand and high-wage industries by region and target postsecondary programs for increased enrollment in those areas.
- 9b. Encourage targeted research, the development of signature academic programs and expanded community engagement supporting Kentucky's high-need, priority areas.

### **Key Performance Indicators**

**Graduates Working or Pursuing More Education (State-Level):** Percent of certificate, associate and bachelor's degree graduates working in Kentucky or pursuing additional education one year after graduation.

**Graduate and Professional Degrees (State & Campus-Level):** Total number of graduate/professional degrees awarded in an academic year.

**Statewide Educational Attainment Goal (State-Level):** Percent of Kentuckians ages 25-64 with a postsecondary credential (certificate or higher).





# WORK-READY GRADUATES

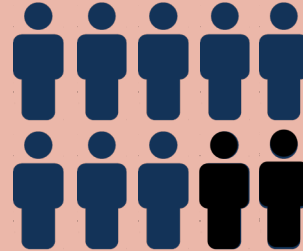
## Producing Talent for Kentucky Employers



Only **48%** of Kentuckians have skills training beyond high school, which **65%-85%** of jobs require.

Source: KY Chamber of Commerce, "20 Years in the Making: Kentucky's Workforce Crisis." September 2021.

**8 out of 10**



Kentucky businesses have trouble finding workers with the right skills.

Source: 2017 study conducted by Talent Pipeline Management, a statewide initiative of the Kentucky Chamber of Commerce.

## Kentucky Graduate Profile



In partnership with Kentucky campuses, CPE identified 10 essential skills that employers expect in college graduates. CPE is working with campuses to integrate these competencies into their curricular and co-curricular offerings.



# VALUE

## A Strategic Priority

### The Perceived Value of College

Even before the pandemic, Americans were questioning the value of higher education. The extent of this skepticism varies according to socioeconomic status, political party affiliation, geographic region and other factors.

A 2021 survey conducted by the American Association of American Colleges and Universities and the Bipartisan Policy Center asked adults whether college was definitely or probably still worth it. Overall, only 27% of respondents believed college was definitely worth it; another 33% said it probably was. While only half of low-income respondents said college was worth it, three-quarters of wealthy Americans did. Democrats expressed the strongest belief in college's worth (70%), followed by Republicans (53%) and Independents (52%).

### The Actual Value of College

Negative beliefs about the value of college, though widespread, are based more on feeling than fact. College's return on investment in strict financial terms depends on how much you paid for your degree and the marketability of your chosen field. Some students reap greater financial rewards than others. But to promote the belief that college is no longer a wise investment is a grave disservice to parents and students everywhere. While a college credential does not guarantee economic security, the lack of a credential most certainly limits earning potential and perpetuates generational poverty in our communities.

In September 2021, CPE released a study showing that among Kentucky's high school class of 2011, postsecondary graduates were earning substantially more money than high school graduates by 2019, despite fewer years of full-time work. The typical community college or university graduate recouped their higher education

investment in about three to five years, depending on the credential earned. Over a 30-year career, bachelor's degree graduates in Kentucky make \$1 million more than high school graduates, while those with associate degrees make nearly half a million more.

Although anecdotes about college loan debt regularly feature students owing upwards of \$100,000 or more, the average bachelor's degree graduate in Kentucky borrows between \$25,000 and \$33,000 for their degree.

### Systemwide Responses

The Council on Postsecondary Education will launch a statewide communications and public awareness campaign to counteract negative messages about the value of college perpetuated by the media and partisan pundits. We will educate individual students about the benefits of a college credential, and inform policy makers about how higher education increases tax revenue, decreases unemployment and entitlement program expenditures, improves health outcomes and produces a myriad of benefits that can't easily be quantified, like increased volunteerism and voting.

Part of this effort is helping Kentuckians understand that college is not only a four-year, residential undergraduate degree. Since that experience may not be for everyone, there are a multitude of college options in our state, many technical in nature, that allow students to pursue careers in the skilled trades, ranging from short-term certificates to applied associate degrees.

It is our hope that increasing higher education's value proposition will lead to greater investment from both the General Assembly and the private sector. More profoundly, it will restore our belief in higher education's ability to put Americans on a path to future prosperity and fulfillment.

**Workers with a bachelor's degree make \$1M more than high school graduates over a lifetime.**





**Kentucky will improve public understanding that postsecondary education is key to greater opportunity and economic growth.**



## VALUE

### Objectives, Strategies & KPIs

## 10. Increase public belief in the power of postsecondary education.

10a. Conduct a public awareness campaign and develop communications strategies to promote college going and elevate the importance of higher education to Kentucky's residents and economy.

## 11. Build support for greater investment in postsecondary education.

11a. Communicate higher education's return on investment and the need for increased state and federal support.

11b. Seek funding from foundations and other external sources to support Strategic Agenda priorities.

### Key Performance Indicators

**State General Fund Appropriations (State-Level):** Percent change in net general fund appropriations for full-time equivalent students, excluding state financial aid or state monies for debt service.



## HIGHER EDUCATION MATTERS

College-Educated Citizens Build a Better Kentucky

### College Benefits Individuals & Society



#### Earnings

College graduates earn more and are less likely to rely on public assistance.



#### Health

College graduates are more likely to be insured, exercise and enjoy better health.



#### Civic Responsibility

College graduates are more likely to vote, donate to charity and be civically engaged.



#### Literacy

College graduates are more likely to read to their children and be supportive of their education overall.



#### Employment

College graduates are more likely to find jobs and stay employed, even in a down economy.



#### Economy

The state gains more from college graduates through higher earnings and less dependence on public assistance.





# ACKNOWLEDGEMENTS

CPE thanks the following individuals for their contributions to this Strategic Agenda:

## Academic & Strategic Initiatives Committee

Lori Harper, Chair  
 Muhammad Babar  
 Colby Birkes  
 Karyn Hoover  
 Lucas Mentzer  
 Richard Nelson  
 Vidya Ravichandran  
 Robert Staat  
 Kevin Weaver

## CPE Staff to ASI Committee

Heather Faesy  
 Lee Nimocks  
 Melissa Young

## Campus Advisory Committee

Courtney Andrews, MoSU  
 Bonita Brown, NKU  
 Alicia Crouch, KCTCS  
 Mason Dyer, AIKCU  
 Renee Fister, MuSU  
 Bob Goldstein, UL  
 Tuesdi Helbig, WKU  
 Katherine McCormick, UK  
 Beverly Schneller, KSU  
 Tanlee Wasson, EKU

## CPE Board (upon adoption on 11/5/21)

Lucas Mentzer, Chair  
 Muhammad Babar  
 Ronald Beal  
 Colby Birkes  
 Kellie Ellis  
 Eric Farris  
 Lori Harper  
 Karyn Hoover  
 Richard Nelson  
 Vidya Ravichandran  
 Madison Silvert  
 Elaine Walker  
 Kevin Weaver  
 Carol Wright  
 Jason Glass (ex officio)

**Stefanie Ashley and Sarah Gilbert, EKU Facilitation Center, for Conducting:**

## Executive Interviews

### Elected & State Officials

Jacqueline Coleman, Lt. Governor  
 Jason Glass, Commissioner of Education  
 Regina Huff, State Representative  
 Robert Stivers, Senate President  
 James Tipton, State Representative

### National Organizations

Jeremy Anderson, Education Commission of the States  
 Rob Anderson, State Higher Education Executive Officers  
 Thomas Brock, Community College Research Center  
 Alex Chough, National Council for Community & Education Partnerships  
 Michael Collins, Jobs for the Future  
 Kim Cook, National College Attainment Network  
 Matt Gandal, Education Strategy Group  
 Debra Humphreys, Lumina Foundation  
 Rebecca Martin, National Association of System Heads  
 Stephen Pruitt, Southern Regional Education Board  
 Yolanda Watson Spiva, Complete College America  
 Henry Stoeber, Association of Governing Boards  
 Belle Whelan, Southern Association of Colleges & Schools  
 Amanda Winters, National Governors Association

### University & College Presidents

Neeli Bendapudi, University of Louisville  
 Christopher Brown, Kentucky State University  
 Tim Caboni, Western Kentucky University  
 Eli Capilouto, University of Kentucky  
 Paul Czarapata, KCTCS  
 Robert Jackson, Murray State University  
 David McFaddin, Eastern Kentucky University  
 Jay Morgan, Morehead State University  
 OJ Oleka, Association of Independent KY Colleges & Universities  
 Ashish Vaidya, Northern Kentucky University

## Focus Group Sessions

### On Issues

- Diversity, Equity & Inclusion
- College Affordability
- Transitioning from Postsecondary Education to the Workforce
- Engaging the Adult Learner
- Stronger Partnerships between P-12 and Postsecondary Education

### With Standing Committees

- Student Advisory Group: Eyouel Mehonnen, EKU; Aaron Nethery, MuSU; Abigail Stewart, UofL; Gregory Wieland, NKU; Emily Wiley, MoSU; Noah Young, UofL
- Chief Business Officers: Elizabeth Baker, UK; Buddy Combs, KCTCS; Jackie Dudley, MuSU; Mary Fister-Tucker, MoSU; Wendell Followell, KCTCS; Rick Graycerek, UofL; Ryan Green, EKU; Mike Hales, NKU; Brendan LeHane, KCTCS; Teresa Lindgren, MoSU; Shannon Means, UK
- Chief Academic Officers: Scott Cook, MCC; Laurie Couch, MoSU; Lori Gonzalez, UofL; Rob Hale, WKU; Larry Holloway, UK; Ashley Ireland, MuSU; Abdou Ndoye, NKU; Robert Pervine, MuSU; Jerry Pogatshnik, EKU; Greg Russell, MoSU; Beverly Schneller, KSU; Cheryl Stevens, WKU; Tim Todd, MuSU; Reneau Waggoner, HCC; Jennifer Wies, EKU; Beth Wiley, UofL; Kris Williams, KCTCS; Sara Ziegler, EKU
- CPE Executive Leadership Team: Melissa Bell, Amanda Ellis, Jennifer Fraker, Lee Nimocks, Bill Payne, Travis Powell, Rick Smith, Aaron Thompson
- CPE Senior Leadership Team: Bruce Brooks, Leslie Brown, Ilona Burdette, Cody Davidson, Wayne Fielder, Jevonda Keith, Sarah Levy, Stephanie Mayberry, Shaun McKiernan, Travis Muncie, Dawn Offutt, Sue Patrick, Missy Ross, Kim Welch, Melissa Young





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January 2022

The Council does not discriminate on the basis of race, color, national origin, sex, religion, age, or disability in employment or the provision of services, and provides, upon request, reasonable accommodation, including auxiliary aids and services necessary to afford individuals with disabilities an equal opportunity to participate in all programs and activities.

**TITLE:** Report from the Executive Committee

**DESCRIPTION:** The following is a summary of the Committee's January 6, 2022 meeting.

**PRESENTER:** Lucas Mentzer, Chair of Finance Committee

---

The Executive Committee met on January 6, 2022. Below is a summary of their work.

- Received the results of the annual audit for fiscal year 2020-21. The auditors issued an unmodified opinion, stating that the Council's financial statements present fairly, in all material respects, the financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Council as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, the expenditures of federal awards and supplementary information are fairly stated in all material respects in relation to the basic financial statements as a whole. The firm also noted that it did not identify any deficiencies in internal control that they consider to be material weaknesses. A copy of the audited reports are included in OnBoard.
- Received an update on the development of Kentucky State University's (KSU) management and improvement plan and the current state of the presidential search process. It is expected they will have a new president in place for the fall 2022 semester.
- Discussed a proposed timeline for the 2022 Evaluation Process of the CPE President. It is anticipated the review will take place throughout the spring with final results presented to the Council at its June 17, 2022 meeting.

Upon the election of the 2022 Chair and Vice Chair, the 2022 Executive Committee will be appointed and the next meeting of the Committee will be scheduled.

**INFORMATION ONLY -- AGENDA ITEM FROM THE COMMITTEE MEETING**

**EXECUTIVE COMMITTEE  
KY COUNCIL ON POSTSECONDARY EDUCATION**

**INFORMATION ITEM**  
January 6, 2022

---

**TITLE:** Review Results of FY21 Audit

**DESCRIPTION:** CPE Staff and Allen Norvell of Blue & Co, PSC will present the results of the annual audit for fiscal year 2020-21.

**PRESENTER:** Leslie Brown, CPE's Executive Director of Administrative Services

---

Allen Norvell, the lead auditor from Blue & Co., PSC, will present the results of the annual audit for fiscal year 2020-21.

For fiscal year 21, the auditors issued an unmodified opinion, stating that the Council's financial statements present fairly, in all material respects, the financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Council as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, the expenditures of federal awards and supplementary information are fairly stated in all material respects in relation to the basic financial statements as a whole. The firm also noted that it did not identify any deficiencies in internal control that they consider to be material weaknesses.



**KENTUCKY COUNCIL ON  
POSTSECONDARY EDUCATION**

MATTERS TO BE COMMUNICATED TO

THE COUNCIL MEMBERS

JUNE 30, 2021





Blue & Co., LLC / 250 West Main Street, Suite 2900 / Lexington KY 40507 main  
859.253.1100 fax 859.253.1384 email blue@blueandco.com

December 2, 2021

To the Council Members  
Council on Postsecondary Education  
Frankfort, Kentucky

We have audited the financial statements of the Council on Postsecondary Education (the Council) for the year ended June 30, 2021, and have issued our report thereon dated as of the date of this letter. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America, *Government Auditing Standards* and *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information to you in our letter dated July 1, 2021. Professional standards also require that we communicate to you the following information related to our audit.

## **SIGNIFICANT AUDIT FINDINGS**

### **QUALITATIVE ASPECTS OF ACCOUNTING PRACTICES**

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Council are described in Note 1 to the financial statements. As discussed in Note 2 to the financial statements, the Council adopted Governmental Accounting Standards Board Statement No. 84 – *Fiduciary Activities*. No other new accounting policies were adopted or the application of existing policies was not changed during the year. We noted no transactions entered into by the Council during the year for which there was a lack of authoritative guidance or consensus. We noted no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based upon management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Management's estimate of compensated leave is accrued when incurred in the government-wide financial statements. Only the accumulated annual and compensatory leave that is estimated to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. We evaluated the key factors and assumptions used to develop the estimate pertaining to compensatory leave in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the net pension liability, net OPEB (Other Post-employment Benefits) liability and related deferred outflows/inflows of resources determined by the actuary. We evaluated key factors and assumptions used to develop these liabilities in determining that they are reasonable in relation to the financial statements taken as a whole.

We believe the disclosures in the financial statements are neutral, consistent and clear.

#### **DIFFICULTIES ENCOUNTERED IN PERFORMING THE AUDIT**

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### **CORRECTED AND UNCORRECTED MISSTATEMENTS**

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

#### **DISAGREEMENTS WITH MANAGEMENT**

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of the audit.

#### **MANAGEMENT REPRESENTATIONS**

We have requested certain representations from management that are included in the management representation letter dated as of the date of this letter.

### **MANAGEMENT CONSULTATIONS WITH OTHER INDEPENDENT ACCOUNTANTS**

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the Council's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations.

### **OTHER AUDIT FINDINGS OR ISSUES**

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Council's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

A paragraph titled “Change in Accounting Principle” was added to the Report of Independent Auditors to address the adoption of Governmental Accounting Standards Board Statement No. 84 – *Fiduciary Activities*. Our opinion was not modified with respect to that matter.

### **OTHER INFORMATION IN DOCUMENTS CONTAINING AUDITED FINANCIAL STATEMENTS**

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America. The method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

### **REQUIRED SUPPLEMENTARY INFORMATION**

With respect to the required supplementary information accompanying the financial statements, we have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

To the Council Members  
Council on Postsecondary Education  
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\* \* \* \* \*

This communication is intended solely for the use of management, the Council Members, others within the Council, and the Auditor of Public Accounts of the Commonwealth of Kentucky, and is not intended to be and should not be used by anyone other than these specified parties.

We appreciate this opportunity to be of service and extend our thanks to everyone at the Council for their cooperation and assistance. We would be pleased to discuss any of the above matters with you at your convenience.

*Blue & Co., LLC*



**KENTUCKY COUNCIL ON  
POSTSECONDARY EDUCATION**

FINANCIAL STATEMENTS

AND

SUPPLEMENTARY INFORMATION

JUNE 30, 2021

COUNCIL ON POSTSECONDARY EDUCATION  
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Blue & Co., LLC / 250 West Main Street, Suite 2900 / Lexington KY 40507 main  
859.253.1100 fax 859.253.1384 email blue@blueandco.com

## REPORT OF INDEPENDENT AUDITORS

To the Council Members  
Council on Postsecondary Education

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Council on Postsecondary Education (the Council), a component unit of the Commonwealth of Kentucky, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Council's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

To the Council Members  
Council on Postsecondary Education

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Council as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Report on Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 4 through 11, the schedules of proportionate share of the net pension liability and schedules of pension contributions on pages 54 through 57, the schedules of proportionate share of the net Other Postemployment Benefits (OPEB) liability and the schedules of OPEB contributions on pages 58 through 61, and the budgetary comparison information on pages 62 through 65, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### Report on Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Council's basic financial statements. The accompanying schedule of expenditures of federal awards, as required by *Title 2 U.S. Code of Federal Regulation (CFR) Part 200, Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented on pages 71 through 73 for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information included in the accompanying schedules on pages 66 through 70 is also presented for purposes of additional analysis and is not a required part of the basic financial statements.

The accompanying schedule of expenditures of federal awards and supplementary information are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying

To the Council Members  
Council on Postsecondary Education

schedule of expenditures of federal awards and supplementary information are fairly stated in all material respects in relation to the basic financial statements as a whole.

Change in Accounting Principle

As described in Note 2 to the financial statement, the Council adopted Governmental Accounting Standards Board Statement No. 84 – *Fiduciary Activities*. Our opinions are not modified with respect to this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2021 on our consideration of the Council's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Council's internal control over financial reporting and compliance.

*Blue & Co., LLC*

Lexington, Kentucky  
December 2, 2021

# COUNCIL ON POSTSECONDARY EDUCATION

## MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2021

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The Council on Postsecondary Education (the Council) was established by the passage of House Bill 1 during the first 1997 extraordinary session of the Kentucky General Assembly. As a component unit of the Commonwealth of Kentucky, the Council provides direction and oversight to Kentucky's postsecondary education system.

The Council's management offers this narrative overview and analysis of the financial performance of the Council for the fiscal year (FY) ended June 30, 2021. Readers are encouraged to read this management discussion and analysis in conjunction with the Council's financial statements and the accompanying notes.

### **FINANCIAL HIGHLIGHTS**

- The liabilities of the Council exceeded its assets at the close of FY 2021 by \$22,596,310.
- Net position increased \$33,660 between FY 2020 and FY 2021
- As of the close of FY 2021, the Council's governmental funds reported an ending fund balance of \$4,311,499, which includes balances in the strategic investment and incentive funding programs appropriated to the Council on behalf of the public postsecondary education institutions and agency operations.
- Total fund revenues for FY 2021 were \$25,493,316, representing a 39% increase from FY 2020. Most of the increase was due to the increase in federal programs revenue for the Governor's Emergency Education Relief (GEER) funds given to colleges and universities around the Commonwealth due to the coronavirus pandemic.
- Total fund expenditures for FY 2021 were \$27,745,552, representing a 52% increase from FY 2020.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

The audit report consists of four parts: management's discussion and analysis (this section), the government-wide financial statements, the fund financial statements, and the accompanying notes to the financial statements.

The Council has established separate accounts to track appropriations from the Commonwealth of Kentucky to ensure they are used solely for the purposes for which they were appropriated. Activities of the Council are accounted for as governmental and fiduciary funds.



# COUNCIL ON POSTSECONDARY EDUCATION

## MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2021

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### **Government-wide Financial Statements:**

The Council's financial statements are designed to provide readers with a broad overview of the Council's finances, with an emphasis on the major funds within the governmental category.

The statement of net position presents information on all of the Council's assets, deferred outflows, liabilities and deferred inflows, with the difference between the two reported as net position.

The statement of activities presents information showing how the Council's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements can be found on pages 12 and 13 of this report.

### **Governmental Fund Financial Statements:**

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The Council, like other state and local governments, uses fund accounting to segregate appropriations designated for specific purposes. The Council reports on two fund types, governmental and fiduciary.

Under the governmental fund type, the Council's finances are displayed by discrete program or activity that also may be described as a fund group. The grouping of programs and discrete activities provides useful information by using a grouping that is more easily recognized by the reader.

Because the focus of the governmental fund financial statements is narrower than that of the government-wide financial statements, it is useful to compare the information presented in the governmental fund financial statements with similar information presented in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Council's near-term financial decisions. Both the fund balance sheet and statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison. These two reconciliations can be found on pages 15 and 17 of this report.

As described in Note 2 to the financial statements, the Council adopted Governmental Accounting Standards Board Statement No. 84 – *Fiduciary Activities* in 2021. Fiduciary funds are used to account for resources held for the benefit of individuals or units outside of the Council. The Council is the trustee or fiduciary responsible for assets, which can be used only for the trust beneficiaries per trust agreement. The Council is responsible for ensuring the assets reported in these funds are used for their intended purposes. All the Council's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. The accounting for fiduciary funds is much like that used for proprietary funds. The statement of fiduciary net position

# COUNCIL ON POSTSECONDARY EDUCATION

## MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2021

and the statement of changes in fiduciary net position can be found on page 18 and 19, respectively of this report.

### Notes to the Financial Statements:

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes to the financial statements can be found beginning on page 20.

### FINANCIAL ANALYSIS OF THE COUNCIL

#### Government-wide Financial Analysis:

#### Condensed Financial Information Statement of Net Position

	June 30, 2021	June 30, 2020
<b>Assets:</b>		
Current	\$ 3,675,903	\$ 5,351,994
Noncurrent	2,509,432	3,057,484
Total assets	<u>6,185,335</u>	<u>8,409,478</u>
Deferred outflows of resources	2,996,700	3,383,157
Total assets and deferrals	<u>\$ 9,182,035</u>	<u>\$ 11,792,635</u>
<b>Liabilities:</b>		
Current	\$ 1,596,985	\$ 1,228,670
Noncurrent	27,184,660	27,465,124
Total liabilities	<u>28,781,645</u>	<u>28,693,794</u>
Deferred inflows of resources	1,172,004	3,904,115
Total liabilities and deferrals	<u>\$ 29,953,649</u>	<u>\$ 32,597,909</u>
<b>Net position (deficit):</b>		
Net investment in capital assets	\$ 2,705	\$ 3,429
Restricted	1,685,745	1,430,240
Unrestricted deficit	<u>(22,460,064)</u>	<u>(22,238,943)</u>
Total net position (deficit)	<u>\$ (20,771,614)</u>	<u>\$ (20,805,274)</u>

# COUNCIL ON POSTSECONDARY EDUCATION

## MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2021

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Current assets consist primarily of program cash and cash equivalents, intergovernmental receivables, amounts due from the Federal government under the Council's Federal programs, and prepaid expenses. Noncurrent assets consist primarily of investments.

