

**MINUTES**  
Council on Postsecondary Education

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Type: Business Meeting  
Date: January 24, 2020  
Time: 9:45 a.m. ET  
Location: University of Kentucky, Gatton Student Center, Ballroom C

**WELCOMING & CALL TO ORDER**

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The Council on Postsecondary Education met Friday, January 24, 2020, at 9:45 a.m., ET, at the University of Kentucky in Lexington, Kentucky. Chair Sherrill Zimmerman presided.

**ATTENDANCE**

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Members in attendance in person: Ron Beal, Ben Brandstetter, Kim Halbauer, Lucas Mentzer, Grant Minix, Donna Moore, Kristi Nelson, Richard Nelson, OJ Oleka, Vidya Ravichandran, Robert Staat, and Sherrill Zimmerman and KDE Commissioner Kevin Brown.

Members in attendance by teleconference: Lori Harper and Brandon Wilson.

Members not in attendance: Carol Wright.

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

**APPROVAL OF THE MINUTES**

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The minutes of the October 30-31, 2019 meetings were approved as distributed.

**COMMENTS FROM THE PRESIDENT**

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President Aaron Thompson discussed several areas of work including the data collected through the listening tour, the upcoming Adult Comebacker Convening, the newly updated Data Center on the CPE website, and CPE's office move to a new location in Frankfort.

## **COMMENTS FROM KDE INTERIM COMMISSIONER, KEVIN BROWN**

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Kevin Brown became the Kentucky Department of Education's Interim Commissioner on December 18, 2019. He provided an update on the members and activities of the K-12 board of education and the plans for a national search, which they plan to complete by July 1, 2020.

## **PROPOSED COUNCIL RESOLUTIONS**

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The Council approved resolutions for the following individuals because of their support and service to postsecondary education in Kentucky:

- Michael Benson, Eastern Kentucky University
- Donna Moore, Kentucky Council on Postsecondary Education
- OJ Oleka, Kentucky Council on Postsecondary Education

## **EXECUTIVE COMMITTEE REPORT**

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Chair Sherrill Zimmerman presented the Executive Committee Report and discussed the following items:

- Results of FY19 Annual Audit: The Executive Committee received the FY19 CPE financial audit results at its January 9th meeting. For fiscal year 19, 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, 2019, 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.
- Report of Annual Evaluation of CPE President: The Council conducted a constituency evaluation of President Thompson in late 2019. Parties that were surveyed were CPE board members, CPE leadership staff members, university and KCTCS presidents, state policy leaders, members of the Governor's administration and key members of the legislature. The President also completed a self-evaluation. The Executive Committee met on December 11, 2019 to discuss the results of the evaluation surveys, President Thompson's self-evaluation, and

his progress on the goals set by the Committee. Chair Zimmerman discussed the results of that evaluation and the incentive compensation was approved prior to adjournment.

Chair Zimmerman also presented the following action items, which were reviewed by the Executive Committee and recommended for approval by the Council:

1. Extension of President Aaron Thompson's contract through June 30, 2023 upon the same terms and conditions as his current contract, except that the provision outlining terms for unilateral termination by the Council without cause (Section 7.D.1) be revised to provide for 6 months compensation upon such termination, or compensation for the remainder of the contract, whichever is less.
2. Pursuant to HB 50 (2017), that the Council notify the Legislative Research Commission that the following regulations will be amended in the next 18 months:
  - 13 KAR 1:030 & 13 KAR 2:100 - Campus Security Regulations – Public and Private
  - 13 KAR 1:050 - Licensed out-of-state college's eligibility for Kentucky tuition grant
3. Pursuant to HB 50 (2017), that the Council notify the Legislative Research Commission that the following regulations should remain in their current form:
  - 13 KAR 2:070 - Administrative hearing procedures for determination of residency status
  - 13 KAR 2:080 - State Autism Training Center

MOTION: Dr. Staat moved that the Council accept the Executive Committee's report and recommendations of approval. Ms. Moore seconded the motion.

VOTE: The motion passed.

## **FINANCE COMMITTEE REPORT**

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Committee Chair Ben Brandstetter presented the Finance Committee Report. The Committee met in December and January and its focus has centered on the various aspects and data pertaining to the upcoming tuition and mandatory fee setting cycle.

Mr. Brandstetter also presented the following action items, which were reviewed by the Finance Committee and recommended for approval by the Council:

1. Timeline for tuition setting and the Tuition and Mandatory Fee Policy for the 2020-21 Academic Year. There were no recommended changes to the policy as was already in place.
2. Nonresident Student Tuition MOU with Morehead State University. The goals and structure of the agreement are consistent with the Council's Nonresident Student Tuition Policy, and it targets students in West Virginia, Virginia, and Tennessee and allows the option to add students in Georgia, South Carolina, North Carolina and Pennsylvania.
3. Pursuant to HB 50 (2017), the Council notify the Legislative Research Commission that the Council intends to let the following regulation expire: 13 KAR 2:050 - Tuition at public institutions of higher education in Kentucky. The regulation was adopted before higher education reform in 1997 and the Council currently determines tuition in accordance with policies adopted at least biannually.

MOTION: Mr. Minix moved that the Council accept the recommendations of approval by the Finance Committee. Ms. Nelson seconded the motion.

VOTE: The motion passed.

