

KENTUCKY COUNCIL ON POSTSECONDARY EDUCATION BUSINESS MEETING



March 28, 2024 – 1:00 p.m. ET
 CPE Offices, 100 Airport Road, Frankfort, KY 40601, Conference Rm B
 Virtual Livestream Link: <https://us02web.zoom.us/j/89129396618>

**indicates action item*

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Next Meetings: June 20-21, 2024 @ Western Kentucky University

MEETING MINUTES

Draft for Approval by the Council on March 28, 2024

Who: Kentucky Council on Postsecondary Education
Meeting Type: Joint Meeting of the Council, Institutional Presidents, and the Board of Student Body Presidents
Date: January 18, 2024
Time: 4:00 p.m. ET
Location: Virtual meeting via ZOOM webinar

WELCOMING & CALL TO ORDER

The Council on Postsecondary Education, Institutional Presidents, and the Board of Student Body Presidents met in a joint meeting on Thursday, January 18, 2024, at 4:00 p.m., ET. The meeting occurred virtually via ZOOM webinar. Chair Madison Silvert presided.

ATTENDANCE

Council Members attendance:

- Attended: CB Akins, Jennifer Collins, Kellie Ellis, Meredith Figg, Karyn Hoover, Faith Kemper, Chloe Marsteller, LaDonna Rogers, Madison Silvert, Elaine Walker, Kevin Weaver.
- Did not attend: Muhammad Babar, Jacob Brown, Eric Farris, Connie Smith, and Interim Commissioner Robin Kinney

Advisory Council of Presidents attendance:

- Attended: David McFaddin (EKU); Koffi Akakpo (KSU); Jay Morgan (MoSU); Robert Jackson (MuSU); Ryan Padgett, delegate for Cady Short-Thompson (NKU); Kirsten Turner, delegate for Eli Capilouto (UK); Kim Schatzel (UL); and Tim Caboni (WKU); Ryan Quarles (KCTCS), Mason Dyer (AIKCU)

Board of Student Body Presidents attendance:

- Attended: Savion Briggs (KSU); Presley Boyer (MOSU); Ellie McGowan (MUSU); Isaiah Phillips (NKU); Lizzy Hornung (UK); Katie Hayden (UL); Sam Kurtz (WKU); Layah Hodges (KCTCS); Alexandra Martin (KCTCS); Emilee Clark (AIKCU)
- Did not attend: Camden Ritchie (EKU)

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

An agenda was distributed for the meeting, but no action was taken. Discussion topics included college affordability and student advocacy for increased KEES funding, mental health resource accessibility for students and faculty, and increasing student engagement in local and civic matters. BSBP Chair Ellie McGowan also discussed the early plans for the students' 2024 Higher Education Rally.

ADJOURNMENT

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

DRAFT

MEETING MINUTES

Draft for Approval by the Council on March 28, 2024

Who: Kentucky Council on Postsecondary Education
Meeting Type: Work Session
Date: January 18, 2024
Time: 1:30 p.m. ET
Location: Virtual meeting via ZOOM webinar

WELCOME REMARKS

The Kentucky Council on Postsecondary Education met in a work session on Thursday, January 18, 2024, at 1:30 p.m. ET. The meeting occurred virtually via ZOOM webinar. Chair Madison Silvert presided.

ATTENDANCE

Council Members' attendance:

- Attended: CB Akins, Jacob Brown, Jennifer Collins, Kellie Ellis, Eric Farris, Meredith Figg, Karyn Hoover, Faith Kemper, Chloe Marsteller, LaDonna Rogers, Madison Silvert, Elaine Walker, Kevin Weaver, Interim Commissioner Robin Kinney.
- Did not attend: Muhammad Babar and Connie Smith.

CPE President Aaron Thompson served as Secretary of the board, per the CPE Bylaws. Ms. Heather Faesy, CPE's board liaison, served as recorder of the meeting minutes.

STRATEGIC DISCUSSION WITH NORTHERN KENTUCKY UNIVERSITY

President Cady Short-Thompson provided the Council with an institutional update on Northern Kentucky University (NKU). The update focused on NKU's key strategies for each of the strategic priorities of the new statewide agenda as well as the baseline data and 2023-24 targets for the key performance indicators. President Short-Thompson answered questions from the Council on NKU's career sessions that bring corporations to campus to help prepare students, as well as their current enrollment of traditional students versus commuting students. Council member Akins also commended NKU on their military-ready program and its successes.

STRATEGIC DISCUSSION WITH UNIVERSITY OF KENTUCKY

President Eli Capilouto provided the Council with an institutional update on the University of Kentucky (UK). The update focused on UK's key strategies for each of the strategic priorities of the new statewide agenda as well as the baseline data and 2023-24 targets for the key

performance indicators. President Capilouto focused his presentation on several campus initiatives including LEADS, UK Invests, and UK Purpose.

DISCUSS 2024 LEGISLATIVE SESSION

President Thompson and Travis Powell, CPE's Vice President and General Counsel, discussed bills filed in the beginning weeks of the 2024 legislative session and discussions with legislators regarding measures being pursued. Bills specifically discussed included HB 6, SB 7, HB 105, HB 139, HB 228, and HB 231.

ADJOURNMENT

The Council adjourned the work session at 3:30 p.m. ET.

DRAFT

MEETING MINUTES

Draft for Approval by the Council on March 28, 2024

Who: Kentucky Council on Postsecondary Education
Meeting Type: Business Meeting
Date: January 19, 2024
Time: 10:00 a.m. ET
Location: Virtual meeting via ZOOM webinar

WELCOME REMARKS

The Kentucky Council on Postsecondary Education met in a business meeting on Friday, January 19, 2024, at 10:00 a.m. ET. The meeting occurred virtually via ZOOM webinar. Vice Chair Eric Farris presided.

ATTENDANCE

Council Members' attendance:

- Attended: CB Akins, Jacob Brown, Jennifer Collins, Kellie Ellis, Eric Farris, Meredith Figg, Karyn Hoover, Faith Kemper, Chloe Marsteller, LaDonna Rogers, Elaine Walker, Kevin Weaver, Interim Commissioner Robin Kinney
- Did not attend: Muhammad Babar, Madison Silvert, Connie Smith

CPE President Aaron Thompson served as Secretary of the board, per the CPE Bylaws. Ms. Heather Faesy, CPE's board liaison, served as recorder of the meeting minutes.

APPROVAL OF THE MINUTES

The minutes of the November 17, 2023, meetings, were approved as presented.

NOMINATING COMMITTEE – REPORT AND ACTION ITEM

Committee Chair Kevin Weaver presented the Nominating Committee Report. After seeking out nominations and expressions of interest, the Committee has unanimously agreed to re-elect Madison Silvert as Chair and Eric Farris as Vice Chair.

MOTION: The Nominating Committee's recommendation of approval served as the motion. A second was not needed.

VOTE: The motion passed.

CPE PRESIDENT REPORT

President Aaron Thompson provided his written report in the board materials. He provided additional comments on Kentucky's recognition by the National Student Clearinghouse as being first in the nation for enrollment growth between fall 2022 and fall 2023; CPE's recognition in receiving the Stan Jones Award from Complete College America; and discussions taking place during the budget development process.

KY DEPARTMENT OF EDUCATION COMMISSIONER REPORT

KDE Interim Commissioner Robin Kinney provided a verbal report that focused on the United We Learn initiative, the K-12 education technology system, and the success of Kentucky's Student Technology Leadership Program. She also provided an update on the Commissioner search process.

ACADEMIC AND STRATEGIC INITIATIVES COMMITTEE – REPORT & ACTION ITEMS

Committee Chair Karyn Hoover presented the report and recommendations made by the Academic and Strategic Initiatives Committee, which met on January 16, 2024.

The Committee reviewed the following information topics at the meeting:

- Review and approval of Morehead State University's Application for Kentucky Cultural Competency Credential Certification. Per the Kentucky Cultural Competency Credential Certification Process, the action serves as final and thus does not require further action by the full Council.
- Received an update on the four new AAS degree programs approved at KCTCS institutions between June and December 2023.
- Discussed the SJR 98 report recommendations to strengthen review and approval of non-degree academic programs and possible next steps.
- Received an update on the Kentucky Innovative Scholarship Pilot Program and the report completed in November 2023 that highlighted its work and results.
- Learned about the work implemented from the passage of HB 200, which established the Healthcare Workforce Investment Fund, including the statutes and regulation that guide its work, the members of the steering committee, its funding priorities, and the 2024 implementation schedule.
- Received a briefing on the agenda and notable speakers for the 2024 Student Success Summit, taking place the end of February 2024.

Ms. Hoover also presented two new academic programs from Northern Kentucky University that were reviewed and endorsed by the Committee for approval.

- MBA, STEM MBA (CIP 52.1301)
- MAC, STEM Master of Accountancy (CIP 52.1399)

MOTION: The Academic and Strategic Initiatives Committee's recommendation of approval of the two new academic programs served as the motion. A second was not needed.

VOTE: The motion passed.

FINANCE COMMITTEE – REPORT AND ACTION ITEMS

Committee Chair Eric Farris presented the report and recommendations made by the Finance Committee, which met on January 16, 2024. The Committee reviewed the following information topics at the meeting:

- Received an update on the development process and current status of the legislature's 2024-26 biennial budget.
- Received a briefing on the SHEEO report on assessing financial health and risk and how the Council is taking those recommendations to develop tools to assess institutional financial health and risk from market pressures. They also heard from representatives from the Ohio Department of Higher Education on the impact Ohio has experienced as a result of the agency's financial monitoring and oversight policies and procedures.

Mr. Farris also presented three interim capital projects requests that were reviewed and endorsed by the Committee for approval:

- Elizabethtown Community and Technical College – Expand the Science Building - \$3,500,000
- Kentucky State University – Blazer Library Renovations - \$1,700,000
- Kentucky State University – Carver Hall Modifications for Engineering Program - \$2,700,000

MOTION: The Finance Committee's recommendation of approval of the action items served as the motion. A second was not needed.

VOTE: The motion passed.

EXECUTIVE COMMITTEE – REPORT & ACTION ITEMS

Chair Silvert presented the report and recommendations made by the Executive Committee, which met the morning of January 19, 2024. The Committee discussed potential changes to the Council bylaws and received an update from President Thompson on the conversations occurring in response to filings during the 2024 legislative session, as well as an upcoming restructuring of the agency.

Chair Silvert also presented the following action item that was reviewed and endorsed by the Committee for approval:

- Revision to KSU's management improvement plan to include the use of a standardized monthly reporting template and a revision to two management plan objectives (5.2.7 & 5.2.8) that would change the deliverables from monthly to quarterly.

MOTION: The Executive Committee's recommendation of approval of the action items served as the motion. A second was not needed.

VOTE: The motion passed.

STATEWIDE INITIATIVES DECREASING DEBT AMONG UNDERGRADUATE COMPLETERS AT KENTUCKY PUBLIC INSTITUTIONS

Mr. Travis Muncie, Executive Director, and Dr. Chris Ledford, Associate Director, both from the Data and Advanced Analytics unit, presented the CPE study on graduate debt levels and how Kentucky's efforts around tuition caps, improving financial literacy, and increasing grant aid have impacted those levels. The study investigated debt trends over the past five academic years among graduates of Kentucky's public institutions. (Debt at graduation was defined as the total debt a student has taken on through the end of the academic year in which they earned their highest credential on record.)

The inaugural CPE report shows that average debt levels for undergraduate completers in Kentucky are declining across sectors and credential levels. Moderating debt loads of Kentucky college students has been a key focus of campuses across the state, as well as CPE and state leaders. Specifically, increases in financial aid, better financial counseling, and strengthening information resources, along with decreasing time to degree, are contributing to lower debt levels across sectors.

- Average debt for all public graduates (including those graduating with and without debt) dropped 32.7% between 2017-18 and 2022-23. The proportion of graduates with debt declined from 64.0% to 43.2%.
- At KCTCS, average undergraduate debt declined by 42.4% and 9.4% among students with debt only. The proportion of completers with debt declined from 63.1% to 30.3%.
- At four-year public universities, average undergraduate debt declined by 15.6% and 4.4% among students with debt. The proportion of completers with debt declined from 64.5% to 56.1%.
- Declining patterns generally hold across demographic and academic subgroups across sectors. These will be discussed in greater detail during the presentation.

The full report will be released in the spring of 2024.

CAMPUS GOOD NEWS REPORTS

Reports from the institutions were provided in the agenda materials. Chair Silvert provided highlights in the reports from Murray State University, Northern Kentucky University, the University of Kentucky, and the Association of Independent Kentucky Colleges and Universities.

ADJOURNMENT

The Council adjourned the business meeting at 11:10 a.m. ET.

DRAFT

TITLE: CPE President Report

DESCRIPTION: President Thompson will highlight specific initiatives during his report to the Council. This written report serves as his official report for March 28, 2024.

PRESENTER: Dr. Aaron Thompson, CPE President

We are nearing the end of a busy legislative session. At yesterday's work session, Travis Powell updated members on the key legislative developments CPE has been tracking. These include the budget bill, DEI legislation, a research endowment bill, a resolution calling on CPE to do additional study on the southeastern university issue, a resolution calling on CPE to evaluate the feasibility of new programs at the comprehensive universities, a bill related to KCTCS that builds on some of the findings in last year's SJR 98 study, among many other items. I'd like to thank Travis Powell for stepping in as legislative liaison following Jennifer Fraker's departure earlier this year, as well as Leslie Sizemore and Amanda Ellis, who have spent many hours representing CPE at the Capitol.

Below are additional updates from the first quarter of 2024.

Betty and David Jones, Sr. Legacy Award: I was honored to receive the Betty and David Jones, Sr. Legacy Award from Simmons College of Kentucky during the Transform Louisville breakfast and provide the keynote address. The award is made to an individual who has provided passion, vision, counsel and support to help elevate Simmons College.

The Great Admissions Redesign Challenge: Lumina Foundation selected CPE as one of seven winners out of more than 70 applications to The Great Admissions Redesign, a competition to revolutionize the admissions process and increase accessibility to higher education for all students. The \$150,000 grant awarded to CPE will facilitate a collaborative, student-centered, design-thinking continuous improvement approach to address long-standing barriers and untapped potential in admissions and financial aid processes. It also will provide CPE with an opportunity to explore how artificial intelligence (AI) is being used to improve the admissions process.

Student Success Summit awards: CPE and the Kentucky Student Success Collaborative (KYSSC) recognized six organizations for their work in improving student success at the 2024 Student Success Summit in Bowling Green. Recipients included Southcentral Kentucky Community and Technical College, Western Kentucky University, Bluegrass Community and

Technical College, James Graham Brown Foundation, the Kentucky Office of Adult Education and the Kentucky Cabinet for Health and Family Services.

CPE events: The beginning of the year is off to a fast start, with many upcoming events.

- CPE hosted the 2024 Student Success Summit on Feb. 26-27 at Western Kentucky University. More than 400 higher education professionals gathered for the conference to discuss key issues facing the Commonwealth, including ways to support financially vulnerable students, using AI to improve transfer, and more.
- The 2024 CLIMB-Health Convening will take place May 14 at The Campbell House in Lexington. Guest speakers include Eric Friedlander (secretary of the Cabinet for Health and Family Services), Katie Marks (commissioner of the Department of Behavioral Health, Developmental, and Intellectual Disabilities), Dr. Ryan Quarles (president of the Kentucky Community and Technical College System) and myself.
- The 2024 Pedagogicon will take place May 15-17 at Eastern Kentucky University. Stephen M.R. Covey will provide the keynote on May 15 at the ECU Center for the Arts.

Personal note: Congratulations and appreciation are in order for Sarah Levy. After serving as executive director of postsecondary licensing, Sarah accepted a position at the National Council for State Authorization Reciprocity Agreements (NC-SARA) as senior director for policy and regulatory affairs. We wish Sarah the best and thank her for her contributions at CPE since 2008.

CPE MEDIA REPORT

CPE staff has consistently spread the higher education matters message through media appearances and speaking engagements. Below are highlights from January, February, and part of March.

Agency-wide speaking engagements: CPE staff presented or moderated panels on at least 34 occasions since November. Some highlights include:

- I was a panelist on a webinar titled “Why Mental Health & Wellness? Why Now?” hosted by The Jed Foundation and SHEEO. Joining me were panelists from The State University of New York, the Centers for Disease Control and Prevention and the Ohio State University Office of Student Life Counseling and Consultation Service. I discussed some of the innovative practices Kentucky implemented during the pandemic, the agency’s partnership with The Jed Foundation, and how mental health relates to student success.
- I also was a panelist during a Kentucky Chamber of Commerce event on the state of higher education. I was joined by Dr. Ryan Quarles, president of KCTCS, and Mason Dyer, president of the Association of Independent Kentucky Colleges and Universities.

- Carl Wilson, senior fellow for healthcare workforce initiatives, spoke about the Career Ladders in Mental & Behavioral Health initiative at the Kentucky Hospital Association PsyCD Forum. Wilson provided an overview of the program during the private forum.
- Dr. Melissa Bell, vice president of academic affairs, provided remarks at the annual Posters-at-the-Capitol event at the Rotunda. Dr. Bell talked about the importance of undergraduate research, some of the roles of CPE and why higher education matters.

Agency-wide media appearances: CPE staff fielded 18 media requests for information or comment from January through March, as well as 27 appearances in print, digital or broadcast media. Some highlights include:

- I was a guest on *Connections* with Renee Shaw, where I discussed the legislative session and Kentucky's gains in higher education.
- The Kentucky Advising Academy was recognized for its work on holistic advising in a case study by Education Strategy Group.
- CPE was featured in a news story by *The Lane Report* highlighting the importance of enrollment growth to Kentucky's workforce. I discussed Kentucky's enrollment gains on Gov. Andy Beshear's Team Kentucky update, which resulted in several positive news stories.
- CPE and the Kentucky Student Success Collaborative were featured by *Inside Higher Ed* in a story about the Lumina Foundation grant titled The Great Admissions Redesign Challenge. Dr. Thompson and Dr. Lilly Massa-McKinley spoke with the publication.
- Dr. Leslie Sizemore, associate vice president of workforce and economic initiatives, appeared on *WSAZ* in Huntington, West Virginia to discuss why higher education matters and the agency's 60x30 goal.
- I was featured in a story by the *Lexington Herald-Leader* as a person of influence in Frankfort. The story was part of a series highlighting the most influential people at the Capitol.
- Travis Powell, vice president and general counsel, joined several panelists with a variety of perspectives on *Kentucky Tonight* to discuss CPE's definition of and approaches to DEI.

TITLE: KHEAA and KHESLC's Role in College Affordability

DESCRIPTION: The Executive Director of KHEAA and KHESLC will provide an overview of their work and how they are contributing to the affordability of higher education in Kentucky.

PRESENTERS: Jo Carole Ellis, CEO, KHEAA/KHESLC

ABOUT KHEAA/KHESLC

KHEAA is the Kentucky Higher Education Assistance Authority, a state agency established in 1966 to improve students' access to higher education. KHEAA provides state aid such as the Kentucky Education Excellence Scholarship (KEES) program, the College Access Program (CAP) Grant, the Kentucky Tuition Grant (KTG) and other scholarship and grant programs.

The Kentucky Higher Education Student Loan Corporation (KHESLC) was established in 1978 and is Kentucky's only not-for-profit student loan lender. They offer low-cost Advantage Education Loans to students and parents, as well as Advantage Refinance Loans to borrowers already in repayment.

ABOUT THE CEO

Jo Carole Ellis of Frankfort was named the new executive director and chief executive officer of KHEAA and KHESLC on July 18, 2023. Ellis previously worked for KHEAA for 17 years, serving as program director for the Kentucky Education Savings Plan Trust and Kentucky's Affordable Prepaid Tuition programs, student aid branch manager and government relations director. She most recently served as committee staff administrator at the Kentucky Legislative Research Commission. In that role, she was the administrator of the Education Committee, drafted education-related legislation and advised legislators on education issues. She has a bachelor's in journalism from Eastern Kentucky University.



Who We Are & What We Do

Council on Postsecondary Education
March 28, 2024





- Created in 1966 to improve access to higher education
- Guaranty agency of Federal Family Education Loans (FFELP)
- Administers state-funded grant and scholarship programs
- Provides comprehensive statewide outreach programs
- Service provider to institutions
- Administers state college savings plans





- Established by General Assembly in 1978
 - Created as a de jure municipal corporation enabled to make, purchase, and finance low-cost student loans

- Loan portfolio consists of two program types:
 - Federal Family Education Loan Program (FFELP)
 - Advantage Education Loans

- Revenues from loan portfolios support administrative costs



Student Aid Programs -The Big Three

- College Access Program (CAP)
 - Helps Kentucky's financially neediest students attend in-state colleges and universities
 - Pell eligible = CAP eligible
 - 2023-24 maximum is \$2,500 at 2 yr. & \$5,300 at 4 yr. institutions

- Kentucky Tuition Grant (KTG)
 - Provides tuition equalization for students attending Kentucky's independent colleges
 - 2023-24 maximum is \$3,300

- Kentucky Educational Excellence Scholarship (KEES)
 - Provides incentive-based awards to Kentucky high school students attending Kentucky colleges and universities
 - GPA award up to \$500 for each year of high school
 - ACT bonus up to \$500
 - Supplemental AP/IB/CAI awards for low-income students



Program Expenditures

(In Millions of Dollars)



Program	FY 2023	
	Recipients (Unduplicated)	Total Disbursed
College Access Program (CAP) Grant	53,300	\$ 171.67
Kentucky Tuition Grant (KTG)	13,100	\$ 34.94
Kentucky Educational Excellence Scholarship (KEES)	65,070	\$ 111.41



Work Ready KY Scholarship

- Provides aid for postsecondary students seeking an industry-recognized certificate, diploma, or Associate of Applied Science degree in a high-demand workforce sector
 - Advanced Manufacturing
 - Business and Information Technology
 - Construction
 - Healthcare
 - Transportation and Logistics

- Award is equal to tuition and fees minus federal and state aid, not to exceed the in-state KCTCS hourly tuition rate

- Eligibility ends with receipt of WRKS funding for 60 credit hours, or earning first associate's degree, whichever comes first

- FY 23 disbursements: \$13.48 million to 4,220 students



Dual Credit/Work Ready Dual Credit

- Provides two CTE dual credit courses per year in grades 9-12 and four general education dual credit courses during grades 11 and 12
 - Open to students in KY public schools, private schools, and home schools
 - Students must meet postsecondary admissions requirements

- Participating institutions offer discounted rates on all dual credit coursework
 - Scholarship covers tuition amount charged by the institution
 - No additional fees can be charged to students (lab, admissions, etc.)
 - Tuition rate ceiling of 50% of KCTCS in-state per credit hour tuition rate

- FY 2023 disbursements
 - General education dual credit: \$12.33 million for 26,510 students
 - Work Ready dual credit: \$8.12 million for 20,910 students



Innovative Scholarship Pilot Program

- \$10 million appropriation in 22-24 state budget
- Jointly administered by KHEAA and CPE
- Two populations of eligible students
 - KY Humanitarian Assistance Scholarship for displaced students (refugees and asylees)
 - KY Scholarship Program for Cultural Exchange (study abroad)
- FY 2023
 - 339 KHAS recipients from 34 different countries of origin
 - 148 KSCE recipients in programs across 20 countries



More Lottery-Funded Programs

➤ Kentucky National Guard Tuition Award

- Provides tuition and fees for Kentucky National Guard (KYNG) members enrolled at Kentucky public institutions
- KYNG members enrolled at Kentucky private institutions receive amount equal to average at four-year public institutions

➤ Teacher Scholarship

- Provides aid to Kentucky students pursuing teacher certification at Kentucky institutions
- Recipients must work as a teacher in Kentucky for each term a scholarship is received
- Failure to provide teaching service results in the scholarship converting to a loan that must be repaid with interest



Additional Student Aid Programs

- Early Childhood Development Scholarship
- Early Graduation Scholarship Certificate
- Osteopathic Medicine Scholarship
- Coal County Scholarship for Pharmacy Students
- Optometry Scholarship
- Veterinary Contract Spaces



529 College Savings Plans

➤ Kentucky Educational Savings Plan Trust



- Currently over 23,602 accounts
- \$261.4 million in assets under management as of 12/31/23
- Six investment options offered to allow investors to create portfolios tailored to their goals and risk tolerance
- Partner with Ascensus to manage the program

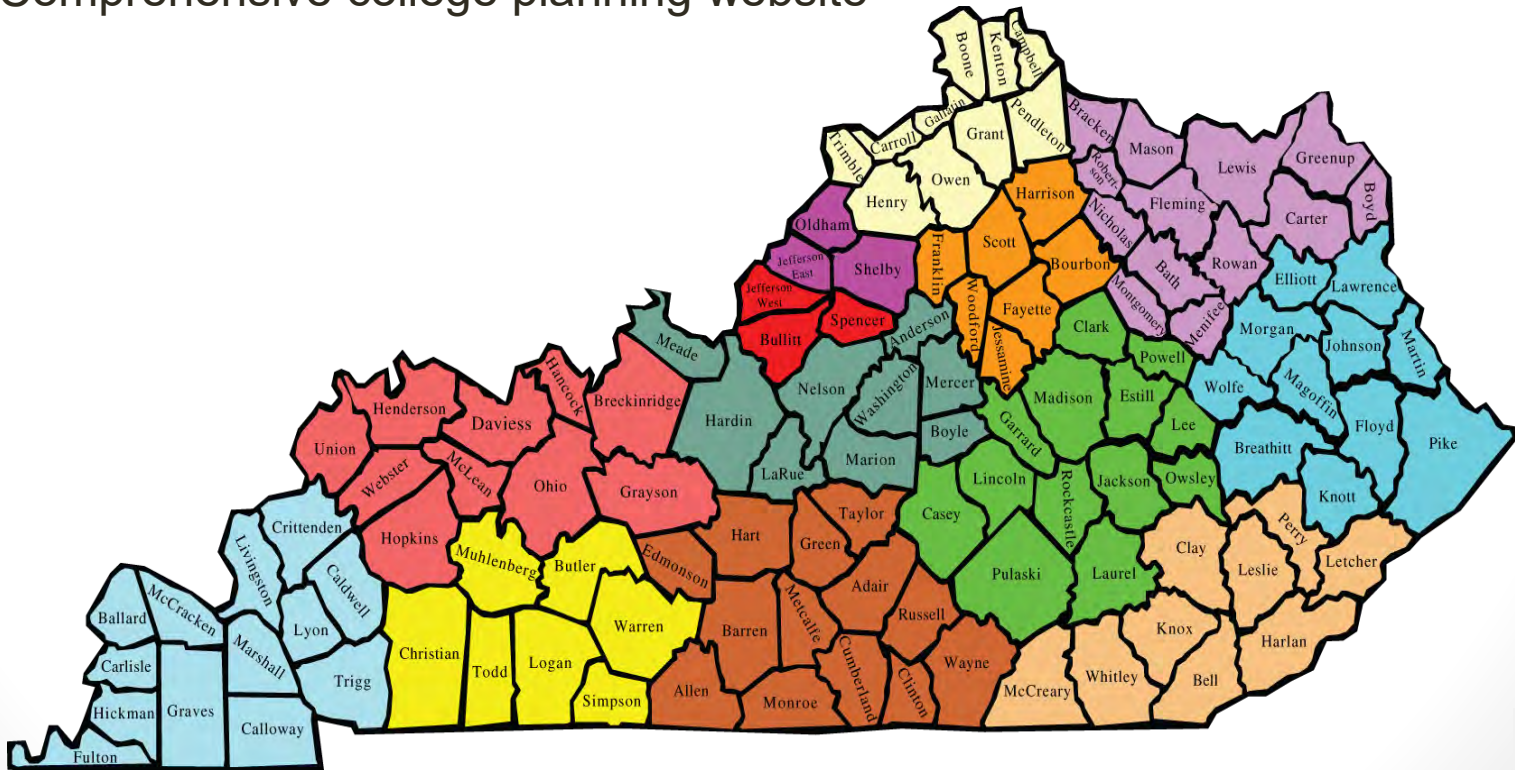
➤ Kentucky's Affordable Prepaid Tuition (KAPT)