Current liabilities consist primarily of operating accounts payable, intergovernmental payables, accrued payroll, and accrued compensated absences. As of June 30, 2021, current liabilities also include amounts due to the state investment pool (amounts temporarily advanced by the state pending reimbursement from Federal grantor agencies). The portion of accrued compensated absences not expected to be liquidated with expendable financial resources has been estimated and included as a noncurrent liability.

Net position is divided into three components: *net investment in capital assets*, which represents the Council's capital assets, net of accumulated depreciation; *restricted* net position, which primarily consists of cash and cash equivalents and investments related to the Council's strategic trust funds and other funding programs, net of outstanding liabilities; and *unrestricted net position*, which consists primarily of cash and cash equivalents and investments related to the Council's Operations and Technology Initiative Trust Funds, net of outstanding liabilities.

As of the close of the fiscal year, net position represents the difference between assets and liabilities mentioned above. Liabilities exceeded assets by approximately \$22.6 million. Total assets and deferrals decreased by approximately \$2.6 million, primarily in the cash and intergovernmental receivables. Total liabilities and deferrals decreased by approximately \$2.6 million primarily related to a decrease in accounts and other payables and decreases to the Net Pension liability and slight increase in Net OPEB liabilities along with decreases in deferred inflows related to pension and OPEB. Therefore, net position remained consistent between FY 2020 and FY 2021.

# COUNCIL ON POSTSECONDARY EDUCATION

## MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2021

### Condensed Financial Information Statements of Activities For the Fiscal Years Ended

	June 30, 2021	June 30, 2020
<b>Revenues:</b>		
Program revenues:		
Charges for services	\$ 3,379,428	\$ 3,114,757
Operating grants and contributions	14,033,344	4,141,627
Capital grants and contributions	470,822	522,054
General revenues:		
State appropriations	7,609,722	10,611,632
Loss on disposal of capital assets	-0-	(4,534)
Total revenues	25,493,316	18,385,536
<b>Expenses:</b>		
Strategic investment and incentive funding programs	8,308,954	8,135,718
Agency and KYVC/KYVL Operations	3,631,273	4,956,267
Federal Programs	13,038,705	3,484,616
Postsecondary Education Equine Trust Fund	480,000	480,000
Other	724	2,861
Total expenses	25,459,656	17,059,462
<b>Change in net position</b>	33,660	1,326,074
<b>Net position (deficit), beginning of year</b>	(20,805,274)	(22,131,348)
<b>Net position (deficit), end of year</b>	\$ (20,771,614)	\$ (20,805,274)

General Fund appropriations from the Commonwealth of Kentucky are the primary funding source for the activities of the Council. The Kentucky General Assembly, through the appropriations bill and other statutory provisions, directs the use of those appropriations to specific activities. The most significant changes in this year's funding was a decrease in state appropriation of \$3.0 million, an increase of \$9.5 million in Federal Program expenses due to the Governor's Emergency Education Relief Funds, and a \$1.3 million decrease in Agency and KYVC/KYVL Operations expense.

# COUNCIL ON POSTSECONDARY EDUCATION

## MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2021

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Appropriations to the Council give the agency varying discretion in implementing the significant reforms adopted in 1997 and 2000. In particular, the Strategic Investment and Incentive Funding Programs are directed toward specific reform activities and implementation of the Council's strategic agenda for postsecondary education. Expenses for these programs comprise 33% of the Council's total expenses. The Strategic Investment and Incentive Funding Programs are the primary vehicles for implementation of the postsecondary education reform. Recipients include the postsecondary institutions, adult education service providers and other recipients of adult education services, and providers and businesses participating in the new economy initiatives.

### **Governmental Fund Financial Analysis:**

As noted earlier, the Council uses fund accounting to ensure and to demonstrate compliance with finance-related and legal requirements. The focus of the Council's fund financial statements is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Council's financing requirements. In particular, fund balances may serve as a useful measure of an agency's net resources available for program purposes at the end of the fiscal year.

### **Condensed Financial Information Balance Sheets**

	June 30, 2021	June 30, 2020
<b>Total assets</b>	\$ 5,908,484	\$ 7,999,743
<b>Total liabilities</b>	1,596,985	1,436,008
<b>Fund balances</b>	4,311,499	6,563,735
<b>Total liabilities and fund balances</b>	\$ 5,908,484	\$ 7,999,743

The fund balance primarily represents the cash balances, investment balances, amounts due from the Federal government, and intergovernmental receivables. The fund balances of the Council decreased approximately \$2.3 million between fiscal years.

# COUNCIL ON POSTSECONDARY EDUCATION

MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021

## Condensed Financial Information Statements of Revenues, Expenditures, and Changes in Fund Balances For the Fiscal Years Ended

	June 30, 2021	June 30, 2020
<b>Revenues:</b>		
State appropriations	\$ 7,609,722	\$ 10,611,632
Charges for services	3,379,428	3,114,757
Intergovernmental revenues	470,822	522,054
Federal programs	13,256,932	3,742,390
Other	776,412	350,000
Income from investments	-0-	49,237
Total revenues	<u>25,493,316</u>	<u>18,390,070</u>
<b>Expenditures:</b>		
Personnel services	12,658,115	12,130,734
Grants and subsidies	10,530,414	1,332,443
Other	4,557,023	4,800,803
Total expenditures	<u>27,745,552</u>	<u>18,263,980</u>
<b>Net change in fund balances</b>	(2,252,236)	126,090
<b>Fund balances, beginning of year</b>	<u>6,563,735</u>	<u>6,437,645</u>
<b>Fund balances, end of year</b>	<u>\$ 4,311,499</u>	<u>\$ 6,563,735</u>

The most significant change in this year's revenue is with a decrease in state appropriations of \$3.0 million and an increase of \$9.5 million in federal programs related to the Governor's Emergency Education Relief Funds.

Grants and subsidies primarily consist of payments to institutions, state agencies, and other service providers for costs related to discrete authorized activities. In FY 2021, grants and subsidies increased by \$9.2 million due to the Governor's Emergency Education Relief Funds due to COVID-19. The other expenditures are consistent between FY 2021 and FY 2020.

Other expenditures represent all other operating expenses of the Council such as postage and related services, rentals and equipment leases, supplies, travel, and dues and subscriptions, as well as contractual obligations for the Kentucky Virtual Campus/Library databases and courier services.



# COUNCIL ON POSTSECONDARY EDUCATION

MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021

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## **BUDGETARY HIGHLIGHTS**

Final budgeted revenues and expenditures remained consistent from original budgeted with minor modifications noted.

In response to economic shortfalls resulting from the COVID-19 pandemic, The Office of State Budget Director requested that all executive branch agencies develop a plan to refrain from spending a minimum of one percent of their fiscal year 2021 General Fund Appropriation. The Council achieved this one percent target through savings in the Agency Operations personnel allotment, savings in the Contract Spaces allotment due to unused spaces, and an operating allotment savings due to a reduction in rent. The plan was approved by the State Budget Director.

## **CONTACTING THE COUNCIL'S FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the Council's finances. If you have any questions concerning the information provided in this report or need additional financial information, contact Mr. Bill Payne, Vice President for Finance and Administration or Leslie Brown, Director, Administrative Services, Council on Postsecondary Education, 100 Airport Drive, Third Floor, Frankfort, Kentucky, 40601. Both individuals can be contacted by phone at (502) 573-1555.

# COUNCIL ON POSTSECONDARY EDUCATION

## STATEMENT OF NET POSITION JUNE 30, 2021

	Governmental Activities
<b><u>ASSETS AND DEFERRALS</u></b>	
<b>Current assets:</b>	
Cash and cash equivalents	\$ 1,152,497
Cash and cash equivalents - restricted	1,553,108
Accounts receivable	217,900
Due from the Federal government	478,252
Prepaid expenses	274,146
Total current assets	3,675,903
<b>Noncurrent assets:</b>	
Investments	2,282,942
Investments - restricted	223,785
Capital assets - net	2,705
Total noncurrent assets	2,509,432
Total assets	6,185,335
<b>Deferred outflows of resources</b>	
Deferred outflows - pension	2,001,285
Deferred outflows - OPEB	995,415
Total deferred outflows of resources	2,996,700
Total assets and deferrals	\$ 9,182,035
<b><u>LIABILITIES AND DEFERRALS</u></b>	
<b>Current liabilities:</b>	
Accounts and other payables	\$ 282,406
Due to the state investment pool	201,132
Accrued expenses	673,385
Accrued compensated absences - current portion	440,062
Total current liabilities	1,596,985
<b>Noncurrent liabilities:</b>	
Accrued compensated absences - noncurrent portion	400,500
Net pension	22,713,021
Net OPEB	4,071,139
Total noncurrent liabilities	27,184,660
Total liabilities	28,781,645
<b>Deferred inflows of resources</b>	
Deferred inflows - pension	457,597
Deferred inflows - OPEB	714,407
Total deferred inflows of resources	1,172,004
Total liabilities and deferrals	\$ 29,953,649
<b><u>NET POSITION (DEFICIT)</u></b>	
<b>Net investment in capital assets</b>	\$ 2,705
<b>Restricted</b>	1,685,745
<b>Unrestricted deficit</b>	(22,460,064)
Total net position (deficit)	\$ (20,771,614)

**COUNCIL ON POSTSECONDARY EDUCATION**

STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2021

	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	
<b><u>FUNCTIONS/PROGRAMS:</u></b>				
Operations	\$ 3,631,273	\$ 299,200	\$ 230,176	\$ (3,101,897)
Federal Programs	13,038,705		13,026,756	(11,949)
Postsecondary Education Equine Trust Fund	480,000			470,822
Technology Initiative Trust Fund	6,801,616	3,080,228	776,412	(2,944,976)
Assessment and Professional Development	1,507,338			(1,507,338)
Unallocated depreciation expense	724			(724)
Total governmental activities	<u>\$ 25,459,656</u>	<u>\$ 3,379,428</u>	<u>\$ 14,033,344</u>	<u>\$ 470,822</u>
<b>General revenues:</b>				
State appropriations				7,609,722
Total general revenues				<u>7,609,722</u>
Change in net position				33,660
Net position (deficit), beginning of year				(20,805,274)
Net position (deficit), end of year				<u>\$ (20,771,614)</u>

## COUNCIL ON POSTSECONDARY EDUCATION

### BALANCE SHEET – GOVERNMENTAL FUNDS

JUNE 30, 2021

	Operations	Federal Programs	Technology Initiative Trust Fund	Other (Non-major) Governmental Funds	Total Governmental Funds
<b><u>ASSETS</u></b>					
Cash and cash equivalents	\$ 257,531	\$	\$ 894,966	\$	\$ 1,152,497
Cash and cash equivalents - restricted			1,514,849	38,259	1,553,108
Investments	1,506,317		776,625		2,282,942
Investments - restricted				223,785	223,785
Accounts receivable	9,240		139,540	69,120	217,900
Due from the Federal government		478,252			478,252
Total assets	\$ 1,773,088	\$ 478,252	\$ 3,325,980	\$ 331,164	\$ 5,908,484
<b><u>LIABILITIES AND FUND BALANCES</u></b>					
<b>Liabilities:</b>					
Accounts and other payables	\$ 19,240	\$ 51,267	\$ 142,779	\$ 69,120	\$ 282,406
Due to the state investment pool		201,132			201,132
Accrued expenses	452,607	165,924	18,682	36,172	673,385
Accrued compensated absences	370,492	59,929	5,020	4,621	440,062
Total liabilities	842,339	478,252	166,481	109,913	1,596,985
<b>Fund balances:</b>					
Non-spendable					
Spendable:					
Restricted:					
for Technology Initiative			773,897		773,897
for SREB Adult Promise Grant			50,000		50,000
for James Graham Brown Foundation			690,952		690,952
for University Equine programs				262,044	262,044
Assigned:					
for agency operations	930,749				930,749
for Technology Trust Fund			1,644,650		1,644,650
Unassigned				(40,793)	(40,793)
Total fund balances	930,749		3,159,499	221,251	4,311,499
Total liabilities and fund balances	\$ 1,773,088	\$ 478,252	\$ 3,325,980	\$ 331,164	\$ 5,908,484

## COUNCIL ON POSTSECONDARY EDUCATION

### RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION JUNE 30, 2021

<b>Fund balances - total governmental funds</b>	\$	4,311,499
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>The deferred outflows of resources are not current financial resources, and therefore, are not reported in the governmental funds.</p>		
		2,996,700
<p>Prepaid expenses are accounted for in the governmental funds as expenditures in the period of acquisition and, therefore, are not financial resources and are not reported in the governmental funds.</p>		
Prepaid expenses		274,146
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.</p>		
Governmental capital assets	5,070	
Less accumulated depreciation	<u>(2,365)</u>	2,705
<p>The noncurrent portion of accrued compensated absences is not due and payable in the current year and, therefore, is not reported in the governmental funds.</p>		
Accrued compensated absences - noncurrent portion		(400,500)
<p>The deferred inflows of resources is not due and payable in the current year and, therefore, is not reported in the governmental funds.</p>		
		(1,172,004)
<p>The net pension liability and net OPEB liability is not due and payable in the current year and, therefore, is not reported in the governmental funds.</p>		
		<u>(26,784,160)</u>
<b>Net position of governmental activities</b>	<b>\$</b>	<b><u>(20,771,614)</u></b>

## COUNCIL ON POSTSECONDARY EDUCATION

### STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS YEAR ENDED JUNE 30, 2021

	Operations	Federal Programs	Technology Initiative Trust Fund	Other (Non- major) Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>					
State appropriations	\$ 4,557,002	\$ -0-	\$ 1,628,300	\$ 1,424,420	\$ 7,609,722
Charges for services	299,200		3,080,228		3,379,428
Intergovernmental revenues				470,822	470,822
Federal programs	230,176	13,026,756			13,256,932
Other revenues			776,412		776,412
Total revenues	<u>5,086,378</u>	<u>13,026,756</u>	<u>5,484,940</u>	<u>1,895,242</u>	<u>25,493,316</u>
<b>EXPENDITURES:</b>					
Personnel services	5,166,784	2,385,785	3,685,309	1,420,237	12,658,115
Utilities, rental, and other services	635,450	422,031	466,679	2,500	1,526,660
Commodities and supplies	305,883	239,223	2,395,733	11,454	2,952,293
Grants and subsidies		9,956,139	94,275	480,000	10,530,414
Travel	50,409	23,578	3,569	514	78,070
Total expenditures	<u>6,158,526</u>	<u>13,026,756</u>	<u>6,645,565</u>	<u>1,914,705</u>	<u>27,745,552</u>
<b>Excess (deficiency) of revenues over expenditures</b>	(1,072,148)	-0-	(1,160,625)	(19,463)	(2,252,236)
<b>OTHER FINANCING SOURCES (USES):</b>					
<b>Interfund transfers in (out)</b>	<u>(949,947)</u>	<u>-0-</u>	<u>949,947</u>	<u>-0-</u>	<u>-0-</u>
<b>Net change in fund balances</b>	(2,022,095)	-0-	(210,678)	(19,463)	(2,252,236)
<b>Fund balances, beginning of year</b>	<u>2,952,844</u>	<u>-0-</u>	<u>3,370,177</u>	<u>240,714</u>	<u>6,563,735</u>
<b>Fund balances, end of year</b>	<u>\$ 930,749</u>	<u>\$ -0-</u>	<u>\$ 3,159,499</u>	<u>\$ 221,251</u>	<u>\$ 4,311,499</u>



## COUNCIL ON POSTSECONDARY EDUCATION

### RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2021

<b>Net change in fund balances - total governmental funds</b>	\$	(2,252,236)
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report as expenditures certain payments that benefit future periods. In the statement of activities, this future benefit is deferred until the service has been received.

Change in prepaid expenses		(339,498)
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Governmental funds report capital outlays as expenditures, however, in the statement of activities, the cost of these assets is depreciated over their estimated useful lives.

Current year depreciation expense	<u>(724)</u>	(724)
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Pension and OPEB expenses not payable from current year resources are not reported as expenditures of the current year. In the statement of activities these costs represent expenses of the current year.

2,734,218

Accrued compensated absences not payable from current year resources are not reported as expenditures of the current year. In the statement of activities these costs represent expenses of the current year.

Change in the noncurrent portion of accrued compensated absences		<u>(108,100)</u>
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<b>Change in net position of governmental activities</b>	<b>\$</b>	<b><u>33,660</u></b>
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# COUNCIL ON POSTSECONDARY EDUCATION

## STATEMENT OF FIDUCIARY NET POSITION JUNE 30, 2021

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	<u>Total Custodial Funds</u>
<b><u>ASSETS</u></b>	
Cash and cash equivalents - restricted	\$ 12,353
<b><u>LIABILITIES</u></b>	
Accounts payable	\$ 12,353
<b><u>NET POSITION</u></b>	
Restrcted for:	
Individual, organizations, and other governments	-0-
Total liabilities and net position	\$ 12,353

# COUNCIL ON POSTSECONDARY EDUCATION

## STATEMENT OF CHANGES IN FIDUCIARY NET POSITION YEAR ENDED JUNE 30, 2021

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	<u>Total Custodial Funds</u>
<b><u>ADDITIONS</u></b>	
State Allotments	\$ 11,945,409
<b><u>DEDUCTIONS</u></b>	
Payments to beneficiaries	11,945,393
Administrative expenses	<u>16</u>
Total deductions	<u>11,945,409</u>
Changes in net position	<u>-0-</u>
<b><u>NET POSITION - Beginning of the year</u></b>	<u>-0-</u>
<b><u>NET POSITION - End of the year</u></b>	<u><u>\$ -0-</u></u>

# COUNCIL ON POSTSECONDARY EDUCATION

## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2021

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Financial Reporting Entity

This summary of significant accounting policies of the Council on Postsecondary Education (the Council) is presented to assist in understanding the Council's financial statements. The financial statements and notes are representations of the Council's management who is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America (GAAP) and have been consistently applied in the preparation of the financial statements.

The accompanying financial statements of the Council are included in the general purpose financial statements of the Commonwealth of Kentucky (the Commonwealth) as a discretely presented component unit (within component units - universities and colleges).

#### *Council on Postsecondary Education:*

The Council was created by the passage of House Bill 1 during the 1997 Extraordinary Session of the Kentucky General Assembly to provide direction and oversight to all of Kentucky's postsecondary education institutions. The Council was established as an agency, instrumentality, and political subdivision of the Commonwealth. The Council is composed of the Commissioner of Education (nonvoting ex officio member), a faculty member, a student member, and thirteen citizen members. Citizen Council members are selected from a list of nominees provided to the Governor under the nominating process set forth in the Kentucky Postsecondary Education Improvement Act of 1997. Kentucky Revised Statute Chapter 164 provides that the Council has the responsibility to develop a strategic plan for postsecondary education with advice from the Strategic Committee on Postsecondary Education; to develop an accountability system to evaluate the performance and effectiveness of the Commonwealth's postsecondary education system and its compliance with the strategic plan; to revise and approve the missions of the Commonwealth's universities and the Kentucky Community and Technical College System; and to determine the compliance of the postsecondary institutions with their academic, service, and research missions. The Council shall determine tuition and approve the minimum qualifications for admission to the postsecondary educational system. The Council shall review and approve all capital construction projects including real property acquisitions. The Council shall define and approve the offering of all postsecondary education technical, associate, baccalaureate, graduate, and professional degree, certificate, or diploma programs in the public postsecondary education institutions. Additional responsibilities include, but are not limited to, promoting employee and faculty development statewide; ensuring coordination, transferability, and connectivity of technology among the Commonwealth's postsecondary educational institutions; and identifying standardized degree programs and eliminating or making changes in existing academic programs at the Commonwealth's postsecondary educational institutions.

# COUNCIL ON POSTSECONDARY EDUCATION

## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2021

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### *Kentucky Virtual Campus:*

In accordance with Kentucky Revised Statute (KRS) 164.800, the Council has established the Commonwealth Virtual Campus to make academic programs available to the citizens of the Commonwealth through the use of modern methods of communications and information dissemination as determined by the Council after consideration of the recommendations of the Distance Learning Advisory Committee and the needs expressed by regional advisory groups. The Council has established a Distance Learning Advisory Committee to advise the Council on matters relating to the Kentucky Virtual Campus. The members of the advisory committee include the Presidents of each of the nine State postsecondary education institutions, the Executive Director of the Kentucky Educational Television Network, a representative of the Association on Independent Kentucky Colleges and Universities, and other representatives as the Council deems appropriate. Regional universities shall be the primary developers and deliverers of baccalaureate and master's degree programs to be delivered by the Kentucky Virtual Campus. The Council shall determine the allocation of tuition, course offerings, source of courses, technology to be used, and other matters relating to the use of distance learning to promote education through the Kentucky Virtual Campus. The accounts of the Kentucky Virtual Campus (KYVC) include the Kentucky Virtual Library (KYVL) and are included in the accompanying financial statements.

### Basis of Presentation

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 34, "*Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*," the financial statements include a Management's Discussion and Analysis (MD&A) section providing an analysis of the Council's overall financial position and results of operations. The Council also presents two sets of financial statements: government-wide financial statements and governmental fund financial statements.

### *Government-Wide Financial Statements:*

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Council. For the most part, the effect of interfund activity has been removed from these statements. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. *General revenues* include appropriations and other items not included in program revenues.

# COUNCIL ON POSTSECONDARY EDUCATION

## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2021

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### *Fund Financial Statements:*

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund balance, revenues, and expenditures. Funds reported by the Council are organized into two major categories: governmental and fiduciary. An emphasis is placed on major funds within the governmental category. A fund is considered major if it is the primary operating fund of the Council or total assets, liabilities, revenues, or expenditures of the individual governmental fund are at least ten percent of the total for all governmental funds combined. In addition, any other fund that management feels has importance to the financial statement users may be reported.

Governmental funds are those through which most of the Council's functions are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the Council's major governmental funds:

*Operations* - Includes general agency operations for the whole agency, including those associated with KYVC/KYVL. This fund represents the general operations of the Council and accounts for all financial resources except those required to be accounted for in another fund. The Operations fund balance is available to the Council for any purpose provided it is expended or transferred according to the general laws of the Commonwealth of Kentucky.

*Federal Programs* - This fund represents all programs financed by a federal agency, including both grants directly awarded to the Council and grants passed through to the Council from another entity (i.e. pass-through). The Council is the recipient of the Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR-UP), the Governor's Emergency Education Relief Fund (GEER), and pass-through funds from the Kentucky Department of Education for Statewide Longitudinal Data Systems.

*Technology Initiative Trust Fund* - This fund is intended to support investments in electronic technology to improve student learning throughout the Commonwealth of Kentucky. The fund also is designed to promote other programs consistent with purposes of the postsecondary education reform. The Council may establish subsidiary programs to be funded from this fund.

Other governmental funds of the Council account for appropriations, grants, and other resources whose use may be restricted for a particular purpose and include all governmental funds not meeting the criteria of a major fund. These include the Research Challenge Trust Fund, Postsecondary Education Equine Trust and Revolving Fund, and the Assessment and Professional Development Fund.



