

MEETING MINUTES

Approved by the Finance Committee, January 26, 2026

Who: Kentucky Council on Postsecondary Education
Meeting Type: Finance Committee
Date: September 8, 2025
Time: 1:00 p.m. ET
Location: Virtual Meeting via ZOOM Webinar

CALL TO ORDER

The Finance Committee met Monday, September 8, 2025, at 1:00 p.m., ET. The meeting occurred virtually via ZOOM webinar. Committee Chair Jacob Brown presided.

ROLL CALL

There was a quorum of 5 voting Council members in attendance.

- Jacob Brown – attended
- Lindsey Case – attended
- Jennifer Collins – attended
- Dr. Kellie Ellis – did not attend
- Madison Silvert - attended
- Elaine Walker - attended

CPE President Aaron Thompson served as secretary of the board, per the CPE Bylaws. Heather Faesy, CPE program manager, served as recorder of the meeting minutes.

CPE PRESIDENT REPORT

Dr. Aaron Thompson, CPE President, provided a brief update to the Committee that included comments on the Council's work on the biennial budget request for postsecondary institutions and the CPE agency and his trip to Oxford, England to discuss the expansion of apprenticeship opportunities.

APPROVAL OF THE MINUTES

The minutes of the June 9, 2025, Finance Committee meeting were approved as presented.

2026-2028 BIENNIAL BUDGET RECOMMENDATION – POSTSECONDARY INSTITUTION OPERATING FUNDS REQUEST

Dr. Bill Payne, CPE's Vice President of Finance Policy and Programs, presented the proposed 2026-2028 Postsecondary Institution Operating Funds Request, which included components that support general operations, inflationary increases, and performance funding.

- General Fund appropriations of \$1,149,981,700 in fiscal year 2026-27 and \$1,208,258,600 in fiscal year 2027-28 to support public postsecondary institution operations.
- Appropriations of \$43,276,700 in fiscal year 2026-27 and \$86,553,600 in fiscal year 2027-28 to help offset some of the largest increases in higher education inflation in decades.
- Appropriations of \$30,000,000 in fiscal year 2026-27 and \$45,000,000 in fiscal year 2027-28 for performance funding to provide ongoing incentives for institutions.

Additional details and specifics regarding the requests were included in the staff materials.

MOTION: Ms. Walker moved the Finance Committee endorse for Council approval the proposed Postsecondary Institution Operating Funds Request. Chair Silvert seconded the motion.

VOTE: The motion passed.

2026-2028 BIENNIAL BUDGET RECOMMENDATION – POSTSECONDARY INSTITUTION TRUST FUNDS REQUEST

Mr. Brent Floyd, Senior Associate of Finance Policy and Programs, presented the proposed 2026-2028 Postsecondary Institution Trust Funds Request that included:

- The establishment of a new trust fund and provides a recurring appropriation of \$30.0 million each year in the fund to support a new Tuition Waiver Reimbursement Program administered by the Council.
- A request that the General Assembly enact statutory language requiring waiver recipients to complete a FAFSA application as a condition of receiving a tuition waiver.

Additional details and specifics regarding the requests were included in the staff materials.

MOTION: Ms. Walker moved the Finance Committee endorse for Council approval the proposed Postsecondary Institution Trust Funds Request. Ms. Collins seconded the motion.

VOTE: The motion passed.

2026-2028 BIENNIAL BUDGET RECOMMENDATION – POSTSECONDARY INSTITUTION CAPITAL INVESTMENT REQUEST

Mr. Adam Blevins, CPE's Director of Finance Policy and Programs, presented the proposed 2026-2028 Postsecondary Institution Capital Investment Request that included:

- A request for \$350 million each year of the biennium (\$700 million total) for an asset preservation pool to support renovation and renewal projects at postsecondary institution campuses, without a matching requirement for any institution.

- A request for \$1.76 billion in bond funds to support the highest priority new capital construction project at each public university and the top ten (10) new capital construction projects at KCTCS.

Additional details and specifics regarding the requests were included in the staff materials.

MOTION: Chair Silvert moved the Finance Committee endorse for Council approval the proposed Postsecondary Institution Capital Investment Request. Ms. Walker seconded the motion.

VOTE: The motion passed.

2026-2028 BIENNIAL BUDGET RECOMMENDATION – CPE AGENCY BUDGET REQUEST

Ms. Leslie Brown, Assistant Vice President of Administrative Services, presented the proposed 2026-2028 CPE Agency Budget that included:

- Base budget appropriations of \$38,027,636 in 2026-27 and \$38,027,636 in 2027-28 to continue program support in general, restricted, federal and tobacco settlement fund appropriation categories.
- Additional budget requests to account for: increases necessary to cover defined benefit calculations, anticipated increases in SREB dues, and funding for these Council priorities:
 - Continuing development of Futuriti.org,
 - Strengthen the manufacturing and logistics education to workforce pipeline,
 - Full implementation of the Kentucky Graduate Profile and the Graduate Fellows Program, and
 - Support for Summer Bridge Programs.

