

MINUTES

Council on Postsecondary Education

Type: Finance Committee Meeting
Date: December 15, 2020
Time: 3:00 p.m. ET
Location: Virtual Meeting by ZOOM Webinar – for Committee members and the public

CALL TO ORDER

The Finance Committee met Tuesday, December 15, 2020, at 3:00 p.m., ET. Pursuant to Executive Order 2020-243 and a memorandum issued by the Finance and Administration Cabinet dated March 16, 2020, and in an effort to prevent the spread of Novel Coronavirus (COVID-19), the Committee met utilizing a video teleconference. Members of the public were invited to view the meeting virtually by ZOOM Webinar. Chair Ben Brandstetter presided.

ATTENDANCE

Members in attendance: Benjamin Brandstetter, Colby Birkes, Eric Farris, Richard Nelson, Robert Staat, and Carol Wright

Member not in attendance: Kim Halbauer.

Heather Faesy, CPE's senior associate for Board Relations, served as recorder of the meeting minutes.

INTERIM CAPITAL PROJECT PROPOSAL – MURRAY STATE UNIVERSITY

Mr. Ryan Kaffenberger, CPE's Senior Associate of Finance, presented Murray State University's interim capital project request to make significant upgrades and repairs to the Lovett Auditorium HVAC system. This project was approved by Murray State University's Board of Regents on December 4, 2020, and due to that timing, the Council delegated final approval authority for this project to the Finance Committee at their November 13, 2020 meeting.

MOTION: Ms. Wright moved the Finance Committee approve the interim project request as presented and on behalf of the Council. Dr. Staat seconded the motion.

VOTE: The motion passed.

2021-22 POSTSECONDARY EDUCATION BUDGET PRIORITIES

Dr. Bill Payne, CPE's Vice President of Finance and Administration, and Mr. Shaun McKiernan, Director, presented the summary of public postsecondary institution and CPE agency budget priorities for fiscal year 2021-22 as developed by campus presidents, Chief Budget Officers, and CPE senior staff.

The budget priorities list included additional appropriations for performance funding and asset preservation, \$1,180,100 in additional appropriations to meet a federal matching requirement for KSU's land-grant program, and to maintain pension relief for Kentucky's comprehensive universities and KCTCS institutions.

The priorities list also included two agency budget requests - \$1.5 million request to support P-20 Strategic Initiatives and \$850,000 funding request for a Kentucky Education-to-Work initiative designed to improve and expand education and training that leads to quality career opportunities and provides access to short-term credential programs aligned with industry needs.

MOTION: Mr. Farris moved to approve the Postsecondary Education Budget Priorities for Fiscal Year 2021-22 that would be shared with policymakers and used to advocate for the resources necessary for institutions and students to continue making progress toward the state's 60x30 college attainment goal. Mr. Nelson seconded the motion.

VOTE: The motion passed.

TUITION POLICY AND TIMELINE

Mr. McKiernan presented the Tuition and Mandatory Fee Policy, which provides a framework for establishing public postsecondary tuition and fees for academic year 2021-22 and included the following proposed changes regarding asset preservation exception fees:

- Remove the requirement that the cost of a proposed asset preservation and renovation or fit-for-use project or a grouping of such projects must equal or exceed a \$1.0 million threshold.

- Add language to clarify that fee revenue may be accumulated over time until it meets a specific project's scope and that fee revenue may be used to pay debt service on instruments used to finance projects other than Agency Bonds.
- Provide guidance regarding the use of fee revenue on ongoing asset preservation, renovation, and fit-for-use projects not included in the initial approval of an institution's Asset Preservation Fee.

Dr. Payne presented the proposed Tuition Setting Timeline, in which the Council will take action on recommended tuition and mandatory fee ceilings at the April 16, 2021 meeting and approve campus proposed tuition and fee rates at the June 25, 2021 meeting. The preliminary timeline did not require Council approval.

MOTION: Mr. Birkes moved the Committee approve the proposed changes to the Tuition and Mandatory Fee Policy and recommend final approval by the Council at its January 29, 2021 meeting. Dr. Staat seconded the motion.

VOTE: The motion passed.

UPDATE ON POSTSECONDARY EDUCATION WORKING GROUP

Dr. Aaron Thompson, CPE President, presented a summary of the work conducted by the Postsecondary Education Working Group, which held its final meeting on December 2, 2020. Dr. Payne presented an overview of the approved list of recommendations that will be submitted to the Governor and General Assembly prior to the start of the 2021 Legislative Session.

ADJOURNMENT

The Finance Committee adjourned at 4:30 p.m., ET.

MINUTES REVIEWED AND APPROVED BY THE COMMITTEE: March 23, 2021