# COUNCIL ON POSTSECONDARY EDUCATION

## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2021

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### Fiduciary Funds:

Following the Council's financial statements are separate financial statements for fiduciary funds. Fiduciary funds are excluded from the Council's financial statements as these assets are held in a true capacity for various institutions and cannot be used to support the Council's funds. The fiduciary funds (not included in the government-wide financial statements) include:

*Custodial Funds* - Custodial funds account for monies held by the Council for custodial purposes only. Pass-through programs currently accounted for through agency funds include:

- Cancer Research Institutions Matching Fund
- Ovarian Cancer Screenings
- Cancer Research and Screenings
- Spinal Cord and Head Injury Research
- Southern Regional Education Board (SREB) Scholars Program

### Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

#### *Measurement Focus:*

The government-wide financial statements of the Council (i.e., the statement of net position and the statement of activities) report information on all of the activities of the Council. The government-wide financial statements are reported using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of changes in net position and financial position. All assets and liabilities (whether current or noncurrent) associated with their activities are reported.

In the governmental fund financial statements, the "current financial resources" measurement focus is used. Only current financial assets and liabilities are generally included on the balance sheet. The operating statement presents sources and uses of available spendable financial resources during a given period. These funds use fund balance as the measure of available spendable financial resources at the end of the period.

Fiduciary funds consist of Agency Funds which are custodial in nature and do not involve the measurement of results of operations. Accordingly, they present only a statement of fiduciary net position and statement of changes in fiduciary net position.

# COUNCIL ON POSTSECONDARY EDUCATION

## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2021

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### *Basis of Accounting:*

The government-wide financial statements and the fiduciary fund financial statements are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Grants are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are susceptible to accrual and are recognized in the financial statements when they are measurable and available to finance operations during the year or to liquidate liabilities existing at the end of the year. The Council defines "available" as revenues to be collected within 30 days, except for intergovernmental revenues, which are available if expected receipt is within one year. Revenues from federal, state, and other grants designated for payment of Council expenditures are recognized when the related expenditures are incurred; accordingly, when such funds are received, they are reported as unearned revenues until earned. Material revenues susceptible to accrual primarily include Federal grants. Expenditures and liabilities are recognized when obligations are incurred, except noncurrent accrued compensated absences which are accounted for in the governmental funds balance sheet and recorded as expenditures of the period when used.

### Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

### Restricted Cash

Restricted cash and cash equivalents principally consist of funds relative to the Council's Federal and strategic investment and incentive funding programs, as well as its pass-through (fiduciary) programs.

# COUNCIL ON POSTSECONDARY EDUCATION

## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2021

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### Investments

Investments are reported at fair value as determined by quoted market prices. The equity position of the Council in the long-term portion of the Commonwealth's investment pool is reported as investments of the Council. Unrealized gains and losses are included in the government-wide statement of activities (primarily program revenues) and the governmental funds statement of revenues, expenditures, and changes in fund balances (income/loss from investments). Restricted investments principally consist of funds relative to the Council's Federal and strategic investment and incentive funding programs, as well as its pass-through (fiduciary) programs.

### Intergovernmental Transactions

During the course of operations, numerous transactions occur with other state governmental entities that may result in amounts due to/from and revenues from/expenditures to other governmental entities. See Note 10 for details of such transactions.

### Due from the Federal Government

Amounts due from the Federal government represent the amounts due to the Council under its Federal awards programs. At June 30, 2021, the balance consists of amounts due under the Council's GEAR-UP and GEER programs.

### Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the government-wide financial statements. Prepaid expenses are accounted for in the governmental funds as expenditures in the period of acquisition and, therefore, are not financial resources and are not reported in the governmental funds.

### Capital Assets

General capital assets are not capitalized in the funds used to acquire or construct them. Instead, capital outlay is reflected as an expenditure of the respective governmental fund, and the related assets are reported in the statement of net position. Capital assets are defined by the Council as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. All capital assets are valued at cost, less accumulated depreciation. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets, ranging from five to thirty years, and is recorded in the statement of activities. The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend assets' lives are reported as expenditures of the respective governmental fund.

# COUNCIL ON POSTSECONDARY EDUCATION

## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2021

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### Interfund Transactions

During the course of operations, transactions may occur between funds within Council activities that may result in amounts owed between funds. Interfund receivables and payables are eliminated in the statement of net position.

### Unearned Revenue

The Council reports unearned revenue to the extent that resources have been received before the applicable revenue recognition criteria have been satisfied. Grants received before the eligibility requirements are met are recorded as unearned revenue in the governmental funds. When the eligibility requirements are met, the liability for unearned revenue is removed from the balance sheet and revenue is recognized.

### Compensated Absences

All annual and compensatory leave is accrued when incurred in the government-wide financial statements. Only the accumulated annual and compensatory leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. No liability is recorded for nonvesting accumulating rights to receive sick pay benefits.

### Equity Classifications

#### *Government-Wide Financial Statements:*

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted - All other net position that do not meet the definition of "restricted" or "net investment in capital assets."

When both restricted and unrestricted resources are available for use, it is the Council's policy to use restricted resources first, and then unrestricted resources as they are needed.

# COUNCIL ON POSTSECONDARY EDUCATION

## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2021

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As of June 30, 2021, Postsecondary Education Equine Trust Fund net position totaling \$262,044 is restricted by enabling legislation.

### *Fund Financial Statements:*

Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned, or unassigned. Nonspendable fund balance cannot be spent because of its form. Restricted fund balance has limitations imposed by creditors, grantors, or contributors or by enabling legislation or constitutional provisions. Committed fund balance is a limitation imposed by the Council. Assigned fund balances are a limitation imposed by a designee of the Council members. Unassigned fund balances in the General Fund are the net resources in excess of what can be properly classified in one of the above four categories. Negative unassigned fund balance in other governmental funds represents excess expenditures incurred over the amounts restricted, committed, or assigned to those purposes.

The Council generally segregates restricted, committed, and assigned resources by account. When resources meeting more than one of these spendable classifications are commingled in an account in the Commonwealth's accounting system, the assumed order of spending is restricted first, committed second, and finally assigned. Once restricted resources have been exhausted, unrestricted resources will then be spent on the specific purpose.

### Program Revenues

The primary sources of the Council's program revenues are revenues received from the United States Department of Education under the Council's two Federal programs and the intergovernmental revenues primarily associated with the funding of the Postsecondary Equine Trust and Revolving Fund (see Note 10).

### State Appropriations

The primary funding source for the activities of the Council is legislative General Fund appropriations from the Commonwealth of Kentucky. Except for those prescribed by statute or other legislation, unexpended allotments lapse to the General Fund. The Council may, subject to appropriations from the General Fund of the Commonwealth or from funds made available to it from any other public source, provide program support restricted to the extent of its remaining unexpended funds. The Council's unexpended allotments are maintained by the Commonwealth's Finance and Administration Cabinet.

# COUNCIL ON POSTSECONDARY EDUCATION

## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2021

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### Expenses/Expenditures

Expenses are classified by function/program in the government-wide financial statements. Expenditures are classified by object category (personnel services, travel, etc.) in the governmental fund financial statements. Indirect expenses are not allocated to functions in the statement of activities.

### Pension

For purposes of measuring the net pension liability, deferred outflows of resources, and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of Kentucky Employees Retirement System (KERS) and addition to/deduction from KERS fiduciary net position have been determined on the same basis as they are reported by the respective retirement systems.

For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

### Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the KERS and additions to/deductions from the KERS's fiduciary net position have been determined on the same basis as they are reported by the respective retirement systems.

For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost. The KERS Non-hazardous Insurance Funds are reported as OPEB trust funds and are accounted for on the accrual basis of accounting.

### Total Columns on the Governmental Fund Financial Statements

The total columns on the governmental funds balance sheet and statement of revenues, expenditures, and changes in fund balances are presented only to facilitate financial analysis. Data in these columns does not present financial position in conformity with GAAP, nor is such data comparable to a consolidation.

# COUNCIL ON POSTSECONDARY EDUCATION

## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2021

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### 2. CHANGE IN ACCOUNTING PRINCIPLE

In July 1, 2021, the Council adopted Governmental Accounting Standards Board (GASB) Statement No. 84 – *Fiduciary Activities*. Generally, this statement requires governmental entities, who control assets of a fiduciary activities in which a fiduciary relationship exists with beneficiaries, to include those activities in two separate, interrelated financial statements, the statement of fiduciary net position and the statement of changes in net position. Prior to the adoption of this statement, the statement of changes in fiduciary net position was not included and those funds did not report any net position at June 30, 2020. The change adopted to conform to the provisions of this statement were applied there was no beginning net position activity related to the Council to be restated from the June 30, 2020 financial statements.

### 3. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

For purposes of budgeting, the Commonwealth's budgetary structure and accounting principles differ from those utilized to present financial statements in conformity with GAAP.

The budget for the biennium is prepared with two-year projections being made in light of long-range program requirements and revenue estimates. The biennial budget request is prepared by the Council and presented to the Governor for submission to the Kentucky General Assembly.

The Kentucky General Assembly is required to enact a balanced budget. Budgetary control is exercised by the Finance and Administration Cabinet on the basis of appropriation to the various cabinets. For purposes of managing budgeted appropriations, the Council controls expenditures on a functional basis. Except for those prescribed by statute or other legislation, unexpended allotments lapse to the Commonwealth's General Fund.

The Council's budgeting is dependent upon undesignated fund balances and estimated revenues in determining available funds for statutory programs and operating requirements. The budget is developed from the analysis of the above factors, prior-year performance, and new data modifying or expanding the postsecondary education program for the fiscal period in question.

#### Deficit Fund Balances

The Assessment and Professional Development Fund had a negative fund balance on June 30, 2021 in the amount of \$40,793. The negative fund balances above are due to revenue recognition of the Council under the modified accrual basis of accounting. Additional revenues received in fiscal year 2021 are expected to eliminate the deficits.



# COUNCIL ON POSTSECONDARY EDUCATION

## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2021

### 4. DEPOSITS AND INVESTMENTS

All Council receipts are deposited directly in the Commonwealth's general depository or depositories designated by the State Treasurer, which has statutory responsibility and authority to safeguard the funds. At June 30, 2021, the Council's share of deposits in the Commonwealth's general depository (State investment pool) totals \$5,212,332. Agency funds held by the Council in the Commonwealth's general depository total \$12,353 at June 30, 2021.

The Commonwealth's Annual Comprehensive Financial Report (ACFR) for the year ended June 30, 2021 should be referred to for disclosures required by GASB Statement No. 3, "*Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements*" and GASB Statement No. 40, "*Deposit and Investment Risk Disclosures*" (an amendment of GASB Statement No. 3).

### 5. CAPITAL ASSETS

Capital asset activity during the year ended June 30, 2021 is as follows:

	Balance July 1, 2020	Increases	Decreases	Balance June 30, 2021
<b>Capital assets:</b>				
Office equipment	\$ 5,070	\$ -0-	\$ -0-	\$ 5,070
Data processing equipment	-0-	-0-	-0-	-0-
<b>Capital assets at cost</b>	5,070	-0-	-0-	5,070
<b>Less accumulated depreciation:</b>				
Office equipment	1,641	724	-0-	2,365
Data processing equipment	-0-	-0-	-0-	-0-
<b>Total accumulated depreciation:</b>	1,641	724	-0-	2,365
Capital assets - net	\$ 3,429	\$ (724)	\$ -0-	\$ 2,705

Depreciation expense for the year ended June 30, 2021 totals \$724.

# COUNCIL ON POSTSECONDARY EDUCATION

## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2021

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### 6. ACCRUED COMPENSATED ABSENCES

It is the Council's policy to permit employees to accumulate earned but unused annual leave, compensatory leave, and sick pay benefits. The policy of the Commonwealth of Kentucky is to only record the cost of annual and compensatory leave.

#### *Annual and Compensatory Leave:*

Annual leave is accumulated at amounts ranging from 7.50 to 15.00 hours per month, determined by length of service, with maximum accumulations ranging from 30 to 60 days. The calendar year is the period used for determining accumulated leave. Compensatory leave is granted to authorized employees.

Activity in the liability for accrued compensated absences during the year ended June 30, 2021 is summarized as follows:

	Balance July 1, 2020	Increases	Decreases	Balance June 30, 2021
Accrued compensated absences	\$ 677,077	\$ 603,485	\$ 440,000	\$ 840,562

As of June 30, 2021, the amount estimated to be due within one year totals approximately \$440,000.

#### *Sick Leave:*

It is the policy of the Council to record the cost of sick leave when paid. Generally, sick leave (earned one day per month with unlimited accumulation) is paid only when an employee is absent due to illness, injury, or related family death. There is no liability recorded for sick leave at June 30, 2021. The estimated accumulated amount of unused sick leave at June 30, 2021, totals approximately \$1,220,000.

# COUNCIL ON POSTSECONDARY EDUCATION

## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2021

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### 7. LEASE COMMITMENTS

The Council leased space from the Kentucky Department for Facilities and Support Services, a related party. The lease does not have a defined term and is expected to continue in perpetuity. The Council does not hold decision making ability over the lease. Rentals paid under this lease totaled approximately \$218,000.

Future lease payments are as follows:

<u>Year ending June 30</u>	
2022	\$ 285,024
2023	285,024
2024	285,024
2025	285,024
2026	285,024
	<u>\$ 1,425,120</u>

The Council additionally leased fleet vehicles and copiers for approximately \$15,000 for the fiscal year ending June 30, 2021. Total rentals paid under all operating leases (fleet vehicles, copiers, and office space lease) during 2021 totaled approximately \$251,000.

### 8. RETIREMENT PLANS

#### *Teachers' Insurance and Annuity Association-College Retirement Equities Fund:*

In accordance with KRS 61.520(2)(a) and Executive Order 74-762, professional staff may elect upon joining the staff of the Council to participate in the Teachers' Insurance and Annuity Association-College Retirement Equities Fund (TIAA-CREF) or elect to participate in the Kentucky Employees Retirement System (see below).

In order to provide the opportunity to continue participation in the TIAA-CREF, the Council has established a tax-deferred annuity plan, which requires electing participants to enter into a written salary reduction agreement with the Council in order to participate. All eligible employees may begin participation in the plan on a voluntary basis on the first day after beginning employment at the Council. Electing participants are required by the plan to contribute 5.00% of their salaries to the plan.

## COUNCIL ON POSTSECONDARY EDUCATION

### NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2021

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Currently, the Council is required to contribute 8.03% of the covered employees' salaries. The contribution requirement for the year ended June 30, 2021 totals approximately \$272,000, consisting of approximately \$168,000 from the Council and \$104,000 from employees. The contribution requirement for the year ended June 30, 2020 totaled approximately \$187,000, consisting of approximately \$115,000 from the Council and \$72,000 from employees. The contribution requirement for the year ended June 30, 2019 totaled approximately \$187,000, consisting of approximately \$115,000 from the Council and \$72,000 from employees

Participants may also elect to make contributions on an after-tax basis. Total contributions to the plan will not exceed limits imposed by section 415 and section 403(b) of the Internal Revenue Code. These limits may be adjusted from time to time. In addition, salary reduction contributions to the plan will be further limited by Code section 402(g).

#### *Kentucky Employees Retirement System*

All employees who work more than one hundred hours per month participate in a defined benefit plan administered by the Kentucky Employees Retirement System (KERS), a cost-sharing multi-employer public employee retirement system per Kentucky Revised Statute 61.565(3).

# COUNCIL ON POSTSECONDARY EDUCATION

## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2021

	<b>Tier 1</b>	<b>Tier 2</b>	<b>Tier 3</b>
	Participation Prior to 9/1/2008	Participation 9/1/2008 through 12/31/2013	Participation on or after 1/1/2014
<b>Covered Employees:</b>	Substantially all regular full-time members employed in non-hazardous and hazardous duty positions of any state department, board, or any agency directed by Executive Order to participate in KERS.		
<b>Benefit Formula:</b>	Final Compensation X Benefit Factor X Years of Service		Cash Balance Plan
<b>Final Compensation</b>	Average of the highest 5 fiscal years (must contain at least 48 months). Includes lump sum compensation payments (before and at retirement).	5 complete fiscal years immediately preceding retirement; each year must contain 12 months. Lump sum compensation payments (before and at retirement) are not to be included in creditable compensation.	No final compensation.
<b>Benefit Factor:</b>	1.97% - If do not have 13 months of credit for 1/1/1998 - 1/1/1999. 2.00% - If have 13 months of credit for 1/1/1998 - 1/1/1999.	10 years or less = 1.10%. Greater than 10 years, but no more than 20 years = 1.30%. Greater than 20 years, but no more than 26 years = 1.50%. Greater than 26 years, but no more than 30 years = 1.75%. Additional years above 30 = 2.00% (2.00% benefit factor only applies to service earned in excess of 30 years).	No benefit factor. A life annuity can be calculated in accordance with actuarial assumptions and a method adopted by the board based on member's accumulated account balance.

**COUNCIL ON POSTSECONDARY EDUCATION**

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021

	<b>Tier 1</b>	<b>Tier 2</b>	<b>Tier 3</b>
	Participation Prior to 9/1/2008	Participation 9/1/2008 through 12/31/2013	Participation on or after 1/1/2014
<b>Cost of Living Adjustment (COLA):</b>	No COLA unless authorized by the Legislature with specific criteria. This impacts all retirees regardless of Tier.		
<b>Unreduced Retirement Benefit:</b>	Any age with 27 years of service. Age 65 with 48 months of service. Money Purchase for age 65 with less than 48 months based on contributions and interest.	Rule of 87: Member must be at least age 57 and age plus earned service must equal 87 years at retirement to retire under this provision. Age 65 with 5 years of earned service. No Money Purchase calculations.	
<b>Reduced Retirement Benefit:</b>	Any age with 25 years of service. Age 55 with 5 years of service.	Age 60 with 10 years of service. Excludes purchased service (exception: refunds, omitted, free military).	No reduced retirement benefit.

Benefits and contribution rates are established by state statute. Per Kentucky Revised Statute 61.565, contribution requirements of the active employees and the participating organizations are established and may be amended by the Kentucky Retirement System’s Board. For the fiscal years ended June 30 2021, plan employees were required to contribute 5 percent of their annual covered salary for retirement benefits. The Council was contractually required to contribute 73.28 percent of covered payroll to the nonhazardous KERS pension and insurance plans, respectively. Actuarially determined as an amount that, when combined with employees during the year, with an additional amount to finance any unfunded accrued liability. The Council’s total required contributions to KERS nonhazardous pension plans for the year ended June 30, 2021 was \$1,593,035.

In accordance with Senate Bill 2, signed by the Governor of Kentucky on April 4, 2013, plan members who began participating on, or after, January 1, 2014, are required to contribute to the Cash Balance Plan. The Cash Balance Plan is known as a hybrid plan because it has characteristics of both a defined benefit plan and a defined contribution plan. Members in the plan contribute 5% of their creditable compensation each month to their own account, and 1% to the Insurance Fund which is not credited to the member’s account and is not refundable. The employer

# COUNCIL ON POSTSECONDARY EDUCATION

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

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contribution rate is set annually by the Board of Trustees of the Kentucky Retirement Systems based on an actuarial valuation. The employer contributes a set percentage of the member's salary. Each month, when employer contributions are received, an employer pay credit of 4% is deposited to the member's account. The employer pay credit represents a portion of the employer contribution.

At June 30, 2021, the Council reported a liability of \$22,713,021 for its proportionate share of net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2019, rolled forward to 2020 using generally accepted actuarial principles. The Council's proportion of the net pension liability was based on projection of the Council's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities. At June 30, 2021, the Council's proportion was 0.160350 percent.

The Board of Trustees adopted new actuarial assumptions since June 30, 2018. These assumptions are documented in the report titled "Kentucky Retirement Systems 2018 Actuarial Experience Study for the Period Ending June 30, 2018. The Total Pension liability as of June 30, 2020, was determined using these updated assumptions.

House Bill 1 passed during the 2019 Special Legislative Session allows certain employers in the KERS Non-hazardous plan to elect to cease participating in the System as of June 30, 2020 under different provisions that were previously established. Senate Bill 249 passed during the 2020 legislative session delayed the effective date of cessation for these provisions to June 30, 2021. Since each employer's elections are unknown at this time, no adjustment to the Total Pension Liability was made to reflect this legislation.

Senate Bill 249 passed during the 2020 legislative session and changed the funding period for the amortization of the unfunded liability to 30 years as of June 30, 2019. Gains and losses incurring in future years will be amortized over separate 20-year amortization bases. This change does not impact the calculation of the Total Pension Liability and only impacts the calculation of the contribution rates that would be payable starting July 1, 2020. There were no other material plan provision changes.

House Bill 8 passed during the 2021 regular session and changed the KERS nonhazardous actuarially accrued liability contribution (unfunded liability payment) that is payable by employers on or after July 1, 2021, from a value that is paid as a percent of pay on each employee to a set dollar amount and provide that the set dollar amount shall be allocated to each individual employer based upon the employer's percent share of the liability as of the June 30, 2019, actuarial valuation and shall be paid by employers in equal installments monthly.

# COUNCIL ON POSTSECONDARY EDUCATION

## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2021

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### **Actuarial Assumptions**

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<b>Actuarial Valuation Date</b>	June 30, 2019
<b>Actuarial Cost Method</b>	Entry age normal
<b>Amortization Method</b>	Level percent of pay
<b>Asset Valuation Method</b>	20% of the difference between the market value of assets and the expected actuarial value of the assets is recognized.
<b>Remaining Amortization Period</b>	24 years, closed
<b>Actuarial Assumptions:</b>	
<b>Investment Rate of Return</b>	6.25%
<b>Inflation Rate</b>	2.30%
<b>Projected Salary Increases</b>	3.30% to 15.30%, varies by service
<b>Mortality Tables:</b>	
<b>Active Member</b>	Pub-2010 General Mortality tables projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010.
<b>Healthy Retired Members</b>	System-specific mortality table based on mortality experience from 2013-2018, projected with the ultimate rates from MP-2014 mortality improvement scale using a base year of 2020.
<b>Disabled Members</b>	PUB-2010 Disable Mortality Table, with a 4-year set-forward for both male and female rates, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010.
<b>Date of Experience Study</b>	The period July 1, 2014 – June 30, 2018



**COUNCIL ON POSTSECONDARY EDUCATION**

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For the year ended June 30, 2021, the Council recognized pension expenses of \$992,210 and deferred outflows and deferred inflows related to pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 129,031	\$ -0-
Net difference between projected and actual earnings	23,356	-0-
Changes of assumption	255,863	-0-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-0-	457,597
Contributions subsequent to the measurement date	<u>1,593,035</u>	<u>-0-</u>
Total	<u>\$ 2,001,285</u>	<u>\$ 457,597</u>

The \$1,593,035 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability during the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized over a period of either five years for investment-related deferrals or the estimated remaining service life for active participants in the pension plan for other deferred items. As of June 30, 2020 plan year, the estimated remaining service life was 2.26 years. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Deferred Amounts to be Recognized in Fiscal Years  
Following the Reporting Date

<u>Fiscal Years</u>	<u>Amount</u>
2022	\$ (111,135)
2023	21,182
2024	19,650
2025	<u>20,956</u>
Total	<u>\$ (49,347)</u>

**COUNCIL ON POSTSECONDARY EDUCATION**

NOTES TO THE FINANCIAL STATEMENTS  
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The long-term expected rate of return was determined by using a building block method in which best estimate ranges of expected future real rates of return are developed for each asset class. The ranges are combined by weighting the expected future real rates of return by the target asset allocations percentage. The target allocation and best estimates of arithmetic real rate of return for each major asset class is summarized in the table below. The current long term inflation assumption is 2.30% per annum for non-hazardous.