- Closed to new enrollments since fall 2004
- 1,713 accounts remaining as of 2/28/24
- Statutorily required closure in 2030



KHEAA Outreach

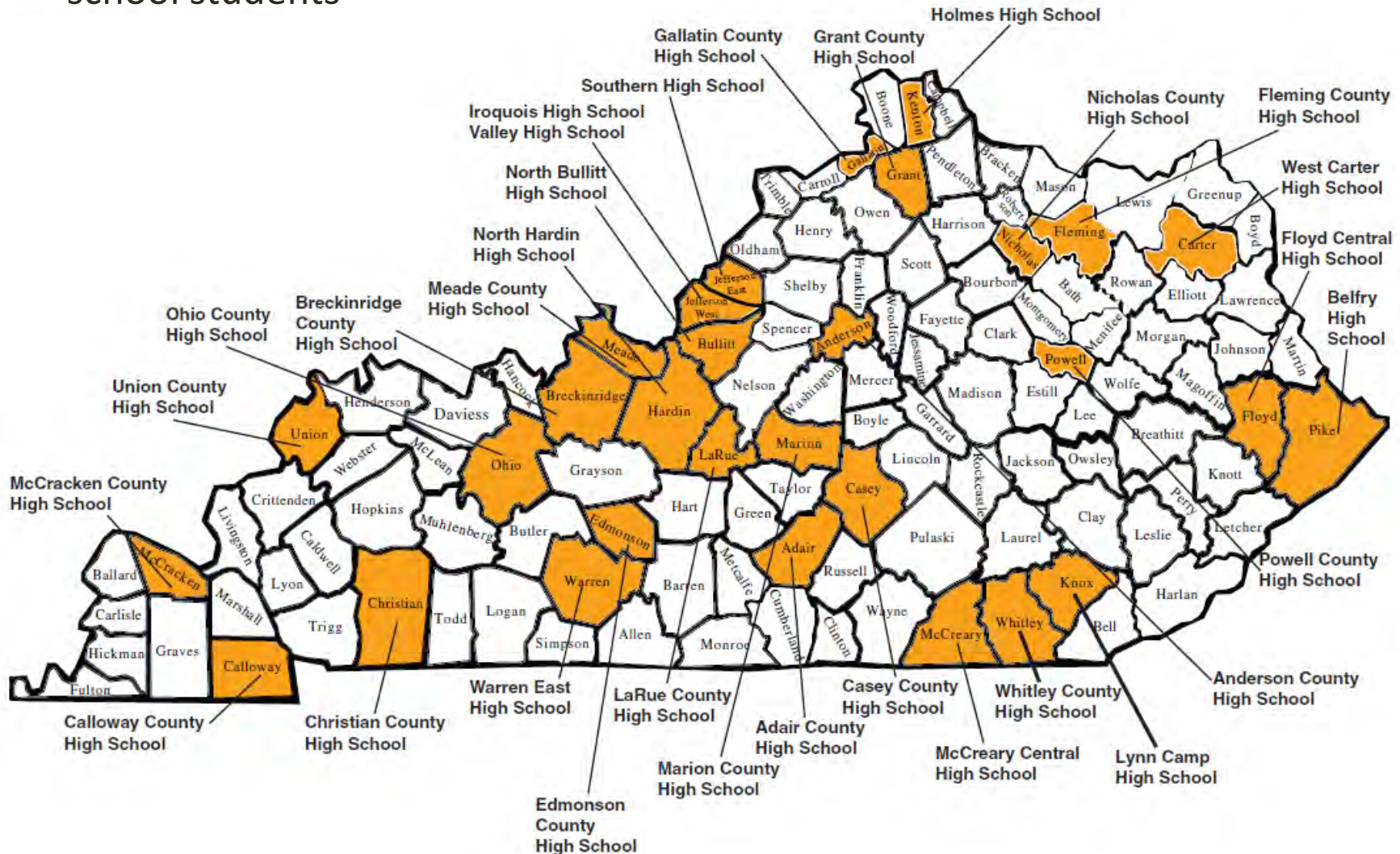
- Comprehensive statewide outreach program
 - 13 field staff
 - College Info Road Show (mobile outreach vehicle)
 - Publications
 - Comprehensive college planning website



College Coaches program



Near-peer mentors provide college access services to disadvantaged high school students



FAFSA Simplification

- Major changes to the Free Application for Federal Student Aid
 - Effective with the 2024-2025 filing year
 - Revised federal methodology for determining financial need
 - Streamlining process by linking directly with IRS
 - Will result in significant eligibility increase for state need-based aid

- Implementation
 - Three months behind normal schedule
 - FAFSA rollout began at end of December 2023
 - Small transfers of data from Federal Student Aid to schools/KHEAA started middle of March
 - Calculation of student financial aid packages delayed



2024 Legislative Session

- \$100,000 CAP funding increase each year
- New teacher scholarship and teacher stipend programs (HB 377)
- New rural veterinarian student loan repayment program (HB 553)



Thank you!

Jo Carole Ellis, Executive Director/CEO

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TITLE: Proposed New Academic Programs for Review & Recommendation

DESCRIPTION: The Academic and Strategic Initiatives Committee recommends the Council approve the proposed new academic programs from the University of Louisville and Western Kentucky University.

STAFF CONTACT: Melissa Bell, Ph.D., CPE’s Vice President of Academic Excellence and Student Success

COMMITTEE REVIEW & APPROVAL

The ASI Committee reviewed and approved the proposed new academic programs from University of Louisville and Western Kentucky University at its March 25, 2024, meeting.

PROGRAMS PROPOSED FOR APPROVAL

Each of the programs below will be presented for approval during the meeting. A program summary for each is included as an attachment, which provides a program description, its connection to other programs, expected student and employer demand, and estimate budget to implement.

University of Louisville

- B.S., Applied Engineering (CIP 15.0000)
- B.S., Biochemistry (CIP 26.0202)
- B.S., Exercise Physiology (CIP 26.0908)
- M.S., Artificial Intelligence in Medicine (CIP 11.0102)

Western Kentucky University

- B.S., Data Science (CIP 30.7001)
- B.S., Neuroscience (CIP 26.1501)

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 at public postsecondary education institutions.

Council staff has reviewed the proposed programs and recommends approval by the board. Documentation submitted by the proposing institutions is included in your agenda packets for review.

PROPOSED PROGRAM SUMMARY

Institution: University of Louisville
Program Name: Applied Engineering
Degree Destination: Bachelor of Science

CIP Code: 15.000

Credit Hours: 120

Implementation Date: 8/1/2024

Program Description

The industrial base within Kentucky is rapidly expanding, and the University of Louisville's new program in Applied Engineering will help meet the increasing workforce demand in this area. The Applied Engineering program will fill the gap between two-year technician programs and the traditional four-year engineering degree. Positions open to graduates of applied engineering programs appeal to students with a keen interest in application-based engineering projects and less interest in the theoretical aspects of engineering.

Students in the Applied Engineering program will choose between tracks in Mechatronics and Management. The courses for tracks will be offered in eight-week sessions, providing some flexibility for students. This flexibility is deliberate, given the requirement for students to complete a co-op requirement of 2,000 hours of work experience (e.g., one year of full-time work). This requirement ensures that students graduate with full-time work experience.

As a result of this program, graduates will be able to:

- Identify applied engineering problems, determine appropriate methodologies to address them, and effectively communicate findings.
- Solve problems, develop solutions, and demonstrate those solutions within relevant professional, technical, legal, and economic considerations.
- Manage projects, collaborate within a team, and apply technical and professional competencies to solve applied engineering problems.

The program is also designed with a specific transfer point after the second year to create a seamless transfer experience for students from KCTCS colleges. Adult learners will use their prior work experience to count towards the co-op requirement, either in part or in full.

Connection to Other Programs

The Applied Engineering program at the University of Louisville will complement similar programs across the state, such as the ones at Morehead State University and Murray State University. Given the extent of the hiring needs, no one institution can completely meet the anticipated workforce demand.

The program at Murray State University focuses on manufacturing. The program at Morehead State University focuses on engineering in electronics and computer engineering, mechanical and manufacturing engineering, and construction management. In contrast, the Applied Engineering program at the University of Louisville will focus on robotics, automation and mechatronics, electric vehicle batteries, and surveying, analyzing and interpreting data from mapping the Earth's surface (geomatics).

Student Demand

Initial estimates of enrollment are:

Year 1 – 60

Year 2 – 103

Year 3 – 141

Year 4 – 178

Year 5 – 181

Employment Demand

Over the next 10 years, Kentucky's employment needs are anticipated to increase 2-3% each year. Projections are that over the next 10 years, there will be 1,600 annual job openings in engineering for bachelor's-level engineers, despite Kentucky's universities graduating fewer than 1,400 each year, indicating an existing gap between job demand and graduate supply. The gap will only get wider as the demand for these jobs grows and enrollment in traditional engineering programs declines.

Kentucky's industrial base is rapidly expanding. Employer partners such as GE Appliances, FORTNA, and BlueOval SK have all communicated their need to hire employees with applied engineering skills. Common careers for graduates of Applied Engineering programs involve product development, manufacturing, product testing, technical sales, and field service. Students graduating from the Applied Engineering program will be prepared to enter the workforce immediately.

Budget

Despite some start-up costs, this budget achieves and maintains a revenue-positive status over a five-year period, allowing for future program growth through diversification and specialization in different industry-recognized pathways. Revenue will come from student credit hours and external donations.

Projected Revenue over Next Five Years (\$):	\$ 4,682,487
Projected Expenses over Next Five Years (\$):	\$ 4,392,380

PROPOSED PROGRAM SUMMARY

Institution: University of Louisville
Program Name: Biochemistry
Degree Destination: Bachelor of Science

CIP Code: 26.0202

Credit Hours: 120

Implementation Date: 8/1/2024

Program Description

The proposed Biochemistry program builds upon an existing Biochemistry track within the B.S. in Chemistry. The track is largely populated by students intending to continue in the health care field; those graduates enjoy a nearly 100% success rate in applications to medical, dental, and pharmacy schools. Some graduates pursue a graduate degree in biochemistry or an allied field, while still others become immediately employed upon graduation in a wide range of fields utilizing laboratory skills (quality control, pollution monitoring, formulation of pharmaceutical, dietary, and cosmetic supplements) and skills that are specific to biochemistry (PCR- and antigen-based testing for diseases, forensic analysis, DNA sequencing and synthesis, and characterization of protein-based pharmaceuticals and components of diagnostic tests).

During the statewide baseline program review conducted from 2019 to 2021, one of the recommendations was to place the B.S. in Chemistry program in the category of “fix to grow.” Specifically, it was suggested that the university consider elevating the biochemistry track to a stand-alone program.

As a result of this program, graduates will be able to:

- Make conceptual connections across divisions of chemistry (analytical, organic, physical, and biochemistry) and biology (genetics, cellular, and molecular).
- Apply biochemistry in new and emerging contexts.
- Communicate effectively within the field using precision terminology and appropriate referencing.

Connection to Other Programs

As previously mentioned, the proposed new program in Biochemistry stems from an existing track in the B.S. Chemistry; this new program will replace that track. Although a similar program exists at Western Kentucky University, there are differences within the curriculum that differentiate the two. The program at the University of Louisville requires coursework in scientific writing, experiential learning through research or an internship, biostatistics, scientific writing, and ethics. Western Kentucky University supports the proposed new program at the University of Louisville.

Student Demand

Initial estimates of enrollment are:

Year 1 – 72

Year 2 – 77

Year 3 – 85

Year 4 – 94

Year 5 – 103

Employment Demand

There is strong employer demand (70th percentile nationally and 81st percentile regionally). Data for Kentucky reveals a projected 10.61% increase in jobs and a median pay of \$31.13/hr. National data indicates 9.98% growth from 2020–2021 for biochemists and biophysicists, with median earnings of \$49.08/hr.

Many students will continue their education in graduate or professional school. However, these students will inevitably seek employment as scientists in the public sector, private sector, or in academia.

Budget

The new program requires a small investment cost but has potential for significant new revenue. Funding of the program will rely on resources already committed to the existing B.S. Chemistry program, including preexisting faculty lines, office and instructional staff, teaching and laboratory space and equipment, and funding for graduate teaching assistants. The program will require a part-time lecturer, but the new program is expected to increase tuition revenue through the addition of new students and increased retention.

Projected Revenue over Next Five Years (\$):	\$ 4,285,427
Projected Expenses over Next Five Years (\$):	\$ 460,000

PROPOSED PROGRAM SUMMARY

Institution: University of Louisville
Program Name: Exercise Physiology
Degree Destination: Bachelor of Science

CIP Code: 26.0908

Credit Hours: 120

Implementation Date: 8/1/2024

Program Description

The Exercise Physiology program will prepare students for careers in allied health, physical and health education, and human performance fields. The program is currently a track within the Health and Human Performance program and is ready to be elevated to a stand-alone major. The new program will deliver a curriculum providing students with a deep and comprehensive understanding of human physiology and the ways in which human movement and exercise initiate structural and functional adaptations at the biochemical, physiological, and biomechanical levels.

The curriculum is designed to progressively build critical thinking skills and provide students with skill sets required for immediate entry into careers in human performance, individual and corporate health and wellness, physical and health education, and exercise rehabilitation. This degree will also provide students with the content knowledge to achieve K-12 teacher certification immediately following graduation. For students wishing to pursue graduate degrees, the curriculum will prepare students for admission to advanced terminal degrees (DPT, OT, MD, DMD/DDS, PhD), as well as successful completion of placement exams and certifications.

As a result of this program, graduates will be able to:

- Comprehensively understand exercise physiology principles, including how the human body responds to exercise at biochemical, physiological, and biomechanical levels.
- Utilize data to inform decision-making processes and convey complex exercise physiology concepts and findings to diverse audiences in written and oral presentations.
- Make inferences about human movement, physiological processes, and exercise testing and prescriptions for exercise.
- Through student teaching and field experiences, lead and manage classroom interaction in K-12 schools.

The program will have three tracks – Allied Health Therapies; Human Performance; and Physical and Health Education.

Connection to Other Programs

The Exercise Physiology program will replace the current Health and Human Performance undergraduate degree, which has successful tracks in Exercise Science and Physical and Health Education. The current Exercise Science track within the Health and Human Performance program has approximately 500 students and is one of the largest programs at the university.

Northern Kentucky has a program in the same CIP code. The learning objectives and the curricular focus of the proposed program are different than NKU's. And, as noted, this is a popular track within an existing program at UofL, so the university has the infrastructure and expertise to implement this as a stand-alone major. Furthermore, the current Exercise Science track at UofL is one of a few select undergraduate programs in the country that is recognized as a flagship program by two of the most influencing governing bodies in the field: American College of Sports Medicine (ACSM) and National Strength and Conditioning Association (NSCA).

Student Demand

Initial estimates of enrollment are:

Year 1 – 61

Year 2 – 64

Year 3 – 71

Year 4 – 69

Year 5 – 66

Employment Demand

Graduates will be prepared for a variety of fields. The U.S. Bureau of Labor and Statistics projects that exercise physiologist jobs will grow nationally by 13% from 2020 to 2030. Projections are that there will be approximately 1,500 openings for exercise physiologists annually. For the fields of athletic training and exercise or group fitness specialists, there is projected growth of 23% (3,100 employees per year) and 39% (69,100 employees per year), respectively, across the same 2020-30 timeframe.

In 2021, reported median salaries were \$47,940 (exercise physiologist), \$48,420 (athletic trainer), and \$40,700 (exercise trainer). Importantly, the state of Kentucky and the regional metropolitan area of Louisville are expected to grow jobs in this industry segment at a rate close to the national average.

In addition to these market opportunities, it is anticipated that many graduates will pursue terminal degrees and graduate education in the allied health and human performance fields (medical scientists, chiropractors, physician assistants, occupational therapists, physical therapists, and nurse practitioners). The demand for qualified employees in these fields is projected to increase over the next decade.

Budget

The ability to market this program directly, as opposed to its current status as a track in the Health and Human Performance program, will stimulate outreach efforts, ultimately increasing enrollment numbers over time. Budgetary estimates based on conservative enrollment projections suggest the new Exercise Physiology program will provide a positive rate of return on investment beginning immediately after its inception. There are currently approximately 425 full-time students enrolled in the Exercise Science track in the existing Health and Human Performance program. At a rate of \$331 per credit hour, those students provide the department with over \$4.2 million dollars in tuition revenue each year.

Projected Revenue over Next Five Years (\$):	\$ 10,391,745
Projected Expenses over Next Five Years (\$):	\$ 8,282,945

PROPOSED PROGRAM SUMMARY

Institution: University of Louisville
Program Name: Artificial Intelligence in Medicine
Degree Destination: Master of Science

CIP Code: 11.0102

Credit Hours: 30

Implementation Date: 8/1/2024

Program Description

The Artificial Intelligence in Medicine program will prepare students to analyze medical care and public health care data. With this degree, students will learn to analyze, present, and use data through computation, modeling and simulation, machine learning, and advanced statistical analysis.

The field of computation, particularly machine learning, has experienced a renewed interest in the past five years with the progress of deep learning and artificial intelligence (AI) technologies. In medicine, AI is envisioned to help clinicians improve diagnoses, prognoses, and treatment by providing efficient, timely, and accurate data analysis. Medical and public health data involve very large and complex data sets. An understanding of computational and modeling tools, such as machine learning, deep learning, data mining, and statistics, is important for development of optimal AI technologies in these fields. AI enables simulations of human intelligence processes by machines, which can be applied to complex medical issues such as genomics, metabolomics, clinical biomarkers, medical imaging data, etc., in a way that goes beyond traditional data analysis approaches.

As a result of this program, graduates will be able to:

- Apply advanced AI knowledge to the fields of medicine and public health through the application of advanced programming and mathematical principles.
- Effectively communicate with colleagues and practitioners in multiple disciplines, such as engineering, statistics, and bioinformatics.
- Develop and hone advanced skills in AI methods and tools used in medicine in a wide variety of employment opportunities, such as industry, academia, and government, or in furthering their graduate studies.
- Use modern computing techniques and tools to experiment, analyze, and interpret data, and draw appropriate conclusions based on scientific judgement.

Connection to Other Programs

There are no similar programs at Kentucky public institutions. The University of Louisville currently offers a certificate program in AI in Medicine. Expectations are that enrollment in the certificate will increase, suggesting a related increase in student enrollment in the master's program.

In terms of collaborations, there is a strong bioengineering community at the University of Louisville, built among collaborations amongst faculty in Bioengineering, other faculty within the School of Public Health, the Schools of Information Sciences, Medicine, and Dentistry, and the Speed School of Engineering. This unique partnership will capitalize on the strengths of faculty in all these areas and provide students with opportunities to learn from world renowned experts in AI and bioinformatics.

Program faculty have a long history of collaborations with the following areas/organizations:

- Faculty in the departments of oncology, radiology, math, and psychology
- Cardiovascular Innovation Institute
- Kentucky Spinal Cord Injury Research Center
- Brown Cancer Center

- Center for Predictive Medicine

Student Demand

Initial estimates of enrollment are:

- Year 1 – 5
- Year 2 – 10
- Year 3 – 15
- Year 4 – 20
- Year 5 – 25

Employment Demand

Exponential growth is anticipated in fields related to AI in medicine. The current surge in jobs in the field has led to the creation of advanced degree programs in AI at many schools. One nationwide search for master’s programs in AI yielded 22 related programs, of which five were devoted to medical data analysis. These programs achieved 175% growth between 2017 and 2022, with 116% growth in completion rates.

Positions as computer scientists and information research scientists are expected to grow 19% within the next nine years. Target occupations for this type of advanced degree reached over 100,000 annual openings in 2020; the average salary was \$118,000 per year.

Budget

This master’s program is integrated with current graduate programs in bioengineering and other programs and therefore does not require additional funding to initiate. As the program grows, one graduate teaching assistant will be requested to assist with the increased course workload. A minor outlay of funds will occur at the beginning of the program to ensure sufficient library materials are available for students.

Projected Revenue over Next Five Years (\$):	\$ 1,406,624
Projected Expenses over Next Five Years (\$):	\$ 155,790

PROPOSED PROGRAM SUMMARY

Institution: Western Kentucky University
Program Name: Data Science
Degree Destination: Bachelor of Science

CIP Code: 30.7001

Credit Hours: 120

Implementation Date: 8/19/2024

Program Description

The Data Science program will equip students with a comprehensive understanding of the interdisciplinary field of data science. This program will merge computer science, statistics, and data analytics to harness the power of data for informed decision-making and innovative problem-solving. Through a combination of theoretical coursework, hands-on projects, and real-world applications, graduates of this program will have the skills necessary to excel in the rapidly evolving landscape of data-driven industries.

As opposed to typical data science programs that are housed in statistics and computer science departments, this program spans a variety of fields. Students will graduate with skills in multiple computer programming languages, various database languages, cloud computing, data wrangling, statistics, econometrics, and calculus and linear algebra. These fundamental skills will be coupled with domain knowledge from various disciplines – the students will have to complete at least one certificate or a minor that complements their degree in data science. Graduates of the program may go directly into the workforce or pursue graduate studies in fields such as economics, operations management, and computer science.

As a result of this program, graduates will be able to:

- Develop a solid foundation in programming, database management, statistical analysis, and machine learning techniques.
- Manipulate, gather, clean, transform, and analyze diverse datasets.
- Create compelling visualizations succinctly representing complex data-driven insights.
- Communicate findings and implications effectively with both technical and non-technical audiences.
- Develop proficiencies in popular tools and technologies used in the field, such as Python, R, SQL, and SAS.

A unique aspect of this program is that it is highly customizable. To complement the Data Science degree, students will also be required to complete at least one certificate or minor in an associated field of the student's choosing (Applied Data Analytics, Applied Statistics, Economic Data Analytics, Geographic Information Systems Mapping, Health Informatics, or Emergency Management Disaster Science).

Connection to Other Programs

Although this will be the first program in the state that is classified in CIP 30.7001 (Data Science, General), there are other data science-related programs in the state. However, the strong student and employment demand, as well as curricular differences, demonstrate the potential viability of this program.

Data scientists occupy a variety of jobs, some of which require in-depth knowledge of a specific field, such as natural language processing or artificial intelligence. Another, and possibly larger segment of data science professionals, requires individuals to be “jacks-of-all-trades” because their jobs include creating and maintaining databases, developing workflows for data collection and analysis, developing ad-hoc analyses for specific problems, fine-tuning algorithms that have been put in production, and many

other data-related tasks. These kinds of jobs rely on individuals having a wide variety of skills, and that is what WKU's proposed program is designed to address.

Student Demand

Initial estimates of enrollment are:

Year 1 – 25

Year 2 – 45

Year 3 – 68

Year 4 – 91

Year 5 – 115

Employment Demand

This new major is expected to broaden career prospects for more graduates of Western Kentucky University. The number of jobs in this field is projected to grow by 35% over the next decade, according to the Bureau of Labor Statistics. As of 2022, the median salary for data scientists is \$103,500 per year. With the increasing availability of broadband internet in Kentucky and with expanded acceptance of remote work (particularly true in the field of data science), this degree will offer Kentucky residents opportunities to hold high-paying jobs without having to leave the state.

Budget

Western Kentucky University is leveraging the skills of its existing faculty, which will facilitate offering this program in a cost-effective manner. Currently, there is a significant amount of expertise across various existing disciplines, which facilitates offering the program almost exclusively with existing resources.

Projected Revenue over Next Five Years (\$):	\$ 1,292,268
Projected Expenses over Next Five Years (\$):	\$ 175,354

PROPOSED PROGRAM SUMMARY

Institution: Western Kentucky University
Program Name: Neuroscience
Degree Destination: Bachelor of Science

CIP Code: 26.1501

Credit Hours: 120

Implementation Date: 8/15/2024

Program Description

The proposed Neuroscience program at Western Kentucky University is an expansion of an existing Neuroscience track in the B.S. Psychological Sciences and an existing minor in Neuroscience. The vast majority of students within the Neurosciences track and the minor have stated that they would prefer a degree in Neuroscience. Students will have three tracks to choose from (Computational, Behavioral, and Systems).

The Systems track leads to graduate study in neuroscience or clinical psychopharmacology, or a career in the pharmaceutical industry, or serves as a pre-health professions option leading to a medical school application. The Behavioral track will facilitate study in cognitive neuroscience or psychiatry. Students in the Computational track will be prepared to find careers in artificial intelligence, medical data analytics, healthcare analytics, prosthetics, or robotics. As a strong natural science degree with a large “hands-on” component, the Neuroscience program will educate students to be lifelong innovators and problem-solvers.

As a result of this program, graduates will be able to:

- Develop and apply a working knowledge of the main content domains in neuroscience.
- Explain the scientific method of discovery, based on testing hypotheses by collecting and analyzing data in appropriately designed experiments.
- Propose, design, and run experiments, and analyze the data from these experiments.
- Embrace problem-solving and evaluate their role in finding solutions.