Additional details and specifics regarding the requests were included in the staff materials.

MOTION: Ms. Walker moved the Finance Committee endorse for Council approval the proposed CPE Agency Budget Request. Ms. Collins seconded the motion.

VOTE: The motion passed.

MEMORANDUM OF UNDERSTANDING – NONRESIDENT STUDENT TUITION AND FEES AT MOREHEAD STATE UNIVERSITY

Mr. Greg Rush, Assistant Vice President of Finance Policy and Programs, presented the proposed Memorandum of Understanding (MOU) between the Council and Morehead State University (MoSU), regarding nonresident student tuition and fees. The proposal modifies its current MOU to allow MoSU to have the flexibility to set nonresident rates below the 130% threshold so long as rates exceed those set for resident students. It would also

specify that nonresident students may be eligible for merit- and need-based scholarships and be eligible for competitive scholarships offered by MoSU and the Morehead State University Foundation. Additionally, all students must meet the academic requirements for admission and/or scholarships and no academically qualified Kentucky student will be displaced as a result of the MOU. Finally, it dictates that the University will report to CPE annually the results of the agreement. The proposed MOU would be effective with the 2026-27 academic year.

The specification of the proposed agreement is aligned with similar MOUs that have been approved for other institutions. It is anticipated that the increased enrollment of nonresident students associated with the amended MOU will provide a net benefit to both MoSU and the Commonwealth of Kentucky.

MOTION: Ms. Walker moved the Finance Committee endorse for Council approval the proposed Memorandum of Understanding. Ms. Collins seconded the motion.

VOTE: The motion passed.

APPROVED TUITION AND MANDATORY FEES, 2025-26

Dr. Payne provided an update on the approved 2025-26 Tuition & Mandatory Fees for 5 institutions and KCTCS, which were approved by the President on behalf of the Council since the proposals complied with established Council parameters. In particular, the resident and nonresident rates approved were as follows:

- University of Kentucky:
 - Resident undergraduate students - \$405 increase (3.0%)
 - Nonresident undergraduate students - \$1,024 increase (3.0%)
 - Resident graduate student - \$439 increase (3.0%)
 - Nonresident graduate student - \$1,087 increase (3.0%)
- University of Louisville:
 - Resident undergraduate students - \$450 increase (3.5%)
 - Nonresident undergraduate students - \$450 increase (1.5%)
 - Resident graduate student - \$372 increase (2.5%)
 - Nonresident graduate student - \$758 increase (2.5%)
- Kentucky State University:
 - Resident undergraduate students - \$420 increase (4.6%)
 - Nonresident undergraduate students - \$490 increase (3.7%)
 - Resident graduate student – no change
 - Nonresident graduate student – no change
- Morehead State University:
 - Resident undergraduate students - \$420 increase (4.3%)
 - Nonresident undergraduate students – \$634 increase (4.3%)
 - Resident graduate student - \$1 per credit hour decease (-0.2%)
 - Nonresident graduate student - \$1 per credit hour decease (-0.2%)

- Northern Kentucky University:
 - Resident undergraduate students - \$408 increase (3.8%)
 - Nonresident undergraduate students - \$840 increase (3.9%)
 - Resident graduate student – \$15 per credit hour increase (2.6%)
 - Nonresident graduate student – \$23 per credit hour increase (2.6%)
- Kentucky Community and Technical College System:
 - Resident, per credit hour - \$6 increase (3.2%)
 - Nonresident, per credit hour - \$10 increase (3.8%)

No additional action needed to be taken by the Committee.

KCTCS INTERIM CAPITAL PROJECT UPDATES

Dr. Floyd provided an update on the source of funding for the following three previously authorized capital projects:

- Southcentral Kentucky Community and Technical College—Replace Glasgow Campus
- Somerset Community College—Replace Laurel South Campus Ph. II
- Jefferson Community and Technical College—Replace Hartford Hall Ph. II

Because these projects were previously approved by the Council with other fund sources and KCTCS was only proposing to use state bond funds from the Efficient Operations and Innovation Plan Bond Pool (i.e., \$90.0 million in total) authorized by the General Assembly in 2025-26, no additional action needed to be taken by the Committee.

ADJOURNMENT

The Finance Committee adjourned at 2:50 p.m., ET.