The target asset allocation and best estimates of arithmetic nominal rates of return for each major asset class are summarized in the following table:

<b>Kentucky Retirement Systems</b>		
<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Nominal Rate of Return</b>
Growth:		
US Equity	15.75%	4.30%
Non-US Equity	15.75%	5.25%
Private Equity	7.00%	5.15%
Specialty Credit/High Yield	15.00%	3.90%
Liquidity:		
Core Bonds	20.50%	-0.25%
Cash	3.00%	-0.75%
Diversifying Strategies:		
Real Estate	5.00%	5.30%
Opportunistic	3.00%	2.25%
Real Return	15.00%	3.95%
Total	<u>100.00%</u>	

The projection of cash flows used to determine the discount rate of 5.25% assumes that local employers would contribute the actuarially determined contribution rate of projected compensation over the remaining 24-year amortization period of the unfunded actuarial accrued liability. The actuarial determined contribution rate is adjusted to reflect the phase in of anticipated gains on actuarial value of assets over the first four years of the projection period.

June 30, 2020 is the actuarial valuation date upon which the total pension liability is based. The discount rate is defined as the single rate of return that when applied to all projected payments results in an actuarial value of projected benefits payments. A municipal bond rate was not used.

The following presents the net pension liability of the Council, calculated using the discount rate of 5.25%, as well as what the Council's net position liability would be if it were calculated using a discount rate that is one percentage point lower (4.25%) or one percentage point higher (6.25%):

# COUNCIL ON POSTSECONDARY EDUCATION

## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2021

	1% Decrease (4.25%)	Discount (5.25%)	1% Increase (6.25%)
The Council's proportionate share	\$ 26,014,750	\$ 22,713,021	\$ 19,999,626

Detailed information about the KERS's fiduciary net position is available in the separately issued Kentucky Employees' Retirement System's Annual Financial Report (which is a matter of public record). The Commonwealth of Kentucky's Annual Comprehensive Financial Report should be referred to for additional disclosures related to KERS. The KERS also issues a publicly available financial report that includes financial statements and required supplementary information for the KERS. The report may be obtained on-line at [www.kyret.ky.gov](http://www.kyret.ky.gov).

*Kentucky Teachers' Retirement System:*

*Plan description* – Certain Council professional staff had participated in the Teachers' Retirement System (TRS), a cost-sharing multi-employer defined benefit pension plan with a special funding situation established to provide retirement annuity plan coverage for local school districts and other public educational agencies, prior to joining the staff of the Council. These certified employees, all employees occupying a full-time position requiring certification by the State Department of Education or graduation from a four-year college or university as a condition of employment, are required to participate in the multiple-employer cost sharing defined benefit retirement plan sponsored by the TRS. The TRS is governed by Chapter 161, Sections 220 through Chapter 161 Section 990, of the KRS.

Covered employees under TRS are employees of local school districts, Department of Education Agencies, universities, the Kentucky Community and Technical College System, and other educational organizations, who are a regular or a special teacher, or professional occupying a position requiring certification or graduation from a four year college or university.

At June 30, 2021, the Council reported a liability of \$-0- for its proportionate share of net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as June 30, 2019. The Council's proportion of the net pension liability was based on a projection of the Council's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities. At June 30, 2021, the Council's no longer had a proportion share of the liability. The Council did not have any required contributions to the TRS pension plan for the year ended June 30, 2021.

For the year ended June 30, 2021, the Council recognized \$1,804,260 as an offset to pension expense and there were no deferred outflows and deferred inflows related to pension.

## COUNCIL ON POSTSECONDARY EDUCATION

### NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2021

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In fiscal year 2019, all Council employees that were contributing to the TRS plan were moved to the Kentucky Education and Workforce Development Cabinet. As such, there were no contributions made subsequent to the measurement date in fiscal year 2020 or 2021 to the TRS pension plan. Therefore, there are no reported deferred outflows that will be recognized as a reduction of the net pension liability during the year ended June 30, 2022.

Detailed information about the TRS's fiduciary net position is available in the separately issued Teachers' Retirement System's Annual Financial Report (which is a matter of public record). The Commonwealth of Kentucky Annual Comprehensive Financial Report should be referred to for additional disclosures related to TRS. The TRS also issues a publicly available financial report that includes financial statements and required supplementary information for the TRS. The report may be obtained on-line at [www.trs.ky.gov](http://www.trs.ky.gov).

#### *Deferred Compensation Retirement Plans:*

In addition to the above plans, employees are also eligible to participate in two deferred compensation plans sponsored by the Commonwealth of Kentucky. These plans are organized as a Section 457 plan and as a Section 401(k) plan under the Internal Revenue Code. During the past year, employees contributed approximately \$76,000 to these plans. Both plans permit employees to defer a portion of their salary until future years. Deferred compensation is not available to employees until termination, retirement, death, or financial hardship. The Kentucky Public Employees Deferred Compensation Authority (KPEDCA) issues a publicly available financial report that includes financial statements and required supplementary information for the KPEDCA. The report may be obtained by writing to the Kentucky Public Employees Deferred Compensation Authority, 101 Sea Hero Road, Suite 110, Frankfort, Kentucky 40601-8862.

# COUNCIL ON POSTSECONDARY EDUCATION

## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2021

### 9. EMPLOYMENT HEALTH CARE BENEFITS

#### *Kentucky Employers Retirement System*

All regular full-time employees who work in non-hazardous duty positions of any state department, board, agency, county, city, school board, and any eligible local agencies participate in an Other Post-employment Benefit (OPEB) plan administered by the Kentucky Employees Retirement System (KERS), a cost-sharing multi-employer public employee retirement system. The plan provides health insurance benefits to plan members and also to certain beneficiaries of plan members under prescribed circumstances.

**Covered Employees:** Contribution rates for employers and employees are established by Kentucky Statute KRS 21.427. The Traditional plan members do not contribute to the OPEB plan directly. Instead assets have been allocated between pension and retiree medical liabilities on the basis of accrued liability as of July 1, 2019. This amount has been bought forward from that date based on actual cash flows and prorated allocation of investment returns. The Hybrid plan member contribute 1% of their official salary. Employer contributions are determined by the budget bill.

**Benefit Factor:**

Participation prior to July 2003		Participation between July 2003 and August 2008		Participation on or after September 2008	
Months of Service	Percent of premium	Months of Service	Percent of premium paid	Months of Service	Percent of premium paid
<48	0%	Greater than or equal to 120	\$10 per month for each year of service without regard to a maximum dollar adjusted by 1.5% annually.	Greater than or equal to 180	\$10 per month for each year of service without regard to a maximum dollar adjusted 1.5% annually.
48 to 119 inclusive	25%				
120 to 179 inclusive	50%				
180 to 239 inclusive	75%				
240 or more	100%				

**Cost of Living Adjustment (COLA):** Members participating after 2008 receive 1.5% increase annually

Benefits and contribution rates are established by state statute. Per Kentucky Revised Statute 61.565, contribution requirements of the active employees and the participating organizations are established and may be amended by the Kentucky Retirement System’s Board. Employees with a participation date after 9/1/2008 were required to contribute an additional 1 percent of their salary for retiree healthcare benefits. The plan was contractually required to contribute 11.15 percent of covered payroll to the nonhazardous KERS insurance plans, Actuarially determined as an amount that, when combined with employees during the year, with an additional amount to finance any unfunded accrued liability. The plan’s total required contributions to KERS nonhazardous insurance plan for the years ended June 30, 2021 was \$242,390.

At June 30, 2021, the Council reported a liability of \$4,071,139 for its proportionate share of collective net OPEB liability. The collective net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net collective OPEB liability was determined by an actuarial valuation performed as of June 30, 2019, rolled forward to 2020 using generally accepted actuarial principles. The Council’s proportion of the collective net OPEB liability was based on projection of the Council’s long-term share of contributions to the OPEB plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2021, the plan’s proportion was 0.160350 percent.

## COUNCIL ON POSTSECONDARY EDUCATION

### NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2021

For the year ended June 30, 2021, the Council recognized OPEB expenses of \$290,533 and deferred outflows and deferred inflows related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 336,932	\$ 404,297
Net difference between projected and actual earnings	56,831	-0-
Changes of assumption	297,986	7,075
Changes in proportion and differences between employer contributions and proportionate share of contributions	-0-	303,035
Contributions subsequent to the measurement date	303,666	-0-
Total	\$ 995,415	\$ 714,407

Of the total amount reported as deferred outflows of resources related to OPEB, \$242,390 resulting from Council statutorily required contributions and \$61,276 resulting from the implicit subsidy subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the collective net OPEB liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized over a period of either five years for investment-related deferrals or the estimated remaining service life for active participants in the OPEB plan for other deferred items. As of June 30, 2020 plan year, the estimated remaining service life was 3.69 years. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the Council's OPEB expense as follows:

#### Deferred Amounts to be Recognized in Fiscal Years Following the Reporting Date

Fiscal Years	Amount
2022	\$ 27,637
2023	(74,937)
2024	7,950
2025	16,692
Total	\$ (22,658)

# COUNCIL ON POSTSECONDARY EDUCATION

## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2021

The total OPEB liability, net OPEB liability, and sensitivity information shown in this report are based on an actuarial valuation performed as of collective net OPEB liability was measured based on an actuarial valuation performed as of June 30, 2019, using act actuarial assumptions shown in the table below. The total OPEB liability used to calculate the net collective OPEB liability was rolled forward from the valuation date to the plan’s fiscal year end, June 30, 2020, using generally accepted actuarial principles.

<b>Actuarial Assumptions</b>	
<b>Actuarial Valuation Date</b>	June 30, 2019
<b>Experience Study</b>	July 1, 2008 – June 30, 2013
<b>Actuarial Cost Method</b>	Entry age normal, Level percentage of pay
<b>Asset Valuation Method</b>	5 years smoothing
<b>Remaining amortization period</b>	24 year, closed
<b>Actuarial assumptions:</b>	
<b>Investment rate of return</b>	6.25%
<b>Inflation rate</b>	2.3%
<b>Payroll Growth Rate</b>	0%
<b>Salary Growth</b>	3.30% to 15.30%, varies by service
<b>Mortality Tables:</b>	PUB-2010 General Mortality table projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010.
<b>Healthcare Trend Rates Pre-65</b>	Initial trend starting at 6.40% at January 1, 2021 and gradually decreasing to an ultimate trend rate of 4.05% over a period of 14 years.
<b>Healthcare Trend Rates Post-65</b>	Initial trend starting at 2.90% at January 1, 2022 and gradually decreasing to an ultimate trend rate of 4.05% over a period of 14 years.

## COUNCIL ON POSTSECONDARY EDUCATION

### NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2021

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The assumed increase in future health care costs, or trend assumption, was reviewed during the June 30, 2019 valuation process and was updated to better reflect more current expectations relating to anticipated future increases in the medical costs. The anticipated savings from the repeal of the "Cadillac Tax" and "Health Insurer Fee", which occurred in December 2019 are reflected in the June 30, 2020 GASB 75 actuarial information. The assumed load on pre-Medicare premiums to reflect the cost of the Cadillac Tax was removed and the Medicare premiums were reduced by 11% to reflect the repeal of the Health Insurer Fee. There were no other material assumption changes.

House Bill passed during the 2019 Special Legislative Session allows certain employers in the KERS Non-hazardous plan to elect to cease participating in the System as of June 30, 2020 under different provisions than were previously established. Senate Bill 249 passed during the 2020 legislative session delayed the effective date of cessation for these provisions to June 30, 2021. Since each employer's election are unknown at this time, no adjustments to the Total OPEB liability was made to reflect this legislation.

Senate Bill 249 passed during the 2020 legislative session and changed the funding period for the amortization of the unfunded liability to 30 years as of June 30, 2019. Gains and losses incurring in future years will be amortized over separate 20-year amortization bases. This change does not impact the calculation of the Total OPEB liability and only impacts the calculation of the contribution rates that would be payable starting July 1, 2020. There were no other material plan provision changes.

The long-term expected rate of return was determined by using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each asset class. The ranges are combined by weighting the expected future real rates of return by the target asset allocation percentages. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the below table.



## COUNCIL ON POSTSECONDARY EDUCATION

### NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2021

<b>Asset Class</b>	<b>Kentucky Retirement Systems Target Allocation</b>	<b>Long-Term Nominal Rate of Return</b>
Growth:		
US Equity	18.75%	4.50%
Non-US Equity	18.75%	5.25%
Private Equity	10.00%	6.65%
Specialty Credit/High Yield	15.00%	3.90%
Liquidity:		
Core Bonds	13.50%	-0.25%
Cash	1.00%	-0.75%
Diversifying Strategies:		
Real Estate	5.00%	5.30%
Opportunistic	3.00%	2.25%
Real Return	15.00%	3.95%
Total	100.00%	

The projection of cash flows used to determine the discount rate of 5.43% for KERS Nonhazardous, assumed that local employers would contribute the actuarially determined contribution rate of projected compensation over the remaining 24 years (closed) amortization period of the unfunded actuarial accrued liability. The discount rate determination used an expected rate of return of 6.25%, and a municipal bond rate of 2.45%, as reported in Fidelity Index's "20 -Year Municipal GO AA Index" as of June 30, 2020. Based on the stated assumptions and the projection of cash flows as of each fiscal year ending, the plan's fiduciary net position and future contributions were projected to be sufficient to finance the future benefit payments of the current plan members. Therefore, the long-term expected rate of return on insurance plan investments was applied to all periods of the projected benefit payments paid from the retirement system. However, the cost associated with the implicit employer subsidy is not currently being included in the calculation of the Council's actuarially determined contributions, and it is our understanding that any cost associated with the implicit subsidy will not be paid out of the System's trust. Therefore, the municipal bond rate was applied to future expected benefit payments associated with the implicit subsidy. The projection of cash flows used to determine the single discount rate assumes that the funds receive the required employer contributions each future year, as determined by the current funding policy established in Statute. The target asset allocation and best estimates of arithmetic nominal rates of return for each major asset class are summarized in the Commonwealth's ACFR.

The projection of cash flows used to determine the single discount rate must include an assumption regarding future employer contributions made each year. The future contributions are projected in accordance with the current funding policy, as most recently revised by Senate

## COUNCIL ON POSTSECONDARY EDUCATION

### NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2021

Bill 249, passed during the 2020 legislative session. If there is a pattern of legislation that has a resulting effect of employers making contributions less than the actuarially determined rate, Gabriel Roeder Smith (GRS) may be required to project contributions that are reflective of recent actual contribution efforts regardless of the stated funding policy (as required by paragraph 50 of GASB Statement No. 74) Legislation has been enacted for multiple years (for Fiscal Year 18/19, Fiscal Year 19/20, and Fiscal Year 20/21) that allowed certain employers (referred to as "Quasi" agencies) in the KERS Non-hazardous Fund to contribute 8.41% of pay into the insurance fund, which is less than the actuarially determined contribution rate. GRS confirmed that the single discount rate used in the GASB calculations remains unchanged if these Quasi agencies were assumed to continue making contributions at a reduced rate in future years.

*Sensitivity of the Council's proportionate share of the collective net OPEB liability to changes in the discount rate.* The following presents the Council's proportionate share of the collective net OPEB liability, as well as what the Council's proportionate share of the collective net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.43 percent) or 1-percentage-point higher (6.43 percent) than the current discount rate:

	1% Decrease (4.43%)	Discount (5.43%)	1% Increase (6.43%)
The Council's proportionate share	\$ 4,852,356	\$ 4,071,139	\$ 3,429,920

*Sensitivity of the Council's proportionate share of the collective net OPEB liability to changes in the healthcare cost trend rates.* The following presents the Council's proportionate share of the collective net OPEB liability, as well as what the Council's proportionate share of the collective net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1 percentage-point higher than the current healthcare cost trend rates (Pre-65 - Initial trend starting at 6.40 percent at January 1, 2022, and gradually decreasing to 4.05 percent over a period of 14 years and Post-65 - Initial trend starting at 2.90 percent at January 1, 2022, and gradually decreasing to 4.05 percent over a period of 14 years ):

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
The Council's proportionate share	\$ 3,426,541	\$ 4,071,139	\$ 4,851,901

Detailed information about the KERS's fiduciary net position is available in the separately issued Kentucky Employees' Retirement System's Annual Financial Report (which is a matter of public record). The Commonwealth of Kentucky's Annual Comprehensive Financial Report should be referred to for additional disclosures related to KERS.

# COUNCIL ON POSTSECONDARY EDUCATION

## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2021

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### *Teachers' Retirement System*

#### *Plan description*

*Plan description* – Teaching-certified employees of the Kentucky School District are provided OPEBs through the Teachers' Retirement System of the State of Kentucky (TRS)—a cost-sharing multiple-employer defined benefit OPEB plan with a special funding situation established to provide retirement annuity plan coverage for local school districts and other public educational agencies in the state. TRS was created by the 1938 General Assembly and is governed by Chapter 161 Section 220 through Chapter 161 Section 990 of the Kentucky Revised Statutes (KRS). TRS is a blended component unit of the Commonwealth of Kentucky and therefore is included in the Commonwealth's financial statements. TRS issues a publicly available financial report that can be obtained at <https://trs.ky.gov/financial-reports-information>.

The following information is about the TRS Medical Insurance Plan:

#### *Medical Insurance Plan*

*Plan description* – In addition to the OPEB benefits described above, Kentucky Revised Statute 161.675 requires TRS to provide post-employment healthcare benefits to eligible members and dependents. The TRS Medical Insurance benefit is a cost-sharing multiple employer defined benefit plan with a special funding situation. Changes made to the medical plan may be made by the TRS Board of Trustees, the Kentucky Department of Employee Insurance and the General Assembly.

*Contributions* – In order to fund the post-retirement healthcare benefit, seven and one-half percent (7.50%) of the gross annual payroll of members is contributed. Three and three quarters percent (3.75%) is paid by member contributions and three quarters percent (.75%) from state appropriation and three percent (3.00%) from the employer. The state contributes the net cost of health insurance premiums for members who retired on or after July 1, 2010 who are in the non-Medicare eligible group. Also, the premiums collected from retirees as described in the plan description and investment interest help meet the medical expenses of the plan.

# COUNCIL ON POSTSECONDARY EDUCATION

## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2021

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### OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs

At June 30, 2021, the Council reported a liability of \$-0- for its proportionate share of the collective net OPEB liability that reflected a reduction for state OPEB support provided to the Council. The collective net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the collective net OPEB liability was based on a projection of the Council's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2021, the Council's proportion was 0% percent,

For the year ended June 30, 2021, the Council recognized \$253,000 as an offset to OPEB expense and expensed amounts from change in proportion and difference between employer contributions and proportionate share of contributions of \$-0-.

In fiscal year 2019, all Council employees that were contributing to the TRS plan were moved to the Kentucky Education and Workforce Development Cabinet. As such, there were no contributions made subsequent to the measurement date in fiscal year 2020 or 2021 to the TRS OPEB plan. Therefore, there are no reported deferred outflows that will be included as a reduction of the collective net OPEB liability in the year ended June 30, 2022.

### 10. INTERGOVERNMENTAL TRANSACTIONS

At June 30, 2021, intergovernmental revenue consist of the following:

Funding for the Postsecondary Education Equine Trust and Revolving Fund from a Special Revenue Fund of the Commonwealth of Kentucky	\$ 470,822
Total intergovernmental revenues	<u>\$ 470,822</u>

# COUNCIL ON POSTSECONDARY EDUCATION

## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2021

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### 11. RELATED PARTY TRANSACTIONS

The Council had the following transactions with the Commonwealth and its component units:

The Commonwealth Office for Technology (COT) provides technical support for State government agencies in the application of information technology including major information resource functions such as data center operations, data and voice communications (i.e. the Kentucky Information Highway), data administration, hardware selection and installation, and related end-user and customer support services. During 2021, the Council paid approximately \$403,000 to COT for services provided during the year.

The Council received the benefit of accounting and administrative services from the Personnel Cabinet and Finance and Administration Cabinet for 2021. During 2021, the Council paid approximately \$3,000 to the Personnel Cabinet and approximately \$25,000 to the Finance and Administration Cabinet for services provided during the year.

The Council uses vehicles from the Transportation Cabinet's fleet. During 2021, the Council paid approximately \$15,000 to the Transportation Cabinet for use of their vehicles.

The Council leases office space from the Department for Facilities and Support Services. During 2021, the Council paid approximately \$218,000 to the Department for Facilities and Support Services for the leased office space and utilities. Additionally, the Council uses the Department for Facilities and Support Services for printing services and postage. During 2021, the Council paid approximately \$5,000 to the Department for Facilities and Support Services for printing and postage.

### 12. COMMITMENTS AND CONTINGENCIES

As of June 30, 2021, the Council is committed under certain agreements and contracts in the amount of approximately \$9,102,000. These commitments are largely comprised of contractual obligations for future program expenditures under the Council's strategic investment and incentive funding programs, as well as its pass-through (fiduciary) programs. These program disbursements will largely be to the Commonwealth's postsecondary education institutions, as well as the other typical recipients of the Council's program funding. As such, these commitments will be funded primarily during the subsequent fiscal year by legislative General Fund appropriations and federal program revenues.

Federal program revenue consists principally of reimbursable grants from the United States Department of Education. Grants are generally conditioned upon compliance with terms and conditions of the grant agreement and applicable federal regulations, including the expenditure of the resources for eligible purposes. Substantially all grants are subject to financial and compliance audits by the grantors. Any disallowances as a result of these audits become a

# COUNCIL ON POSTSECONDARY EDUCATION

## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2021

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liability of the Council. As of June 30, 2021, the Council estimates that no material liabilities will result from such audits.

On March 11, 2020, the World Health Organization declared Coronavirus (COVID-19) a pandemic. The continued spread of COVID-19, or any similar outbreaks in the future, may adversely impact the local, regional, national and global economies. The extent to which COVID-19 impacts the Council's future operating results is dependent on the breadth and duration of the pandemic and could be affected by other factors management is not currently able to predict. Potential impacts include, but are not limited to, additional costs for responding to COVID-19, shortages of personnel, delays, loss of, or reduction to, revenue and state appropriations, and funding. Management believes the Council is taking appropriate actions to respond to the pandemic, however, the full impact is unknown and cannot be reasonably estimated at the date the financial statements were available to be issued.

### 13. RISK MANAGEMENT

#### *Torts and Errors and Omissions:*

The Council manages its risks of loss related to torts and errors and omissions internally.

#### *Injuries to Employees:*

The Council is a member of the Statewide Workers' Compensation Insurance Program, a self-insurance program for the benefit of the Commonwealth's employees. The Commonwealth of Kentucky's Annual Comprehensive Financial Report should be referred to for additional disclosures related to the Workers' Compensation Insurance Program.

#### *Theft of, Damage to, and Destruction of Assets:*

The Council utilizes the Commonwealth of Kentucky's Risk Management Fund to cover the exposure to losses arising from theft of, damage to, or destruction of the Council's personal property. The Commonwealth of Kentucky's Annual Comprehensive Financial Report should be referred to for additional disclosures related to the Risk Management Fund.