Connection to Other Programs

Western Kentucky University already offers a Neuroscience minor, as well as the Neuroscience track within the B.S. in Psychological Sciences. Enrollment in these offerings continue to grow and speaks to student demand. Many courses that will be included in the new Neuroscience program are already offered for the track and the minor. The program is strongly supported by Western Kentucky University faculty within the areas of biology, chemistry, psychological sciences, engineering, and computer science.

There are four neuroscience programs among public universities. Larger programs exist at the University of Louisville and the University of Kentucky, and these are focused on molecular and systems neuroscience. Smaller programs exist at Northern Kentucky University and Morehead State University. The strong student and employment demand, as well as curricular differences, demonstrate the viability of this program.

Student Demand

Initial estimates of enrollment are:

Year 1 – 24

Year 2 – 48

Year 3 – 72

Year 4 – 96

Year 5 – 96

Employment Demand

Western Kentucky University's Neuroscience program will prepare students for well-paying jobs in two of the most solid, expanding employment areas: medicine and artificial intelligence. The Neuroscience program is a rigorous science degree focusing on hands-on learning techniques related to problem solving, data analysis, and effective communication of findings. With an aging population, the field of health sciences will continue to be growth areas for well-paying jobs; the field of artificial intelligence will also continue to expand.

The top four occupational categories for neuroscience graduates are natural science managers, biochemists and biophysicists, biological scientists, and medical scientists (excluding epidemiologists). Employment can be found in areas performing high-level neuroscience research, in the private sector, government laboratories, or in academia.

Budget

Enrollment projections indicate that the new Neuroscience program will attract a number of new students in the first five years of the program, providing new tuition dollars to the university. Expenses for the proposed new program are related to reasonable start-up costs, including upgrades facilities and laboratory equipment. Minimal expenses for administrative support will be provided by existing employees.

Projected Revenue over Next Five Years (\$):	\$ 3,848,948
Projected Expenses over Next Five Years (\$):	\$ 1,331,630

TITLE: Dual Credit Policy Revision

DESCRIPTION: Staff recommends that the Committee endorse the approval of the proposed revisions to the Annual Reporting section of the Dual Credit Policy to the full Council at its March 28, 2024, meeting.

STAFF CONTACT: Amanda Ellis, Ed. D, Vice President, K-12 Policies and Programs
Robin Hebert, Senior Fellow, K-12 Policies and Programs

COMMITTEE REVIEW & APPROVAL

The ASI Committee reviewed and approved the proposed revisions to the Annual Reporting section of the Dual Credit Policy at its March 25, 2024, meeting.

SUPPORTING INFORMATION

The Kentucky Council on Postsecondary Education (CPE) is directed by *KRS 164.098* to collaborate with the Kentucky Department of Education (KDE) and the Kentucky Education Professional Standards Board (EPSB) to develop guidelines for dual credit programs offered in Kentucky.

The Dual Credit Policy (2016) provided guidance to postsecondary and secondary schools by defining roles and responsibilities. Student eligibility and teacher credentialing were also clearly defined. Since the establishment of the policy, the Kentucky General Assembly created the Dual Credit Scholarship, enabling high school students to take two dual credit courses at no cost and additional courses at a subsidized rate. Since 2016, dual credit enrollment has increased by 75% (CPE, August 2020), and currently 42% of high school seniors are graduating with college credit earned through early postsecondary opportunities.

In March 2023, the CPE Board approved several revisions of the Dual Credit Policy that added definitions, an attainment goal, teacher credentialing and responsibilities, a review and revision process, and annual reporting requirements.

After the first year of implementation, annual reporting and feedback from institutions, staff are recommending minor revisions to the Annual Reporting section to eliminate duplication of efforts and streamline the data submission process for institutions. Upon consultation with Travis Muncie, Executive Director of CPE’s Data, Research and Advanced Analytics department, it has been determined that the required dual credit data can be more efficiently collected by CPE through the November data upload currently submitted by Kentucky’s institutions of higher

education. The Dual Credit Advisory Council member organizations, including KHEAA, KCTCS, and KDE, are aware of and in support of this revision. Narrative reporting about teachers' professional development and communication strategies will still be reported annually on the July 1 timeline.



Dual Credit Policy for Kentucky Public and Participating Postsecondary Institutions and Secondary Schools

~~2023 Revision~~2024 Revision

Approved by Council: ~~March 31, 2023~~

Effective Date: ~~March 31, 2023~~ March 28, 2024

I. Introduction and Purpose

Improving the educational attainment of all Kentucky citizens is key to ensuring the state’s long-term economic success. The state commits significant resources across the educational spectrum to develop and implement strategies to address this critical issue. Providing secondary students dual credit opportunities is a proven educational strategy with the capacity to complement and maximize the chances of success of our educational initiatives. Effective dual credit systems have impacts both at the secondary and postsecondary levels and provide the opportunity for collaboration between the K-12 and higher education systems, as well as among P-20, policy, workforce, family and community partners.

In 2016, the Kentucky Council of Postsecondary Education (CPE) worked with the Kentucky Community and Technical College System (KCTCS), the eight public universities, the Association of Independent Kentucky Colleges and Universities (AIKCU), the Kentucky Department of Education (KDE) and the Kentucky Higher Education Assistance Authority (KHEAA) to create and publish the first [Dual Credit Policy for Kentucky Public and Participating Postsecondary Institutions and Secondary Schools](#).

This 2023 revision responds to input from the [Commonwealth Education Continuum \(CEC\)](#) to update the original policy to reflect the significant changes and expansion in dual credit since it was first published in 2016. This policy revision process has included significant input from key stakeholders across Kentucky. This policy reflects the current statute and regulations impacting dual credit in Kentucky, as well as accreditation standards set forth by the Southern Association of Colleges and Schools Commission on Colleges (SACS-COC). The goal of this policy is to support the vision for Kentucky’s dual credit system outlined below, and to support the growth of these programs in a meaningful way that leads to the best possible outcomes for all students. This policy serves as one component of a multi-faceted state-wide strategy to support dual credit in Kentucky, including an early postsecondary opportunities toolkit, professional learning and on-going efforts related to teacher credentialing.

II. The Vision for Kentucky’s Dual Credit Program

What Are the Goals of Kentucky’s Dual Credit System?

1. To provide all high school students with the opportunity to participate in meaningful college and career experiences in a supported environment that advances students towards a postsecondary degree or credential aligned to their post-high school plans.
2. To provide all high school students with the opportunity to structure their dual credit experiences to significantly reduce the costs of a college degree or credential and to reduce students’ time to degree or credential completion.

Who is Dual Credit For?

Kentucky is working to provide all high school students with the opportunity to participate in dual credit and build intentional outreach and support to expand access for populations of students who have historically participated in these programs at lower rates. These include, but are not limited to, individuals from under-resourced families, individuals from underrepresented populations, first-generation college students and students with disabilities.

What is the Ideal Dual Credit Experience for Students?

1. Dual credit programs in Kentucky should provide all high school students with a carefully selected and affordable range of meaningful dual credit courses that are rigorous and highly transferable. Additionally, the courses should be aligned to in-demand careers and demonstrate authentic high school partnerships between area technology centers and two- and four-year institutions of higher education.
2. Dual credit programs should promote a sense of belonging and establish postsecondary expectations that help all students create and realize goals beyond high school, regardless of whether the program takes place on the postsecondary campus, in the high school or online.
3. All students participating in dual credit should have access to a personalized plan that includes support services provided by both the high school and college partner in the dual credit program. These services should include academic support to help students identify the meaningful dual credit experiences most appropriate for their postsecondary and career goals and to guide them through their dual credit experiences toward successful completion.
4. Dual credit should be a normalized and accepted part of every high school student's journey. Students and their families should be aware as early as middle school about dual credit and how early postsecondary coursework can maximize student college credit opportunities.

III. Dual Credit Attainment Goal

The Rationale: Kentucky is establishing a Dual Credit Attainment Goal to support the development of a state workforce with the degrees and credentials Kentucky's economy needs to thrive. Increasing dual credit attainment in Kentucky will:

1. promote greater alignment between the state's K-12 and higher education systems.
2. create a culture that includes attaining a postsecondary degree or credential for all students.
3. increase the level of educational attainment of Kentucky's citizens.

The Goal: By 2030, 50% of Kentucky high school students should graduate high school having completed at least one dual credit course with a qualifying grade of a C or higher. As Kentucky

increases the student success rate in dual credit, the state will work to ensure that students enrolled in dual credit coursework match the economic, demographic and geographic makeup of Kentucky's high school population as a whole.

The Strategies: Kentucky's Dual Credit Attainment goal will be accomplished by:

1. prioritizing access among students with limited or no access to dual credit courses.
2. providing meaningful dual credit experiences related to students' postsecondary and career goals.
3. supporting student success in dual credit coursework through high-quality college and career advising and academic services.
4. strengthening partnerships among high schools, postsecondary institutions and employers to build and sustain effective policies and equitable practices.
5. maintaining, communicating, and, when possible, expanding support for the state's dual credit scholarship program.
6. increasing the number of teachers credentialed for dual credit in Kentucky.

IV. Definitions

Dual Credit: Pursuant to KRS 164:002(5), a college-level course of study developed in accordance with KRS 164.098 in which high school students receive credit from both the high school and postsecondary institution where they are enrolled upon completion of a single class or designated program of study.

What This Means

Dual credit means that students are participating in a college-level course as part of an agreed upon partnership between the high school and the institution of higher education that allows students to receive both high school and college credit upon successful completion of the course.

Dual credit courses may be taught online or through other distance education methods, or they may be taught face-to-face on a college campus, at a secondary school or at another mutually agreed upon and approved location. Dual credit courses shall be taught by qualified and credentialed teachers and faculty.

Dual credit courses may be offered during or outside the secondary school day.

Dual Enrollment: Pursuant to [KRS 164:002\(6\)](#), a college-level course of study developed in accordance with [KRS 164.098](#) in which students are enrolled in a high school and postsecondary institution simultaneously.

What This Means

Dual enrollment means students are only receiving college credit for successfully completing a college-level course. Dual enrollment courses are not supported through the Dual Credit Scholarship.

Support Services: Support services for students provided by dual credit programs may include academic support and advising regarding course selection and how dual credit aligns with postsecondary and career goals.

What This Means

High quality dual credit programs provide all students access to ~~the~~ support services to ensure meaningful course selection and successful experiences.

High School: includes all secondary institutions ~~that~~who serve high school-aged students.

V. Course Offerings

- A. Dual credit courses are college courses and therefore must meet the same student learning outcomes and be of the same quality and rigor as courses taught to traditional college students at ~~the~~ participating postsecondary institutions.
- B. The postsecondary institution's grading policy shall apply to dual credit courses and must be used by the high school awarding credit.
- C. College credit shall be awarded upon ~~the~~ students' completion of the dual credit course requirements and will become a permanent part of their official college transcript. The award of college credit will comply with appropriate accreditation standards for the participating postsecondary institutions.
- D. High school credit shall be awarded at the end of the term by the secondary school upon completion of the course. The award of high school credit will be determined by local policy.
- E. If students fail or withdraw from a college course, including dual credit coursework, this will be noted on their college transcript. ~~Student p~~Performance in dual credit courses will impact ~~students'~~their high school and future college grade point average (GPA); and may also have an impact on their financial aid and scholarship eligibility upon high school graduation.
- F. Student Accommodations
 - 1. If a student with an Individualized Education Plan (IEP) pursuant to the Individuals with Disabilities Education Act (IDEA) participates in a dual credit course, IEP implementation for the dual credit course is not required unless the student's Admissions and Release Committee (ARC) determines that the dual credit course is necessary to provide the student with a Free Appropriate Public Education (FAPE).

When students participate in a dual credit course at their high school with a credentialed high school teacher, notwithstanding whether they have an IEP pursuant to the IDEA or a Section 504 plan pursuant to Section 504 of the Rehabilitation Act of 1973 (Section 504), the high school shall provide accommodations to such students as appropriate to meet the requirements of Section 504.

2. If students are taking a course at the postsecondary institution or online, the high school shall inform the postsecondary institution that they may be entitled to accommodations under Section 504. The postsecondary institution shall implement its own Section 504 policies and procedures regarding accommodations, so students receive the appropriate accommodations at the postsecondary institution.
3. Students and high schools should work closely with the college coordinator who helps students with Section 504 accommodations to ensure student needs are met.
4. For more information, see [Kentucky Department of Education Question and Answers Related to Dual Credit Courses and Student with Individualized Education Programs \(IEPs\)](#) and [United States Department of Education Increasing Postsecondary Opportunities and Success for Students and Youth with Disabilities](#).

VI. Student Eligibility

Section 6 of [13 KAR 2:020](#). Guidelines for admission to the state-supported postsecondary education institutions stipulates:

1. students admitted to any Kentucky public postsecondary institution in an accelerated pathway or in dual credit courses in general education shall have an unweighted high school GPA of at least 2.5 on a 4.00 scale and meet any college course prerequisites established by the institution.
2. students shall be granted admission into a career and technical education dual credit course if they meet the course prerequisite requirements established by the institution offering the course.
3. it is the responsibility of the postsecondary institution to ensure that any college course prerequisites are publicly available, easily accessible and communicated to students who wish to participate in dual credit courses.
4. dual credit courses shall not include developmental education courses or courses that are not transferable, such as a first-year experience course.

VII. Transferability of Credit

- A. All postsecondary institutions shall recognize dual credit general education courses pursuant to [The General Education Transfer Policy and Implementation Guidelines](#) and in accordance with accreditation requirements.
- B. All participating postsecondary institutions shall recognize credit awarded under this policy for career and/or technical dual credit coursework if the course has the same competencies and learning outcomes as that of a course offered at the receiving institution.

VIII. Dual Credit Teacher Credentialing and Responsibilities

- A. SACS-COC's [Dual Enrollment Policy Statement \(2018\)](#) requires that faculty teaching dual credit courses (who may include high school teachers approved by the college) “possess the same academic credentials and/or documented professional experience required by the institution of all of its faculty.” Typically, for general education courses this requires a [Master’s Degree](#) in the discipline-specific content area that the faculty [member](#) is teaching or at least 18 credit hours of discipline-specific content for academic faculty.
- B. The credentials required to teach a technical course are determined by each postsecondary institution.
- C. The dual credit teacher must ensure that the learning outcomes established by the partnering postsecondary institution are fully implemented.

IX. Tuition and Fees

- A. Postsecondary institutions must provide written information about tuition and other fees for dual credit courses to each student, parent and/or adult in the household and secondary school prior to enrollment in such courses.
- B. KHEAA administers student financial support for dual credit tuition through funding for the Dual Credit Scholarship Program provided by the Kentucky General Assembly. For more information on what financial support is available, please visit the [KHEAA website](#).

X. Dual Credit Review and Revision Process

- A. CPE will convene an advisory council tasked with making recommendations to support dual credit policy; promote the quality and rigor of dual credit courses; lead the development of tools and resources to support high quality dual credit practices; and

create a space for stakeholders to provide input into the functioning of the dual credit policies and programs.

- B. This advisory council will be ~~comprised~~~~imposed~~ of representative members, including policymakers, practitioners, and other stakeholders who are knowledgeable about dual credit policies, procedures and processes. Membership shall include, but not be limited to, the following:
1. Council on Postsecondary Education (CPE)
 2. Kentucky Department of Education (KDE)
 3. Kentucky Higher Education Assistance Authority (KHEAA)
 4. Kentucky Community & Technical College System (KCTCS)
 5. A Kentucky ~~P~~public 4-Year Institution of Higher Education
 6. A Kentucky Public School District
 7. The Association of Independent Kentucky Colleges and Universities (AIKCU)
 8. Additional representatives as agreed upon by the advisory council, including potential representation from counselors, students, and other relevant stakeholders.
- C. The advisory council should meet with the appropriate frequency to support its work and be empowered by the representative agencies to make joint decisions on policy recommendations, support dual credit practice and safeguard the best interests of Kentucky students in these programs.
- D. The advisory council should also consult with additional representatives and stakeholders who have relevant expertise to the working group's agenda.

XI. Annual Reporting

Postsecondary institutions participating in dual credit programming shall submit an annual report to CPE by July 1, 2023, and every year thereafter, including the following:

- ~~1. For the previous year:~~
 - ~~a. List of dual credit courses offered by partnering school~~
 - ~~b. List of partnering high schools~~
 - ~~c. Student information by partnering school, as permitted in accordance with the Family Educational Rights and Privacy Act (FERPA), disaggregated by gender, race/ethnicity, socio-economic status, and special populations~~

~~e. Total number enrolled by course~~

~~e. Pass rate~~

~~d. 1. Description of professional development provided to dual credit teachers and other high school partners, including proposed changes for the upcoming year.~~

~~e. 2. Description of the outreach and communication activities and proposed changes for the upcoming year.~~

~~f. List of dual credit teachers and their secondary or postsecondary institutions~~

~~2. For the upcoming year:~~

~~a. Updates to the list of dual credit course offerings~~

~~b. Updates to the list of partnering high schools~~

~~c. Updates to the dual credit professional development plan for dual credit teachers and other secondary partners~~

~~d. Updates to the outreach/communication plan and activities~~

~~e. Updates to the list of dual credit teachers and their secondary or postsecondary institutions~~

~~f. 3. Assurance that dual credit partnership agreements meet all criteria set forth in this Dual Credit Policy~~

XII. Key Roles and Responsibilities

Within Kentucky's dual credit ecosystem, various agencies and stakeholders play different roles in ensuring students have access to these programs.

State Agencies

1. Council for Postsecondary Education (CPE)

- a. Establishes, reviews and revises Kentucky's Dual Credit Policy that communicates the criteria for all components of dual credit in accordance with Kentucky statute and regulation.
- b. Leads research and communication efforts on dual credit's impact and return on investment related to students' college and career success.
- c. Serves as primary liaison and conduit between state agencies and the state's postsecondary institutions.

- d. Provides training and guidance for counselors and individual districts, in partnership with relevant institutions of higher education.
- e. Maintains the Dual Credit Dashboard in collaboration with the Kentucky Center for Statistics (KYSTATS).
- f. Collects annual data regarding dual credit participation and student success rates from postsecondary institutions.

2. Kentucky Department of Education (KDE)

- a. Coordinates how dual credit courses are set up and administered in districts and within Infinite Campus; works with districts to ensure that relevant dual credit data from area technical centers are reflected.
- b. Determines course eligibility within CTE pathways or academic courses in partnership with the postsecondary institution.
- c. Maintains the CTE Programs of Study Handbook, ensuring it accurately reflects courses that are available and have been approved by postsecondary institutions.
- d. Maintains the state and district level dual credit data within the School Report Card.
- e. Provides training and guidance for counselors and individual districts, in partnership with relevant institutions of higher education.

3. Kentucky Higher Education Assistance Authority (KHEAA)

- a. Administers the Dual Credit Scholarship program, including the application process, compliance and how the funds are awarded.
- b. Serves as the point of contact with high schools, colleges, students and families on issues related to the scholarships.

4. Postsecondary Institutions

- a. Determine the courses that are offered as part of a dual credit partnership with a school district, adhering to the accreditation guidelines and transfer policy for general education courses.
- b. Approve school districts' use of faculty as dual credit instructors, ensuring that they meet SACSCOC accreditation guidelines.
- c. Provide information about tuition and other fees for dual credit courses in writing to each student, parent and/or adult in the household and secondary school prior to enrollment.

- d. Provide dual credit students with academic support services, such as [as](#) tutoring and advising.
- e. Determine how dual credit will be awarded and transcribed at the postsecondary institution.
- f. Initiate and establish dual credit partnerships with secondary schools that meet the expectations established in this policy.
- g. Initiate and maintain communication with teachers, counselors and districts to ensure student success.
- h. Conduct annual training for dual credit teachers to review course outcomes and provide resources and support for instruction.
- i. Prepare and submit an annual report to CPE by July 1.

5. Secondary Schools

- a. Initiate and establish dual credit partnerships with institutions of higher education.
- b. Determine student eligibility for participating in dual credit.
- c. Coordinate with postsecondary institutions to ensure academic support services are provided to dual credit students.
- d. Communicate with students and families about the availability and value of dual credit courses and scholarships, including information about eligibility and enrollment.
- e. Determine how dual credit will be awarded and transcribed at the high school.

XIII. Implementation of this policy

- A. The initial Annual Report required in Section XII of this policy is due to CPE on July 1, 2023.
- B. This policy shall become effective and implemented for dual credit courses beginning fall 2023.

TITLE: Annual Report of Academic Programs - Academic Year 2022-23

DESCRIPTION: The Academic and Strategic Initiatives Committee received a report of the overview of the new, closed, and reviewed academic programs during the 2022-2023 academic year.

STAFF CONTACT: Dr. Melissa Bell, CPE’s Vice President of Academic Excellence and Student Success

COMMITTEE’S REVIEW

The Academic and Strategic Initiatives Committee received this information update at their March 25, 2024, meeting. It will not be covered or presented in detail at the March 29 board meeting; however, staff will be available for questions.

SUPPORTING INFORMATION

The Council is the approving body for academic programs at Kentucky's public institutions. KRS 164.020(15) empowers the Council to define and approve the offering of all technical, certificate, diploma, associate, baccalaureate, graduate, and professional degree at public postsecondary institutions. It also mandates that the Council expedite the approval of requests from KCTCS for new programs of a vocational-technical and occupational nature. This statutory duty is operationalized through the Council’s New Academic Program Approval Policy, which was last updated in September 2020.

The Council also has the authority to review programs after they are implemented. Under KRS 164.020 (16), the Council has the authority to eliminate or modify existing programs using the criteria of consistency with institutional mission, alignment with the statewide strategy agenda, elimination of unnecessary duplication, and the creation of collaborative programs. This statutory duty is operationalized through two Council policies – the Statewide Academic Program Review Policy, which was last revised in June 2021, and the Statewide Academic Review for KCTCS, which was approved in January 2023.

NEW PROGRAM APPROVALS IN 2022-23

A total of 150 new academic programs were approved during the 2022-2023 academic year. Of these, 97 are undergraduate certificates and 33 are postbaccalaureate certificates, which require only staff review.

CPE staff approved five associate's degrees at KCTCS institutions:

- Ashland Community & Technical College - Associate of Applied Science in Medical Assisting, and Associate of Applied Science in Radiography
- Hazard Community & Technical College – Associate of Applied Science in Education
- Hopkinsville Community College – Associate of Applied Science in Computerized Manufacturing & Machining
- Maysville Community & Technical – Associate of Applied Science in Education

The Council approved three bachelor's degrees and three master's degrees:

- Northern Kentucky University – Master of Arts in Educational Leadership
- University of Kentucky – Bachelor of Science in Leadership for Community Education and Human Learning
- University of Louisville – Master of Arts in Applied Philosophy
- Murray State University – Master of Science in Wildlife and Conservation Biology
- Eastern Kentucky University – Bachelor of Science in Manufacturing Engineering and Bachelor of Science in Management Information Systems

REVIEW OF EXISTING PROGRAMS IN 2022-23

Per Council policy, universities submitted their program review reports in July 2023. These reports included a summary of the institutional program review processes, programmatic decisions, and plans for the upcoming year.

Overview of Institutional Program Review Processes

Eastern Kentucky University

- A cohort of the chairs and/or program coordinators of the programs to be reviewed during the current year was established. Each college created a committee to evaluate and provide recommendations concerning the program review documents originating in their respective college, which received the program's final program review. The Provost, the Associate Provost for Academic Programs, the Vice President of Student Success, and the Executive Director for Institutional Effectiveness & Research and Financial Aid reviewed the reports and recommendations from the program and the college and determined if an academic program should: continue without modification, continue with modification, or close within one to three years. The process concluded with a meeting among all affected parties to document the program's strengths and areas for improvement.

Kentucky State University

- Academic stakeholders participated in a series of workshops in collaboration with CPE partners. The program economics and market data for all of KSU's academic programs were reviewed, which was one of the Management Improvement Plan objectives.

Members of the Deans and Chairs council, as well as the Faculty Senate Executive Committee, participated in workshops and made decisions on various programs.

Morehead State University

- The 2023 process had a focus on efficiency. Meetings included the President, the Provost, the Associate Provost, the Director of Budgets, and the Dean of the college being reviewed. Careful analyses of each program included metrics such as student credit hour production and full-time equivalent faculty.

Murray State University

- Academic deans and the Provost evaluated programs based on three metrics: program enrollment, program demand, and program degrees. Meetings were held with chairs of departments and department faculty reviewed a five-year review plan. Comments from program faculty were shared with the Dean, who finalized the report in conjunction with the department chair.

Northern Kentucky University

- The process consisted of regular meetings with deans and those who oversaw the programs undergoing a review. The program faculty were provided with a template that included different data points. Regular follow-ups were sent and additional meetings held as necessary. After programs addressed the information in the template, the program review was sent to the appropriate deans for review and approval before final submission.

University of Kentucky

- The process was conducted at the department level. Each academic unit was encouraged to facilitate a collaborative self-study process involving faculty, staff, and other constituents. Following the self-study, an external review committee was created and charged with reviewing and summarizing the self-study, as well as making at least five recommendations. The department had a conversation with the dean to create an implementation plan to guide the department's continuous improvement activities.

University of Louisville

- Unit-level Program Review Orientation meetings were held with program directors to provide guidance on how to submit a program review. The Academic Program Review Committee analyzed the program review reports and identified areas of commendation, needs, and/or areas for improvement, including suggested revisions to the report. The Academic Program Review Committee received the revised reports and members of the committee were subsequently polled on their opinions. The poll also asked members to provide a brief, written rationale for their selections and for their votes for each category (fix, sunset, sustain, or grow) were conducted. A final list of recommendations was then sent to the Provost.

Western Kentucky University

- Two processes were used to review academic programs – the Program Sustainability Check-up (PSC) and Academic Program Review (APR). The Program Sustainability Check-up committee is intended to quickly and efficiently identify programs that may need help to improve their long-term viability. Programs that did not meet certain thresholds provided reports describing improvements. Academic Program Review evaluates the quality of WKU's programs and provides the opportunity to reflect upon the content of programs and curricular delivery. This was the first year using APR; APR is more extensive than PSC and focuses more on continuous improvement beyond, but in addition to, enrollment and staffing.

Results of Institutional Program Review Processes

During the 2022-2023 academic year, Kentucky's public universities reviewed 199 academic programs and provided recommendations:

- 45 programs were recommended to grow;
- 86 programs were recommended to sustain;
- 52 programs were recommended to be improved; and
- 16 programs were recommended to close.