Mr. Brandstetter also stated that KCTCS submitted a scope increase request on an interim capital project a few day prior to the meeting. While the Council has historically not been required to review scope increase requests, this exceeded 15 percent of the original scope and thus required Council approval. Because the Finance Committee had already met before Council staff were informed about the required approval and staff needed additional time to review the project before making a recommendation to this board, Chair Brandstetter recommended the Council delegate the review and related action to the Finance Committee when it meets on February 19, 2020.

MOTION: Ms. Ravichandran moved the Council delegate authority to the Finance Committee to review and take action on the \$1,000,000 agency fund scope increase for the Fire Commission's National Responder Preparedness Center Parking Lot. Dr. Staat seconded the motion.

VOTE: The motion passed.

## **ACADEMIC AND STRATEGIC INITIATIVES COMMITTEE REPORT**

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Committee Chair Lori Harper presented the Academic and Strategic Initiatives Committee Report. The Academic and Strategic Initiatives Committee met on January 9, and the committee received a progress update on the Program Review System, a draft proposal regarding the KY Essential Skills Profile, and notice of upcoming changes to the Dual Credit Policy.

Ms. Harper also presented the following action items, which were reviewed by the Academic and Strategic Initiatives Committee and recommended for approval by the Council:

1. One new academic program at Morehead State University - a Bachelor of Science in Systems Integration Engineering.
2. Two new academic programs at the University of Louisville - a Bachelor of Science in Business Administration and a Bachelor of Science in Urban Studies.
3. Three new academic programs at the University of Kentucky - a doctoral degree in Social Work, a Masters of Arts in Applied Environmental and Sustainability Studies, and a Ph.D. in Arts Administration.
4. Pursuant to HB 50 (2017), the Council notify the Legislative Research Commission that the Council intends to let the following regulation remain in its current form: 13 KAR 2:025 - College Preparatory Education. The regulation was adopted in 2002 and continues to meet the statutory requirement of KRS 164.098(1).

MOTION: Ms. Nelson moved that the Council accept the recommendations of approval by the Academic & Strategic Initiatives Committee. Ms. Moore seconded the motion.

The motion passed.

## **HIGHER EDUCATION'S RETURN ON INVESTMENT REPORT: THE CASE FOR WHY HIGHER EDUCATION MATTERS**

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Dr. David Mahan, CPE's Associate Vice President, Data & Advanced Analytics and Ms. Melissa Young, CPE's Director of Grants and Special Projects presented the findings from the Higher Education's Return on Investment Report, which focuses on Kentucky postsecondary education's return on investment from both a student and state perspective. It is the story of one cohort of students - the Kentucky high school class of

2010. This report tracks 42,856 students who graduated from a Kentucky high school in 2010 through 2018, the most recent year of data available.

The report showed the following key takeaways for the student:

- The total out-of-pocket (net) cost of a public postsecondary credential is significantly lower than the published (sticker) price.
- About a third of the total cost of public postsecondary credentials is covered by grants and scholarships.
- Tuition and fee increases at Kentucky's public institutions are at their lowest point in 15 years.
- A substantial number of students do not borrow loans to finance their education.
- The median student loan debt is comparable to an auto loan, except a credential, unlike a car, appreciates in value.
- At the end of 8 years, college graduates were earning significantly more than high school graduates - \$12,000 more for a bachelor's degree and \$8,000 more for an associate degree.

The report showed the following key takeaways for the state:

- Kentucky invested about \$544 million in the class of 2010 through direct appropriations to public colleges and universities.
- Kentucky invested about \$86 million in the class of 2010 through state financial aid programs by virtue of Kentucky lottery proceeds.
- The state's return on investment for collegegoers in the high school class of 2010 is 69 times the initial investment.
- College graduates are much less likely to be unemployed or participate in entitlement programs, resulting in additional savings.

Questions and commentary from the board included the marketing and dissemination plan for the report, the ability to review the data by type of degree attained, and how this data can be shared with campuses to help with financial aid counseling efforts.

## **NOMINATING COMMITTEE REPORT**

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Committee Chair Kristi Nelson presented the Nominating Committee report. The Nominating Committee met on December 17, 2019 and January 9, 2020 to discuss and recommend members to serve as chair and vice chair of the CPE for a one year term, per the bylaws. They nominated Ben Brandstetter as chairperson and Kim Halbauer as vice chairperson for the 2020 calendar year.

MOTION: Mr. Nelson moved that the Council elect Ben Brandstetter as Chairperson and Kim Halbauer as Vice Chairperson for the 2020 calendar year. Mr. Minix seconded the motion.

VOTE: The motion passed.

Following the vote, Ms. Nelson stated the Committee has recommended all incoming chair and vice chairpersons complete a leadership orientation and training program within the first few months of taking the position.

Mr. Brandstetter thanked the committee for their service. He also thanked Sherrill Zimmerman for her service over the last three years and presented her with an engraved gavel. Ms. Zimmerman said a few words of thanks to the Council and the Council staff for their support, and he congratulated Ben Brandstetter and Kim Halbauer on their new positions.

At this time, Ben Brandstetter took his position as chairperson of the meeting.

## **CAMPUS “GOOD NEWS” REPORTS**

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Reports from the institutions were provided in the agenda materials.

## **OTHER BUSINESS**

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Chair Brandstetter reminded Council members to complete the annual Financial Disclosure form from the Ethics Commission which is due April 15, 2020. He also called attention to the advocacy folders provided at their seats.

## **ADJOURNMENT**

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The Council adjourned at 11:45 a.m. ET.

**MINUTES REVIEWED AND APPROVED BY THE COUNCIL: April 24, 2020**