# COUNCIL ON POSTSECONDARY EDUCATION

## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2021

### 14. FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy are described as follows:

- Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Council has the ability to access
- Level 2: Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimized the used of unobservable inputs. The following table sets forth by level, within the hierarchy, the Council's assets and liabilities measured at fair value on a recurring basis as of June 30, 2021 are as follows:

	<b>Assets at Fair Value as of June 30, 2021</b>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Commonwealth's investment pool	\$ 776,625	\$ 1,730,102	\$ -0-	\$ 2,506,727
Total assets at fair value	<u>\$ 776,625</u>	<u>\$ 1,730,102</u>	<u>\$ -0-</u>	<u>\$ 2,506,727</u>

The Council's policy is to recognize transfers between levels as of the actual date of the event or changes in circumstances. There were no transfers between levels during the year ended June 30, 2021.

The Council holds investments which are exposed to various risks such as interest rate, market, and credit. Due to the level of risk associated with these securities and the level of uncertainty related to changes in the value, it is at least reasonably possible that changes in the various risk factors will occur in the near term that could materially affect the amounts reported in the accompanying financial statements.

# COUNCIL ON POSTSECONDARY EDUCATION

## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2021

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### 15. RECENT GASB PRONOUNCEMENTS

Management has not currently determined what, if any, effects of implementation of the following statements may have on the financial statements:

In June 2017, the GASB issued GASB Statement No. 87, *Leases*, which requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. In May 2020, the GASB issued GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, which postponed the effective date of GASB Statement No. 87, *Leases*, by 18 months. GASB Statement No. 87 will be effective for periods beginning after June 15, 2021.

In May 2020, the GASB issued GASB Statement No 96, *Subscription-Based Information Technology Arrangements (SBITA)*, which requires the recognition of certain SBITA assets and liabilities for SBITA that previously were classified as an operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The standards for SBITAs are based on the standards established in Statement No. 87, *Leases*. GASB Statement No 96 will be effective for the periods beginning after June 15, 2022.



**REQUIRED SUPPLEMENTARY INFORMATION**

## COUNCIL ON POSTSECONDARY EDUCATION

### SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY KENTUCKY EMPLOYEES' RETIREMENT SYSTEM

	2021	2020	2019	2018	2017	2016	2015
Proportion of the net pension liability (asset)	0.160350%	0.161487%	0.176962%	0.184184%	0.191420%	0.183165%	0.169904%
Proportionate share of the net pension liability	\$ 22,713,021	\$ 22,806,813	\$ 24,073,513	\$ 24,659,174	\$ 21,821,203	\$ 18,374,905	\$ 15,243,442
Covered payroll	\$ 2,286,217	\$ 2,362,042	\$ 2,708,898	\$ 2,907,191	\$ 3,005,194	\$ 2,988,947	\$ 2,915,237
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	993.48%	965.55%	888.68%	848.21%	726.12%	614.76%	522.89%
Plan fiduciary net position as a percentage of the total pension liability	14.01%	13.66%	12.84%	13.32%	14.80%	18.83%	22.32%

\*Note: This schedule is intended to present 10 years of the proportionate share of the net pension liability. Currently, only those years with information available are presented. The amounts presented above for the fiscal year were determined as of June 30 for the year prior (measurement date).

# COUNCIL ON POSTSECONDARY EDUCATION

## SCHEDULE OF PENSION CONTRIBUTIONS KENTUCKY EMPLOYEES' RETIREMENT SYSTEM

	2021	2020	2019	2018	2017	2016	2015	2014
Statutorily required contribution	\$ 1,593,035	\$ 1,623,900	\$ 1,677,759	\$ 1,112,284	\$ 1,169,854	\$ 926,802	\$ 921,837	\$ 504,336
Contribution in relation to the statutorily required contribution	1,593,035	1,623,900	1,677,759	1,112,284	1,169,854	926,802	921,837	504,336
Contribution deficiency (excess)	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Covered payroll	\$ 2,173,901	\$ 2,286,217	\$ 2,362,042	\$ 2,708,898	\$ 2,907,191	\$ 3,005,194	\$ 2,988,947	\$ 2,915,237
Contribution as a percentage of covered payroll	73.28%	71.03%	71.03%	41.06%	40.24%	30.84%	30.84%	17.30%

### Notes to Schedule

Valuation date	June 30, 2017	June 30, 2017	June 30, 2016	June 30, 2016	June 30, 2015	June 30, 2015	June 30, 2014	Not available
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### Methods and assumptions used to determine contributions:

Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Not available
Experience study	July 1, 2013 - June 30, 2018	July 1, 2008 - June 30, 2013	July 1, 2008 - June 30, 2013	July 1, 2008 - June 30, 2013	July 1, 2008 - June 30, 2013	July 1, 2008 - June 30, 2013	July 1, 2008 - June 30, 2013	Not available
Amortization method	Level percent of pay	Level percent of pay	Level percent of pay	Level percent of pay	Level percent of pay	Level percent of pay	Level percent of pay	Not available
Asset valuation method	20% of the difference between market value of assets and the expected actuarial value of assets is recognized	20% of the difference between market value of assets and the expected actuarial value of assets is recognized	20% of the difference between market value of assets and the expected actuarial value of assets is recognized	20% of the difference between market value of assets and the expected actuarial value of assets is recognized	20% of the difference between market value of assets and the expected actuarial value of assets is recognized	Five-year smoothed market	Five-year smoothed market	Not available
Investment return	5.25%	5.25%	6.75%	6.75%	6.75%	7.50%	7.75%	Not available
Inflation	2.30%	2.30%	3.25%	3.25%	3.25%	3.25%	3.50%	Not available
Projected salary increase	3.30% to 15.55%, varies by service	3.55% to 15.55%, varies by service	4.0%, average	4.0%, average	4.0%, average, including inflation	4.0%, average, including inflation	4.50% per annum	Not available

### Mortality

The rate of mortality for active members is based on the RP-2000 Combined Mortality Table projected to with scale BB to 2013 (multiplied by 50% for males and 30% for females). For health retired members and beneficiaries, the mortality table is the RP-2000 Combined Mortality Table projected with scale BB to 2013 (set back 1 year for females) For disabled members, the RP-2000 Combined Mortality Table projected with Scale BB to 2013 (set back 4 years for males) is used for the period after disability retirement. There is some margin in the current mortality tables for possible future improvement in mortality rates and that margin will be reviewed again when the next experience investigation is conducted.

Note: This is a 10 year schedule. Years will be added to this schedule in future fiscal years until 10 years of information is available.

## COUNCIL ON POSTSECONDARY EDUCATION

### SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY KENTUCKY TEACHERS' RETIREMENT SYSTEM

	2021	2020	2019	2018	2017	2016	2015
Proportion of the net pension liability (asset)	0.000000%	0.010250%	0.012500%	0.013000%	0.015200%	0.015200%	0.016100%
Proportionate share of the net pension liability	\$ 0	\$ 560,223	\$ 708,655	\$ 1,468,941	\$ 3,873,364	\$ 3,530,337	\$ 3,322,159
Covered payroll	\$ 0	\$ 156,808	\$ 396,637	\$ 423,461	\$ 497,443	\$ 592,673	\$ 625,000
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	0.00%	357.27%	178.67%	346.89%	778.65%	595.66%	531.55%
Plan fiduciary net position as a percentage of the total pension liability	0.00%	58.80%	59.30%	39.83%	35.22%	42.49%	45.59%

\*Note 1: This schedule is intended to present 10 years of the proportionate share of the net pension liability. Currently, only those years with information available are presented. The amounts presented above for the fiscal year were determined as of June 30 for the year prior (measurement date).

\*Note 2: The Council ceased participation in Teachers' Retirement System in fiscal year 2019 and in 2021 no longer had a proportion share of the OPEB liability.

# COUNCIL ON POSTSECONDARY EDUCATION

## SCHEDULE OF PENSION CONTRIBUTIONS KENTUCKY TEACHERS' RETIREMENT SYSTEM

	2021	2020	2019	2018	2017	2016	2015	2014
Statutorily required contribution	\$ -0-	\$ -0-	\$ 19,311	\$ 48,886	\$ 52,192	\$ 61,310	\$ 73,047	\$ 74,057
Contribution in relation to the statutorily required contribution	-0-	-0-	19,311	48,886	52,192	61,310	73,047	74,057
Contribution deficiency (excess)	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Covered payroll	\$ -0-	\$ -0-	\$ 156,808	\$ 396,637	\$ 423,461	\$ 497,443	\$ 592,673	\$ 625,000
Contribution as a percentage of covered payroll	0.00%	0.00%	12.32%	12.33%	12.33%	12.33%	12.33%	11.85%

**Notes to Schedule**

Valuation date	Not applicable	Not applicable	June 30, 2017	June 30, 2016	June 30, 2016	June 30, 2014	June 30, 2014	Not available
<b>Methods and assumptions used to determine contributions:</b>								
Actuarial cost method	Not applicable	Not applicable	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Not available
Amortization method	Not applicable	Not applicable	Level percent of pay	Level percent of pay	Level percent of pay	Level percent of pay	Level percent of pay	Not available
Asset valuation method	Not applicable	Not applicable	Five-year smoothed market	Five-year smoothed market	Five-year smoothed market	Five-year smoothed market	Five-year smoothed market	Not available
Investment return	Not applicable	Not applicable	7.5% net of pension plan investment expense, including inflation	7.5% net of pension plan investment expense, including inflation	7.5% net of pension plan investment expense, including inflation	7.5% net of pension plan investment expense, including inflation	7.5% net of pension plan investment expense, including inflation	Not available
Inflation	Not applicable	Not applicable	3.50%	3.50%	3.50%	3.50%	3.50%	Not available
Projected salary increase	Not applicable	Not applicable	3.50% - 7.30%	3.50% - 7.30%	3.50% - 7.30%	4.0% - 8.20%	4.0% - 8.20%	Not available

**Mortality**

The rate of mortality is based on the RP-2000 Combined Mortality Table projected to 2020 using scale AA (set back one year for females) for death after service retirement and beneficiaries. The RP-2000 Disabled Mortality table (set back seven years for males and set forward five years for females) is used for death after disability retirement

Note 1: This is a 10 year schedule. Years will be added to this schedule in future fiscal years until 10 years of information is available.

Note 2: The Council ceased participation in Teachers' Retirement System in fiscal year 2019 and in 2021 no longer had a proportion share of the OPEB liability

**COUNCIL ON POSTSECONDARY EDUCATION**

SCHEDULE OF PROPORTIONATE SHARE OF NET OPEB LIABILITY  
KENTUCKY EMPLOYEES' RETIREMENT SYSTEM

	2021	2020	2019	2018	2017
Proportion of the net OPEB liability (asset)	0.160350%	0.161487%	0.177214%	0.184184%	0.191420%
Proportionate share of the net OPEB liability	\$ 4,071,139	\$ 3,589,688	\$ 4,201,588	\$ 4,670,837	\$ 3,953,169
Covered payroll	\$ 2,286,217	\$ 2,362,042	\$ 2,708,898	\$ 2,907,191	\$ 3,005,194
Proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	178.07%	151.97%	155.10%	160.66%	131.54%
Plan fiduciary net position as a percentage of the total OPEB liability	29.47%	30.92%	27.32%	24.37%	24.48%

\*Note: This schedule is intended to present 10 years of the proportionate share of the net OPEB liability. Currently, only those years with information available are presented. The amounts presented above for the fiscal year were determined as of June 30 for the year prior (measurement date).

# COUNCIL ON POSTSECONDARY EDUCATION

## SCHEDULE OF OPEB CONTRIBUTIONS KENTUCKY EMPLOYEES' RETIREMENT SYSTEM

	2021	2020	2019	2018	2017	2016
Statutorily required contribution	\$ 242,390	\$ 283,491	\$ 292,893	\$ 227,818	\$ 242,750	\$ 238,312
Contribution in relation to the statutorily required contribution	242,390	283,491	292,893	227,818	242,750	238,312
Contribution deficiency (excess)	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Covered payroll	\$ 2,173,901	\$ 2,286,217	\$ 2,362,042	\$ 2,708,898	\$ 2,907,191	\$ 3,005,194
Contribution as a percentage of covered payroll	11.15%	12.40%	12.40%	8.41%	8.35%	7.93%

**Notes to Schedule**

Valuation date	June 30, 2017	June 30, 2017	June 30, 2016	June 30, 2016	June 30, 2015	Not available
Experience Study	July 1, 2008 - June 30, 2013	July 1, 2008 - June 30, 2013	July 1, 2008 - June 30, 2013	July 1, 2008 - June 30, 2013	July 1, 2008 - June 30, 2013	Not available
<b>Methods and assumptions used to determine contributions:</b>						
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Not available
Amortization method	Level percent of pay	Level percent of pay	Level percent of pay	Level percent of pay	Level percent of pay	Not available
Asset valuation method	20% of the difference between the market value of assets and the expected actuarial value of assets is recognized	20% of the difference between the market value of assets and the expected actuarial value of assets is recognized	20% of the difference between the market value of assets and the expected actuarial value of assets is recognized	20% of the difference between the market value of assets and the expected actuarial value of assets is recognized	20% of the difference between the market value of assets and the expected actuarial value of assets is recognized	Not available
Amortization period	26 Years, Closed	26 Years, Closed	27 Years, Closed	27 Years, Closed	28 Years, Closed	Not available
Investment return	6.25%	6.25%	7.50%	7.50%	7.50%	Not available
Inflation	2.30%	2.30%	3.25%	3.25%	3.25%	Not available
Payroll growth rate	0.00%	0.00%	4.00%	4.00%	4.00%	Not available
Projected salary increase	3.55 to 15.55, varies by service	3.55 to 15.55, varies by service	4.00% average	4.00% average	4.00% average	Not available
Healthcare Trend Rates (Pre-65)	Initial trend starting at 7.25% at 1/1/2019 and gradually decreasing to an ultimate trend rate of 4.05% over a period of 13 years.	Initial trend starting at 7.25% at 1/1/2019 and gradually decreasing to an ultimate trend rate of 4.05% over a period of 13 years.	Initial trend starting at 7.50% and gradually decreasing to an ultimate trend rate of 5.00% over a period of 5 years.	Initial trend starting at 7.50% and gradually decreasing to an ultimate trend rate of 5.00% over a period of 5 years.	Initial trend starting at 7.50% and gradually decreasing to an ultimate trend rate of 5.00% over a period of 5 years.	Not available
Healthcare Trend Rates (Post-65)	Initial trend starting at 5.10% at 1/1/2019 and gradually decreasing to an ultimate trend rate of 4.05% over a period of 11 years.	Initial trend starting at 5.10% at 1/1/2019 and gradually decreasing to an ultimate trend rate of 4.05% over a period of 11 years.	Initial trend starting at 5.50% and gradually decreasing to an ultimate trend rate of 5.00% over a period of 2 years.	Initial trend starting at 5.50% and gradually decreasing to an ultimate trend rate of 5.00% over a period of 2 years.	Initial trend starting at 5.50% and gradually decreasing to an ultimate trend rate of 5.00% over a period of 2 years.	Not available

**Mortality**

RP-2000 Combined Mortality Table, projected to 2013 with Scale BB (set back 1 year for females)

Note: This is a 10 year schedule. Years will be added to this schedule in future fiscal years until 10 years of information is available.

**COUNCIL ON POSTSECONDARY EDUCATION**

SCHEDULE OF PROPORIONATE SHARE OF NET OPEB LIABILITY  
KENTUCKY TEACHERS' RETIREMENT SYSTEM

	2021	2020	2019	2018
Proportion of the net OPEB liability (asset)	0.000000%	0.007372%	0.008770%	0.009269%
Proportionate share of the net OPEB liability	\$ -0-	\$ 216,000	\$ 304,000	\$ 331,000
Covered payroll	\$ -0-	\$ 156,808	\$ 396,637	\$ 423,461
Proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	0.00%	137.75%	76.64%	78.17%
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	32.58%	25.50%	21.18%

\*Note: This schedule is intended to present 10 years of the proportionate share of the net OPEB liability. Currently, only those years with information available are presented. The amounts presented above for the fiscal year were determined as of June 30 for the year prior (measurement date).



# COUNCIL ON POSTSECONDARY EDUCATION

## SCHEDULE OF OPEB CONTRIBUTIONS KENTUCKY TEACHERS' RETIREMENT SYSTEM

	2021	2020	2019	2018	2017	2016
Statutorily required contribution	\$ -0-	\$ -0-	\$ 5,880	\$ 14,874	\$ 15,880	\$ 18,654
Contribution in relation to the statutorily required contribution	-0-	-0-	5,880	14,874	15,880	18,654
Contribution deficiency (excess)	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Covered payroll	\$ -0-	\$ -0-	\$ 156,808	\$ 396,637	\$ 423,461	\$ 497,443
Contribution as a percentage of covered payroll	0.00%	0.00%	3.75%	3.75%	3.75%	3.75%

**Notes to Schedule**

Valuation date	Not applicable	Not applicable	June 30, 2017	June 30, 2016	June 30, 2016	Not available
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**Methods and assumptions used to determine contributions:**

Actuarial cost method	Not applicable	Not applicable	Entry Age Normal	Entry Age Normal	Entry Age Normal	Not available
Amortization method	Not applicable	Not applicable	Level percentage of payroll	Level percentage of payroll	Level percentage of payroll	Not available
Amortization period	Not applicable	Not applicable	23 years, closed	30 years, open	30 years, open	Not available
Asset valuation method	Not applicable	Not applicable	Five-year smoothed Market Value	Five-year smoothed Market Value	Five-year smoothed Market Value	Not available
Inflation	Not applicable	Not applicable	3.00%	3.00%	3.00%	Not available
Real wage growth	Not applicable	Not applicable	0.50%	0.50%	0.50%	Not available
Wage inflation	Not applicable	Not applicable	3.50%	3.50%	3.50%	Not available
Projected salary increase	Not applicable	Not applicable	3.50% - 7.20%	3.50% - 7.20%	3.50% - 7.20%	Not available
Discount rate	Not applicable	Not applicable	8.00%	8.00%	8.00%	Not available
Medical Insurance Fund (MIF) Health Care Cost Trends:						
Under Age 65			7.75% for FYE 2017 decreasing to an ultimate rate of 5.00% by FYE 2024	7.75% for FYE 2017 decreasing to an ultimate rate of 5.00% by FYE 2023	7.75% for FYE 2017 decreasing to an ultimate rate of 5.00% by FYE 2023	Not available
Age 65 and Older			5.75% for FYE 2017 decreasing to an ultimate rate of 5.00% by FYE 2024	5.75% for FYE 2017 decreasing to an ultimate rate of 5.00% by FYE 2020	5.75% for FYE 2017 decreasing to an ultimate rate of 5.00% by FYE 2020	Not available
Medicare Part B Premiums			1.02% for FYE 2017 with an ultimate rate of 5.00% by 2030.	1.02% for FYE 2017 with an ultimate rate of 5.00% by 2029.	1.02% for FYE 2017 with an ultimate rate of 5.00% by 2029.	Not available

Note 1: This is a 10 year schedule. Years will be added to this schedule in future fiscal years until 10 years of information is available.

Note 2: The Council ceased participation in Teachers' Retirement System in fiscal year 2019 and in 2021 no longer had a proportion share of the OPEB liability

## COUNCIL ON POSTSECONDARY EDUCATION

### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL (BUDGETARY BASIS) – UNAUDITED YEAR ENDED JUNE 30, 2021

	Operations			Over (Under) Budget
	Original Budget	Final Budget	Actual	
<b>Budgetary fund balance, July 1</b>	\$ 1,911,980	\$ 940,843	\$ 3,750,770	\$ 2,809,927
<b>REVENUES:</b>				
State appropriations	6,766,613	6,766,613	4,557,002	(2,209,611)
Charges for services	287,000	287,000	299,200	12,200
Federal programs	265,000	265,000	230,176	(34,824)
Other revenues				
Total revenues	<u>7,318,613</u>	<u>7,318,613</u>	<u>5,086,378</u>	<u>(2,232,235)</u>
Amount available for expenditures	9,230,593	8,259,456	8,837,148	577,692
<b>EXPENDITURES:</b>				
Personnel services	5,530,000	5,530,000	5,141,611	(388,389)
Utilities, rentals, and other services	652,700	652,700	635,450	(17,250)
Commodities and supplies	236,900	236,900	305,883	68,983
Grants and subsidies				
Travel	53,000	53,000	50,409	(2,591)
Intergovernmental expenditures				
Total expenditures	<u>6,472,600</u>	<u>6,472,600</u>	<u>6,133,353</u>	<u>(339,247)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Interfund transfers in (out)	<u>-0-</u>	<u>-0-</u>	<u>(949,947)</u>	<u>(949,947)</u>
<b>Budgetary fund balance, June 30</b>	<u>\$ 2,757,993</u>	<u>\$ 1,786,856</u>	<u>\$ 1,753,848</u>	<u>\$ (33,008)</u>

## COUNCIL ON POSTSECONDARY EDUCATION

### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL (BUDGETARY BASIS) – UNAUDITED YEAR ENDED JUNE 30, 2021

	Federal Programs			Over (Under) Budget
	Original Budget	Final Budget	Actual	
<b>Budgetary fund balance, July 1</b>	\$ 646,500	\$ 646,500	\$ 207,843	\$ (438,657)
<b>REVENUES:</b>				
State appropriations				
Charges for services				
Federal programs	17,796,200	17,796,200	13,026,756	(4,769,444)
Other revenues				
Total revenues	<u>17,796,200</u>	<u>17,796,200</u>	<u>13,026,756</u>	<u>(4,769,444)</u>
Amount available for expenditures	18,442,700	18,442,700	13,234,599	(5,208,101)
<b>EXPENDITURES:</b>				
Personnel services	1,745,000	1,745,000	2,369,982	624,982
Utilities, rentals, and other services	989,500	989,500	422,031	(567,469)
Commodities and supplies	379,000	379,000	239,223	(139,777)
Grants and subsidies			9,956,139	9,956,139
Travel	240,000	240,000	23,578	(216,422)
Intergovernmental expenditures				
Total expenditures	<u>3,353,500</u>	<u>3,353,500</u>	<u>13,010,953</u>	<u>9,657,453</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Interfund transfers in (out)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<b>Budgetary fund balance, June 30</b>	<u>\$ 15,089,200</u>	<u>\$ 15,089,200</u>	<u>\$ 223,646</u>	<u>\$ (14,865,554)</u>

## COUNCIL ON POSTSECONDARY EDUCATION

### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL (BUDGETARY BASIS) – UNAUDITED YEAR ENDED JUNE 30, 2021

	Technology Initiative Trust Fund			
	Original Budget	Final Budget	Actual	Over (Under) Budget
<b>Budgetary fund balance, July 1</b>	\$ 5,041,556	\$ 6,199,251	\$ 3,392,644	\$ (2,806,607)
<b>REVENUES:</b>				
State appropriations	1,628,300	1,628,300	1,628,300	-0-
Charges for services	2,200,000	2,200,000	3,080,228	880,228
Federal programs				
Other revenues	2,000,000	2,000,000	776,412	(1,223,588)
Total revenues	<u>5,828,300</u>	<u>5,828,300</u>	<u>5,484,940</u>	<u>(343,360)</u>
Amount available for expenditures	10,869,856	12,027,551	8,877,584	(3,149,967)
<b>EXPENDITURES:</b>				
Personnel services	620,000	620,000	3,684,076	3,064,076
Utilities, rentals, and other services			466,679	466,679
Commodities and supplies			2,395,733	2,395,733
Grants and subsidies	5,425,000	5,425,000	94,275	(5,330,725)
Travel			3,567	3,567
Intergovernmental expenditures				
Total expenditures	<u>6,045,000</u>	<u>6,045,000</u>	<u>6,644,330</u>	<u>599,330</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Interfund transfers in (out)	-0-	-0-	949,947	949,947
<b>Budgetary fund balance, June 30</b>	<u>\$ 4,824,856</u>	<u>\$ 5,982,551</u>	<u>\$ 3,183,201</u>	<u>\$ (2,799,350)</u>