Of the 16 programs that were set to close, six were postbaccalaureate certificates. Other programs set to sunset included:

- Eastern Kentucky University
 - Master of Arts in History – the program had low enrollments.
- Kentucky State University
 - Each of these programs were due to sunset due to low enrollment and/or low market demand.
 - Bachelor of Arts/Bachelor of Science in General Social Sciences
 - Bachelor of Science in Mathematics
 - Bachelor of Science in Chemistry
 - Master of Public Administration in Public Administration
 - Master of Science in Child Development and Family Relations
- Northern Kentucky University
 - Bachelor of Arts in German – the loss of a full-time German faculty member made it difficult to continue offering the program.
- University of Kentucky – Each of these programs were due to sunset due to low enrollment and/or low demand.
 - Postbaccalaureate Certificate in School Technology Leadership
 - Postbaccalaureate Certificate in Inclusive Education
 - Postbaccalaureate Certificate in Liberal Studies
 - Postbaccalaureate Certificate in Gerontology
 - Postbaccalaureate Certificate in Design: Digital Literacy
 - Postbaccalaureate Certificate in Tobacco Treatment Specialist Training

- Master of Engineering in Biomedical Engineering
- Western Kentucky University
 - Master of Arts in Folklore Studies – the program was due to sunset due to low market demand.

TITLE: Unlocking Enrollment Barriers for Parenting Students

DESCRIPTION: The Academic and Strategic Initiatives Committee received a report on the Council’s report on the negative impact that parenting status often has on enrollment and student success and how the Kentucky Student Success Collaborative is integrating holistic academic, basic needs, and childcare supports for parenting students.

STAFF CONTACTS: Dr. Chris Ledford, Associate Director, Data and Advanced Analytics
Dr. Lilly Massa-McKinley, Executive Director, Kentucky Student Success Collaborative

COMMITTEE’S REVIEW

The Academic and Strategic Initiatives Committee received this information update at their March 25, 2024, meeting. It will not be covered or presented in detail at the March 28 board meeting; however, staff will be available for questions.

SUPPORTING INFORMATION

How does parenthood impact enrollment and success in college? How can understanding these patterns shape efforts to grow adult and low-income enrollment?

A wealth of studies confirm declining enrollment trends among parenting, adult, and low-income learners. Based on a national scan, this research began with expectations that these student populations, and thus their basic needs challenges, have considerable overlap. More aptly, this research began with expectations that answering the questions above could enhance efficacy of statewide efforts to grow non-traditional enrollment and overall attainment levels.

The findings are stark. Over the past decade, sizable majorities of parenting students were either low-income, adult, or female learners, and nearly half met all three criteria. Results from a novel cohort analysis suggest that parenting status has negative impacts on persistence and graduation rates, regardless of when in college students become parents. Unfortunately, parenting student enrollment also declined by more than 50% over the period. Key takeaways are that efforts to grow non-traditional and low-income learner populations must consider the critical intersections with parenting status.

CPE staff will present these findings and discuss how the Kentucky Student Success Collaborative is putting data, improvement science, and a statewide support network to work to address these and other concerns related to student basic needs insecurities across Kentucky.

TITLE: Tuition-Setting Process for Academic Year 2024-25

DESCRIPTION: The Finance Committee received an update on the 2024-25 tuition-setting process, including a listing of Council approved maximum base-rate increases by institution for the upcoming year.

STAFF CONTACTS: Bill Payne, Vice President for Finance and Administration, CPE
Shaun McKiernan, Executive Director of Finance and Budget, CPE

COMMITTEE’S REVIEW

The Finance Committee received this information update at their March 25, 2024, meeting. It will not be covered or presented in detail at the March 28 board meeting; however, staff will be available for questions.

BACKGROUND

On March 31, 2023, the Council on Postsecondary Education approved tuition and mandatory fee ceilings for academic years 2023-24 and 2024-25. Included among parameters adopted at that meeting was a requirement that base-rate increases for resident undergraduate students not exceed 5.0% over two years, or 3.0% in any one year, at the public universities, nor exceed \$7.00 per credit hour over two years, or \$4.00 per credit hour in any one year, at KCTCS institutions.

In the weeks following that action, the postsecondary institutions submitted tuition and fee proposals for academic year 2023-24 to the Council that had been approved by their respective governing boards. Staff reviewed each institution’s proposed 2023-24 tuition and fee charges by degree level, residency, and attendance status and determined that they complied with Council-approved ceilings.

On June 9, 2023, the Finance Committee recommended, and the Council approved, tuition and fee rates for academic year 2023-24 for Eastern Kentucky University (EKU), Murray State University (MuSU), and Western Kentucky University (WKU), as approved by their respective governing boards and proposed to the Council. All three institutions had proposed base rate increases for resident undergraduate students at or below the 3.0 percent cap. At that same meeting, staff requested, and the Council approved, a delegation of authority to the Finance Committee to approve tuition and fee proposals from the remaining institutions.

On June 28, 2023, staff recommended, and the Finance Committee approved on behalf of the full Council, tuition and fee rates for academic year 2023-24 from the remaining institutions, which included the University of Kentucky (UK), the University of Louisville (UofL), Kentucky State University (KSU), Morehead State University (MoSU), Northern Kentucky University (NKU), and the Kentucky Community and Technical College System (KCTCS).

All of the universities proposed resident undergraduate base rate increases at or below the 3.0 percent cap, and KCTCS proposed a base rate increase for residents of \$4.00 per credit hour, which complied with the Council's ceiling. Overall, in academic year 2023-24, the system average increase in postsecondary institution resident undergraduate base rates was 2.8 percent.

MAXIMUM 2023-24 and 2024-25 BASE RATE INCREASES

On March 31, 2023, the Finance Committee recommended, and the Council approved, resident undergraduate tuition and mandatory fee ceilings for academic years 2023-24 and 2024-25 that equated to:

- A maximum base rate increase of no more than 5.0 percent over two years, and a maximum increase of no more than 3.0 percent in any one year, for public research and comprehensive universities; and
- A maximum base rate increase of no more than \$7.⁰⁰ per credit hour over two years, and a maximum increase of no more than \$4.⁰⁰ per credit hour in any one year, for students attending KCTCS institutions.

The Council also approved a recommendation that allows public institutions to submit for Council review and approval:

- Nonresident undergraduate tuition and fee rates that comply with the Council's *Tuition and Mandatory Fee Policy*, or otherwise adhere to provisions of an existing Memorandum of Understanding between the Council and an institution; and
- Market competitive tuition and fee rates for graduate and online courses.

In adopting these parameters, the Council considered a number of key issues for the 2023-24 tuition-setting cycle, including: a) anticipated flat state funding and planned pension subsidy reductions; b) historically low tuition increases that have been adopted over the previous four years; c) the budgetary impact of unprecedented increases in higher education inflation; d) recent real decline in campus spending for educating students; e) decreasing college-going rates among Kentucky residents; and f) overall enrollment trends.

Based on feedback from multiple stakeholders, there was a general sentiment that increases in tuition for the 2023-24 cycle should be moderate to help support a necessary balance between the ability of students and families to pay for college and resources required for institutions to

address cost increases, maintain quality academic programs, and continue progress toward the 60x30 attainment goal.

The proposal to set tuition ceilings for two years, including academic years 2023-24 and 2024-25, was supported by CPE staff and campus officials. It was an approach that had been proposed by staff and approved by the Council three times over the previous nine years. The advantages of adopting two-year ceilings are that it facilitates strategic planning and budgeting for the postsecondary institutions, and it makes college costs more predictable for Kentucky students and families.

In addition to establishing the broad parameters for tuition increases over academic years 2023-24 and 2024-25, the Council identified and approved maximum base rate increases for each university and KCTCS. Listed below, in Tables 1 and 2, are 2022-23 base rates, maximum allowable base rates for 2023-24 and 2024-25, and dollar and percent change figures relative to the 2022-23 beginning year for each institution.

Table 1 shows the academic year 2022-23 base rate, maximum allowable base rate for academic year 2023-24, and one-year dollar and percent changes compared to the 2022-23 base rate for each public university, using the recommended “no more than 3.0 percent in any one year” maximum increase parameter.

Kentucky Public Postsecondary Institution					Table 1
Maximum Base Rate Increases for Resident Undergraduates					
Academic Year 2023-24					
Institution	2022-23 Base Rates	Maximum 2023-24 Base Rates	One-Year Dollar Change	One-Year Percent Change	
UK	\$12,859	\$13,245	\$386	3.00%	
UofL	12,324	12,694	370	3.00%	
EKU	9,544	9,830	286	3.00%	
KSU	8,654	8,914	260	3.00%	
MoSU	9,308	9,587	279	3.00%	
MuSU	9,432	9,715	283	3.00%	
NKU	10,208	10,514	306	3.00%	
WKU	\$10,912	\$11,239	\$327	3.00%	
KCTCS (per credit hour)	\$182.00	\$186.00	\$4.00	2.20%	
KCTCS (per credit hour x 30)	\$5,460	\$5,580	\$120	2.20%	

Note: Base rates do not include Special Use Fees or Asset Preservation Fees previously approved by the Council, or a BuildSmart agency bond fee at KCTCS.

Table 1 also shows the 2022-23 base rate, maximum allowable base rate for academic year 2023-24, and one-year dollar and percent changes compared to the 2022-23 base rate for

KCTCS institutions, using the recommended “no more than \$4.00 per credit hour in any one year” maximum increase parameter.

Table 2 shows the academic year 2022-23 base rate, maximum allowable base rate for academic year 2024-25, and two-year dollar and percent changes compared to the 2022-23 base rate for each public university, using the recommended “no more than 5.0 percent over two years” maximum increase parameter.

Lastly, Table 2 shows the 2022-23 base rate, the maximum allowable base rate for academic year 2024-25, and two-year dollar and percent changes compared to the 2022-23 base rate for KCTCS institutions, using the recommended “no more than \$7.00 per credit hour over two years” maximum increase parameter.

As a reminder, resident undergraduate tuition ceilings approved by the Council apply to each institution’s base rate charge. Base rates are defined as total tuition and fee charges, minus any Special Use Fees or Asset Preservation Fees previously approved by the Council, and minus an existing agency bond fee at KCTCS (i.e., BuildSmart Investment for Kentucky Competitiveness Fee). Council staff deduct these fees from total tuition and fees before applying a percent increase parameter, which keeps the fees at a fixed amount each year until they expire.

Kentucky Public Postsecondary Institution				Table 2
Maximum Base Rate Increases for Resident Undergraduates				
Academic Year 2024-25				
Institution	2022-23 Base Rates	Maximum 2024-25 Base Rates	Two-Year Dollar Change	Two-Year Percent Change
UK	\$12,859	\$13,502	\$643	5.00%
UofL	12,324	12,940	616	5.00%
EKU	9,544	10,021	477	5.00%
KSU	8,654	9,087	433	5.00%
MoSU	9,308	9,773	465	5.00%
MuSU	9,432	9,904	472	5.00%
NKU	10,208	10,718	510	5.00%
WKU	\$10,912	\$11,458	\$546	5.00%
KCTCS (per credit hour)	\$182.00	\$189.00	\$7.00	3.85%
KCTCS (per credit hour x 30)	\$5,460	\$5,670	\$210	3.85%

Note: Base rates do not include Special Use Fees or Asset Preservation Fees previously approved by the Council, or a BuildSmart agency bond fee at KCTCS.

In addition to approving the two-year rate ceilings, the Council approved provisions allowing institutions to submit for review and approval, nonresident undergraduate tuition and fee rates

that comply with the Council's *Tuition and Mandatory Fee Policy*, or otherwise adhere to provisions of an existing Memorandum of Understanding between the Council and an institution. Lastly, the institutions were allowed to charge market rates for graduate and online courses, as approved by their governing boards.

CAMPUS 2023-24 TUITION AND FEE PROPOSALS

Following the Council's adoption of the tuition parameters, staff worked with campus officials to obtain tuition and fee rate proposals for academic year 2023-24 from each institution, as well as estimates of fixed cost increases and tuition and fee revenue projections for fiscal year 2023-24.

Three institutions, EKU, MuSU, and WKU, sought approval for proposed tuition and fee increases from their respective governing boards and submitted those proposals to Council staff by late May. Those proposals complied with Council tuition and fee ceilings and were approved by the Council at its June 9 meeting.

On June 28, 2023, the Finance Committee, using a grant of authority provided by the full Council, approved tuition and fee rate proposals for academic year 2023-24 that had been submitted by the remaining six postsecondary institutions. As can be seen in Table 3, the proposals submitted by the remaining universities and KCTCS complied with Council-approved ceilings.

Institution	2022-23 Base Rates ¹	Adopted 2023-24 Base Rates ²	Dollar Change	Percent Change
UK	\$12,859	\$13,212	\$353	2.75%
UofL	12,324	12,632	308	2.50%
EKU	9,544	9,830	286	3.00%
KSU	8,654	8,914	260	3.00%
MoSU	9,308	9,586	278	2.99%
MuSU	9,432	9,708	276	2.93%
NKU	10,208	10,512	304	2.98%
WKU	\$10,912	\$11,236	\$324	2.97%
KCTCS (per credit hour)	\$182.00	\$186.00	\$4.00	2.20%
KCTCS (per credit hour x 30)	\$5,460	\$5,580	\$120	2.20%

¹ Base rates do not include Special Use Fees or Asset Preservation Fees previously approved by the Council, or a BuildSmart agency bond fee at KCTCS.

² Campus tuition and fee proposals for academic year 2023-24 were approved by the Council on June 9, 2023 or by the Finance Committee on June 28, 2023.

ALLOWABLE 2024-25 BASE RATE RESIDUALS

Allowable dollar and percent residuals represent the maximum dollar increase and maximum percent increase that an institution may adopt for the upcoming academic year (i.e., 2024-25), given the size of its previous year (i.e., 2023-24) base rate increase. These residuals are only calculated—indeed they are only relevant—in the second year following Council adoption of a two-year tuition ceiling.

For academic year 2024-25, the allowable dollar residual is calculated by subtracting each institution’s adopted 2023-24 base rate from its respective maximum 2024-25 base rate. The percent residual is calculated by dividing each institution’s maximum rate by its adopted rate, subtracting 1.0 and multiplying by 100.

In this tuition cycle, the “no more than 5.0 percent over two years” cap was the relevant parameter for determining the dollar and percent residuals for each university. This is because every university increased its resident undergraduate base rate by 2.5 percent or more in 2023-24 (up to and including two institutions that adopted rates that reached the 3.0 percent cap), ensuring that increases in 2024-25 would fall below the “no more than 3.0 percent in any one year” cap. As can be seen in Table 4, the allowable percent residual is below 2.5 percent for every university, and it is below 2.0 percent for five out of eight universities.

Kentucky Public Postsecondary Institution				Table 4
Allowable Base Rate Dollar and Percent Increase Residuals				
Academic Year 2024-25				
Institution	Maximum 2024-25 Base Rates ¹	Adopted 2023-24 Base Rates ²	Allowable Dollar Residual	Allowable Percent Residual
UK	\$13,502	\$13,212	\$290	2.19%
UofL	12,940	12,632	308	2.44%
EKU	10,021	9,830	191	1.94%
KSU	9,087	8,914	173	1.94%
MoSU	9,773	9,586	187	1.95%
MuSU	9,904	9,708	196	2.02%
NKU	10,718	10,512	206	1.96%
WKU	\$11,458	\$11,236	\$222	1.98%
KCTCS (per credit hour)	\$189.00	\$186.00	\$3.00	1.61%
KCTCS (per credit hour x 30)	\$5,670	\$5,580	\$90	1.61%

¹ Maximum resident undergraduate base rates for academic years 2023-24 and 2024-25 were approved by the Council at their March 31, 2023 meeting.

² Campus tuition and fee proposals for academic year 2023-24 were approved by the Council on June 9, 2023 or by the Finance Committee on June 28, 2023.

The maximum dollar and percent residuals for KCTCS were determined using the “no more than \$7.00 per credit hour over two years” parameter, minus the \$4.00 per credit hour base rate increase it adopted in 2023-24 (see Table 3).

TUITION AND MANDATORY FEE POLICY

Included as Attachment A to this agenda item is a copy of the Council's *Tuition and Mandatory Fee Policy*, which was approved by the Council at their March 31, 2023 meeting. Typically, once the tuition policy is approved by the Council it helps guide the development of tuition and mandatory fee ceiling recommendations for the upcoming academic year and facilitates submission and evaluation of campus tuition and fee proposals.

Given that the Council adopted tuition ceilings for both academic years 2023-24 and 2024-25 at the March 31 meeting, staff is not recommending changes to the tuition policy for the upcoming year. Since ceilings have been established for the upcoming academic year, the policy will be used to facilitate the development, submission, and review of campus tuition and fee proposals for academic year 2024-25.

TIME FRAME FOR CAMPUS PROPOSAL SUBMISSION

CPE staff has already received one tuition and fee proposal for academic year 2024-25 from Kentucky State University. Information regarding the university's proposed resident undergraduate base rate, proposed rates for every other degree level, residency, and attendance status (i.e., full time, part time), fixed cost increase estimates, and projected net tuition and fee revenue generated by the proposed rates is included as a separate action item for this meeting.

It is anticipated that Council staff will work with campus chief budget officers in coming weeks to obtain tuition and fee proposals from the remaining institutions in time to bring them for Council action at the June 21, 2024, meeting.

Council Postsecondary Education Tuition and Mandatory Fee Policy

Academic Years 2023-24 and 2024-25

The Council on Postsecondary Education is vested with authority under KRS 164.020 to determine tuition at public postsecondary education institutions in the Commonwealth of Kentucky. Kentucky's goals of increasing educational attainment, promoting research, assuring academic quality, and engaging in regional stewardship must be balanced with current needs, effective use of resources, and prevailing economic conditions. For the purposes of this policy, mandatory fees are included in the definition of tuition. During periods of relative austerity, the proper alignment of the state's limited financial resources requires increased attention to the goals of the *Kentucky Postsecondary Education Improvement Act of 1997* (HB 1) and the Strategic Agenda for Kentucky Postsecondary Education.

Fundamental Objectives

- Funding Adequacy

HB 1 states that Kentucky shall have a seamless, integrated system of postsecondary education, strategically planned and adequately funded to enhance economic development and quality of life. In discharging its responsibility to determine tuition, the Council, in collaboration with the institutions, seeks to balance the affordability of postsecondary education for Kentucky's citizens with the institutional funding necessary to accomplish the goals of HB 1 and the Strategic Agenda.

- Shared Benefits and Responsibility

Postsecondary education attainment benefits the public at large in the form of a strong economy and an informed citizenry, and it benefits individuals through elevated quality of life, broadened career opportunities, and increased lifetime earnings. The Council and the institutions believe that funding postsecondary education is a shared responsibility of state and federal governments, students and families, and postsecondary education institutions.

- Affordability and Access

Since broad educational attainment is essential to a vibrant state economy and to intellectual, cultural, and political vitality, the Commonwealth of Kentucky seeks to ensure that postsecondary education is broadly accessible to its citizens. The Council and the institutions are committed to ensuring that college is affordable and accessible to all academically qualified Kentuckians with particular emphasis on adult learners, part-time students, minority students, and students from low- and moderate-income backgrounds.

The Council believes that no citizen of the Commonwealth who has the drive and ability to succeed should be denied access to postsecondary education in Kentucky because of inability to pay. Access should be provided through a reasonable combination of savings, family contributions, work, and financial aid, including grants and loans.

In developing a tuition and mandatory fees recommendation, the Council and the institutions shall work collaboratively and pay careful attention to balancing the cost of attendance—including tuition and mandatory fees, room and board, books, and other direct and indirect

costs—with students' ability to pay by taking into account: (1) students' family and individual income; (2) federal, state, and institutional scholarships and grants; (3) students' and parents' reliance on loans; (4) access to all postsecondary education alternatives; and (5) the need to enroll and graduate more students.

- **Effective Use of Resources**

Kentucky's postsecondary education system is committed to using the financial resources invested in it as effectively and productively as possible to advance the goals of HB 1 and the Strategic Agenda, including undergraduate and graduate education, engagement and outreach, research, and economic development initiatives. The colleges and universities seek to ensure that every dollar available to them is invested in areas that maximize results and outcomes most beneficial to the Commonwealth and its regions. It is anticipated that enactment of Senate Bill 153, the *Postsecondary Education Performance Funding Bill*, during the 2017 legislative session will provide ongoing incentives for increased efficiency and productivity within Kentucky's public postsecondary system. The Council's Strategic Agenda and funding model metrics will be used to monitor progress toward attainment of both statewide and institutional HB 1 and Strategic Agenda goals.

- **Attracting and Importing Talent to Kentucky**

It is unlikely that Kentucky can reach its 2030 postsecondary education attainment goal by focusing on Kentucky residents alone. The Council and the institutions are committed to making Kentucky institutions financially attractive to nonresident students, while recognizing that nonresident undergraduate students should pay a significantly larger proportion of the cost of their education than do resident students. Tuition reciprocity agreements, which provide low-cost access to out-of-state institutions for Kentucky students that live near the borders of other states, also serve to attract students from surrounding states to Kentucky's colleges and universities.

A copy of the Council's nonresident student tuition and mandatory fee policy is contained in the paragraphs below. Going forward, Council staff will periodically review and evaluate the policy to determine its impact on attracting and retaining students that enhance diversity and the state's competitiveness.

Nonresident Student Tuition and Fees

The Council and the institutions believe that nonresident students should pay a larger share of their educational costs than do resident students. As such, published tuition and fee levels adopted for nonresident students shall be higher than the prices for resident students enrolled in comparable programs of study.

In addition, every institution shall manage its tuition and fee rate structures, price discounting, and scholarship aid for out-of-state students, such that in any given year, the average net tuition and fee revenue generated per nonresident undergraduate student equals or exceeds 130% of the annual full-time tuition and fee charge assessed to resident undergraduate students (i.e., the published in-state sticker price). As part of the tuition and fee setting process, staff shall monitor and report annually to the Council regarding compliance with this requirement.

The Council acknowledges that in some instances increasing nonresident student enrollment benefits both the Commonwealth and the institution. For this reason, exceptions to the 130% threshold may be requested through a Memorandum of Understanding (MOU) process and will

be evaluated on a case-by-case basis by the Council. The main objective of the MOU process is to clearly delineate goals and strategies embedded in enrollment management plans that advance the unique missions of requesting institutions.

Special Use Fee Exception Policy

During the 2010-11 tuition setting process, campus officials requested that the Council consider excluding student-endorsed fees from its mandatory fee definition, thus omitting consideration of such fees when assessing institutional compliance with Council approved tuition and fee rate ceilings. Based on feedback received from institutional Chief Budget Officers (CBOs) at their December 2010 meeting, it was determined that there was general interest in treating student-endorsed fees differently from other mandatory fees.

In January and February 2011, Council staff collaborated with institutional presidents, CBOs, and their staffs in developing the following Special Use Fee Exception Policy:

- To the extent that students attending a Kentucky public college or university have deliberated, voted on, and requested that their institution's governing board implement a special use fee for the purposes of constructing and operating and maintaining a new facility, or renovating an existing facility, that supports student activities and services;
- And recognizing that absent any exemption, such student-endorsed fees, when implemented in the same year that the Council adopts tuition and fee rate ceilings, would reduce the amount of additional unrestricted tuition and fee revenue available for an institution to support its E&G operation;
- The Council may elect to award an exemption to its tuition and fee rate ceiling equivalent to all or a portion of the percentage increase resulting from imposition of the student-endorsed fee, provided said fee meets certain eligibility requirements.

Definitions

A student-endorsed fee is a mandatory flat-rate fee that has been broadly discussed, voted on, and requested by students and adopted by an institution's governing board, the revenue from which may be used to pay debt service and operations and maintenance expenses on new facilities, or capital renewal and replacement costs on existing facilities and equipment that support student activities and services, such as student unions, fitness centers, recreation complexes, health clinics, and/or tutoring centers.

Maintenance and Operations (M&O) expenses are costs incurred for the administration, supervision, operation, maintenance, preservation, and protection of a facility. Examples of M&O expenses include janitorial services, utilities, care of grounds, security, environmental safety, routine repair, maintenance, replacement of furniture and equipment, and property and facility planning and management.

Eligibility Criteria

A student-endorsed fee will continue to be a mandatory fee within the context of the Council's current mandatory fee definition and may qualify for an exemption from Council-approved tuition and fee rate ceilings. Campus officials and students requesting an exemption under this policy must be able to demonstrate that:

- All enrolled students have been afforded ample opportunity to be informed, voice their opinions, and participate in the decision to endorse a proposed fee. Specifically, it must be shown that fee details have been widely disseminated, broadly discussed, voted on while school is in session, and requested by students.
- For purposes of this policy, voted on means attaining:
 - a) a simple majority vote via campus-wide referendum, with a minimum of one-quarter of currently enrolled students casting ballots;
 - b) a three-quarters vote of elected student government representatives; or
 - c) a simple majority vote via campus-wide referendum, conducted in conjunction and coinciding with the general election of a student government president or student representative to a campus board of regents or board of trustees.
- The proposed fee and intended exemption request have been presented to, and adopted by, the requesting institution's governing board. It is anticipated that elected student government representatives will actively participate in board presentations.
- Revenue from such fees will be used to pay debt service and M&O expenses on new facilities, or capital renewal and replacement costs on existing facilities and equipment that support student activities and services, such as student unions, fitness centers, recreation complexes, health clinics, and/or tutoring centers. The Council expects these uses to be fully explained to students prior to any votes endorsing a fee.
- In any given year, the impact of a student-endorsed fee on the overall increase in tuition and mandatory fees for students and their families will be reasonable. It may be appropriate to phase in the exemption over multiple years to maintain affordability and access.

- Requests for student-endorsed exemptions are infrequent events. The Council does not expect requests for exemptions under this policy to occur with undue frequency from any single institution and reserves the right to deny requests that by their sheer number are deemed excessive.
- A plan is in place for the eventual reduction or elimination of the fee upon debt retirement, and details of that plan have been shared with students. The Council does not expect a fee that qualifies for an exemption under this policy to be assessed at full rate in perpetuity. Such fees should either terminate upon completion of the debt or, in the case of new facilities, may continue at a reduced rate to defray ongoing M&O costs. In either case, to qualify for an exemption, students should be fully aware of the extent of their obligation prior to any votes endorsing a fee.

Exemption Process

Requests for an exemption under this policy will be evaluated on a case-by-case basis. To initiate the process:

- The requesting institution will notify Council staff of any pending discussions, open forums, referendums, or student government actions pertaining to a proposed special use fee and discuss fee details with Council staff as needed.
- After a fee has been endorsed by student referendum or through student government action and approved by the institution's governing board, campus officials and students will submit a written exemption request to the Council for its consideration.
- Council staff will review the request, assess whether or not the proposed fee qualifies for an exemption, and make a recommendation to the Council.

To facilitate the exemption request process, requesting institutions and students are required to provide the Council with the following information:

- Documents certifying that the specific project and proposed fee details have been widely disseminated, broadly discussed, voted on, and requested by students, as well as adopted by the institution's governing board.
- Documents specifying the fee amount, revenue estimates, uses of revenue, impact on tuition and fees during the year imposed (i.e., percentage points above the ceiling), and number of years the fee will be in place.
- Documents identifying the project's scope, time frame for completion, debt payment schedule, and plan for the eventual reduction or elimination of the fee upon debt retirement.

Asset Preservation Fee Exception Policy

During the 2017-18 tuition setting process, campus officials asked if the Council would consider allowing institutions to assess a new student fee, dedicated to supporting expenditures for asset preservation and renovation projects, that would be treated as being outside the tuition and fee caps set annually by the Council. Staff responded that it was too late in the process to allow for a full vetting of a proposed change to the Council's Tuition and Mandatory Fee Policy prior to the Council adopting tuition ceilings at the March 31, 2017 meeting. In addition, staff wanted to

explore the possibility of adopting a system-wide asset preservation fee that would benefit and address asset preservation needs at every public postsecondary institution.

In August 2017, staff determined that there was general interest among campus officials to pursue a change in tuition policy that would allow each institution the option to implement a student fee for asset preservation, if its administrators and governing board chose to do so, that would be exempted from Council approved tuition and fee ceilings. In September and October, Council staff worked with campus presidents, chief budget officers, and Budget Development Work Group members to develop the Asset Preservation Fee Exception Policy described below.

- Given that in 2007, Council and postsecondary institution staffs contracted with Vanderweil Facilities Advisors, Inc. (VFA) and Paulien and Associates to conduct a comprehensive assessment of Kentucky's public postsecondary education facilities to determine both system and individual campus needs for new and expanded space, asset preservation and renovation, and fit-for-use capital projects;
- Given that in 2013, VFA adjusted the data from its 2007 study to account for continuing aging of postsecondary facilities and rising construction costs, and projected that the cumulative need for asset preservation and fit-for-use expenditure would grow to \$7.3 billion within the 2017 to 2021 timeframe;
- Given that over the past five biennia, 2008-10 through 2016-18, the Commonwealth of Kentucky has appropriated a total of \$262.0 million for its public colleges and universities to address asset preservation and renovation and fit-for-use projects, representing about 3.6% of the total cumulative need identified by VFA;
- Given that in late summer 2017, the Council and postsecondary institutions concluded that one reasonable course of action to begin to address the overwhelming asset preservation and renovation and fit-for-use needs was through sizable and sustained investment in existing postsecondary facilities, which could be accomplished through a cost-sharing arrangement involving the state, postsecondary institutions, and students and families;
- Given that the best way to ensure the ongoing commitment and participation of students and families in a cost-sharing partnership to address asset preservation and renovation needs is through the implementation of an optional dedicated student fee;
- Given that such an asset preservation fee, when implemented in the same year that the Council adopts a tuition and fee rate ceiling, would reduce the amount of additional unrestricted tuition and fee revenue available for an institution to support its E&G operation;
- The Council may elect to award an exemption to its tuition and fee rate ceiling of up to \$10.⁰⁰ per credit hour at the public universities, capped at 15 credit hours per semester for undergraduate students, for a dedicated student fee that supports asset preservation and renovation projects related to the instructional mission of the institution;
- The Council may elect to award an exemption to its tuition and fee rate ceiling of up to \$5.00 per credit hour at KCTCS institutions, capped at 15 credit hours per semester, for a dedicated student fee that supports asset preservation and renovation projects related to the instructional mission of the institution.

Definition

An asset preservation fee is a mandatory, flat-rate fee that has been approved by an institution's governing board, the revenue from which shall either be expended upon collection on asset preservation and renovation and fit-for-use capital projects or used to pay debt service on agency bonds issued to finance such projects, that support the instructional mission of the institution. Thus, by definition, fee revenue and bond proceeds derived from such fees shall be restricted funds for the purposes of financing asset preservation and renovation projects. As a mandatory fee, an asset preservation fee may be assessed to students regardless of degree level or program or full-time or part-time status.

Eligibility Criteria

An asset preservation fee may qualify for an exemption from Council-approved tuition and fee rate ceilings, provided the following criteria are met:

- The proposed asset preservation project(s) and related fee shall be approved by the requesting institution's governing board.
- Revenue from the fee may either be expended upon collection on asset preservation and renovation or fit-for-use projects, accumulated to meet a specific project's scope, or used to pay debt service on agency bonds or other instruments used to finance such projects.
- Both the direct expenditure of fee revenue and the expenditure of agency bond funds generated by the fee may be used to meet matching requirements on state bond funds issued for asset preservation projects. In previous biennia, state leaders have required a dollar-for-dollar institutional match on state-funded asset preservation pools.
- In any given academic year, the impact of implementing an asset preservation fee, when combined with a tuition and fee increase supporting campus operations, will be reasonable for Kentucky students and families. For the purposes of this policy exemption, the Council shall determine whether a proposed asset preservation fee, in combination with a tuition and fee increase allowed under a Council-approved tuition ceiling, is reasonable. This assessment will be made within the context of state economic and budgetary conditions, institutional resource needs, and affordability concerns at the time.
- Depending on the outcome of the aforementioned assessment, it may be appropriate to phase in a requested fee over multiple years to maintain affordability and access.
- The Council does not expect a fee that qualifies for an exemption under this policy to remain in effect in perpetuity. To be eligible for an exemption, the requesting institution must have a plan in place for the eventual elimination of a proposed asset preservation fee within 25 years of its initial implementation date.

Exemption Process

The Council will evaluate requests for a fee exemption under this policy on a case-by-case basis. To initiate the process:

- An institution's governing board must approve the proposed asset preservation project(s) and related student fee.

- Campus officials must submit to the Council a copy of that board approval, along with a written request to exempt the asset preservation fee from Council tuition and fee ceilings.
- Council staff will review the request, assess whether or not the proposed project(s) and related fee qualify for an exemption, and make a recommendation to the Council.

To facilitate the exemption-request review process, a requesting institution shall provide the Council with the following information:

- Documents certifying that the specific asset preservation project(s) financed and proposed fee details have been approved by the institution's governing board.
- Documents specifying the fee amount, anticipated implementation date, revenue projections, uses of revenue, number of years the fee will be in place, and impact on tuition in year imposed (i.e., percentage points above ceiling).
- Documents identifying the project's scope, its timeframe for completion, debt payment schedule, and plan for the eventual elimination of the fee upon debt retirement.

Periodic Reporting

- Upon request by the Council, the postsecondary institutions will provide documentation certifying the date an asset preservation fee was implemented, annual amounts of fee revenue generated to date, uses of fee revenue, the amount of fee revenue or agency bond funds used to meet state matching requirements on asset preservation project appropriations, and the number of years the fee will remain in place.

Ongoing Usage

- Once an Asset Preservation Fee is approved by the Council, revenue generated from the fee may be used for ongoing asset preservation, renovation and fit-for-use projects with institutional board approval.
- Asset preservation, renovation and fit-for-use project(s) financed with asset preservation fee revenue shall comply with all statutory requirements pertaining to the approval of capital projects (KRS 45.750, KRS 45.763, KRS 164.020 (11) (a), KRS 164A.575).

TITLE: Campus Tuition and Fee Proposal for Academic Year 2024-25;
Kentucky State University

RECOMMENDATION: The Finance Committee recommends the Council approve Kentucky State University’s tuition and mandatory fee proposal for academic year 2024-25.

STAFF CONTACTS: Shaun McKiernan, Executive Director of Finance and Budget, CPE
Ryan Kaffenberger, Assistant Director of Finance and Administration, CPE

COMMITTEE REVIEW & APPROVAL

The Finance Committee reviewed and approved Kentucky State University’s tuition and mandatory fee proposal for academic year 2024-25 at its March 25, 2024, meeting.

EXECUTIVE SUMMARY

On March 31, 2023, the Council on Postsecondary Education approved tuition and mandatory fee ceilings for academic years 2023-24 and 2024-25. Included among the parameters adopted at that meeting is a requirement that base rate increases for resident undergraduate students not exceed 3.0% in any one year at the public universities, nor exceed \$4.00 per credit hour in any one year at KCTCS institutions.

Kentucky State University (KSU) has elected to have the CPE Finance Committee and Council review and approve tuition and fee rates for 2024-25 at the March 25 and 28 meetings. All other institutions will bring their board-approved rates to the Council for approval in June. Staff has reviewed KSU’s proposed 2024-25 tuition and fee charges for every degree level, residency, and attendance status and determined that they comply with Council approved ceilings.

Staff recommends that the Finance Committee approve and endorse for full Council approval, tuition and mandatory fee charges for resident undergraduate and graduate students, nonresident undergraduate and graduate students, and online learners for academic year 2024-25 as proposed by KSU and approved by its Board of Regents.

COUNCIL APPROVED TUITION AND FEE CEILINGS

On March 31, 2023, the Council adopted resident undergraduate tuition and mandatory fee ceilings that equate to:

- a maximum base rate increase of no more than 5.0 percent over two years, and a maximum increase of no more than 3.0 percent in any one year, for public research and comprehensive universities; and
- a maximum base rate increase of no more than \$7.00 per credit hour over two years, and a maximum increase of no more than \$4.00 per credit hour in any one year, for students attending KCTCS institutions.

At that same meeting, it was determined that the public institutions shall be allowed to submit for Council review and approval:

- Nonresident undergraduate tuition and fee rates that comply with the Council's *Tuition and Mandatory Fees Policy*, or otherwise adhere to provisions of an existing Memorandum of Understanding between the Council and an institution.
- Market competitive tuition and fee rates for graduate and online courses.

During the tuition-setting process, Council staff and campus officials identified and discussed several key issues that were relevant during the development of staff's tuition and fee recommendation, including: (a) the level of state support for campus operations; (b) a pending reduction in the state's pension subsidy; (c) relatively low tuition increases in recent years; (d) the impact of inflationary cost increases; (e) recent trends in college spending; (f) declining college-going rates of Kentucky high school graduates; and (g) persistent decreases in student enrollment at nearly every public postsecondary institution. Staff believes the adopted ceilings achieved an appropriate balance between resource needs of the institutions and affordability for Kentucky students and families.

As a reminder, the resident undergraduate tuition and fee ceilings approved by the Council apply to each institution's base rate charge. Base rates are defined as total tuition and fee charges, minus any Special Use Fees and Asset Preservation Fees previously approved by the Council, and minus an agency bond fee at KCTCS (i.e., BuildSmart Investment for Kentucky Competitiveness Fee). Council staff deduct these fees from total tuition and fees before applying a percent increase parameter, which keeps the fees at a fixed amount each year until they expire. The paragraphs below contain proposed base rates for academic year 2024-25, current-year base rates, and calculated dollar and percent changes between those rates for KSU.

CAMPUS TUITION AND FEE PROPOSALS

Officials from KSU have submitted to the Council undergraduate and graduate tuition and fee proposals for academic year 2024-25, along with tuition and fee revenue estimates for fiscal years 2023-24 and 2024-25.

Staff has reviewed the proposed 2024-25 tuition and fee charges for every degree level, residency, and attendance status and has determined that they comply with Council approved ceilings.

On March 12, 2024, KSU submitted a proposal to the Council, containing planned tuition and mandatory fee charges for academic year 2024-25. As can be seen in Table 1, between academic years 2023-24 and 2024-25, the university is proposing to increase its annual base-rate charge for resident undergraduate students by \$173.⁰⁰, or 1.9 percent. This complies with the Council’s approved ceiling for resident undergraduate tuition and mandatory fees, which stipulates that base rates cannot increase by more than 3.0 percent in any one year at public research and comprehensive universities. In addition, this complies with the approved ceiling which stipulates that tuition and mandatory fees cannot increase more than 5.00% over two years. For KSU, the maximum increase over two years was \$433.⁰⁰, or 5%, and the proposed two-year increase is \$433.⁰⁰. The university’s proposed tuition and fee charges for nonresident, graduate, and on-line students also adhere to Council parameters.

The tuition and fee charges included in KSU’s proposal were approved by the university’s Board of Regents at their March 7, 2024, meeting. Staff recommends that the Finance Committee approve, and endorse to the full Council, tuition and fee rates as proposed by KSU.

Kentucky State University Proposed Tuition and Fee Base Rates Academic Year 2024-25				Table 1
<u>Rate Category</u>	<u>Current 2023-24 Base Rates</u>	<u>Proposed 2024-25 Base Rates</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Undergraduate				
Resident	\$8,914	\$9,087	\$173	1.9%
Nonresident	\$12,960	\$13,358	\$398	3.1%
Graduate				
Resident	\$583 pch	\$605 pch	\$22	3.8%
Nonresident	\$583 pch	\$605 pch	\$22	3.8%
Base rates for KSU do not include Special Use Fees of \$150.00 per semester, or \$300.00 per year for full-time students.				
pch = per credit hour				

Attachment A contains additional categories of tuition and fee charges, including proposed per-credit-hour rates for part-time resident and nonresident undergraduate students, rates for part-time graduate students, and online rates. Staff recommends approval of these additional rates as proposed by the university. Please note that KSU displays mandatory fees separately in Attachment C; however, Council staff includes these fees (e.g., Activities Fee; Technology Fee; Safety and Security Fee, Homecoming Fee) in the base rate, which is displayed in Table 1. KSU officials estimate that proposed 2024-25 tuition and mandatory fee charges for all categories of students (i.e., every academic level, residency, and full-time or part-time status) will generate significantly more tuition and fee revenue for the university, since they will be launching a new online program. The preliminary estimate for gross tuition and fee revenue in 2024-25 is \$24.7 million, which is \$7.7 million more than anticipated gross revenue for the current year (see Attachment B).

STAFF RECOMMENDATION

Council staff has reviewed the tuition and mandatory fee proposal for academic year 2024-25 received from KSU and has determined that the proposal complies with the resident undergraduate tuition and fee ceilings for research and comprehensive universities adopted by the Council at the March 31, 2023, meeting. Staff has determined that proposed prices for nonresident undergraduate students adhere to provisions of the Council's *Tuition and Mandatory Fee Policy*, or a previously approved Memorandum of Understanding between the Council and an institution. Finally, proposed tuition and fee charges for graduate and online students adhere to Council parameters.

Staff recommends that the Finance Committee approve and send on to the full Council for approval the tuition and mandatory fee charges for resident undergraduate and graduate students, nonresident undergraduate and graduate students, and online learners for academic year 2024-25, as proposed by KSU.

**Proposed 2024-25 Tuition and Mandatory Fee Charges
Kentucky State University**

<i>Category</i>	Fall 2024	Spring 2025	Annual 2024-25	Summer 2025		
<i>Undergraduate</i>						
Resident						
Full-time (12 credit hours)*	4,130.50	4,130.50	8,261	344		
Per Credit Hour**	344	344		344		
Nonresident						
Full-time (12 credit hours)*	6,266	6,266	12,532	522		
Per Credit Hour**	522	522		522		
Virtual Courses						
Per Credit Hour**	420	420		420		
KYSU Online						
Per Credit Hour**	350	350		350		
Military Rate						
Per Credit Hour**	250	250		250		
<i>Graduate</i>						
Resident/Non-Resident						
Full-time*	5,449	5,449	10,898	605		
Per Credit Hour**	605	605		605		
Virtual Courses						
Per Credit Hour**	583	583		583		
KYSU Online						
Per Credit Hour**	475	475		475		
Military Rate						
Per Credit Hour**	275	275		275		
* Full-time undergraduate and graduate tuition rates do not include the following:					Fee that is part of base rate:	Fee that is NOT base rate:
\$175 per semester mandatory Activities Fee.					350	
\$156 per semester mandatory Technology Fee.					312	
\$52 per semester mandatory Safety & Security Fee.					104	
\$150 per semester mandatory Asset Preservation Fee.						300
\$60 mandatory Fall semester homecoming fee					60	
					<u>826</u>	<u>300</u>
** Per Credit Hour undergraduate and graduate tuition rates do not include the following:						
\$30 per credit hour mandatory Technology Fee.						
\$10 per credit hour mandatory Safety & Security Fee.						
\$10 per credit hour mandatory Asset Preservation Fee.						
*** Virtual Courses are designed for traditional students and can be taken on a part-time basis. KYSU Online is the university's fully-online distance education program, accessible to students worldwide.						

ATTACHMENT B

Estimated Gross Tuition and Mandatory Fee Revenue Kentucky State University

<i>Category</i>	Estimated 2023-24	Estimated 2024-25
<i>Undergraduate</i>		
Resident	\$ 4,283,704	\$ 5,590,932
Nonresident	8,478,212	11,999,664
Online	1,545,000	5,146,320
<i>Graduate</i>		
Resident	430,826	325,008
Nonresident	477,288	81,252
Online	890,885	1,286,580
<i>Summer</i>	889,985	273,150
Total	\$ 16,995,899	\$ 24,702,906

TITLE: Revisions to 2022-24 Endowment Match Program Guidelines

DESCRIPTION: The Finance Committee recommends the Council approve the proposed revisions to the *2022-24 Endowment Match Program Guidelines*.

STAFF CONTACTS: Ryan Kaffenberger, Associate Director of Finance and Budget, CPE
Shaun McKiernan, Executive Director of Finance and Budget, CPE

COMMITTEE REVIEW & APPROVAL

The Finance Committee reviewed and approved the proposed revisions to the *2022-24 Endowment Match Program Guidelines* at its March 25, 2024, meeting.

SUPPORTING INFORMATION

The Bucks for Brains program, also referred to as the Endowment Match Program (EMP), matches public dollars with private donations on at least a dollar-for-dollar basis to encourage research at the University of Kentucky (UK) and the University of Louisville (UofL) and to strengthen key programs at Kentucky’s comprehensive universities. All funds, both public and private, must be endowed, with investment proceeds used to provide a perpetual source of funding for research-related activities.

In the 2022-24 Budget of the Commonwealth (22 RS, HB 1), the General Assembly authorized \$40.0 million in state bond funds for Bucks for Brains, with \$30.0 million of that amount appropriated to the Research Challenge Trust Fund (RCTF) to support UK and UofL and \$10.0 million allocated to the Comprehensive University Excellence Trust Fund (CUETF) to support the comprehensive universities.

The Council on Postsecondary Education (CPE) has statutory authority to determine the criteria and process by which public universities apply to access appropriations to the RCTF (KRS 164.7917) and CUETF (KRS 164.7919). At its June 14, 2022, meeting, the Finance Committee approved the *2022-24 Endowment Match Program Guidelines*.

Over the past several months, as institutions have submitted match requests, CPE staff has identified areas in the guidelines where language should be clarified to reduce confusion for the institutions. In addition, the current version of the guidelines prohibits all federal funds from being used as matching funds. For this reason, CPE staff is proposing revisions to the Guidelines to allow Kentucky State University to use federal funds awarded under Title III of the

Higher Education Act (HEA) as matching funds. Federal guidelines permit up to 20% of Title III grant awards to be endowed provided they are matched dollar-for-dollar. The attachment shows all proposed revisions with additions in green font and eliminations in red strikethrough.

Council on Postsecondary Education 2022-24 Endowment Match Program Guidelines

Introduction

Kentucky recognizes the importance of research to the economic well-being of its citizens. The Endowment Match Program encourages private investment in public higher education research activities to stimulate business development, generate increases in externally sponsored research, create better jobs and a higher standard of living, and facilitate Kentucky's transition to a knowledge-based economy. The program matches public money with private gifts to fund chairs, professorships, research scholars, staffs and infrastructure, fellowships and scholarships, and mission support at the public universities. This collaborative approach is critical to advancing Kentucky's research presence into national prominence.

Program Funding

State funding for the Endowment Match Program is appropriated to the Research Challenge Trust Fund (RCTF) for the research universities and to the Comprehensive University Excellence Trust Fund (CUETF) for the comprehensive institutions. Both trust funds were created with passage of the *Postsecondary Education Improvement Act of 1997* (HB 1).

Prior to 2022, there were four rounds of funding for the Endowment Match Program. In fiscal year 1998-99, the program received surplus General Fund appropriations of \$110 million (i.e., \$100 million for the research universities and \$10 million for comprehensive institutions). In 2000-01, the General Assembly authorized \$120 million for the program (i.e., \$100 million for the RCTF and \$20 million for the CUETF). The legislature debt financed another \$120 million for the program in 2003-04 (i.e., \$100 million for the RCTF and \$20 million for the CUETF). Finally, the General Assembly authorized \$60 million in state supported bond funds for the program in 2008-09, with \$50 million appropriated to the research universities and \$10 million appropriated to the comprehensive universities.

For the upcoming 2022-2024 biennium, the General Assembly authorized \$40 million in bond funds for the Bucks for Brains program, with \$30 million appropriated to the Research Challenge Trust Fund and \$10 million appropriated to the Comprehensive University Excellence Trust Fund (22 RS, HB 1).

Program Administration

The Council on Postsecondary Education oversees and administers the Endowment Match Program. The Council establishes areas of concentration within which program funds are used, develops guidelines for the distribution of program funds, and reviews reports from the institutions on uses of program funds and results achieved.

The boards of trustees and boards of regents of the Commonwealth's public universities are responsible for the Endowment Match Program on their respective campuses. The governing boards are required by Council guidelines to review and approve all donations, gifts, and pledges that will be matched with state funds and used to establish new endowments or expand existing endowments under the Bucks for Brains program. Furthermore, the boards are charged with ensuring that the purposes of each endowment and sources of matching funds comply with Council guidelines and serve the public good.

Documentation of board approval must be submitted with each endowment request. In addition, the governing boards are required to review and approve Endowment Match Program reports that are submitted annually to the Council.

Allocation of Program Funds

In the 2022-2024 Budget of the Commonwealth (22 RS, HB 1), the General Assembly authorized \$30 million in General Fund supported bond funds in fiscal year 2022-23 for the Research Challenge Trust Fund (RCTF) to support efforts to grow endowments for initiatives in fields of science, technology, engineering, mathematics, and health (i.e., STEM+H fields) at Kentucky public research universities. In accordance with KRS 164.7917, funding appropriated to the RCTF will be allocated two-thirds (2/3) to the University of Kentucky and one-third (1/3) to the University of Louisville, as shown in the table below. These funds will remain in the trust fund until matched and distributed.

University of Kentucky	\$20,000,000
University of Louisville	<u>10,000,000</u>
Total RCTF	\$30,000,000

In that same budget, the General Assembly also authorized \$10 million in state-supported bond funds in 2022-23 for the Comprehensive University Excellence Trust Fund (CUETF) to support endowment growth in STEM+H fields at Kentucky comprehensive universities. In keeping with KRS 164.7919, these funds will be apportioned among the comprehensive universities based on each institution’s share of sector total General Fund appropriations, excluding debt service and specialized, noninstructional appropriations (i.e., mandated programs). The resulting allocations are shown below. These funds will remain in the trust fund until matched and distributed.

Eastern Kentucky University	\$2,227,800
Kentucky State University	667,800
Morehead State University	1,279,000
Murray State University	1,484,900
Northern Kentucky University	1,864,600
Western Kentucky University	<u>2,475,900</u>
Total CUETF	\$10,000,000

Matching Requirements

The Endowment Match Program was conceived as a way to bring new money from external sources into the Commonwealth’s system of postsecondary education. In order to receive state funds, the universities must provide dollar-for-dollar matching funds that satisfy the following requirements:

- Gifts and pledges must be newly generated to be eligible for state match. Newly generated contributions are those received by the university after November 15, 2021 (i.e., the date of the Council’s 2022-2024 biennial budget submission).
- Gifts and pledges must be from external sources to be eligible for state match. External source contributions are those that originate outside the university and its affiliated corporations. Eligible sources of funding include, but are not limited to, businesses, non-governmental foundations, hospitals, corporations, and alumni or other individuals. Funds received from federal, state, and local government sources are not eligible for state

match. Federal funds awarded to Kentucky State University under Title III of the Higher Education Act (HEA) are an exception to this rule and are eligible for state match. Federal guidelines under the Strengthening HBCUs Program allow up to 20% of Title III grant awards to be endowed provided they are matched dollar-for-dollar.

- General Fund appropriations and student-derived revenues (e.g., tuition and fees revenue) are not eligible for state match.
- The minimum institutional request amount is \$50,000. A university may combine smaller donations from businesses, nongovernmental foundations, hospitals, corporations, and alumni or other individuals to meet the \$50,000 minimum.
- All funds, both state and private, must be endowed. “Endowed” means that state and donated funds will be held in perpetuity and invested to create income for the institution, with endowment proceeds eligible for expenditure, in accordance with donor restrictions, ~~and~~ university endowment spending policies, and Uniform Prudent Management of Institutional Funds Act (UPMIFA) requirements.
- Requests for state funds must identify the matching funds that are cash and the matching funds that are pledges.
- Pledges, or promises of future payment, are eligible for state match provided they are based on a written contract or agreement and include a payment schedule, which does not exceed five years from the initial pledge date. Pledge payment schedules showing receipts to date and scheduled future payments are to be included in the audited financial statements of either the institution or the foundation.
- If pledged funds are not received within five years of the initial pledge date, the university must replace the portion of private funds not received with another eligible cash gift or the unmatched portion of the state funds plus an allowance for accrued interest will revert to the trust fund for reallocation. In such cases, a time frame for the replacement or return of state funds will be negotiated between Council staff and institutional representatives.
- University officials must notify the Council staff of unpaid pledges six months before the end of the five-year deadline, or immediately when a gift has been revoked.

Uses of Program Funds

Proceeds from the endowments can be used to support various activities including endowed chairs and professorships, research scholars, research staff, graduate fellowships, undergraduate scholarships, research infrastructure, and mission support as described below.

Category 1 Uses of Program Funds

Chairs: New faculty positions, salary supplements to existing faculty positions, and associated expenses for those positions, including start-up costs, salaries, benefits, travel, and other professional expenses as permitted by university policy.

Professorships: New faculty positions, salary supplements to existing faculty positions, and associated expenses for those positions, including start-up costs, salaries, benefits, travel, and other professional expenses as permitted by university policy.

Research Scholars: Salaries, benefits, and other personnel related expenses associated with non-tenured, medical school faculty who exhibit the potential to assume a chair or

professorship position once tenure has been awarded. Research scholars should have clearly defined research agendas that relate specifically to the fields of study envisioned for the ultimate occupants of the chairs or professorships. Funding for this purpose is time limited. Each research scholar may be supported with endowment proceeds for a maximum of six years. At the end of that time, if the research scholar has not been appointed to the identified chair or professorship, university officials should fill the position with an appropriately qualified, tenured faculty member.