## COUNCIL ON POSTSECONDARY EDUCATION

NOTE TO THE SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL (BUDGETARY BASIS) – UNAUDITED  
YEAR ENDED JUNE 30, 2021

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### Budgetary Basis Versus GAAP

The accompanying schedules of revenues, expenditures, and changes in fund balances, budget and actual (budgetary basis) - unaudited, presents comparisons of the legally adopted budget with actual data on the budgetary basis. Accounting principles applied for purposes of developing data on the budgetary basis differ from those used to present financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP). An explanation of the differences between budgetary inflows and outflows and revenues and expenditures determined in accordance with GAAP follows:

	Operations	Federal Programs	Technology Initiative Trust Fund
<b>Total revenues per the budgetary comparison schedule</b>	\$ 5,086,378	\$ 13,026,756	\$ 5,484,940
<b>Total revenues per the statement of revenues, expenditures, and changes in fund balance</b>	\$ 5,086,378	\$ 13,026,756	\$ 5,484,940
<b>Total expenditures per the budgetary comparison schedule</b>	\$ 6,133,353	\$ 13,010,953	\$ 6,644,330
Change in accrued expenditures	(14,704)	3,860	79
Change in short-term compensated absences	39,877	11,943	1,156
<b>Total expenditures per the statement of revenues, expenditures, and changes in fund balance</b>	\$ 6,158,526	\$ 13,026,756	\$ 6,645,565

**ADDITIONAL SUPPLEMENTARY INFORMATION**

## COUNCIL ON POSTSECONDARY EDUCATION

### SUPPLEMENTARY SCHEDULE OF ASSETS, LIABILITIES, AND FUND BALANCES – OPERATIONS JUNE 30, 2021

	Agency Operations	KYVC/ KYVL Operations	Contract Spaces	Total Operations
<b><u>ASSETS</u></b>				
Cash and cash equivalents	\$ 191,610	\$ 65,921	\$ -0-	\$ 257,531
Investments	1,120,738	385,579	-0-	1,506,317
Accounts receivable	9,240		-0-	9,240
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total assets	<u>\$ 1,321,588</u>	<u>\$ 451,500</u>	<u>\$ -0-</u>	<u>\$ 1,773,088</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>				
Liabilities:				
Accounts and other payables	\$ 19,240	\$ -0-	\$ -0-	\$ 19,240
Accrued expenses	452,607	-0-	-0-	452,607
Accrued compensated absences	370,492	-0-	-0-	370,492
Total liabilities	<u>842,339</u>	<u>-0-</u>	<u>-0-</u>	<u>842,339</u>
Fund balances:				
Assigned:				
for agency operations	<u>479,249</u>	<u>451,500</u>	<u>-0-</u>	<u>930,749</u>
Total liabilities and fund balances	<u>\$ 1,321,588</u>	<u>\$ 451,500</u>	<u>\$ -0-</u>	<u>\$ 1,773,088</u>

## COUNCIL ON POSTSECONDARY EDUCATION

### SUPPLEMENTARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – OPERATIONS YEAR ENDED JUNE 30, 2021

	Agency Operations	KYVC/ KYVL Operations	Contract Spaces	Total Operations
<b>REVENUES:</b>				
State appropriations	\$ 4,348,494	\$ -0-	\$ 208,508	\$ 4,557,002
Charges for services	299,200			299,200
Federal programs	230,176			230,176
Total revenues	<u>4,877,870</u>	<u>-0-</u>	<u>\$ 208,508</u>	<u>5,086,378</u>
<b>EXPENDITURES:</b>				
Personnel services	5,166,784			5,166,784
Utilities, rentals, and other services	635,450			635,450
Commodities and supplies	97,375		208,508	305,883
Travel	50,409			50,409
Total expenditures	<u>5,950,018</u>	<u>-0-</u>	<u>208,508</u>	<u>6,158,526</u>
<b>Excess (deficiency) of expenditures</b>	<u>(1,072,148)</u>	<u>-0-</u>	<u>-0-</u>	<u>(1,072,148)</u>
<b>OTHER FINANCING SOURCES:</b>				
Interfund transfers	<u>-0-</u>	<u>(949,947)</u>	<u>-0-</u>	<u>(949,947)</u>
Net change in fund balances	(1,072,148)	(949,947)	-0-	(2,022,095)
<b>Fund balances, beginning of year</b>	<u>1,551,397</u>	<u>1,401,447</u>	<u>-0-</u>	<u>2,952,844</u>
<b>Fund balances, end of year</b>	<u>\$ 479,249</u>	<u>\$ 451,500</u>	<u>\$ -0-</u>	<u>\$ 930,749</u>



## COUNCIL ON POSTSECONDARY EDUCATION

### SUPPLEMENTARY SCHEDULE OF ASSETS, LIABILITIES, AND FUND BALANCES – NON-MAJOR FUNDS

JUNE 30, 2021

	Postsecondary Education Equine Trust Fund	Assessment and Professional Development Fund	Other (Non- major) Governmental Funds
<b><u>ASSETS</u></b>			
Cash and cash equivalents - restricted	\$ 38,259	\$ -0-	\$ 38,259
Investments - restricted	223,785		223,785
Accounts receivable		69,120	69,120
Total assets	\$ 262,044	\$ 69,120	\$ 331,164
 <b><u>LIABILITIES AND FUND BALANCES</u></b>			
<b>Liabilities:</b>			
Accounts and other payables	\$ -0-	\$ 69,120	\$ 69,120
Accrued expenses		36,172	36,172
Accrued compensated absences		4,621	4,621
Total liabilities	-0-	109,913	109,913
 <b>Fund balances (deficit)</b>			
Restricted:			
for University Equine programs	262,044		262,044
Unassigned		(40,793)	(40,793)
Total fund balances (deficit)	262,044	(40,793)	221,251
Total liabilities and fund balances	\$ 262,044	\$ 69,120	\$ 331,164

## COUNCIL ON POSTSECONDARY EDUCATION

### SUPPLEMENTARY SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES – NON-MAJOR FUNDS YEAR ENDED JUNE 30, 2021

	Postsecondary Education Equine Trust	Assessment and Professional Development	Other (Non- major) Governmental
<b>REVENUES:</b>			
State appropriations	\$ -0-	\$ 1,424,420	\$ 1,424,420
Intergovernmental revenues	470,822		470,822
Total revenues	<u>470,822</u>	<u>1,424,420</u>	<u>1,895,242</u>
<b>EXPENDITURES:</b>			
Personnel services		1,420,237	1,420,237
Utilities, rentals, and other services		2,500	2,500
Commodities and supplies		11,454	11,454
Grants and subsidies	480,000		480,000
Travel		514	514
Total expenditures	<u>480,000</u>	<u>1,434,705</u>	<u>1,914,705</u>
Net change in fund balances	(9,178)	(10,285)	(19,463)
<b>Fund balances, beginning of year</b>	<u>271,222</u>	<u>(30,508)</u>	<u>240,714</u>
<b>Fund balances, end of year</b>	<u><u>\$ 262,044</u></u>	<u><u>\$ (40,793)</u></u>	<u><u>\$ 221,251</u></u>

**COUNCIL ON POSTSECONDARY EDUCATION**

**SUPPLEMENTARY SCHEDULE OF GRANTS AND SUBSIDIES  
YEAR ENDED JUNE 30, 2021**

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	<u>Governmental Funds</u>	<u>Fiduciary Funds</u>
Gaining Early Awareness and Readiness for Undergraduate Programs	\$ 72,542	\$ -0-
Governor's Emergency Education Relief Fund	9,883,597	
Postsecondary Education Equine Trust Fund	480,000	
Technology Initiative Trust Fund	94,275	
Cancer Research Institutions Matching Fund		3,569,293
Spinal Cord and Head Injury Research		650,000
Cancer Research Screenings		7,176,100
Ovarian Cancer Screenings		500,000
Southern Regional Education Board Doctoral Scholars Program		50,000
	<u>                    </u>	<u>                    </u>
Total grants and subsidies	<u>\$ 10,530,414</u>	<u>\$ 11,945,393</u>

**COUNCIL ON POSTSECONDARY EDUCATION**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2021**

	<u>Federal CFDA Number</u>	<u>Grant ID Number</u>	<u>Total Federal Expenditures</u>	<u>Passed Through to Subrecipient</u>
<b>Major Programs:</b>				
Passthrough from the Governor's Office Commonwealth of Kentucky				
Governor's Emergency Education Relief Fund	84.425C	S425C200008	\$ 10,015,289	9,883,597
<b>Non-Major Programs:</b>				
<b>United States Department of Education:</b>				
Gaining Early Awareness and Readiness for Undergraduate Programs				
	84.334	P334S180011 - 19	1,081,670	-0-
	84.334	P334S180011 - 20	2,159,973	-0-
Total Gaining Early Awareness and Readiness for Undergraduate Programs			<u>3,241,643</u>	<u>-0-</u>
Total Federal Expenditures			<u>\$ 13,256,932</u>	<u>\$ 9,883,597</u>

## COUNCIL ON POSTSECONDARY EDUCATION

### NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS JUNE 30, 2021

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#### 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the Council on Postsecondary Education (the Council). The information in this Schedule is presented in accordance with requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administration Requirements, Cost Principles, and Audit Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance). Some amounts presented in this Schedule may therefore differ from amounts presented in, or used in the preparation of, the basic financial statements. The Council did not elect to use the 10% de minimis indirect cost rate.

The Schedule is presented using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are susceptible to accrual and recognized in the financial statements when they are measurable and available to finance operations during the year or to liquidate liabilities existing at the end of the year.

The award revenues received and expended are subject to audit and adjustment. If any expenditures are disallowed by the grantor as a result of such an audit, any claim for reimbursement to the grantor would become a liability of the Council. In the opinion of management, all grant expenditures are in compliance with the terms of the grant agreements and applicable federal laws and regulations.

## COUNCIL ON POSTSECONDARY EDUCATION

### NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS JUNE 30, 2021

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#### 2. SUBRECIPIENTS

The accompanying supplemental schedule of expenditures of federal awards includes expenditures consisting of federal awards provided to subrecipients as follows:

<u>Subrecipients Name</u>	<u>Amount</u>
Kentucky Community And Technical College System	\$ 2,135,978
University Of Kentucky	1,706,510
Western Kentucky University	1,056,900
University Of Louisville	883,999
Murray State University	817,334
Morehead State University	762,300
Northern Kentucky University	761,835
Eastern Kentucky University	758,421
Kentucky State University	146,425
Campbellsville University	45,454
Union College	45,454
Transylvania University	45,454
Brighton Center, Inc.	45,454
Brescia University, Inc.	45,454
Lexington Theological Seminary	45,454
Kentucky Mountain Bible College	45,454
Midway University	45,454
Employment Solutions, Inc.	45,454
Asbury University	45,454
Spalding University	45,454
Lindsey Wilson College	45,454
University Of Pikeville	45,454
Thomas More University, Inc.	45,454
Georgetown College	45,454
University Of The Cumberlands	45,454
Kentucky Christian University	45,416
Bellarmino University	44,932
Louisville Presbyterian Theological Seminary	36,283
Total Subrecipients	<u>\$ 9,883,597</u>



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**REPORT OF INDEPENDENT AUDITORS ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Council Members  
Council on Postsecondary Education

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Council on Postsecondary Education (the Council), a component unit of the Commonwealth of Kentucky, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements, and have issued our report thereon dated December 2, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Council's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. Accordingly, we do not express an opinion on the effectiveness of the Council's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

To the Council Members  
Council on Postsecondary Education

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Council's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matter that are required to be reported under *Government Auditing Standards*.

### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Blue & Co., LLC*

Lexington, Kentucky  
December 2, 2021





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**REPORT OF INDEPENDENT AUDITORS ON COMPLIANCE WITH  
EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Council Members  
Council on Postsecondary Education

We have audited the Council on Postsecondary Education's (the Council) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Council's major federal programs for the year ended June 30, 2021. The Council's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Council's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Council's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Council's compliance.

To the Council Members  
Council on Postsecondary Education

### Opinion on Each Major Federal Program

In our opinion, the Council complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

### Report on Internal Control Over Compliance

Management of the Council is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Council's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Council's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Blue & Co., LLC*

Lexington, Kentucky  
December 2, 2021

**COUNCIL ON POSTSECONDARY EDUCATION**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2021

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Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:

Material weakness(es)  
identified?                       yes       no

Significant deficiency(ies)  
identified that are not  
considered to be  
material weaknesses?       yes       none reported

Noncompliance material to financial  
statements noted?                       yes       no

Federal Awards

Internal control over major programs:

Material weakness(es)  
identified?                       yes       no

Significant deficiency(ies)  
identified that are not  
considered to be  
material weaknesses?       yes       none reported

Type of auditor's report issued on compliance for major programs: unmodified

Any audit findings disclosed that are  
required to be reported in accordance  
with Uniform Guidance?       yes       no

**COUNCIL ON POSTSECONDARY EDUCATION**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2021

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Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
84.425C	Governor's Emergency Education Relief Funds

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee:         yes  no

Section II - Findings - Financial Statement Audit

None

Section III - Findings and Questioned Costs - Major Federal Awards Program Audit

None

**COUNCIL ON POSTSECONDARY EDUCATION**

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
JUNE 30, 2021

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There were no findings reported for the year ended June 30, 2020.

**KY COUNCIL ON POSTSECONDARY EDUCATION**

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**TITLE:** Report from the Finance Committee

**DESCRIPTION:** The following is a summary of the Committee's January 19, 2022 meeting.

**PRESENTER:** Lucas Mentzer, Chair of Finance Committee

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The Finance Committee met on January 19, 2022. Below is a summary of their work.

- Received an overview of the budget proposals submitted by the Governor (HB 285) and the House (HB 1). They further compared the proposed components with the recommendation approved by the Council at its November 5, 2021 meeting.
- Received an overview of HB 250, which pertains to CPE's recommendation for the Governor and General Assembly to provide a \$23.0 million in financial stabilization funds for Kentucky State University in fiscal year 2021-22.
- Discussed the tuition setting process for the 2022-23 Academic Year, including the Tuition and Mandatory Fee Policy and the preliminary timeline. It is anticipated that the timeline and policy will be presented for final review and endorsement at the Committee's April meeting, and final tuition proposals will come before the full Council at either the April 15 or June 17 meetings.

The Finance Committee's next meeting is scheduled for April 12, 2022.

**TITLE:** Report from the Committee on Equal Opportunities

**DESCRIPTION:** The following is a summary of the Committee's January 24, 2022 meeting.

**PRESENTER:** Elaine Walker, Chair of Committee on Equal Opportunities

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The Committee on Equal Opportunities met on January 24, 2022. Below is a summary of their work.

- Received an overview of the Cultural Competence Credential Certification process including the announcement of the first approved proposal for faculty submitted by Western Kentucky University. Representatives from Western Kentucky University were in attendance to give an overview of their Inclusive Teaching Academy including the modality, functionality, and benefits of the program.
- Received an overview of the Institutional Diversity Plan Report Evaluation Process noting that institutions will be submitting their reports on March 1, 2022. Review teams consisting of both CEO and CPE members are being formed and will have a calibration meeting in February for training on reviewing and scoring the reports. The institutional diversity plan report scores will be presented to the CEO at its next meeting in April.
- Received a preliminary overview of CPE's plan to review the current diversity, equity, and inclusion policy and report evaluation process. The goal is to review the policy and the process to ensure maximum efficiency and effectiveness.

The Committee's next meeting is scheduled for April 25, 2022.

**TITLE:** Nominating Committee Report and Election of the 2022 CPE Chair and Vice Chair

**DESCRIPTION:** The Committee Chair will present the Nominating Committee's slate of officers for consideration by the Council

**PRESENTER:** Lori Harper, Chair of Nominating Committee

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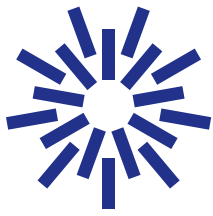
### **SUPPORTING INFORMATION**

The Nominating Committee met on January 19, 2021 to discuss and recommend members to serve as chair and vice chair of the CPE through January 2023.

The chair shall serve as the convener of all Council meetings and as the central voice of the Council. In the absence of the chair, or in the event the chair is unable to perform, the vice chair shall perform the duties of the chair. In the event the chair resigns and the vice chair assumes the duties of the chair, the council may select a vice chair to complete the unexpired term of the vice chair. The chair and vice chair are limited to three consecutive one-year terms.

After the election of the chair and vice chair, the officers will begin their duties immediately.





# Association of Independent Kentucky Colleges and Universities

## News highlights

### Inaugural AIKCU Diversity Summit a success

The Association of Independent Kentucky Colleges and Universities held its inaugural Diversity Summit on November 15. The daylong virtual event, planned by a team of diversity officers from AIKCU's member institutions, attracted more than 200 registrants from AIKCU institutions, other postsecondary institutions, and community partners.

### AIKCU and University of the Cumberlands president testify before Senate committee

AIKCU and University of the Cumberlands President Larry Cockrum testified before the Senate Education Committee on January 21 on the importance of state aid programs and other issues important to independent higher education. Dr. Cockrum chronicled Cumberlands' growth, response to the pandemic, and the Cumberlands Commitment to affordable and quality education for their region.

### Dr. Rosemary Allen named first woman President of Georgetown College

In January the Georgetown College Board of Trustees named former provost Rosemary Allen, PhD as the first woman president in the college's 193-year history. [Story](#).

## 2021-22 Kentucky Lottery-funded state aid to AIKCU students

70% distributed through need-based CAP and KTG programs

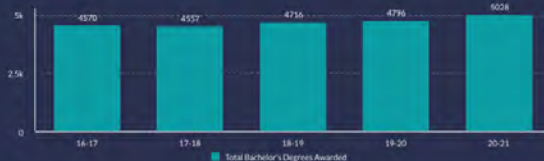


CAP: \$16.7 million, 9,004 Kentucky students  
 KTG: \$31.7 million, 12,339 Kentucky students  
 KEES: \$21.1 million, 12,004 Kentucky students

Source: KHEAA

**AIKCU students received nearly \$70 million in Kentucky Lottery-funded aid through Kentucky's "Big 3" state aid programs last year.** More than 12,000 Kentucky students were able to attend Kentucky independent colleges last year thanks to the Kentucky College Access Program (CAP), Kentucky Tuition Grant (KTG), and Kentucky Educational Excellence Scholarship (KEES) programs, according to the Kentucky Higher Education Assistance Authority (KHEAA).

## AIKCU members awarded a record number of bachelor's degrees in 2020-21



Despite the pandemic, Kentucky's independent colleges topped 5,000 bachelor's degrees for the first time last year.



Despite the challenges brought on by the pandemic, **AIKCU members awarded a record number of bachelor's degrees during the 2020-21 academic year.** AIKCU members awarded more than 5,000 bachelor's degrees for the first time in history. Among the top disciplines for AIKCU bachelor's degree earners were social and behavioral sciences and human services (27%), business (18%), and health professions (13%).



# CPE REPORT

Eastern Kentucky University News for the Council on Postsecondary Education



## EKU PROVIDES SIGNIFICANT ECONOMIC IMPACT UPON REGION

Eastern Kentucky University generates an annual economic impact of \$580.63 million in university, student and visitor expenditures, according to a research study that analyzed the university's role in shaping the local area.

The report is the result of study conducted by EKU's Division for Regional Economic Assessment and Modeling (DREAM) and provides an in-depth perspective of economic impact from a variety of data from the 2018-2019 academic year and was unveiled by EKU President David T. McFaddin during the December 9 Board of Regents Meeting.

President McFaddin says the research affirms the transformative power of the institution upon the region.

"Our community partners have always recognized the town and gown relationship that exists with EKU, but I doubt many truly understand the immense financial impact of not only being one of the largest employers but the residual impact that our faculty, students, alumni have on the local economy," said McFaddin. "Without a doubt, the economic impact of \$580 million is significant. From the infusion of graduates into the workforce to the impact of tourism, EKU is proud to shape the economic vitality of the region that we serve."

Among the key findings:

- EKU supports more than 6,600 jobs and \$247.01 million in labor income in Madison county and the surrounding region.

- EKU students spend an estimated \$148.47 million in Madison County, counties contiguous to Madison, and in counties where EKU extended campuses are located.
- EKU events attract an estimated 343,203 people to Madison County each year, supporting \$8.19 million in expenditures, 107 jobs and \$2.94 million in local wages.
- EKU NCAA sporting events held on the Richmond campus support \$2.42 in expenditures, 46 jobs and \$1.24 million in local wages.
- EKU's presence in Madison County alone supports nearly 6,000 jobs and \$225.01 million in local wages.

The study covers the impact of the EKU Main Campus located in Madison County with impacts on the surrounding counties of Fayette, Clark, Estill, Jackson, Rockcastle, Garrard, Jessamine as well as the regional campuses located in Manchester and Corbin.

The research team for the study included Dr. James Maples, associate professor of sociology and DREAM director; Kobe Perry, a sophomore biology and biomedical sciences major; and Dr. James Blair, assistant professor of marketing and fellow for the Direct Selling Education Foundation.

To review the report in its entirety visit:  
[www.president.eku.edu](http://www.president.eku.edu)





Dr. Brooke Bentley and Dr. Mendi Blair, Outstanding Alumni Award.

## SCHOOL OF NURSING CELEBRATES 50TH ANNIVERSARY

Eastern Kentucky University's school of nursing has been going strong since 1971, experiencing tremendous growth as it now includes seven opportunities for students at all levels of education: associate, bachelor, master and doctoral.

"EKU nursing was a school of opportunity at that time and still is today," said Dr. Brooke Bentley, chair of the school of nursing. "We are proud to be a part of the education of many first-generation college students. Over the past five decades, each nursing student and faculty member has contributed to the highly-regarded reputation held by all of the EKU nursing programs."

Nursing alumni and their families enjoyed a weekend full of activities to commemorate the anniversary. Dr. Mendi Blair, vice president and chief nursing officer for Baptist Health Richmond, was named the Outstanding Nursing Alumni during halftime of the EKU-Lamar football game.

EKU's School of Nursing boasts award-winning programs ranging from being named the top nursing program in the Commonwealth to international online teaching excellence. Nearly 100 percent of graduates are employed by the time they graduate, according to Bentley.

"We are proud to salute each graduate of the School of Nursing and the difference they have made in 50 years of impacting the health of communities," Bentley said.