Research Staff: Salaries, benefits, and other personnel related expenses associated with full-time or part-time staff assistants who directly support the research activities of an endowed chair or professor.

Research Infrastructure: Start-up and operating expenses that directly support the research activities of an endowed chair or professor, including equipment, materials and supplies, and other research related expenses as permitted by university policy.

Category 2 Uses of Program Funds

Graduate Fellowships: Fellowship stipends for outstanding graduate or professional students, which may include travel and other expenses as permitted by university policy. Eligibility for fellowships will be determined by academic deans and/or campus financial aid officials consistent with donor intent as specified in endowment agreements.

Undergraduate Scholarships: At the comprehensive universities only, program funds can be used to support scholarships for outstanding undergraduate students, which may include travel and other expenses as permitted by university policy. Eligibility for scholarships will be determined by academic deans and/or campus financial aid officials consistent with donor intent as specified in endowment agreements.

~~**Research Infrastructure:** Start-up and operating expenses that directly support the research activities of an endowed chair or professor, including equipment, materials and supplies, and other research related expenses as permitted by university policy.~~

Mission Support: Program funds can be used to support research and graduate missions at all institutions, and programs of distinction or applied research programs approved by the Council at the comprehensive institutions. Consideration will be given to mission support activities such as: (1) expenditures that enhance the research capability of university libraries (i.e., books, journals, research materials, media, and equipment); (2) start-up costs, equipment, and supplies that support faculty, graduate student, or undergraduate student research activities; (3) funding for visiting scholars, lecture series, and faculty exchange; and (4) expenditures for the dissemination of research findings (i.e., nationally prominent publications and presentations at conferences, symposiums, seminars, or workshops). However, priority will be given to mission support expenditures that encourage the research related activities of faculty and students. ~~Expenditures for general personnel expenses that are not directly linked to an endowed chair or professor do not qualify as mission support activities.~~

Use of Funds Requirements

- At the research universities, at least 70 percent of program funds must be endowed for the purpose of supporting chairs, professorships, or research scholars, or research staff and infrastructure that directly support the research activities of an endowed chair, professor, or

research scholar (i.e., **Category 1 Uses**). No more than 30 percent of program funds may be endowed for the purpose of supporting mission support activities or graduate fellowships (i.e., **Category 2 Uses**).

- At the comprehensive institutions, at least 50 percent of program funds must be endowed for the purpose of supporting chairs or professorships, or research staff and infrastructure that directly support the research activities of an endowed chair or professor (i.e., **Category 1 Uses**). No more than 50 percent of program funds may be endowed for the purpose of supporting mission support, ~~activities or~~ graduate fellowships, or undergraduate scholarships (i.e., **Category 2 Uses**).

Areas of Concentration

- At both research and comprehensive universities, 100 percent of program funds must be endowed to support initiatives in STEM+H fields (22 RS, HB 1). These areas are of strategic benefit to Kentucky and are core components of a knowledge-based economy. A copy of the Council’s official STEM+H Classification of Instructional Program (CIP) code list is available upon request.
- At the research universities, the Council expects state and external matching funds to be substantially directed toward supporting research that leads to the creation, preservation, or attraction of businesses that will increase the number of good jobs in Kentucky. For these purposes, “good jobs” are defined as jobs that yield income at or above the national per capita income.
- The Council recognizes that strong research programs are clustered around related academic disciplines and encourages campus officials to create a critical mass of scholars who can influence the nation’s research and academic agendas.
- The Council recognizes that the boundaries of traditional disciplines are increasingly permeable and encourages the use of endowment funds for interdisciplinary, problem solving, or applied research activities.
- The Council recognizes the importance of cooperation between universities and corporations and encourages partnerships in the technologies, engineering, and applied sciences.
- Program funds cannot be used for positions that are primarily administrative. However, chairs, professors, or scholars with active research agendas who may have an appointment such as department chair, center director, or dean are eligible.

Program Diversity

The Council on Postsecondary Education and participating universities are committed to ensuring the gender and ethnic diversity of Endowment Match Program faculty, professional staff, and financial aid recipients. The universities shall develop and implement plans to achieve reasonable diversity in the recruitment and retention of women, African Americans, and other underrepresented minorities for positions funded by the Endowment Match Program, including scholarship and fellowship recipients. In addition, the universities will report ~~annually by~~ **November 1 every odd numbered year** to the Council the race and gender of program faculty, professional staff, and financial aid recipients.

Reporting

Institutions will provide a report to the Council by November 1 every odd numbered year (i.e., coinciding with the Council's biennial budget submission), documenting how state and campus matching funds were used. These reports will include such items as the number of endowed chairs, professorships, and research scholars created or expanded using program funds, the gender and race of program faculty, research staff, and financial aid recipients, and the impact of the program in terms of job creation, increases in sponsored research attributable to the program, and generation and profitable use of intellectual property.

The institutions will also continue to provide FD-21 reports as part of their **annual** Comprehensive Database submissions to the Council. CPE staff will work with campus officials to identify any additional information that should be included in reports provided to the Council.

TITLE: 2024-2026 Budget Development Update

DESCRIPTION: The Finance Committee received an update on the 2024-2026 budget development process, including major components and funding amounts in the Council’s budget recommendation, in the Executive Budget, in the House Budget (as amended), and in the Senate Budget. Included as attachments were tables that facilitate comparisons across various iterations of the budget.

STAFF CONTACT: Bill Payne, Vice President for Finance and Administration, CPE
Shaun McKiernan, Executive Director of Finance and Budget, CPE

COMMITTEE’S REVIEW

The Finance Committee received this information update at their March 25, 2024, meeting. It will not be covered or presented in detail at the March 28 board meeting; however, staff will be available for questions.

OVERVIEW

The postsecondary education budget development process is an iterative undertaking that takes about eleven months to complete, involves multiple stakeholders and policy leaders, and allows multiple opportunities for deliberation, negotiation, and compromise along the way. It typically begins in summer of every odd-numbered year with Council staff engaging in conversations with campus presidents and chief budget officers to identify the most pressing resource needs of the postsecondary education community.

It continues with the Council exercising its statutory authority to approve a biennial budget recommendation for postsecondary education, which typically occurs in November every other year (although that approval took place in September for the 2024-2026 biennium). That recommendation was submitted to the Governor and General Assembly this past October and was followed in sequence by the Executive Budget in December, the House Budget in February, and the Senate Budget in March.

The next step in the process involves members of the Free Conference Committee agreeing on budget components and funding amounts to reconcile differences between the House and Senate versions of the budget. That is followed by a time period during which the Governor has an opportunity to make line-item vetoes, which can then be overridden (or not) by the General Assembly. Typically, the state has an enacted budget by April 15 in every even-numbered year.

In this agenda item, CPE staff provides an update on the budget development process for the upcoming 2024-2026 biennium. It contains and compares information obtained from the Council's *2024-2026 Postsecondary Education Budget Recommendation*, the Executive Budget, House Budget (as amended), and Senate Budget.

COUNCIL RECOMMENDATION

On September 19, 2023, the Council on Postsecondary Education fulfilled one of its primary statutory responsibilities, when it approved a biennial budget recommendation for postsecondary education. That recommendation, which encompasses fiscal years 2024-25 and 2025-26, included three main categories of requests: (1) postsecondary institution operating funds; (2) capital investment; and (3) CPE agency budget. Major components and funding amounts included in each category are provided below.

Postsecondary Institution Operating Funds

CPE staff engaged in discussions with multiple stakeholders to identify funding components to include in the Council's *2024-2026 Postsecondary Education Budget Recommendation* that would address the most pressing resource needs of Kentucky's public postsecondary system and provide the highest return on state investment. Using a collaborative process involving CPE staff and campus leaders, a consensus was reached that the highest priorities for institutional operating funds in the upcoming biennium were additional appropriations for an inflation adjustment, performance funding, and KSU's land-grant program.

A summary of the main components and funding amounts included in the Council's 2024-2026 Postsecondary Institution Operating Funds request is provided below.

- The Council's recommendation included a request for \$81.9 million in 2024-25 and \$109.2 million in 2025-26 for an inflation adjustment to help institutions offset some of the largest increases in higher education costs in two decades
- These funds represented across-the-board increases of 9% in 2024-25 and 12% in 2025-26 on each institution's 2023-24 net General Fund base
- The Council included a request for \$22.7 million in 2024-25 and \$22.7 million in 2025-26 for Performance Funding to provide ongoing incentives for institutions to increase student success and course completion outcomes and continue making progress toward the state's 60x30 college attainment goal
- If authorized, these funds would be added to \$97.3 million currently in the performance fund, bringing the total to \$120.0 million (i.e., 23% increase)
- Request for \$1.5 million in 2024-25 and \$1.5 million in 2025-26 to meet federal matching requirements on KSU's land grant program
- An appropriation of \$2.1 million in 2023-24 to address state matching funds deficits that occurred in 2022-23 (\$608,400) and 2023-24 (\$1,499,100)

Capital Investment

The Council's Capital Investment recommendation typically includes requests for three funding components: new construction, asset preservation, and information technology and equipment. In recent biennia, due to sizable, accumulated needs for renovation and renewal of campus facilities, the Council has elected to prioritize asset preservation in its capital requests.

This focus was operationalized again for the 2024-2026 biennium by including a sizable request for asset preservation, while at the same time recommending no funding for new capital construction or expanded space projects, or information technology projects for the upcoming biennium. In addition to the asset preservation component, the Council's recommendation included a funding request in 2024-25 to help institutions offset unprecedented increases in construction costs on individual capital projects that had been authorized in the 2022-2024 biennium.

The main components and proposed funding levels of the Council's 2024-2026 postsecondary institution Capital Investment request are listed below.

- Request for \$162.4 million in bond funds in 2024-25 to offset construction cost increases on individual new and expanded space projects authorized in 2022-2024
- Allocated by applying a 20% cost factor to bond funds received by each institution for line-itemed capital projects in the enacted 2022-2024 budget
- Request for \$700 million in state bond funds (i.e., \$350 million each year) to finance asset preservation projects at postsecondary institutions
- With no required institutional match and language allowing funds to be used for renovation and renewal of state-owned residential housing
- In total, for both construction cost increase and asset preservation components, the Council's capital investment recommendation included requests for debt service of \$20.6 million in 2024-25 and \$55.3 million in 2025-26.

CPE Agency Budget

General Fund appropriations for agency operations support expenditures associated with the Council's higher education coordinating board role, including resources for policy leadership, strategic planning, regulation of the state's postsecondary education system, financial policy analysis and development (biennial budget recommendation, performance funding, and tuition setting), administrative services, communications, academic affairs and program review, and information, research, and data analysis.

The Council's 2024-2026 Agency Budget request included recommended additional appropriations for agency operations and strategic initiatives. These funds support staff, operating funds, and grants to the postsecondary institutions to advance the Council's *2022-2030 Strategic Agenda for Kentucky Postsecondary Education*. This funding also includes support for continued oversight of Kentucky State University.

The Council's 2024-2026 recommendation included several relatively small requests for defined calculations, SREB doctoral scholars, and SREB dues.

- It requested funding to cover anticipated increases in the agency's retirement system and health insurance costs (i.e., defined calculations), and a 1.0% salary adjustment each year, as a placeholder
- It included a request for additional appropriations of \$50,000 in 2024-25 and \$100,000 in 2025-26 to support four additional SREB doctoral scholar's students in the first year and an additional four doctoral students in the second year
- In addition, the Council requested an additional \$10,000 each fiscal year to cover anticipated increases in SREB dues

The Council's 2024-2026 Agency Budget request also identified several high priority resource needs for the upcoming biennium, including two expansion requests.

- A request for \$3.0 million each year of the biennium to support higher education coordination and management
- If authorized, this funding would allow CPE to expand its role in connecting higher education and workforce and economic development, P-20 transitions, monitoring campus finances, and assessing academic programs
- This funding is needed to effectively respond to growth in CPE's statutory duties and responsibilities and expanded due diligence and oversight role
- The Council recommendation also included a request for \$20.0 million each year to support the *Fund for Higher Education and Economic Development*
- If authorized, this fund would provide incentive grants to campuses to increase educational attainment, strengthen workforce alignment, foster collaboration, improve efficiencies, and build a more streamlined P-20 pipeline

EXECUTIVE BUDGET

Governor Beshear introduced his budget on December 18, 2023. It included inflation adjustment and fire and tornado insurance premium components for campus operating funds, construction cost increase and asset preservation components for capital investment, and defined calculations funding for the CPE agency budget. Additional information on postsecondary education budget components and funding amounts contained in the Executive Budget is provided below.

Postsecondary Institution Operating Funds

- The Executive Budget included appropriations of \$44.8 million in 2024-25 and \$63.8 million in 2025-26 for an inflation adjustment
- These funds represented base increases of about 4.4% in 2024-25 and 6.3% in 2025-26 on each institution's 2023-24 net General Fund base

- The Governor’s budget included \$15.1 million each year of the biennium to partially offset anticipated increases in Fire and Tornado Insurance Premium costs (i.e., about 50% of the expected increase)
- It also provided \$2,107,500 in 2023-24 (i.e., a current-year appropriation) and \$1,499,100 in both 2024-25 and 2025-26 to meet federal matching requirements for KSU’s land grant program
- Finally, the Executive Budget included additional appropriations of \$10.1 million in 2024-25 and \$12.6 million in 2025-26 resulting from net changes in mandated program funding (excluding UK’s Markey Cancer Center, KSU’s land grant program, and pension subsidy reductions)
- Overall, these components represent increases in operating funds of 6.7% in 2024-25 and 8.7% in 2025-26 relative to the 2023-24 net General Fund base

Capital Investment

The Executive Budget included debt service on state bond funds supporting two categories of capital projects, including funding to offset cost overruns on new and expansion projects authorized for the 2022-2024 biennium and asset preservation projects for the upcoming biennium. More information regarding these funding components is provided below.

- The Governor’s budget included \$159.98 million in bond funds in 2024-25 to complete new capital construction and expansion projects that had been authorized in the *2022-2024 Budget of the Commonwealth*
- The intended use of these funds was to cover unprecedented increases in construction costs that occurred between the time the 2022-2024 budget was enacted, and institutions began undertaking authorized projects
- The Executive Budget also included \$400.0 million in bond funds for asset preservation projects, all of that amount appropriated in fiscal year 2024-25
- The asset preservation funds were allocated among institutions based on share of Category I and II Education and General Square feet
- There was no required institutional match, but the bill included language regarding maintenance of effort for asset preservation expenditures
- Included in the regular appropriation for each institution was debt service for both categories of capital projects (i.e., cost increases and asset preservation) totaling \$22.6 million in 2024-25 and \$45.1 million in 2025-26 for the system

CPE Agency Budget

The Executive Budget did not include additional appropriations for CPE’s two major expansion requests—namely, added funding to support higher education coordination and management and the *Fund for Higher Education and Economic Development*—but it did provide resources to offset expected increases in retirement and health insurance costs, SREB dues, and continuation funding for KSU oversight.

- The Governor’s budget included a 6.0% salary increase for state workers in 2024-25 and an additional 4.0% in 2025-26, with an additional increment for long-serving state employees
- It provided funding to cover anticipated increases in the agency’s retirement system and health insurance costs (i.e., defined calculations)
- It also provided \$10,000 each year to cover expected increases in SREB dues
- The Executive Budget appropriated \$750,000 each year for KSU oversight
- Finally, the Governor’s budget included \$16.0 million in 2024-25 for Pikeville Medical Center’s Psychiatry Residency Program (i.e., for four years of operation)

HOUSE BUDGET (AS AMENDED)

The House Budget (HB 6) was released on January 16, 2024, was later amended, and passed the full House on February 1, 2024. The information provided below was obtained from the House Committee Substitute version of the bill (HB 6/HCS 1).

Postsecondary Institution Operating Funds

The House Budget included several components supporting campus operations, including an inflation adjustment, funding to fully offset increases in Fire and Tornado Insurance Premium costs, KSU land-grant funding, and a small increase in the *Postsecondary Education Performance Fund*.

- Specifically, it included appropriations of \$35.8 million each year of the biennium for an inflation adjustment
- This level of funding represented an increase of about 3.6% on each institution’s 2023-24 net General Fund base
- The House Budget also included \$31.3 million each year for Fire and Tornado Insurance Premium cost increases (or 100% of the expected increase)

In addition to these two major components, the House Budget included:

- Decreases in funding (of minus \$10.0 million) each year for the Markey Cancer Center at the University of Kentucky
- Appropriations of \$2,107,500 in the current year (i.e., fiscal year 2023-24) and \$1,499,100 each year of the biennium to fund state match payments required under federal law for KSU’s land grant program
- Increases in funding of \$3,900,000 each year for the *Postsecondary Education Performance Fund* (i.e., bringing the total in the fund to \$101.2 million each year)
- Net decreases in mandated program funding (of minus \$50,000) in 2024-25 and (of minus \$350,000) in 2025-26 (excluding changes in UK’s Markey Cancer Center, KSU’s land grant program, pension subsidy reductions, and Fire and Tornado Insurance Premium funding)

- Overall, these components represent increases in operating funds of 5.6% in 2024-25 and 5.4% in 2025-26 relative to the 2023-24 net General Fund base

Capital Investment

In terms of capital investment, the House Budget provided debt service on state bond funds supporting two categories of capital projects, including new capital construction and expansion projects and asset preservation projects for the upcoming biennium.

- The House Budget included \$970.1 million in bond funds in 2024-25 to support new capital construction or expansion projects
- It provided one new construction or expansion project at each institution
- The House Budget also included \$600.0 million in bond funds (i.e., \$300.0 million each year) for asset preservation projects
- Twenty-five percent (25%) of the asset preservation funds were allocated among institutions by assigning \$15 million to each university and \$30 million to KCTCS (i.e., \$15 million x 8 universities = \$120 million + \$30 million @ KCTCS = \$150 million, or 25% of \$600 million)
- The remaining seventy-five percent (75%) was allocated among institutions based on share of E&G square footage
- Language included in the bill required UK and UofL to match twenty-five percent (25%) of their respective allocations with other source funds
- Finally, the House Budget included \$51.1 million in 2024-25 and \$114.3 million in 2025-26 to pay debt service on state bonds supporting both new construction (or expansion) projects and asset preservation projects

CPE Agency Budget

- The House Budget provided a 4.0% salary increase for state workers in 2024-25 and an additional 2.0% in 2025-26
- It included funding to offset anticipated increases in retirement system and health insurance costs (i.e., defined calculations)
- It did not include additional funding for either SREB dues or the SREB Doctoral Scholar's program
- It also reduced the agency's General Fund budget by \$272,400 each year of the biennium to reflect cuts in vacant positions
- The House Budget appropriated \$500,000 in 2024-25 and \$250,000 in 2025-26 (or \$750,000 over the biennium) for KSU oversight
- The budget provided \$7.0 million in 2024-25 and \$3.0 million in 2025-26 (or \$10.0 million over the biennium) for the Healthcare Workforce Investment Fund

SENATE BUDGET

The Senate Budget (HB 6/PSS 1) passed the full Senate on March 13, 2024. The information provided below was obtained from that bill.

Postsecondary Institution Operating Funds

- The Senate Budget appropriates \$35.8 million each year of the biennium for an inflation adjustment, representing an increase of about 3.6% on each institution's 2023-24 net General Fund base
- It includes \$31.3 million each year to cover planned increases in state Fire and Tornado Insurance Premiums (or 100% of the expected increase)
- It contains reductions in funding of \$10.0 million each year for the Markey Cancer Center at the University of Kentucky
- It includes appropriations of \$2,107,500 in 2023-24 and \$1,499,100 each year of the upcoming biennium for KSU's land grant program
- The Senate Budget provides additional appropriations of \$102.7 million each year for the *Postsecondary Education Performance Fund* (i.e., bringing the total in the fund to \$200.0 million each year)
- It includes net increases in mandated program funding of \$1,743,800 in 2024-25 and \$2,546,200 in 2025-26 (excluding changes in UK's Markey Cancer Center, KSU's land grant program, pension subsidy reductions, and Fire and Tornado Insurance Premium funding)
- Finally, it provides additional funding for several programs or initiatives that are line-itemed in the budget bill, totaling \$24.7 million in 2024-25 and \$2.2 million in 2025-26 (e.g., the largest single item in 2024-25 is \$20.0 million for expansion and enhancement of online programs at NKU)
- Overall, these components represent increases in operating funds of 18.0% in 2024-25 and 15.7% in 2025-26 relative to the 2023-24 net General Fund base

Capital Investment

Like the House Budget, the Senate Budget (HB 6/PSS 1) included debt service on state bond funds supporting new capital construction and expansion projects and supporting asset preservation projects for the upcoming biennium. More information about these funding components is provided below.

- The Senate Budget appropriated bond funds of \$917.4 million in 2024-25 and \$105.0 million in 2025-26 (i.e., for a biennial total of \$1.022 billion) to support new capital construction or expansion projects at the postsecondary institutions
- It provided at least one new or expansion project for each institution (and two projects each at NKU and KCTCS)
- The Senate Budget also included \$608.2 million in state bond funds for asset preservation projects, \$324.7 million in 2024-25 and \$283.5 million in 2025-26

- While the allocation of asset preservation funds mirrored the assignment of funds in the House Budget for most institutions, the Senate made selected changes in the allocation for KSU and KCTCS
- The asset preservation allocation at KSU was increased from \$12.8 million each year of the biennium to \$37.5 million each year
- The allocation at KCTCS was decreased in the second year from \$71.1 million in the House Budget to \$30.0 million in the Senate Budget
- Language included in the bill required UK and UofL to match twenty-five percent (25%) of their respective allocations with other source funds
- Included in the regular appropriation for each institution was debt service for both new construction (or expansion) projects and asset preservation projects totaling \$50.0 million in 2024-25 and \$115.7 million in 2025-26 for the system

CPE Agency Budget

- The Senate Budget provides a 2.6% salary increase for state workers in 2024-25 and an additional 2.6% in 2025-26
- It funds anticipated increases in the agency's retirement system and health insurance costs (i.e., defined calculations)
- It also provides \$10,000 each year to cover expected increases in SREB dues
- The Senate Budget contains \$272,400 in vacant position cuts in CPE's agency budget each year of the biennium
- It appropriates \$750,000 each year for KSU oversight
- The Senate Budget appropriates \$2.0 million over the biennium for the Kentucky Healthcare Workforce Investment Fund (i.e., \$1.0 million each year)
- It also appropriates \$1.0 million in 2024-25 to conduct a feasibility study on expanding postbaccalaureate program offerings at comprehensive universities
- The Senate Budget appropriates \$16.0 million in 2024-25 for CPE to distribute to Appalachian Regional Healthcare to establish a psychiatric residency program to serve eastern Kentucky
- Finally, the budget provides \$300,000 in 2024-25 for CPE to pass through to the National Stem Cell Foundation to support a grant match

BUDGET COMPARISONS

Attached for Council review are three tables that should facilitate comparisons across the various versions of the postsecondary education budgets. Attachment A presents Postsecondary Institution Operating Funds components and funding amounts included in the Council's budget recommendation, Governor's Budget, and House and Senate versions of the budget. Attachment B shows Capital Investment components across all iterations of the postsecondary education budgets. Attachment C contains information pertaining to the CPE Agency Budget across all versions of the budgets.

Council on Postsecondary Education
 2024-2026 Budget of the Commonwealth
 Comparison of CPE Recommended and Executive, House, and Senate Budgets

ATTACHMENT A
 March 25, 2020

Postsecondary Education Operating Funds

Funding Component	CPE Recommended		Executive Budget		House Budget (HB 6/HCS 1)		Senate Budget (HB 6/PSS 1)	
	Fiscal 2024-25	Fiscal 2025-26	Fiscal 2024-25	Fiscal 2025-26	Fiscal 2024-25	Fiscal 2025-26	Fiscal 2024-25	Fiscal 2025-26
2023-24 Net General Fund	1,007,584,100	1,007,584,100	1,007,584,100	1,007,584,100	1,007,584,100	1,007,584,100	1,007,584,100	1,007,584,100
• Base Adjustments								
KERS Subsidy Reductions	(4,415,700)	(6,623,500)	(4,415,700)	(6,623,500)	(6,181,000)	(8,254,500)	(6,872,200)	(8,254,500)
Markey Cancer Center	0	0	500,000	710,000	(10,000,000)	(10,000,000)	(10,000,000)	(10,000,000)
Adjusted Net General Fund	1,003,168,400	1,000,960,600	1,003,668,400	1,001,670,600	991,403,100	989,329,600	990,711,900	989,329,600
Additional Budget Requests								
• Inflation Adjustment	81,925,100	109,233,300	44,848,900	63,818,900	35,834,600	35,834,600	35,834,600	35,834,600
• Fire and Tornado Insurance	0	0	15,108,100	15,108,100	31,283,600	31,283,600	31,283,600	31,283,600
• KSU Land Grant Match	1,499,100	1,499,100	1,499,100	1,499,100	1,499,100	1,499,100	1,499,100	1,499,100
• Mandated Programs	0	0	10,089,200	12,646,800	(50,000)	(350,000)	1,743,800	2,546,200
• Other Additions	0	0			0	0	24,700,000	2,200,000
• Performance Funding	22,692,900	22,692,900	0	0	3,900,000	3,900,000	102,692,900	102,692,900
Total Operating Funds	1,109,285,500	1,134,385,900	1,075,213,700	1,094,743,500	1,063,870,400	1,061,496,900	1,188,465,900	1,165,386,000
Dollar Change	101,701,400	126,801,800	67,629,600	87,159,400	56,286,300	53,912,800	180,881,800	157,801,900
Percent Change	10.1%	12.6%	6.7%	8.7%	5.6%	5.4%	18.0%	15.7%

Council on Postsecondary Education
 2024-2026 Budget of the Commonwealth
 Comparison of CPE Recommended and Executive, House, and Senate Budgets

ATTACHMENT B
 March 25, 2020

Capital Investment

Funding Component	CPE Recommended			Executive Budget			House Budget (HCS 1)			Senate Budget (PSS 1)		
	Fiscal 2024-25	Fiscal 2025-26	Biennial Total	Fiscal 2024-25	Fiscal 2025-26	Biennial Total	Fiscal 2024-25	Fiscal 2025-26	Biennial Total	Fiscal 2024-25	Fiscal 2025-26	Biennial Total
New Construction												
• 2022-24 Cost Increases	162,370,000	0	162,370,000	159,980,000	0	159,980,000	0	0	0	0	0	0
• 2024-26 Capital Projects	0	0	0	0	0	0	970,100,000	0	970,100,000	917,400,000	105,000,000	1,022,400,000
Subtotal	162,370,000	0	162,370,000	159,980,000	0	159,980,000	970,100,000	0	970,100,000	917,400,000	105,000,000	1,022,400,000
Renovation and Renewal												
• Asset Preservation ³	350,000,000	350,000,000	700,000,000	400,000,000	0	400,000,000	300,000,000	300,000,000	600,000,000	324,658,000	283,521,000	608,179,000
Debt Service	20,610,000	55,297,000	75,907,000	22,572,000	45,134,000	67,706,000	51,126,500	114,342,500	165,469,000	49,999,500	115,653,500	165,653,000

Council on Postsecondary Education
 2024-2026 Budget of the Commonwealth
 Comparison of CPE Recommended and Executive, House, and Senate Budgets

ATTACHMENT C
 March 25, 2020

CPE Agency Budget

Funding Component	CPE Recommended		Executive Budget		House Budget (HCS)		Senate Budget (PSS 1)	
	Fiscal 2024-25	Fiscal 2025-26	Fiscal 2024-25	Fiscal 2025-26	Fiscal 2024-25	Fiscal 2025-26	Fiscal 2024-25	Fiscal 2025-26
2023-24 General Fund ¹	14,896,800	14,896,800	14,896,800	14,896,800	14,896,800	14,896,800	14,896,800	14,896,800
• Base Adjustment ²								
KSU Oversight	750,000	750,000	750,000	750,000	500,000	250,000	750,000	750,000
Adjusted General Fund	15,646,800	15,646,800	15,646,800	15,646,800	15,396,800	15,146,800	15,646,800	15,646,800
Additional Budget Requests								
• Fund for Higher Education & Economic Development	20,000,000	20,000,000	0	0	0	0	0	0
• Higher Education Coordination & Management	3,000,000	3,000,000	0	0	0	0	0	0
• SREB Doctoral Scholars	50,000	100,000	0	0	0	0	0	0
• SREB Dues	10,000	10,000	10,000	10,000	0	0	10,000	10,000
• Defined Calculations	(122,600)	(58,900)	(385,200)	(355,800)	(93,000)	(48,800)	(93,000)	(48,800)
• Salary Increases	61,100	125,100	440,600	681,300	215,300	336,700	139,900	289,600
• Cut to Vacant Positions	0	0	0	0	(272,400)	(272,400)	(272,400)	(272,400)
• Healthcare Workforce Investment Fund	0	0	0	0	7,000,000	3,000,000	1,000,000	1,000,000
• Psychiatry Residency Program in Eastern Kentucky ³	0	0	16,000,000	0	0	0	16,000,000	0
• National Stem Cell Foundation Pass-Through	20,610,000	55,297,000	0	0	0	0	0	0
• Postbaccalaureate Program Expansion Study at Comprehensives	0	0	0	0	0	0	1,000,000	0
Operating Funds	59,255,300	94,120,000	31,712,200	15,982,300	22,246,700	18,162,300	33,431,300	16,625,200
Dollar Change to Adjusted General Fund	43,608,500	78,473,200	16,065,400	335,500	6,849,900	3,015,500	17,784,500	978,400
Percent Change	278.7%	501.5%	102.7%	2.1%	44.5%	19.9%	113.7%	6.3%

Component Footnotes

¹ Includes base funding for Operations, Strategic Initiatives, Technology Trust Fund, SREB dues and doctoral scholars, and spinal cord, head injury and cancer research and screenings.

² Technically, KSU oversight funding was submitted as an additional budget request since it was a special appropriation for 2022-2024

³ Governor's budget recommended funding for a psychiatry residency program at Pikeville Medical Center. House Bill 1 (24 RS) provides this funding for Appalachian Regional Healthcare to establish a psychiatric residency program in eastern Kentucky

TITLE: Update on 2022-2024 Asset Preservation Funding

DESCRIPTION: The Finance Committee received an update on the use of Asset Preservation Pool funds, as per the guidelines approved in June 2022.

STAFF CONTACTS: Shaun McKiernan, Executive Director of Finance and Budget, CPE
Ryan Kaffenberger, Associate Director of Finance and Budget, CPE

COMMITTEE’S REVIEW

The Finance Committee received this information update at their March 25, 2024, meeting. It will not be covered or presented in detail at the March 28 board meeting; however, staff will be available for questions.

BACKGROUND INFORMATION

In the 2022-2024 state budget (HB 1, 2022 RS), the General Assembly appropriated \$683.5 million in General Fund supported bond funds for asset preservation projects on postsecondary education campuses. When combined with a \$16.5 million stand-alone project for KCTCS, total funding for asset preservation for the biennium was \$700.0 million.

Allocation of the funding among institutions was based on each institution’s share of Education and General (Category 1 and 2) square footage. Research universities are required to match each dollar of state funding with 30 cents of institution resources, while the comprehensive universities and KCTCS are required to match each state dollar with 15 cents. Asset Preservation funds may be used to address renovation and renewal needs of Education and General facilities and state-owned and operated residential housing.

On June 17, 2022, the Council approved Asset Preservation Pool Guidelines that provide information on the process used to obtain project approvals and request reimbursement of funds from the state. The guidelines also require CPE staff to periodically provide updates to the Council on the use of Asset Preservation Pool funds. As can be seen in Attachment A, as of February 29, 2024, Kentucky public postsecondary institutions have drawn down 20% of the \$683.5 million appropriated for asset preservation, or \$136.1 million. See Attachment B for a listing of postsecondary institution projects and the state funds drawn by project to date.

Public Postsecondary Institutions
 2022-24 Asset Preservation Funds
 As of February 29, 2024

Attachment A

	<u>Total State Funds</u>	<u>State Fund Portion of Active Project</u>	<u>Percent of Total</u>
UK*	\$ 154,196,000	\$ 151,414,957	98%
UofL	81,886,000	81,882,879	100%
EKU	54,806,000	51,480,320	94%
KSU	16,078,000	14,428,715	90%
MoSU	35,222,000	35,222,000	100%
MuSU	47,176,000	47,176,000	100%
NKU	46,794,000	43,212,382	92%
WKU	68,080,000	54,846,200	81%
KCTCS	179,262,000	167,920,197	94%
	<u>\$ 683,500,000</u>	<u>\$ 647,583,651</u>	95%

	<u>Total State Funds</u>	<u>State Funds Drawn Down</u>	<u>Percent of Total</u>
UK	\$ 154,196,000	\$ 23,679,879	15%
UofL	81,886,000	12,628,094	15%
EKU	54,806,000	13,502,102	25%
KSU	16,078,000	1,249,850	8%
MoSU	35,222,000	10,329,474	29%
MuSU	47,176,000	5,866,489	12%
NKU	46,794,000	7,766,190	17%
WKU	68,080,000	4,375,639	6%
KCTCS	179,262,000	68,551,936	38%
	<u>\$ 683,500,000</u>	<u>\$ 136,109,712</u>	20%

University of Kentucky
Education and General Projects

Project Number	Project Name	Project Description	Building Name	Project Scope	State Funds	Campus Match	State Funds Reimbursed
UK - 2590.1	MDS Building 5th Floor Renovation	This project will improve, renovate and upgrade aging labs and vacant spaces on the fifth floor of the facility to create much needed classrooms, faculty and support space and other E&G space. The project will also include E&G spaces and necessary building systems and infrastructure which have exceeded their useful life and/or which are unable to handle the necessary capacity/load.	Multi-Disciplinary Science Bldg	\$ 13,000,000	\$ 9,999,938	\$ 3,000,062	766,582
UK - 2590.2	Improve White Hall Classroom Bldg	This project will initiate the design phase to improve, renovate and upgrade the aging Whitehall Classroom Building and will include classrooms and other E&G spaces and necessary building systems and infrastructure which have exceeded their useful life and/or which are unable to handle the necessary capacity/load.	Whitehall Classroom Bldg	\$ 82,000,000	\$ 63,076,532	\$ 18,923,468	1,501,158
UK - 2590.3	Improve Pence Hall	This project will improve, renovate and upgrade the aging Pence Hall and will include classrooms and other E&G spaces and necessary building systems and infrastructure which have exceeded their useful life and/or which are unable to handle the necessary capacity/load.	Pence Hall	\$ 32,000,000	\$ 24,615,232	\$ 7,384,768	1,447,566
UK - 2590.4	Improve Miller Hall	This project will improve, renovate and upgrade the second and third floors of the aging Miller Hall and will include classrooms and other E&G spaces and necessary building systems and infrastructure which have exceeded their useful life and/or which are unable to handle the necessary capacity/load.	Miller Hall	\$ 4,500,000	\$ 3,461,517	\$ 1,038,483	128,782
UK - 2590.5	Improve Patterson Office Tower	This project will improve, renovate and upgrade two floors of the aging Patterson Office Tower. It will include E&G spaces and necessary building systems and infrastructure which have exceeded their useful life and/or which are unable to handle the necessary capacity/load.	Patterson Office Tower	\$ 3,500,000	\$ 2,692,291	\$ 807,709	143,174
UK-2590.21	Improve 620 South Broadway (Burley Tobacco Co-op)	This project will make minor improvements to this building needed to house administrative/support programs near campus.	Burley Tobacco Co-op	\$ 300,000	\$ 230,768	\$ 69,232	

University of Kentucky
Education and General Projects

Project Number	Project Name	Project Description	Building Name	Project Scope	State Funds	Campus Match	State Funds Reimbursed
UK - 2590.22	Bosworth Hall Renovations	This project will renovate Bosworth Hall by adding a code compliant elevator to enable accessibility in the building as well as renovate portions of the approx. 19,000 sf building interiors for use by the university.	Bosworth Hall	\$ 5,400,000	\$ 4,153,820	\$ 1,246,180	282,505
UK-2590.25	Improve 640 South Broadway (Former Ag. Credit Union)	This project will make minor improvements to this building needed to house administrative/support programs near campus.	640 S. Broadway Building	\$ 250,000	\$ 192,307	\$ 57,694	95,674
UK-2590.26	640 South Broadway	This project will make needed IT Improvements to improve service to the campus network.	640 S. Broadway Building	\$ 200,000	\$ 153,845	\$ 46,155	110,488
UK-2590.27	Renovations for Office and Support Services	This project will renovate Patterson Office Tower, Blazer Dining, and WT Young Library to provide suitable space for Mathskeller, Wildcat Wardrobe, Classroom AV/IT, Ricoh, GIS Lab and other occupants.	Multiple	\$ 1,000,000	\$ 769,226	\$ 230,774	
UK-2590.28	Moloney Roof Replacement	This project will replace/repair the Moloney building roof.	Moloney Building	\$ 583,500	\$ 448,843	\$ 134,657	
UK-2590.32	Moloney Room Repairs	This project will make needed updates the interior space of the Moloney building.	Moloney Building	\$ 116,500	\$ 89,615	\$ 26,885	
Campus Utility Infrastructure Projects							
UK - 2590.7	Emergency Replacement of Sanitary Sewer Line - Funkhouser Drive	This project will replace the failed sanitary sewer piping underneath Funkhouser Drive. This includes reconstruction of the roadway once the line is replaced.	Utility Infrastructure	\$ 472,284	\$ 363,281	\$ 109,003	363,281
UK - 2590.8	Funkhouser Sewer Line Replacement Phase 2	The project will add two new manholes, remove ramps and walls beside McVey to install new sewer lines. Once the new sewer line is replaced, the contractor will pour new sidewalks and ramps, along with installing new handrails along the brick walls.	Utility Infrastructure	\$ 612,313	\$ 476,375	\$ 142,937	476,375
UK - 2590.11	Central Heating Dearator Tank	This project will remove the sawdust silo and add a new vertical Dearator Tank behind Central Heating Plant.	Utility Infrastructure	\$ 1,400,000	\$ 1,076,916	\$ 323,084	713,131
UK - 2590.19	Steam and Condensate	This project will include the steam and condensate replacement of the North Panama Canal	Utility Infrastructure	\$ 4,664,794	\$ 3,588,281	\$ 1,076,513	78,401

University of Kentucky
Education and General Projects

Project Number	Project Name	Project Description	Building Name	Project Scope	State Funds	Campus Match	State Funds Reimbursed
UK - 2590.15	Hugelet & Washington Steam Infrastructure	This project was broken out from the Steam and Condensate project above to expedite the work as it relates to ongoing construction in the area. This project includes the demolition and repair of the Hugelet tunnel and replacement of steam servicing the Thomas Poe Cooper Facility as well as the restoration of Bowman Hall steamline redundancy.	Utility Infrastructure	\$ 2,335,206	\$ 1,796,301	\$ 538,905	818,574
UK - 2590.16	Medium Voltage Distribution Upgrades	This project will include the following: cleanup and cable work in vault 703; replace duct bank from 793 to 703-1 in Kroger Field Room 122, and new subsurface switch to replace manhole switch at 703-1. The project will also include cleanup and cable work in vault 910, and new circuit breaker in sub #3 with a new dedicated circuit.	Utility Infrastructure	\$ 3,200,000	\$ 2,461,523	\$ 738,477	127,970
UK - 2590.17	Shawneetown Stormwater Improvements	This project will implement stormwater improvements to the existing site adjacent to the Shanwneetown graduate family housing complex.	Utility Infrastructure	\$ 400,000	\$ 307,690	\$ 92,310	
UK - 2590.18	Medical Center Cooling Tower (Steelwork, Coating & Repair)	This project will analyze and repair the existing steel support structure in the Medical Center Heating and Cooling Plant to prolong the useful life of this facility.	Utility Infrastructure	\$ 1,000,000	\$ 769,226	\$ 230,774	3,249
UK- 2590.23	Memorial Coliseum (Steam/Chilled Water/Ductbank)	This project will connect steam and chilled water connections as well as an electrical ductbank adjacent to work that is occurring at Memorial Coliseum. This work will assist in providing redundancy for these systems.	Utility Infrastructure	\$ 3,120,000	\$ 2,399,985	\$ 720,015	119,992
2590.29	Asset Preservation - Central Heating Boiler Replacement	This project will replace two boilers within the Central Heating Plant #2.	Utility Infrastructure	\$ 20,000,000	\$ 15,384,520	\$ 4,615,480	
2590.31	Asset Preservation - Complete northern steam and chilled water loops	This project will install new steam and chilled water system piping below grade from the north end of the "Panama Canal" utility trench to existing piping located on the south side of Avenue of Champions between Singletary Center and Memorial Coliseum. These connections will complete steam and chilled water loops through campus north of Avenue of Champions for greater reliability of service and increased campus supply of steam and chilled water.	Utility Infrastructure	\$ 2,700,000	\$ 2,076,910	\$ 623,090	

Building Systems Projects

University of Kentucky
Education and General Projects

Project Number	Project Name	Project Description	Building Name	Project Scope	State Funds	Campus Match	State Funds Reimbursed
UK - 2590.9	Breckinridge Hall Windows	This project will replace the window systems in Breckinridge Hall which have far outlived their useful life. The project will include replacement of 86 double hung windows and 10 casement exterior windows to improve energy efficiency and match existing profiles.	Breckinridge Hall	\$ 660,000	\$ 507,689	\$ 152,311	420,857
UK - 2590.12	Fine Arts Guignol Windows	This project will replace the window systems in Guignol Fine Arts which have far outlived their useful life. The project will include replacement of 166 exterior double hung and casement windows with matching windows for improved energy efficiency.	Fine Arts Guignol Building	\$ 1,319,105	\$ 1,014,690	\$ 304,415	785,083
UK - 2590.13	Memorial Coliseum Misc. Building Systems	This project will replace the building systems and improve ADA accessibility. The project includes replacement of Air Handling Units (AHU) and Variable Frequency Drives (VFD), Switchgear, Automatic Transfer Switches (ATS), an emergency generator and installation of a public elevator for ADA accessibility.	Memorial Coliseum	\$ 6,000,000	\$ 4,615,356	\$ 1,384,644	3,224,649
UK - 2590.14	Lafferty Hall Replace HVAC System and Fine Arts-Guignol Bldg. Install New HVAC System	This project will install a new AHU, VFDs, and motor control center along with fire sprinklers to meet code requirements in Lafferty Hall. In Fine Arts-Guignol Building, a new AHU and VFD will be installed to replace individual window air conditioners.	Lafferty Hall and Fine Arts Guignol Building	\$ 6,100,000	\$ 4,692,279	\$ 1,407,721	232,448
→ E&G Subtotal				\$196,833,702	\$151,414,957	\$45,425,745	11,839,940

Residential Housing Projects

Project Number	Project Name	Project Description	Building Name	Project Scope	State Funds	Campus Match	State Funds Reimbursed
→ Housing Subtotal				\$0	\$0	\$0	
Grand Total				<u>\$196,833,702</u>	<u>\$151,414,957</u>	<u>\$45,425,745</u>	<u>\$23,679,879</u>

University of Louisville

Project Number	Project Name	Project Description	Building Name	Project Scope	State Funds	Campus Match	State Funds Reimbursed	Percent of Total
Education and General Projects								
J9000	Brook Street Overpass Bridge	Repairs to overpass bridge	Brook St Overpass	175,640	135,102	40,538	128,572	95.2%
J9001	Campus Lighting	Upgrade Campus lighting in and around parking lots - Phases 1 and 2	Belknap Campus Parking Lots	316,200	243,221	72,979	75,424	31.0%
J9026	CTR Deaerator Tank Sys Repl	CTR building - Deaerator failing and needs to be replaced	Center for Translational Research - CTR	206,600	158,917	47,683	162,307	102.1%
J9IEF	Infrastructure Equipment Replacement	Replacement of speciality equipment as needed in various buildings, which includes theatrical lighting and acoustical equipment upgrades.	Various Buidings	1,479,000	1,137,647	341,353	442,406	38.9%
J9LSS	Life Safety Systems	Upgrade and replacement of equipmment, such as fire alarms, elevators and building security systems.	Various Buildings	8,467,700	6,513,355	1,954,345	1,881,232	28.9%
J9BEM	Building Energy Management and Controls	Replacement of VFD equipment and upgrade of building automation control	Various Buildings	5,100,000	3,922,920	1,177,080	1,057,788	27.0%
J9ROOF	Roof Replacement	Replacement of roofs on various buildings	Various Buildings	5,657,317	4,351,608	1,305,709	605,222	13.9%
J9RRP	Refresh/Refurbishment Mult Bldgs - Phase implementation	Projects being implments in phases, because of needs in various building. Focus is on student facing spaces. Upgrades include finishes, ceilings, lights, signage.	Various Buildings	9,504,900	7,311,169	2,193,731	1,640,195	22.4%
J9ADA	ADA Updates	Projects being implemented in phases, because of needs in various buildings. Upgrades include door hardware, restrooms,	Various Buildings	2,218,840	1,706,732	512,108	43,580	2.6%

University of Louisville

Project Number	Project Name	Project Description	Building Name	Project Scope	State Funds	Campus Match	State Funds Reimbursed	Percent of Total
		Projects will involve updating building systems in various buildings. Upgrades include air handling units, tunnel repairs, cooling towers, HVAC units, exhaust fans, heating, electrical systems						
J9HEP	HVAC / Electrical / Plumbing in Various Buildings.		Various building	71,675,803	55,133,028	16,542,775	6,499,974	11.8%
J9006	Schneider Hall - HVAC and Remediation	Remediation of space and replacement of HVAC system	Schneider Hall	1,650,000	1,269,180	380,820	91,395	7.2%
Grand Total				<u>\$106,452,000</u>	<u>\$81,882,879</u>	<u>\$24,569,121</u>	<u>12,628,094</u>	15.4%

Eastern Kentucky University

Project Number	Project Name	Project Description	Building Name	Project Scope	State Funds	Campus Match	State Funds Reimbursed	Percent of Total	
Education and General Projects									
EKU001	Steam Line Upgrades	Campus wide steam line, vault, heat plant, boiler work - authorized as line item 21, 2022 Acts Chapter 199, Part II (HB 1)	Campus wide		\$10,000,000	\$8,696,000	\$1,304,000	\$2,280,745	26.2%
EKU002	Roof Replacement - Powell	New roof installation	Powell (student center)		\$825,489	\$717,845	\$107,644	\$717,845	100.0%
EKU003	Roof Replacement - Rowlette	New roof installation	Rowlette (nursing)		\$711,689	\$618,885	\$92,804	\$618,867	100.0%
EKU004	Coates Exterior/Interior Repairs	Extensive interior-exterior deferred maintenance and roof work	Coates (1920's main building - limestone falling)		\$5,000,000	\$4,348,000	\$652,000	\$145,728	3.4%
EKU005	Burrier Exterior Repairs	Extensive exterior deferred maintenance repairs	Burrier (stone façade falling - applied human science)		\$1,554,822	\$1,352,073	\$202,749	\$84,888	6.3%
EKU006	Plumbing systems, HVAC, water distribution systems, boiler/hot water systems, cooling tower and chiller systems repair/replacement, mechanical systems repair/renovation/replacement	Campus wide systems upgrades and improvements for air conditioning-cooling-heating, water delivery and related system components.	Campus wide		\$8,608,000	\$7,485,517	\$1,122,483	\$4,689,727	62.7%
EKU007	Elevator renovation/replacement/modernization	Campus wide elevator improvements.	Campus wide		\$4,000,000	\$3,478,400	\$521,600	\$1,964,048	56.5%
EKU008	Sidewalks, pathways, pedestrian entrances, egress, access accommodation, lighting improvements	Maintenance upgrades for campuswide mobility and access	Campus wide		\$2,200,000	\$1,913,120	\$286,880	\$1,030,375	53.9%
EKU009	Parking lot maintenance and improvements; exterior lighting improvements	Campus wide parking maintenance and improvements	Campus wide		\$2,000,000	\$1,739,200	\$260,800		0.0%
EKU010	Electrical system installation/renovation/improvements; electrical hardware components installation, improvements	Campus wide electrical distribution system improvements	Campus wide		\$5,000,000	\$4,348,000	\$652,000	\$118,115	2.7%

Eastern Kentucky University

Project Number	Project Name	Project Description	Building Name	Project Scope	State Funds	Campus Match	State Funds Reimbursed	Percent of Total
EKU011	Roof replacements and upgrades; structural renovations/upgrades; various/multiple buildings/facilities	Campus wide roof repair and replacement needs	per RG: Ramsey Heat Plant, Ashland, Cammack, Combs (preliminary)	\$7,000,000	\$6,087,200	\$912,800	\$331,009	5.4%
EKU012	Building interior renovations/repairs/upgrades	Campus wide building interior maintenance items	per RG: Commonwealth Business Tower, Whitlock, Adams, Combs	\$5,800,000	\$5,043,680	\$756,320	\$1,406,584	27.9%
EKU013	Begley Building Deferred Maintenance	Extensive deferred maintenance priorities include concrete repairs and rainwater mitigation improvements and entrance and egress repairs to multi-purpose, multi-use legacy E&G facility.	Begley	\$6,500,000	\$5,652,400	\$847,600	\$114,171	2.0%
→ E&G Subtotal				\$59,200,000	\$51,480,320	\$7,719,680	\$13,502,102	26%

Residential Housing Projects

Project Number	Project Name	Project Description	Building Name	Project Scope	State Funds	Campus Match
→ Housing Subtotal				\$0	\$0	\$0
Grand Total				<u>\$59,200,000</u>	<u>\$51,480,320</u>	<u>\$7,719,680</u>

Kentucky State University

Project Number	Project Name	Project Description	Project Scope	State Funds	Campus Match	Expenditures	Notes	State Funds Portion of Funds Expended	Percent of Total
Education and General Projects									
KSU001	Demolition of vacant and blighted property	Russell Ct Apts, Burned house at College St. and Douglas Ave., Car wash on East Main	\$500,000	\$434,780	\$65,217	\$2,660	Bid came in lower than estimate	\$2,313	0.5%
			\$150,000	\$69,565	\$10,435				
KSU002	Campus wide Elevator Repairs, Modernization, and Emergency Call Stations	Consultation to assess, recommend and prioritize project management	\$500,000	\$434,780	\$65,217	\$0		\$0	
KSU006	Walkway Improvement and Safety/ADA Related Upgrades and Repairs	Will address railings and concrete repairs	\$500,000	\$434,780	\$65,217	\$0	Currently out for bid	\$0	
KSU006	Walkway Improvement and Safety/ADA Related Upgrades and Repairs	Increase project \$250,000	\$250,000	217,391	32,609	\$0		\$0	
KSU007	Jackson Hall Renovation	Repairs to roof and interior to mitigate safety hazard and bring back	1,500,000	1,304,349	195,651	\$0		\$0	
KSU008	Exum Center Renovations	Design and Exterior Envelope work	1,363,000	1,185,218	177,782	\$0		\$0	
KSU009	Bell Gym Stair (Egress) Replacement		150,000	130,435	19,565	\$138,992	Project complete, remaining encumbrance will be invoiced	\$120,863	92.7%
	Hume Hall Renovation	Building has extensive water infiltration issues. Project will stop water infiltration and fix the damage caused. Currently only funding desgin.	650,000	565,217	84,783	\$33,933	Ready to bid	\$29,507	5.2%

Kentucky State University

Project Number	Project Name	Project Description	Project Scope	State Funds	Campus Match	Expenditures	Notes	State Funds Portion of Funds Expended	Percent of Total
	Bradford Hall Renovations	Repair/replace leaking windows. Address ADA issues with entries. Currently only funding design	1,500,000	1,304,348	195,652	\$0	Currently in Phase A design	\$0	
	KSU MEP Renovations	This project will replace failing infrastructure of mechanical, electrical and plumbing systems.	500,000	434,783	65,217	\$0		\$0	
→ E&G Subtotal			\$7,563,000	\$6,515,647	\$977,344	\$175,585		\$152,682	2.3%

Residential Housing Projects

Project Number	Project Name	Project Description	Project Scope	State Funds	Campus Match	Expenditures	Notes	State Funds Portion of Funds Expended	Percent of Total
KSU004	Residence Hall Interior and Exterior Renovations	Architectural Design and Improvement Process - specifics to be defined	800,000	695,680	104,320	\$540,479	Work is complete, encumbrance will be invoiced	\$469,982	67.6%
KSU005	The Halls Residence Facility HVAC & Related	Includes piping main replacement to support removal and replacement of	\$500,000	\$434,780	\$65,217	\$0			
	Combs Hall Renovation	New mechanical, electrical and plumbing. As well as new windows, store fronts and all new finishes.	\$7,800,000	\$6,782,609	\$1,017,391	\$2,600	Currently out for bid	\$2,261	0.0%
→ Housing Subtotal			\$9,100,000	\$7,913,069	\$1,186,928	\$543,079		\$472,243	6.0%
Grand Total			<u>\$16,663,000</u>	<u>\$14,428,715</u>	<u>\$2,164,273</u>	<u>\$718,664</u>		<u>\$1,249,850</u>	8.7%