## EKU RANKS IN TOP TEN IN BEST FOR VETS

Eastern Kentucky University continues to climb the Military Times' Best for Vets ranking, moving up to No. 9 this year among public institutions, making it the top-ranked school in Kentucky for veterans and other students connected to the military. The University ranked No. 15 in 2019, the last time the survey was conducted.

More than 300 schools participated in the 2021 Best for Vets survey, which included more than 70 questions regarding costs, policies, programming and services. Data from the U.S. Departments of Education, Veterans Affairs and Defense also help inform the rankings.

Improving the campus infrastructure for student veterans has been a priority for Barbara Kent, Director of the Office of Military and Veterans Affairs at EKU. The Veterans Education and Transition Support (VETS) Center opened in August of 2020 as a key feature of that improving infrastructure. The 3,000 square foot facility located in the Powell Student Center is designed to physically and emotionally support student veterans.

Thornton Gallimore, a 20-year Air Force service member and EKU nursing student, said the Office of Military and Veterans Affairs has served as a valuable resource during his collegiate experience.

"OMVA has not only taken my family in as their own, but they have supported us and connected us to resources in many ways," he said. "The OMVA staff is very proactive in connecting me with great resources and opportunities, scholarships, transcripts, academic advising, stress relief activities and outstanding networking for connecting with other veterans."



# KCTCS GOOD NEWS REPORT

JANUARY 2022

## KCTCS IS THE SOLUTION TO KENTUCKY'S WORKFORCE SHORTAGE



The Kentucky Community and Technical College System (KCTCS) is the largest provider of workforce education and training in the Commonwealth. Our role is pivotal in helping to grow and improve Kentucky's workforce participation rate. For example, our 16 colleges train 82% of the state's skilled trades workers and award almost 1 million credentials annually. Despite the significant disruption to the 2020-21 academic year, KCTCS awarded a record number of credentials to a record number of graduates. Our increase in credentials has moved Kentucky to number one on a list that we're proud to be on. We now rank first in the nation in the number of credentials awarded by public, two-year institutions per capita.



**KENTUCKY**  
COMMUNITY & TECHNICAL  
**COLLEGE SYSTEM**



# KCTCS IS THE SOLUTION

## TO KENTUCKY'S WORKFORCE SHORTAGE



Additionally, for the first time ever, KCTCS graduation rate surpassed 40%. Under-represented minority (URM) student success also has increased. The Council on Postsecondary Education found: "In the Kentucky Community and Technical College System, URM student credentials grew faster than the overall total, increasing 4.3% over the previous year and 46.1% since 2015-16."

More information about KCTCS can be found in the [KCTCS Factbook](#) or at [BetterLivesKY.com](#).





# GOOD NEWS

JANUARY 2022

## KENTUCKY STATE UNIVERSITY DONATED MORE THAN 6,600 POUNDS OF PRODUCE THROUGH ITS HEALTHY FOOD INITIATIVE

Kentucky State University's Healthy Food Initiative started in 2020 as a way to make sure that produce grown for research did not go to waste. Since then, thousands of pounds of produce have been donated to soup kitchens in the Frankfort area. In 2021, Kentucky State donated 6,622 pounds of produce, 4,047 of which were to ACCESS Soup Kitchen and Men's Shelter in Frankfort.

At ACCESS, the donated produce gets used in meals or put on shelves for guests to take home. Many of those who come to ACCESS live nearby and don't have transportation or money to buy produce from a grocery. Donated produce "is about all they get," said Mike Ball, ACCESS director and Kentucky State alumnus. ACCESS receives donations from others as well, but the produce from Kentucky State is always the freshest.

"This makes a world of difference for them," Ball said. Several Kentucky State employees have been involved in the research and donation process, including Extension associate Tom Trivette and research associate Matt Behrends.

"Kentucky State University's Healthy Foods Initiative Program has become a beacon of hope for many unfortunate people during the last two years of the COVID-19 pandemic, when many suffered food insecurity and economic depression," Trivette said. "On a personal level, working to grow, harvest, and donate this produce to the less fortunate gives KSU's staff and faculty members a reasonable amount of pride and satisfaction during difficult times."

## KENTUCKY STATE UNIVERSITY ALUMNUS MAKES HISTORY AS FIRST BLACK SOUTHLAND CONFERENCE COMMISSIONER



A Kentucky State University alumnus recently made history after being named the first Black Southland Conference commissioner. Chris Grant, a former Kentucky State University student and football player, will take the helm of the Southland Conference after current commissioner Tom Burnett departs to become a full-time senior consultant role of the NCAA Division I Men's Basketball Committee at the conclusion of the 2022 NCAA Men's Basketball Tournament.

Grant joined the Southland Conference in June as the deputy commissioner, according to a news release from the conference. "As we look ahead, we are truly excited that Chris will be leading us at a time of unprecedented change, and opportunity, in college athletics," Jay Clune, president of Nicholls State University and the chair of the conference's governing board, said in a Southland Conference news release.

"A former student-athlete who has served at nearly every level of college sports and succeeded everywhere he's gone, he has the right mix of innovative spirit, determination, and openness to collaborate that a strong commissioner needs."

Before coming to the Southland Conference, Grant served as associate commissioner of sports management and championships at the Pac-12 Conference, director of sports services at Conference USA, and assistant athletics director at Wright State University in Dayton, Ohio. "Chris has the perfect mix of experience as a leader – both as a student-athlete and as a conference administrator – that will make him a superb commissioner," Steve Moniaci, athletic director at Houston Baptist University, said in the Southland Conference news release. "When you put that together with his personal commitment to innovation and his ability to work with others, it really is a recipe for success. I know all of the Athletic Directors are looking forward to working with Chris as we continue striving to make this one of the premier athletic conferences in the country."

Grant said in the release that he is humbled by the responsibility entrusted to him and is determined to live up to expectations. Based in Frisco, Texas, the Southland Conference includes eight members in Louisiana and Texas and sponsors 19 NCAA Division I sports, with NCAA Championships auto berths in 12 applicable team sports.



# KENTUCKY STATE UNIVERSITY STUDENTS TO BENEFIT FROM NEW CASTLE & KEY AND KENTUCKY BLACK BOURBON GUILD RELEASE



*Kentucky State University students will benefit from the new Castle & Key and Kentucky Black Bourbon Guild release called The Un-Told Story of Kentucky Whiskey: Chapter 1.*



Money from the sales of the new release will benefit students in the Kentucky State University distilling program as part of the Diversity in Kentucky Distilling Scholarship. “As distillers and admirers of American whiskey, it is our responsibility to share the history of how the spirit came to be,” Will Arvin, co-founder of Castle & Key, said. “We are honored to have partnered with the Kentucky Black Bourbon Guild to amplify these untold stories and to launch this important scholarship fund. Our hope is to amplify the diverse history of our industry and to support a more equitable future for prospective distillers.” Castle & Key will only release 425 bottles of Chapter 1. The Diversity in Kentucky Distilling Scholarship offers students of color \$5,000 awards (for up to two years) to pursue distilling education and work in Kentucky. Kentucky Governor Andy Beshear was on hand at the unveiling event. “It was an honor to join the Kentucky Black Bourbon Guild’s limited release of The Untold Story of Kentucky Whiskey, Chapter 1, highlighting the contributions of African Americans that led to the creation of America’s spirit – bourbon,” Beshear said via his official Twitter account. Lexington Mayor Linda Gorton was also in attendance and declared Nov. 13 as Black Bourbon Guild day in the city. The event also featured remarks from the first Black woman chemist at Brown and Forman, 90-year-old chemist Elmer Lucille Allen. Allen was recently profiled in American Whiskey.

“We’re proud to release this bottle to you today. With this bottle, this is just Chapter 1. This is the foundation of our organization, which is getting African American history in front of everyone. This goes way back and we’re just getting started,” Robert Beatty, founder and board member of the Black Bourbon Guild, said at the event. Michael Adams Jr., a Kentucky State alumnus and vice president of the Kentucky Black Bourbon Guild, also provided remarks. “The Castle & Key Untold Story Series of Kentucky Whiskey is not just American heritage within a bottle. This special release rightfully connects African American contributions to that very Americanism going back to the dates of slavery,” Adams said. “Make no mistake about it, this project boldly confesses a truth that most have been reluctant to merely utter aloud. Our organization is proud to work with such a courageous, forward-thinking, and fair organization as Castle & Key.”

## THREE KENTUCKY STATE UNIVERSITY STUDENTS INTERNING IN WASHINGTON D.C.

Three Kentucky State University students are making a name for themselves among the nation’s legislators through internship placements with the HBCU National Center.

Sophomore Anyiah Chambers, senior Brionna Greer and sophomore Nina Jones are each interning with a U.S. representative. Chambers is interning with U.S. Rep. Nanette Barragan, while Greer is interning with U.S. Rep. Jim McGovern and Jones is interning with U.S. Rep. Chrissy Houlahan. The students were recognized during the recent dedication of the HBCU National Center. Kentucky State University Acting President Clara Ross Stamps also provided remarks.

Joining the Kentucky State contingent in celebration were U.S. Rep. Alma Adams and U.S. Rep. Nancy Pelosi.

According to the HBCU National Center, it was “founded to fight the structural inequalities that keep Black students out of Washington D.C. It awards each participating HBCU at least one \$5,600 housing grant per academic semester, allowing the students to live at the Center in the heart of Capitol Hill.”

According to news reports, the center has been established by Jacqueline “Jackie” Lewis, who is also the Founder of WISH, LLC, which provides housing to interns in Washington, DC.

In a HBCU National Center communication, Chambers said, “Not many HBCU students can do what myself and the other students in the cohort are able to do, right now...that exposure and experience means so much.”





## Center for Economic and Entrepreneurial Development continues to assist regional businesses through pandemic, recent storms

Murray State University’s Center for Economic and Entrepreneurial Development (CEED) through the Arthur J. Bauernfeind College of Business has assisted various businesses in several ways, including the dissemination of important information, connecting businesses with important contacts and fielding requests for assistance in aiding recovery efforts. This outreach originated in Spring 2020 during the early stages of the COVID-19 pandemic, as well as in the aftermath of the devastating storms in the west Kentucky and multi-state region in December.

“We have a tremendous responsibility at Murray State University to assist our region during this difficult time,” Murray State President Dr. Bob Jackson said. “The Bauernfeind College of Business, CEED office, Mr. Chris Wooldridge (CEED Director) and others will be excellent resources and a major help along with the Purchase Area Development District to those throughout our region impacted by the tornadoes.”



Following the devastation and upon the restoration of power from the Dec. 10 storms, CEED began immediately sending contact and resource information from state and national levels through the region to chambers of commerce, economic development organizations and area development district partners throughout its 26-county footprint. Information and resources from providers that continue to be shared include the United States Department of Agriculture, United States Small Business Administration, Tennessee Valley Authority, Delta Regional Authority, Kentucky League of Cities and Kentucky Association for Economic Development. In addition, contacts from the regional and other state entities have been providing useful information that has been redistributed through the CEED regional contact network.

Murray State will continue to support its community through its response, recovery and growth efforts.



## Murray State University joins the Missouri Valley Conference

The Murray State University Board of Regents accepted an invitation from the Missouri Valley Conference (MVC) during a special meeting on Jan. 7, 2022. The Murray State Racers become the 11th member of the MVC beginning July 1, 2022.

Throughout the process, Murray State officials have prioritized stable and vibrant competitive homes for all 15 of its sports programs in order to continue its long history of success in Racer Athletics. Given the MVC’s sports portfolio does not include football and rifle, Murray State has proactively pursued — in a collective and parallel track —

league membership for football and rifle and are excited about the future. Upon unanimous support from the Missouri Valley Football Conference (MVFC) board of presidents – a separate stand-alone, football-only conference – Murray State and MVFC officials are actively engaged in the membership process, which officially began immediately upon receipt of the MVC invitation. The nationally ranked (currently 6th) Murray State rifle program will continue to compete in the Ohio Valley Conference.

“We are very excited as we advance Murray State University and Racer Athletics into our second century,” said Murray State President Dr. Bob Jackson. “The Missouri Valley Conference is one of the premier conferences in Division-I athletics and we look forward to continuing our long record of success in this conference.”

## New Makerspace area provides innovative resources and opportunities for students, faculty and staff

Murray State University and University Libraries dedicated the new Makerspace area inside Waterfield Library as part of the University’s many events and celebrations associated with Homecoming 2021 on Oct. 22.

Students, as well as faculty and staff, can gain hands-on experience through design and artistic expression with a variety of innovative technologies including 3D printing and scanning, laser cutting, virtual reality, photography, sewing and recording.

The new space also includes 12 dual-monitor workstations with cutting-edge software for 3D modeling, sound production, video editing, game creation, along with other digital editing tools and maker technology.

“The Makerspace will promote hands-on, creative learning and enable our students to

design, build, and invent,” said Cris Ferguson, Interim Dean and Director of Tech Services/ Associate Professor, University Libraries. “It will foster a collaborative environment where students can investigate and create, exploring the intersections between technology, science, art and culture. Moreover, this space provides the University Libraries another valuable avenue through which we can partner with departments and units across campus to further the academic mission of the University and meet the needs of our diverse community.”





## National Pan-Hellenic Council Plaza campaign underway

The National Pan-Hellenic Council (NPHC) at Murray State University has announced a campaign to raise funds in support of the construction of a new plaza on the main walkway of the University's campus. The campaign has set a goal of \$210,000 with \$70,000 in support of the plaza committed by the University.

The plaza will include nine brick columns representing each Greek organization's letters and crest, along with bricks spanning out from each column. The announcement of the campaign precedes a vital mission to raise the remaining funding to support the plaza. The plaza will honor the nine organizations on campus and serve as a place to educate the community about the history of each of the organizations while offering a new outdoor gathering space for the community to engage and host programs.

The NPHC at Murray State University has a vibrant history with the mission to promote "unanimity" of thought and

action as far as possible and to consider problems of mutual interest in the organizations.

The "Divine Nine" NPHC organizations represented within the plaza include:

- Alpha Phi Alpha Fraternity, Incorporated - Zeta Omicron
- Alpha Kappa Alpha Sorority, Incorporated - Zeta Zeta
- Kappa Alpha Psi Fraternity, Incorporated - Eta Beta
- Omega Psi Phi Fraternity, Incorporated - Alpha Beta
- Delta Sigma Theta Sorority, Incorporated - Eta Upsilon
- Phi Beta Sigma Fraternity, Incorporated - Omicron Xi
- Zeta Phi Beta Sorority, Incorporated - Nu Rho
- Sigma Gamma Rho Sorority, Incorporated - Xi Alpha
- Iota Phi Theta Fraternity, Incorporated - Epsilon Theta



## Fall enrollment indicates stability and growth in a number of key categories

Murray State University's Fall 2021 enrollment indicates many positive trends, including stability with overall enrollment as well as continued growth in multiple student classifications.

Below is a snapshot of this fall's enrollment:

- Both first-time transfer students and first-time graduate students reflect double digit percentage increases when compared to Fall 2019 — an 11.8% increase in first-time transfer students and a nearly 30% increase in first-time graduate students from two years ago.
- Total graduate student enrollment of 1,692 students is the largest since 2016 and reflects a 25% increase from two years ago.
- Total international student enrollment of 511 students reflects a 48% increase from two years ago.
- This year's freshman class comes from 27 different states, 77 counties in Kentucky, has 9.3% more valedictorians from last year and grew 2.7% in underrepresented minority students from Fall 2019.
- Total headcount as of Fall 2021 census day is 9,427 students — just 29 students fewer from last fall's overall enrollment. In 2021, a total of 2,197 degrees were conferred to Murray State graduates.
- The student body represents 47 states, 50 countries and 113 counties in Kentucky.

## Murray State University awarded \$554,750 to help low-income, potential first-generation college students access higher education

The U.S. Department of Education announced that Murray State University will receive two federal Talent Search grants of \$277,375.00 each to help more low-income students who would be the first members of their families to earn degrees to prepare for and enroll in college. Talent Search East will serve 500 students in the Christian, Todd and Trigg County school districts; Talent Search West will serve 500 students in the Carlisle, Fulton County, Fulton Independent, Hickman, Mayfield Independent and Paducah Public school districts. Talent Search has operated successfully at Murray State since 2016.

"We are excited to continue the important work of providing college access and success services to students in western Kentucky. Postsecondary education offers students a variety of options, including 1-year certification programs, vocational or technical degrees, 2-year associate's degrees and 4-year bachelor's degrees, and our goal is to assist students in exploring these options and preparing them in the most successful way possible," explains Audrey Neal, TRIO Talent Search Director at Murray State University.



# GOLD RUSH

JAN. 2022

NORTHERN KENTUCKY UNIVERSITY

## GO FIGURE

DECEMBER COMMENCEMENT STATS

1,756

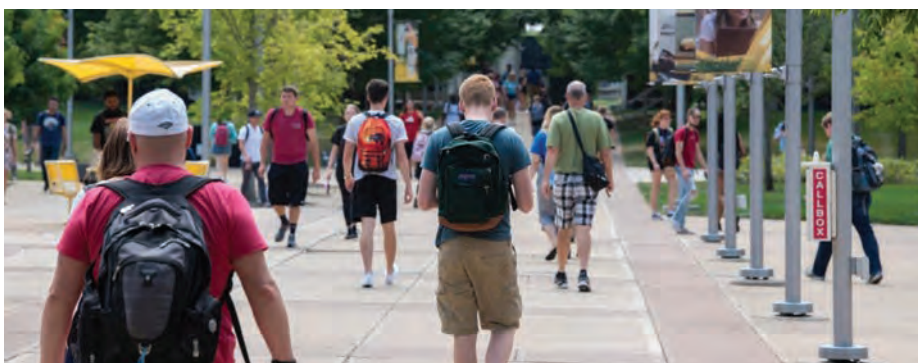
Graduates

332

First-generation students

181

Under-represented minority learners



### STUDENT VOTER TURNOUT ON THE RISE

Northern Kentucky University students voted in record numbers for the 2020 presidential election, according to a new report by the Institute for Democracy & Higher Education (IDHE). Student voting on campus increased in the 2020 election, rising to 67.5% from a rate of 61.1% in 2016.

The IDHE report also showed an increase in voter registration between 2016 and 2020. In 2016, NKU had a voter registration rate (percentage of voter-eligible students who registered to vote) of 83.4%. In 2020, that rate jumped to 88.2%. Additionally, the voting rate of eligible voters (the percentage of registered voters who voted) jumped from 75.7% to 76.6%.

This comes as the Scripps Howard Center for Civic Engagement put forth initiatives to drive up voter registration in 2020, including ongoing voter registration efforts on campus, creating "I Count Because I Vote" facemasks, hosting forums to discuss voting and public affairs, as well as hosting a website with voter information.

"We are happy to see these results," Mark Neikirk, executive director of the Scripps Howard Center for Civic Engagement, said. "They reflect a campus-wide commitment to teaching students the importance of participating in the democratic process. This isn't something we do once and move on. It is a continuous effort and involves teamwork by faculty, staff and students."

Nationwide, the study's authors report a record-breaking set of findings. On campuses across the country, students built on the momentum swing of 2018 and voted at high rates in the 2020 election, with voter turnout jumping to 66% in the 2020 presidential election. The 14-percentage point increase, from 52% turnout in the 2016 election, outpaces that of all Americans, which jumped six percentage points from 61% to 67%, according to the U.S. Census Bureau. The 2020 dataset is robust with over 8.8 million voting-eligible students representing 1,051 colleges and universities.

NKU's Scripps Howard Center for Civic Engagement builds connections between campus and community, with an emphasis on developing stewardship and citizenship. It works to create an ecosystem of engagement, in which opportunities and experiences are not isolated but part of a learning environment that unites the classroom and the real world.

## COLLEGE CORNER

NKU's College of Education has launched a new Bachelor of Arts in Education, Culture and Society program, starting in the Spring 2022 semester.

This undergraduate program offers opportunities for students to develop and apply innovative and practical understandings of education from multidisciplinary perspectives. It will prepare graduates to address critical needs in the current and future workforce, including working with diverse colleagues and customers regionally, nationally and globally. It also provides students with innovative use of technology and design thinking.

LEARN MORE: <https://tinyurl.com/yatd26uf>

LEARN MORE: <https://tinyurl.com/r8ywx3>





## NKU RECEIVES GRANT TO HELP EXPAND TELEHEALTH MEDICINE IN RURAL COMMUNITIES

The United States Department of Agriculture (USDA) announced it is awarding a grant to Northern Kentucky University aimed at expanding telehealth and telemedicine resources in rural communities in the Northern Kentucky region. The grant, worth \$182,792, will allow NKU to help St. Elizabeth Healthcare to expand its school-based health telemedicine program to Pendleton, Owen, Carroll, Grant and Gallatin County Schools. The USDA grant will also allow NorthKey Community Care, in partnership with Three Rivers District Health Department, to offer virtual treatment for Substance Abuse Disorder in these counties as well.

"The Institute of Health Innovation has been partnering with the rural counties in Northern Kentucky for the past several years to increase their capacity for healthcare," Dr. Valerie Hardcastle, St. Elizabeth Healthcare executive director of the Institute for Health Innovation and NKU vice president for Health Innovation, said. "In collaboration with St. Elizabeth Healthcare and NorthKey Community Care, this grant will allow us to bring medical and behavioral health just-in-time support to residents in the region who might not otherwise be able to access services."

Additionally, the grant will develop telemedicine and telehealth clinical and practicum sites for nursing and social work programs at NKU. This project is part of a \$50 million investment by the USDA's Distance Learning and Telemedicine Program, which is funding 105 projects in 37 states and Puerto Rico. The program focuses on distance learning and telehealth services in rural communities that would otherwise have limited or no access to these services. **LEARN MORE:** <https://tinyurl.com/sa4ncyj2>



## THE SCOREBOARD

NKU Director of Athletics Ken Bothof announced his retirement, effective June 30, 2022. Bothof has been the head of Norse athletics since August 2013. Under Bothof's leadership, Norse women's soccer won the 2016 Horizon League Championship and earned the department's first-ever NCAA Division I Tournament appearance that year, men's basketball won league tournament titles and NCAA tournament berths in 2017, 2019 and 2020 with a regular-season title and NIT appearance in 2018, and women's volleyball won a league championship in 2019 and appeared in the NCAA tournament that year.

**LEARN MORE:** <https://tinyurl.com/3dkawfm>

## BRIEFS

### 50 YEARS OF NKU ATHLETICS HONORED AT NKU SPORTS HALL OF FAME

Fifty years of athletics at Northern Kentucky University was honored at the Northern Kentucky Sports Hall of Fame in December. Among those recognized were Marilyn Scroggin-Moore, NKU's first women's basketball coach, who was inducted into the Northern Kentucky Sports Hall of Fame. Scroggin-Moore also coached NKU's volleyball team.

Dr. James Claypool, NKU's first Dean of Students and a founding member of the university, was presented the inaugural Dr. James Claypool Pioneer Award, which will be given annually to a distinguished member of the Hall of Fame.

**LEARN MORE:** <https://tinyurl.com/5n7926yv>

### REGENTS CHAIR ANDRÁ WARD SELECTED TO AGB COUNCIL FOR STUDENT SUCCESS

Northern Kentucky University Board of Regents Chair André R. Ward has been selected to serve on the Association of Governing Boards of Universities and Colleges' (AGB) Council for Student Success.

AGB's Council for Student Success is composed of an elite group of college and university board members, chief executives and select administrators and faculty from a diverse array of AGB member institutions, systems and foundations who have a commitment to advancing student success. The council helps shape the strategic thinking, priorities, and action of university and college boards and their members to elevate student success outcomes.

**LEARN MORE:** <https://tinyurl.com/2p8ncvy>

### NKU RANKS AMONG BEST IN KENTUCKY FOR RETURN ON EDUCATIONAL INVESTMENT

NKU ranks as the second-best value school among Kentucky universities and colleges, according to the latest study by SmartAsset, which compared the Commonwealth's colleges and universities based on a variety of data points, including starting salary, tuition, living expenses, student retention rate and scholarships awarded. NKU ranked second, only behind Centre College in Danville, Ky. The No. 2 ranking for NKU also marks the highest ranking for the university on this same list. In 2020, NKU was ranked fourth in the study.

**LEARN MORE:** <https://tinyurl.com/bp8p4t2h>

### NKU PARTNERS WITH ELECTRADA FOR ELECTRIC VEHICLE CHARGING STATIONS ON CAMPUS

Northern Kentucky University has partnered with Electrada, a Cincinnati-based EV charging solution company, to install electric vehicle charging stations across campus and meet a growing need for more charging capacity. The expanded charging station infrastructure contributes toward NKU's campus sustainability goals and commitment to the Cincinnati 2030 District, which is part of an international network of cities developing a new model for urban sustainability. NKU was the first organization in Kentucky to join this collective.

**LEARN MORE:** <https://tinyurl.com/4wfpXuUr>

## FACULTY FOCUS

Dr. Suk-hee Kim, associate professor of Social Work, was honored by the Council on Social Work Education (CSWE) with its Distinguished Recent Contributions to Social Work Education Award as one of the significant recognitions at the national level.

The prestigious award recognizes a social work educator's exemplary achievements within the last 10 years in at least two of the three areas: research and scholarship, pedagogy and curriculum development, and organizational leadership. **LEARN MORE:** <https://tinyurl.com/ys9fymtf>

## ALUMNI NEWS



### DONNA DECK ADDS NEW PROFESSION TO HER LIST: WRITER

Donna Deck ('97, '99) has run pet shops, furniture stores, worked in hospice and as an EMT. Now, Deck is adding writer to her resume after writing her first novel "The Beginning."

The novel is set in Latonia, Ky. in the 1970's and centers on a 17-year-old girl who witnesses an extreme crime that leads to a roller coaster of events.

**LEARN MORE:** <https://tinyurl.com/pc37m9ks>



# THE PRESIDENT'S REPORT

ISSUE 115 | NOVEMBER/DECEMBER 2021

Dear Friends,

While much has changed at the University of Louisville over the past several months, I think it is most important to note what has stayed the same - our commitment to pursuing a better tomorrow through education, research and community service. You'll see that commitment and our Cardinal personality traits of passion, innovation and resilience demonstrated in the university's new branding campaign, Here & Beyond, which launches this month.

I've seen that campaign come together during my eight months as executive vice president and university provost, and it fills me with pride. The campaign provides a clear look at who we are as Cardinals, what we stand for and why we matter. It reaffirms my decision to join the Cardinal community, and I'm honored to now serve as interim president.

My first few weeks in this new role have been filled with excitement. I have enjoyed the opportunity to meet our city's elected

officials and community leaders. Of course, I am honored to preside at a number of university events, including our December commencement, where nearly 900 graduates walked across the stage to become Cardinal alumni.

From my early days on the job, I've seen how much this university means to students, faculty, staff, alumni and the community at large. I've witnessed how investments by companies such as Kindred Healthcare help us grow. I've cheered our Cards to victory alongside fervent UofL fans. And I've seen how our partners at UofL Health protect our loved ones during the pandemic and provide the best possible care to all parts of our community, from West Louisville to Bullitt County.

While the Omicron variant has complicated our return to spring semester classes, our commitment to in-person learning remains strong. As we have promised our students, we will provide the best possible educational

experience in a safe and healthy environment. We've done it before, and we will do it again.

I salute our faculty, staff and, of course, our health care heroes for all they've done and continue to do to get us successfully through this terrible pandemic. We don't take their efforts for granted, and their dedication to the work that they do is worthy of high praise.

My thanks for the support and encouragement that all of you have shown during this period of transition for me. We have much work to do in the coming weeks and months, but I know with the ongoing backing of the Cardinal community that we will continue to build a university that meets all our expectations and goals. The time, effort and energy you commit to our university's success are most appreciated. Here is to a positive, productive and successful 2022.

**Lori Stewart Gonzalez**

**Interim President, University of Louisville**

## UofL, LOUISVILLE SEMINARY NAME 2022 GRAWEMEYER WINNERS

The University of Louisville and Louisville Presbyterian Theological Seminary announced the 2022 winners of five, \$100,000 Grawemeyer Awards Dec. 6 - 10, 2021.

Charles Grawemeyer, a UofL graduate and former Louisville Seminary trustee, launched the awards program in 1984 to emphasize the impact a single outstanding idea can have on the world.

The 2022 winners are:

- **Olga Neuwirth**, a Viennese composer who won the music composition award for her opera showing that humanity matters more than gender;
- **Mona Lena Krook**, a Rutgers University scholar who won the world order award for analyzing the problem of violence against women in politics;
- **Terrie Moffitt**, a Duke University professor who won the psychology award for discovering two types of antisocial behavior in juveniles;
- **Rucker Johnson**, a University of California-Berkeley professor who won the education award for assessing the merits of school integration;
- **Duncan Ryuken Williams**, a University of Southern California scholar who won the religion award for exploring how U.S. Buddhists kept their faith during World War II.

UofL presents the annual prizes in music, world order, psychology and education and gives the religion prize jointly with Louisville Seminary. All of the 2022 winners will be invited to visit Louisville in April 2022 to give free, public talks on their winning ideas.

## UofL TRUSTEES APPOINT LORI STEWART GONZALEZ INTERIM PRESIDENT

The University of Louisville Board of Trustees on Dec. 13, 2021, named Lori Stewart Gonzalez, interim president. She succeeds former President Neeli Bendapudi, who accepted a position as president at Penn State University.

A native of Rockcastle County, Kentucky, Gonzalez has served as UofL executive vice president and university provost since April 2021.

She previously served from 2015 until the spring of 2021 as the vice chancellor for academic, faculty and student affairs at the University of Tennessee Health Science Center in Memphis. Prior to that role, she held academic and administrative positions at Southern Illinois University at Carbondale, the University of Kentucky and Appalachian State University, where she served as provost and executive vice chancellor for three years. In addition, she served as special advisor to the senior vice president for academic affairs at the University of North Carolina General Administration, the North Carolina public higher education authority.

In her first act as interim president, Gonzalez appointed deputy athletic director Josh Heird as interim director of athletics. Heird has been deputy AD since 2019.





## CENTER FOR ENGAGED LEARNING STRATEGIC PLAN SPOTLIGHT

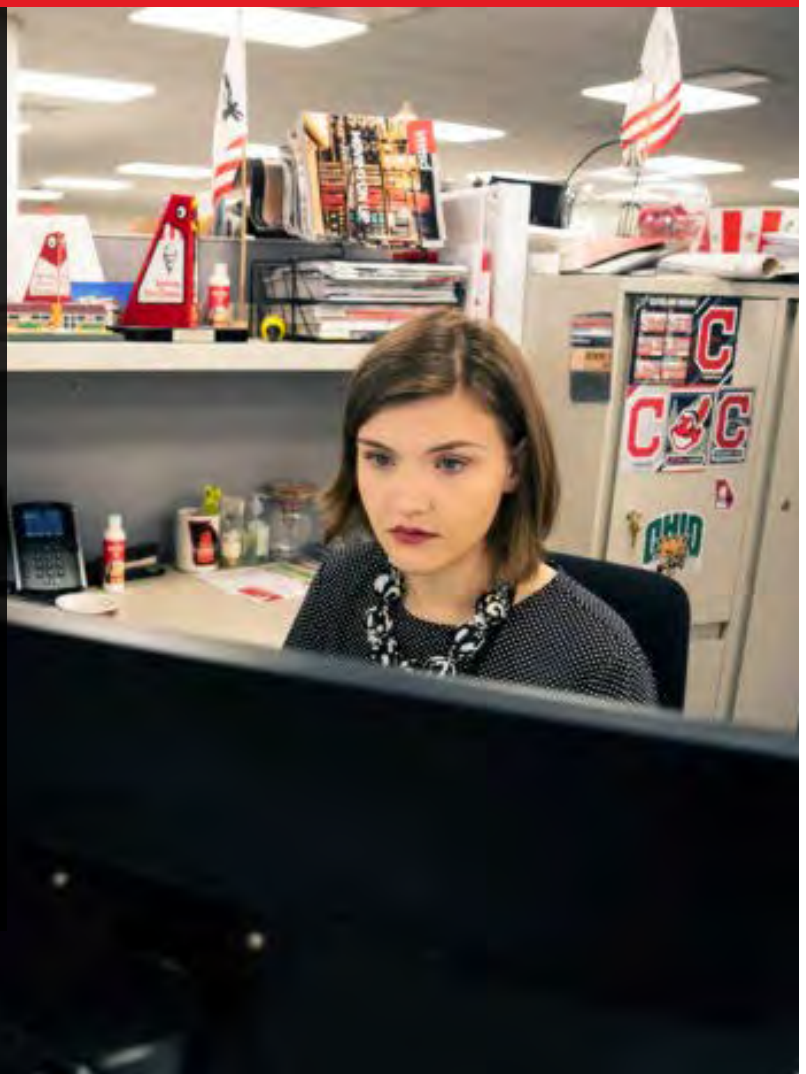
The University of Louisville will introduce a new tool designed to improve students' educational experience and give them a leg up on the competition when entering the workforce and help prepare them to further their education in graduate or professional school.

The Center for Engaged Learning (CEL) will be a resource for students, faculty and the community to help them find and create opportunities that complement the classroom experience, enabling students to apply their knowledge toward real-world projects and issues. These opportunities include research projects, internships, apprenticeships, community service and more.

The CEL will partner with many offices, including undergraduate research and creative activities, study abroad, community engagement, student teaching, Army and Air Force ROTC, competition teams, student government and UofL's Center for Digital Transformation. It will also administer a co-curricular transcript that will be supplied to students in addition to their traditional transcripts.

For local employers, partnering with the CEL will provide early access to UofL students for possible future job opportunities. Faculty members at UofL who do not already incorporate experiential learning in their classes are encouraged to work with trainers in the Delphi Center for Teaching & Learning to find the best approach for their students.

Funded primarily through a grant from the Gheens Foundation, the new center is expected to open in Fall 2022.



## UofL HEALTH BUILDING HOSPITAL TO EXPAND MEDICAL SERVICES TO BULLITT COUNTY

UofL Health and elected officials broke ground Dec. 15, 2021, on a \$60 million project to expand its Bullitt County operations into UofL Health - South Hospital.

The facility will be a full-service acute care hospital with 40 inpatient beds, more providers, enhanced emergency capabilities, an intensive care unit, cardiac/vascular lab, increased surgical and outpatient services, plus more than 100 new jobs.

Bullitt County is Kentucky's 10th largest county and the largest without its own inpatient hospital.

The hospital is expected to be completed in Spring 2023.

## UofL HEALTH TO EXPEDITE REPAYMENT OF STATE LOAN

Now entering its third year as a comprehensive academic health system, UofL Health credits state support for helping to build its positive financial performance. The system was formed in 2019, when UofL Health acquired several Louisville region facilities from a former struggling owner, with the help of a \$35 million partially forgivable loan from the Kentucky Economic Development Finance Authority (KEDFA). Repayment of the loan was scheduled to take until 2039, but UofL Health has agreed to expedite, concluding payments on the balance due in April 2025.

The loan, initially approved by KEDFA in 2020, was intended to absorb short-term operating losses and capital expenditures while the system was coming together. Under the amended terms, approved during KEDFA's Dec. 9, 2021, meeting, UofL Health will begin payments in April 2022, concluding in April 2025. Other details of the loan agreement remain unchanged, including the ability to forgive up to 50% of each annual loan payment based on meeting one of two conditions:

- Retain 5,880 full-time, Kentucky-resident jobs being paid an average hourly wage, excluding benefits, of at least \$35.
- Continue operating existing facilities, open at least one additional facility within a Medically Underserved Area (MUA) and increase the total number of family medicine access points, from 10 to 14 in the MUA.

To date, UofL Health continues to meet and exceed both conditions. The system employs more than 7,900 full-time employees, with an average hourly wage exceeding \$60. In the last year, UofL Health opened two new Urgent Care Plus locations in MUA's, and 107 physicians have been recruited to improve care in the underserved population.

UofL Health spent the \$35 million KEDFA loan for critical upgrades and equipment needs at the acquired facilities.

## LETTER FROM PRESIDENT CAPILOUTO

As we prepare for a new semester, we are committed to keeping our community safe, while continuing our vital work together. At the start of this semester, we know we will experience many more cases of the virus as we continue to offer free testing services for those with symptoms and resume the required weekly testing of unvaccinated faculty, staff and students. The Omicron variant is much more transmissible. It also appears much less likely to cause serious illness for those who are vaccinated, particularly those who have received booster shots – of which we have ample supply. We are still providing plentiful opportunities for everyone on our campus to receive a booster.

Our challenge is to continue ensuring the health and safety of our community, as we have done so well for nearly two years, while also honoring our critical missions of education, research, service and care.

**Our return to campus – with students living in residence halls and most of our courses being offered in-person similar to our recent fall semester – remains a priority, even as we will vigilantly monitor the trajectory of the virus and do what needs to be done to protect our community.**

This virus is here to stay, at least for the foreseeable future. The goal now is to continue its transition to being a virus that we manage as opposed to one that dominates so much of life. We will do that through vaccines. Continued vaccinations – and now booster shots – are essential to our success in that effort and transition.

As a community, we have met every challenge, at every moment, throughout the pandemic. We've continued to educate students, conduct vital research, provide critical care and honor our mission as Kentucky's university.

I know the continued strain and stress of this pandemic has taxed so many of us in ways we never imagined. I've been amazed by the work of our community and by the compassion they have for each other. We can do this.



Eli Capilouto  
President





## THE UNIVERSITY OF KENTUCKY IS CONTINUING ITS SUPPORT FOR THE NEW COMMONWEALTH INSTITUTE FOR BLACK STUDIES (CIBS), BASED AT UK.

Created with \$250,000 of seed funding from the university last fall, the institute will now receive annual funding of \$200,000 through UK's Office for Institutional Diversity – an important step forward in helping the institute achieve its goals.

This funding helps establish the institute as a regional – and national – leader in the field of Black studies, said Derrick E. White, associate director of AAAS and CIBS affiliated faculty member.

Housed in AAAS, a program in the UK College of Arts and Sciences, CIBS is a multidisciplinary research institute that serves as a think tank for Black studies. The institute hosts nearly 50 nationally and internationally recognized researchers with expertise in fields such as Black futures and 21st century race in digital cultures; slavery and inequality in Central Kentucky; race and sport; global Blackness (from Appalachia to Zimbabwe); and gender and sexuality in Black lives. CIBS also collaborates with, and is supported by, the United in True Racial Equity (UNITE) Research Priority Area. UNITE is five-year, \$10 million commitment that was established last year to support UK research on racial disparities and inequity.

CIBS' affiliated faculty represent 11 colleges across UK, and they are developing initiatives that look at intersections of Black studies within their colleges' subject fields. These efforts help to diversify curriculums not only in the College of Arts and Sciences, but across campus.

The recurring funds allow CIBS to not only support these expansive faculty research programs and working groups, but also UK students, through high-impact experiences.



These include paid internships, fellowships, research and education abroad experiences, and professional development opportunities – all of which can have significant impacts on student success.

The institute also brings important public programming to campus. Last spring, CIBS officially launched with a virtual address by American literary critic and scholar Henry Louis "Skip" Gates Jr., which was free and open to the UK community and the public. As director of the Hutchins Center for African and African American Research at Harvard University – the premier Black studies institute in the United States – Gates expressed his praise for CIBS and its faculty during his remarks.

This momentum has CIBS poised to become a significant leader in the field of Black studies – not only in Kentucky, but beyond.

The world looks to The University of Kentucky's Sanders-Brown Center on Aging for answers to the mysteries of dementia, and the elderly rely on them for help in charting their path to a healthy and vigorous senior lifestyle. After outgrowing their space along North Broadway in Lexington, leaders at UK decided it was time that Sanders-Brown's home for clinical research and patient care reflect their reputation – building them a new home on UK HealthCare's Turfland Campus.

The expanded Sanders-Brown Memory Clinic ensures that work continues. The research team welcomed the first participant into their new home on Dec. 20, 2021. The new facility provides a seamless, less stressful experience for a fragile population. It is essentially a one-stop shop for memory care and support.



At 15,000 square feet, the new clinic more than doubles the capacity to serve patients and research volunteers. The increased room and updated technology have many other benefits including:

- Multiple disciplines in support of healthy aging: medication management, lifestyle adaptations, addressing sleep disturbances, reducing fall risk and improving financial management.
- Co-located services, including cognitive testing, gait analysis, retinal analysis, EEG/EMG testing, dedicated space for social work consultations and patient education/resource rooms.
- Separate general and extended waiting areas.
- New telemedicine space to serve patients and families who have difficulty traveling.
- Proximity to other UK HealthCare clinics.
- Better parking and wayfinding.
- Increased ability to provide community programs.

Sanders-Brown has been around for nearly half a century. In that time, they have built an international reputation for best-in-class research into a disease that kills more people every year than breast and prostate cancer combined. At the same time, they have brought understanding of dementia home to Kentucky, arming thousands with the tools and information they need to age gracefully.

The Sanders-Brown Memory Clinic is the place where their research intersects with patient care. Leaders say this expanded clinic space is truly critical to their mission of advancing both research and patient care.



# NEWS FOR THE COUNCIL ON POSTSECONDARY EDUCATION

JANUARY 2022

## WKU's BSN program ranked as best in Kentucky for 2021

WKU's Bachelor of Science in Nursing program has been ranked as the best in Kentucky for 2021 by *NursingProcess.org*.

Nursing Process is an online resource that helps nursing students explore education and career options in the field. Nursing schools listed in the "Best BSN Program in Every State" provide students with rigorous high-quality employable BSN education.

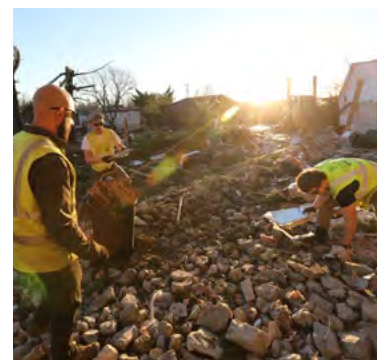
Nursing Process ranked the Best BSN programs based on Average NCLEX-RN First Time Pass Rates of Recent Five Years; Academic Quality (Enrollment Rate, Graduation Rate & Retention Rate); and NursingProcess.org Editorial Staff Ratings and Nursing School Reputation.

Learn more at <https://www.nursingprocess.org/best-bsn-program-in-every-state/#Kentucky>.

For more about WKU's BSN program, visit <https://www.wku.edu/nursing/bsn/nursingbsn.php>

## WKU offers community support after deadly December tornadoes

While WKU's campus was largely spared from significant damage after several unprecedented tornadoes tore through the area in the early morning hours of December 11, many parts of Bowling Green and Warren County were not so fortunate. After confirming that faculty, staff, and students were safe, the university immediately turned its attention to aiding in community recovery and rebuilding efforts.



University employees were encouraged to separate from regular work activities to assist in cleanup efforts throughout the area. The WKU Center for Research and Development served as the headquarters for the city's volunteer efforts.

Campus computer labs were opened to any member of the community in need of internet service to work through insurance claims and other activities, and WKU Parking and Transportation provided rides to and from campus. Showers in the Preston Health and Activities Center were made available to members of the campus community and their families.

The WKU Food Pantry remained open daily, including on Christmas Day, and the university provided an additional \$10,000 to the Pantry to supplement its collection efforts. In the week following the tornado, the WKU Restaurant Group provided 4,400 hot meals to displaced families throughout the county.

The WKU Housing and Residence Life team identified just over 100 available beds in residence halls, and those were immediately assigned to out-of-town law enforcement officers, members of the National Guard, and members of Team Rubicon Disaster Response.

The university identified students in need of financial support and provided them with money, gift cards and other resources to assist them in the recovery process. The university used a number of nationally televised December basketball games, including contests against the University of Louisville and the University of Kentucky, to raise money for tornado victims.

More information about the university's tornado response, as well as information about ongoing opportunities to help, can be found at <https://www.wku.edu/emergency/tornado-response>.



## WKU recognized as ALL IN Campus Democracy Challenge award winner

WKU received the Silver Seal rating (60%-70% voter participation) in the *ALL IN Campus Democracy Challenge* for nonpartisan student voter participation efforts in the 2020 presidential election. More than 840 institutions enrolling close to nine million students participated in the ALL IN Challenge.

Dr. Molly Kerby, campus coordinator for WKU's ALL IN Challenge, said: "WKU is proud to receive this national recognition for our efforts over the last few years. Our faculty, staff, administrators, and students are committed to working together to reduce apathy, increase engagement, and graduate civic-minded students prepared to solve the most pressing challenges in the United States as well as across the globe."

"The rise in voter participation and engagement for college students in last year's presidential election amidst a global pandemic was tremendous and will undoubtedly be tied to the tireless efforts of the dedicated students, faculty, administrators, and partner organizations that are part of the ALL IN Challenge network," said Jen Domagal-Goldman, Executive Director of the ALL IN Campus Democracy Challenge. "The hard work of these trailblazing honorees will help support many of the country's future leaders in fulfilling the equitable, engaged vision of democracy to which we aspire."



## WKU listed in 'Guide to Green Colleges' for 12th straight year

For the 12th consecutive year, Western Kentucky University has been recognized as one of the nation's most environmentally responsible colleges, according to *The Princeton Review*®.

WKU is among 420 schools profiled in *The Princeton Review Guide to Green Colleges: 2022 Edition*. The Princeton Review chose the schools based on a survey of 835 colleges in 2020-21 about their institutions' commitments to the environment and sustainability. Key factors in the ratings include whether students have a quality of life on campus that is both healthy and sustainable, how well a school is preparing students for employment in an increasingly green economy and how environmentally responsible a school's policies are.

"It is an honor to be recognized for our sustainability efforts," said Dr. Leslie North, Director of Sustainability. "We strive to incorporate the pillars of sustainability into every aspect of life on the Hill. Our continued inclusion in *The Princeton Review Guide to Green Colleges* marks the success of our efforts and continues to drive us to do more."

WKU has created and maintained a culture of sustainability in the past two decades. In 2021, WKU added two more Green Restaurant Certifications at the Chick-fil-A location in Downing Student Union and at Hilltopper Hall's dining facility. Bowling Green now has three Level One Certified Green Restaurants, all of which are located on WKU's campus. WKU was also the first university in Kentucky to host a Green Restaurant. In December 2019, the Fresh Food Company became the first Green Restaurant in Bowling Green and the first Green Dining facility at any university in Kentucky.