Morehead State University

Project Number	Project Name	Project Description	Building Name	Scope	State Funds	Campus Match	State Funds Reimbursed	Percent of Total
Education and General Projects								
65250001	Camden-Carroll Library HVAC/Electrical Project	HVAC and Electrical upgrade	Camden-Carroll Library	\$1,450,000	\$1,260,870	\$189,130	\$169,897	13.5%
65250002	Enrollment Services Roof	New Roof	Enrollment Services (new)	219,322	190,714	28,608	190,544	99.9%
65250003	Camden-Carroll Library Roof	New Roof	Camden-Carroll Library	154,168	134,059	20,109	133,669	99.7%
65250004	Academic-Athletic Center Roof	New Roof	Academic-Athletic Center	457,552	397,871	59,681	397,189	99.8%
65250005	Lappin Hall HVAC	HVAC upgrade	Lappin Hall	76,159	66,225	9,934	66,225	100.0%
65250005	Lappin Hall HVAC - phase 2	HVAC upgrade	Lappin Hall	52,028	45,241	6,787		0.0%
65250006	Kentucky Folk Art Center HVAC	HVAC upgrade	Ky Folk Art Center	40,000	34,783	5,217	21,067	60.6%
65250007	Howell McDowell & Claypool Young HVAC	HVAC upgrade	Multiple E&G and residential facilities	838,859	729,443	109,416	719,220	98.6%
65250008	Rader Hall HVAC	HVAC upgrade	Rader Hall	308,823	268,542	40,281	4,709	1.8%
65250010	Ginger Hall HVAC	HVAC upgrade	Ginger Hall	466,884	405,986	60,898	403,664	99.4%
65250011	HVAC Automation	Campus wide building automation system	Multiple E&G and residential facilities	400,000	347,826	52,174	309,738	89.0%
65250012	E&G Fire Alarm System - phase 1	Fire alarm system upgrade various E&G Buildings	Multiple E&G and residential facilities	13,101	11,392	1,709	11,392	100.0%
65250012	E&G Fire Alarm System - phase 2	Fire alarm system upgrade various E&G Buildings	Multiple E&G and residential facilities	200,097	173,997	26,100	25,006	14.4%
65250013	Water Treatment Plant Sediment Basin Design	Water Treatment Plant Sediment Basin design	Multiple E&G and residential facilities	113,040	98,296	14,744	85,283	86.8%
65250013	Water Treatment Plant Sediment Basin Design phase 2	Water Treatment Plant Sediment Basin design	Multiple E&G and residential facilities	2,800,000	2,434,783	365,217		
65250015	Breck HVAC	HVAC upgrade	Breckinridge Hall	301,233	261,942	39,291	2,791	1.1%
65250016	Enrollment Services HVAC	HVAC upgrade	Enrollment Services (new)	300,000	260,870	39,130	32,925	12.6%
65250017	Baird HVAC	HVAC upgrade	Baird Music Hall	815,000	708,696	106,304	462,451	65.3%
65250018	Button HVAC	HVAC upgrade	Button Auditorium	400,000	347,826	52,174	30,507	8.8%
65250021	MSU Farm roof and greenhouse repair	New Roof and repairs	Multiple E&G facilities	300,000	260,870	39,130	32,734	12.5%
65250022	Allie Young Roof	New Roof	Allie Young Hall	297,309	258,530	38,779	257,101	99.4%
65250024	Howell-McDowell repairs and HVAC	Repairs and additional HVAC work	Howell-McDowell Admi	147,625	128,369	19,256	42,174	32.9%
65250025	Campus Communications Infrastructure Upgrade phase 2	Building system controls infrastructure	Multiple E&G and residential facilities	3,620,000	3,147,826	472,174	766,570	24.4%
65250026	Ginger Hall 2nd Floor : Ginger Hall 2nd Floor	Renovation	Ginger Hall	259,843	225,950	33,893	13,388	5.9%
65250027	Laughlin Ext Repair/Utility : Laughlin Ext Repair/Utility	Exterior Repairs	Laughlin Health Bldg	26,380	22,939	3,441	10,873	47.4%
65250028	Camden-Carroll Library Renovation	Building Renovation	Camden-Carroll Library	1,150,000	1,000,000	150,000	13,043	1.3%
65250029	Academic-Athletic Center Life Safety	Life Safety upgrades	Academic-Athletic Center	1,000,000	869,565	130,435	-	
65250030	Ginger Hall Renovation	Building Renovation	Ginger Hall	1,750,000	1,521,739	228,261	6,770	0.4%
65250031	Educational Services Bldg Reno	Building Renovation	Education Services Bldg	100,000	86,957	13,043		
65250033	ADUC renovation	Building Renovation	Adron Doran Universi	250,000	217,391	32,609		
90050012	Campus Communications Infrastructure Upgrade	Upgrade wireless campus communication systems	Multiple E&G and residential facilities	2,750,000	2,391,304	358,696	2,329,737	97.4%
90050014	Heat Exchanger Replacements	Update Heat Exchangers in Campus Facilities	Multiple E&G and residential facilities	272,497	236,954	35,543	189,915	80.1%
→ E&G Subtotal				21,329,918	18,547,756	2,782,162	6,728,582	36.3%

Residential Housing Projects

Project Number	Project Name	Project Description	Building Name	Revised Scope	Revised State Funds	Revised Campus Match		
90050001	Fields Hall HVAC/Chiller	HVAC upgrade	Fields Hall	\$212,780	\$185,026	\$27,754	182,100	98.4%
90050002	Nunn Hall	New Roof	Nunn Hall	379,497	329,997	49,500	329,728	99.9%
90050003	Mays Hall HVAC	HVAC upgrade	Mays Hall Apts.	132,424	115,151	17,273	85,842	74.5%
90050004	West Mignon Hall HVAC	HVAC upgrade	West Mignon Hall	55,938	48,641	7,297	27,652	56.8%
90050005	East Mignon Hall HVAC & Related Roof /drainage	HVAC upgrade/Roof/Drainage	East Mignon Hall	226,062	196,576	29,486	175,430	89.2%
90050006	Alumni Tower Renovation	Floor Renovation	Alumni Tower	53,005	46,091	6,914	39,462	85.6%
90050007	Normal Hall HVAC	HVAC upgrade	Normal Hall Apts.	52,832	45,941	6,891	45,452	98.9%
90050008	Cartmell Hall Elevator	Elevator	Cartmell Hall	564,675	491,022	73,653	491,022	100.0%
90050009	Housing Fire Alarm Sys.	Life Safety upgrads	Alumni Tower	100,870	87,713	13,157		0.0%
90050010	Mignon Tower	New Roof	Mignon Tower	271,999	236,521	35,478	236,374	99.9%
90050011	Alumni Tower Steps & Concrete repairs	Steps	Alumni Tower	290,618	252,712	37,906	60,905	24.1%
				8,785,916	7,639,317	1,146,599		
90050013	Cooper Hall Phase 1	Modernization/Renovation	Cooper Hall				1,923,360	25.2%

Morehead State University

Project Number	Project Name	Project Description	Building Name	Scope	State Funds	Campus Match	State Funds Reimbursed	Percent of Total
90050013	Cooper Hall Phase 2	Modernization/Renovation	Cooper Hall	2,014,084	1,751,378	262,706		0.0%
90050015	Nunn Hall Renovation : Nunn Hall Renovation	Modernization/Renovation	Nunn Hall	3,200,000	2,782,609	417,391	3,565	0.1%
90050016	Mignon Complex Renovation	Renovation	Mignon Tower, East Mignon and West M	1,050,000	913,043	136,957		0.0%
90050017	Eagle Lake Apartments Renovation	Building Renovation	Eagle Lake Apts.	1,400,000	1,217,391	182,609		0.0%
90050018	To be determined Spring 2024 Project	TBD	TBD	<u>385,382</u>	<u>335,115</u>	<u>50,267</u>		0.0%
→ Housing Subtotal				19,176,082	16,674,244	2,501,838	3,600,892	21.6%
Grand Total				<u>40,506,000</u>	<u>35,222,000</u>	<u>5,284,000</u>	<u>10,329,474</u>	29.3%

Murray State University Project Identification Schedule

Project Number	Project Name	Project Description	Building Name	Project Scope	State Funds	Campus Match	State Funds Reimbursed	Percent of Total
Education and General Projects								
R20312	Curriss Center refresh, renovation and deferred maintenance project	Renovations to common areas , including restrooms, of the building to provide new flooring, paint, lighting and fixtures. Update of some areas to use for student recruitment and student activities.	Curriss Center	5,500,000	4,782,800	717,200	4,053,453	84.8%
A11055	CFSB Center Cooling Tower Replacements	Replacement of cooling tower	CFSB Center	625,000	543,500	81,500	477,232	87.8%
R20372	Hancock Biology Station HVAC	Replace the HVAC system for research center	Hancock Biology Station	1,700,000	1,478,320	221,680	89,184	6.0%
A11127	Price Doyle Fine Arts interior stairwell repairs	Replace handrails, stair treads and necessary maintenance to the interior stairwell. Includes surrounding plaster repairs.	Price Doyle Fine Arts	650,000	565,240	84,760	-	0.0%
R20366	Oakley Applied Science ADA and deferred maintenance	Updates for several ADA accommodations, mechanical and electrical deferred maintenance and classroom/public spaces updates where needed.	Oakley Applied Science-Agriculture	12,000,000	10,435,200	1,564,800	126,318	1.2%
R20365	Mason Hall ADA and deferred maintenance	Updates for several ADA accommodations, building mechanical and electrical deferred maintenance and classroom/public spaces updates where needed. This work will complement the Nursing programs and the new Nursing and Health Professions Building.	Mason Hall-Nursing	9,000,000	7,826,400	1,173,600	112,908	1.4%
	Electrical infrastructure repairs and upgrades	Architecture and engineering work to the electric substation and campus electrical infrastructure repairs and upgrades. Added amount will be requested once scope is available.	Infrastructure	300,000	260,880	39,120	-	0.0%
R20371	Price Doyle Fine Arts HVAC	New hot water boilers to disconnect from central steam lines, HVAC improvements, mixing boxes, air handling VFD drive replacememnts and BAS controls.	Price Doyle Fine Arts	1,900,000	1,652,240	247,760	19,337	1.2%
R20368	Pogue Library HVAC, mechanical and electrical improvements	New hot water boilers to disconnect from central steam lines, HVAC improvements, and BAS controls.	Pogue Library	6,000,000	5,217,600	782,400	56,144	1.1%
R20370	Old Fine Arts HVAC	New hot water boilers to disconnect from central steam lines, HVAC improvements, mixing boxes, air handling VFD drive replacememnts and BAS controls.	Old Fine Arts	2,400,000	2,087,040	312,960	33,981	1.6%

Murray State University Project Identification Schedule

Project Number	Project Name	Project Description	Building Name	Project Scope	State Funds	Campus Match	State Funds Reimbursed	Percent of Total
R20369	Stewart Stadium Water Intrusion	Architecture and engineering work to design repairs due to significant water intrusion issues. Added amount will be requested once scope is available.	Stewart Stadium	100,000	86,960	13,040	-	0.0%
R20367	CFSB Center	Architecture and engineering work to design the installation of a full building generator to enhance the need for this building to service the campus and community during emergency situations. Added amount will be requested once scope is available.	CFSB Center	100,000	86,960	13,040	-	0.0%
A11089	Carr Hall	Replace existing emergency generator and transfer switch.	Carr Hall	92,600	80,525	12,075	33,982	42.2%
R20384	Biology Building	Relocate the mechanical equipment from the roof top to ground level to prepare for a roof replacement and better accessibility to this equipment. This project will also replace the cooling towers and piping, which serves the entire Science Complex (3 buildings)	Biology Building	2,500,000	2,174,000	326,000	874	0.0%
R20354	Carr Hall	HVAC replacements and necessary electrical upgrades	Carr Health	3,121,492	2,714,449	407,043	-	0.0%
R20355	Racer Arena	Installation of roof top package units to provide heating and cooling for the area. The arena has never had air conditioning.	Racer Arena	1,995,708	1,735,468	260,240	-	0.0%
R20356	Waterfield Library	HVAC upgrades, phase II	Waterfield Library	603,403	524,719	78,684	-	0.0%
A11119	Carmen Pavillion	Replace roof top HVAC unit that has failed, set with crane and connect to existing power and duct work.	Carman Pavillion	80,000	69,568	10,432	41,688	59.9%
→ E&G Subtotal				\$48,668,203	\$42,321,869	\$6,346,334	5,045,100.88	11.9%

University Owned Residence Halls Projects

Project Number	Project Name	Project Description	Building Name	Project Scope	State Funds	Campus Match
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Murray State University Project Identification Schedule

Project Number	Project Name	Project Description	Building Name	Project Scope	State Funds	Campus Match	State Funds Reimbursed	Percent of Total
B10246	Regents Hall replace closets/vanities	Replacement of building in closets and vanities for three floors in University owned residence hall	Regents Residence Hall	426,000	213,000	213,000	182,659	85.8%
T20131	White Hall boiler replacement	Replace boiler in University owned residence hall. Two summer phased project.	White Residence Hall	813,000	706,985	106,015	585,287	82.8%
T20132	White Hal hydronic piping replacement	Replace hydronic piping in University owned residence hall	White Residence Hall	1,426,000	1,240,050	185,950	26,785	2.2%
T20133	White Hall air handler replacement	Replace the air handler in University owned residence hall	White Residence Hall	500,000	434,800	65,200	26,657	6.1%
→ Housing Subtotal				<u>\$3,165,000</u>	<u>\$2,594,834</u>	<u>\$570,166</u>	<u>\$821,388</u>	31.7%
Grand Total				<u><u>\$51,833,203</u></u>	<u><u>\$44,916,704</u></u>	<u><u>\$6,916,499</u></u>	<u><u>\$5,866,489</u></u>	13.1%
Total Authorized				\$54,254,000	\$47,176,000	\$7,078,000		

Northern Kentucky University

Project Number	Project Name	Project Description	Building Name	Project Scope	State Funds	Campus Match	State Funds Reimbursed	Percent of Total	
Education and General Projects									
22-0287	Renew/Renovate Fine Arts Phase II (AP)	Demolish & rebuild approx. 16k SF heaved floor area. Replace HVAC & fire alarm systems. Added scope to replace finishes in Corbett Theater.	Fine Arts Center		\$ 14,820,000	\$ 12,887,472	\$ 1,932,528	1,912,361	14.8%
22-0294	Renew/Renovate Nunn Hall (AP)	Demolish & rebuild approx. 8k SF heaved floor area. Replace RRs and HVAC system components. Fix foundation leak.	Nunn Hall		\$ 9,600,000	\$ 8,348,160	\$ 1,251,840	1,547,297	18.5%
22-0278	Power Plant Boiler Controls Upgrade (AP)	Replace obsolete controls, linkages and valves on boilers 2 & 3 at Power Plant.	New Power Plant		\$ 380,000	\$ 330,448	\$ 49,552	323,756	98.0%
22-0295	Fine Arts Freight Elevator Modifications (AP)	Modernization of the Fine Arts freight elevator	Fine Arts Center		\$ 524,000	\$ 455,670	\$ 68,330	12,522	2.7%
22-0272	BC & MP Bldgs Fire Alarm Modernization (AP)	Upgrade BC & MP fire alarm systems to smart devices, and bring system up to current building code.	Business Academic Center, Mathematics-Education-Psychology Center		\$ 540,000	\$ 469,584	\$ 70,416	372,879	79.4%
23-0298	Campbell / Upgrade Return System (AP)	Upgrade HVAC return system to equalize air flow and temperature & improve energy efficiency	Campbell Hall		\$ 450,000	\$ 391,320	\$ 58,680	35,512	9.1%
22-0279	Rebuild Cooling Towers /Power Plant (AP)	Rebuild 6 cooling towers; replace fill media, clean and seal towers; and, replace VFD.	New Power Plant		\$ 532,344.09	\$ 462,926	\$ 69,418	452,025	97.6%
22-0274	Maint Bldg Replace Rooftop Units (AP)	Replace HVAC system in Maintenance Building	Maintenance Building & Storage Facility (attached)		\$ 175,000	\$ 152,180	\$ 22,820	63,095	41.5%
22-0276	Nunn Hall Façade Repairs (AP)	Clean, repair and seal exterior concrete façade	Louie B. Nunn Hall		\$ 450,000	\$ 391,320	\$ 58,680	10,856	2.8%
23-0304	RH-Bleachers & Floor Repl (AP)	Replace bleachers and flooring	Regents Hall		\$ 539,478.11	\$ 469,130	\$ 70,348	469,130	100.0%
22-0277	FY 2023 Replace Flooring Main Campus (AP)	Replace damaged flooring in E&G bldgs	Multiple buildings		\$ 150,000	\$ 130,440	\$ 19,560	71,749	55.0%
22-0275	Refurbish Interior Landrum Stairwells (AP)	Remove ceilings; replace doors, lights & HVAC; and paint	Charles O. Landrum Academic Center		\$ 108,361.10	\$ 94,231	\$ 14,130	94,231	100.0%
23-0308	Main. Bldg Restore Roof (AP)	Restore roof	Maintenance Building & Storage Facility (attached)		\$ 381,296.78	\$ 331,576	\$ 49,721	331,576	100.0%
23-0309	Nunn Hall Restore Roof (AP)	Restore roof	Louie B. Nunn Hall		\$ 440,000	\$ 382,624	\$ 57,376		
23-0310	Renew/Renovate Steely PH I (AP)	Replace HVAC, fire alarm, emer. Generator and elec. switchgear	W. Frank Steely Library		\$ 5,000,000	\$ 4,348,000	\$ 652,000	153,586	3.5%

Northern Kentucky University

Project Number	Project Name	Project Description	Building Name	Project Scope	State Funds	Campus Match	State Funds Reimbursed	Percent of Total
23-0302-71000009204	Signage Replacement Pool (AP)	Deteriorated exterior signage will be replaced or refurbished	Multiple exterior locations on campus	\$ 80,214	\$ 69,754	\$ 10,460	32,089	46.0%
23-0323	Steely Glass Elev Modernization (AP)	Modernize Glass Elevator	W. Frank Steely Library	\$ 395,000	\$ 343,492	\$ 51,508	237,662	69.2%
23-0311	Regents Generator & Switchgear (AP)	Replace generator and electrical switchgear	Regents Hall	\$ 642,000	\$ 558,283	\$ 83,717	56,723	10.2%
23-0312	Univ Center Replace Switchgear (AP)	Replace electrical switchgear	University Center	\$ 600,000	\$ 521,760	\$ 78,240	38,436	7.4%
23-0315	Concrete Sidewalk/Plaza Repairs (AP)	Replace deteriorated concrete sidewalks, curbs, and plaza areas	Multiple exterior locations on campus	\$ 500,000	\$ 434,800	\$ 65,200	61,239	14.1%
23-0320	Replace Exterior Light Poles (AP)	Replace poor condition light poles	Multiple exterior locations on campus	\$ 610,000	\$ 530,456	\$ 79,544		
23-0324	Roadway Pavement Repairs (AP)	Replace deteriorated pavement areas	Multiple exterior locations on campus	\$ 700,000	\$ 608,720	\$ 91,280	130,907	21.5%
23-0321	Water Valve Replacement (AP)	Replace poor condition underground water valves	Multiple exterior locations on campus	\$ 225,000	\$ 195,660	\$ 29,340	100,687	51.5%
23-0316	Fire Alarm Cabling Upgrades (AP)/Campus	Upgrade fiber infrastructure between and in buildings to increase reliability and redundancy on campus	Bus Academic Ctr (330), Univ Ctr (340), Student Union (341), Griffin Hall (131), Maintenance Bldg (310), & Norse Commons (377), (and connecting b/w these bldgs)	\$ 58,215.99	\$ 50,624.62	\$ 7,591.37	50,625	100.0%
23-0322	Replace Steel Gas Lines (AP)	Replace aged steel gas lines	Multiple exterior locations on campus	\$ 500,000	\$ 434,800	\$ 65,200	24,234	5.6%
23-0313	Steely Original Elev Modernization (AP)	Modernize passenger elevator	W. Frank Steely Library	\$ 350,000	\$ 304,360	\$ 45,640		
24-0328	Civic Center Systems Replacement (AP)	Replace HVAC, plumbing, electrical, and other building systems	(Former) Highland Hts Civic Center	\$ 3,700,000	\$ 3,217,520	\$ 482,480	87,973	2.7%
	Fine Arts Smoke Vent/Skylight Repairs (AP)	Eliminate leaks, complete life cycle repairs	Fine Arts Center	\$ 320,000	\$ 278,272	\$ 41,728		
24-0331	Lake Infrastructure Repairs (AP)	Replace failed pumps, complete life cycle repairs	Loch Norse (located b/w Fine Arts and Business)	\$ 350,000	\$ 304,360	\$ 45,640	99,754	32.8%
23-0303	Exterior Caulk & Seal - BC Building (AP)	Clean, replace caulk & seal concrete façade	Business Academic Center	\$ 265,000	\$ 230,444	\$ 34,556	176,134	76.4%
24-0334	Misc University Center Upgrades (AP)	Space modernization, RR renov., elevator cab renov	University Center	\$ 2,000,000	\$ 1,739,200	\$ 260,800	30,424	1.7%
24-0330	Admin Center Plumbing Infrastructure (AP)	Replace plumbing infrastructure & RR finishes	Lucas Administrative Center	\$ 1,750,000	\$ 1,521,800	\$ 228,200		
24-0332	Campbell Hall Restore Roof (AP)	Restore roof	Campbell Hall	\$ 790,000	\$ 686,984	\$ 103,016	225,658	32.8%

Northern Kentucky University

Project Number	Project Name	Project Description	Building Name	Project Scope	State Funds	Campus Match	State Funds Reimbursed	Percent of Total
	FY 2024 Replace Flooring Main Campus (AP)	Replace damaged flooring in E&G bldgs	Multiple buildings	\$ 150,000	\$ 130,440	\$ 19,560		
23-0302-7100009201	Opportunity House Sewer Line Repair (AP)	Repairs to sanitary sewer line serving Brown Bldg (now Oppor. House)	Brown Building (now named "Opportunity House")	\$ 28,085.00	\$ 24,423	\$ 3,662	24,423	100.0%
23-0302-7100009203	Repair Lawn Areas (AP)	Lawn Repairs on West Side of Campus	Campus exterior	\$ 6,217.53	\$ 5,407	\$ 811	5,407	100.0%
23-0302-7100009205	Three Mile Road Sewer (AP)	Repairs are needed to Univ-owned sewer line	Campus exterior	\$ 50,000	\$ 43,480	\$ 6,520	9,479	21.8%
23-0302-7100009206	Data Center Drainage Repairs (AP)	Install new floor drains below raised floor	Lucas Administrative Center	\$ 4,000	\$ 3,478	\$ 522	3,478	100.0%
23-0302-7100009208	Regrade AC South Lawn/Drainage (AP)	Waterproof below grade areas of Admin Ctr in vicinity of leak, drainage to drain away from bldg, regrade lawn away from bldg	Campus Grounds improvement to stop leak in Administrative Center	\$ 30,000	\$ 26,088	\$ 3,912	6,826	26.2%
23-0302-7100009207	Steely Planter Waterproofing (AP)	Install waterproofing in planter to prevent leaks into library space	W. Frank Steely Library	\$ 24,950	\$ 21,697	\$ 3,253	21,697	100.0%
23-0302-7100009210	Landrum Interior Survey (AP)	Complete survey of interior of Landrum to establish baseline for future floor heaving repairs	Landrum Academic Center	\$ 15,914.90	\$ 13,840	\$ 2,075	12,767	92.3%
23-0302-7100009211	Business Academic Ctr Interior Survey (AP)	Complete survey of interior of BC Bldg to establish baseline for future floor heaving repairs	Business Academic Center	\$ 23,127.50	\$ 20,112	\$ 3,016	20,112	100.0%
7100009214	MP 332 Painting Studio Renovation (AP)	Convert space to painting studio to facilitate Fine Arts Renovation	Mathematics-Education-Psychology Center	\$ 20,118.63	\$ 17,495	\$ 2,623		
7100009213	LA 333 Suite Renov/Drawing Studio	Convert space to drawing studio to facilitate Fine Arts Renovation	Landrum Academic Center	\$ 11,836.19	\$ 10,293	\$ 1,543		
7100009202	MP 200 Wallcovering Repair (AP)	Remove moisture-damaged wallcovering and paint.	Mathematics-Education-Psychology Center	\$ 3,000	\$ 2,609	\$ 391		
7100009209	MP Condensate Tank Replacement (AP)	Replace deteriorated condensate tank	Mathematics-Education-Psychology Center	\$ 22,000	\$ 19,131	\$ 2,869		
71000011601	Flooring Replacement Health Center/CRC (AP)	Replace deteriorated flooring	Albright Health Center	\$ 55,932.31	\$ 48,639	\$ 7,294		
71000011604	Repl Campbell Hall Water Heater	Replace water heater	Campbell Hall	\$ 11,900	\$ 10,348	\$ 1,552		
→ E&G Subtotal				\$48,382,992	\$42,073,850	\$6,309,142	7,307,309	17.4%

Northern Kentucky University

Project Number	Project Name	Project Description	Building Name	Project Scope	State Funds	Campus Match	State Funds Reimbursed	Percent of Total
Residential Housing Projects								
22-0292	Replace Norse Commons Rooftop HVAC (AP)	Replace rooftop HVAC units	Norse Commons	\$ 317,223.29	\$ 275,857	\$ 41,366	241,129	87.4%
23-0307	KY/CW Emergency Generator (AP)	Replace generator; it serves three buildings as noted	Kentucky Hall, Cumberland Hall and Commonwealth Hall	\$ 105,000	\$ 91,308	\$ 13,692	7,569	8.3%
23-0319	KY Hall Transformer (AP)	Replace electrical transformer and water heater	Kentucky Hall	\$ 111,971	\$ 97,370	\$ 14,601		
23-0305	US Caulking/Façade Repairs (AP)	Replace caulking, correct settlement issue, tuckpointing, waterproofing	University Suites	\$ 347,556.27	\$ 302,235	\$ 45,321	155,885	51.6%
23-0302-71000009212	Northern Terrace Ext. Ceiling Repair (AP)	Remove peeling paint and repaint underside of 2nd floor balcony slab	Northern Terrace	\$ 9,000	\$ 7,826	\$ 1,174	7,826	100.0%
71000011801	Norse Hall Cabling/Thermostats	Cabling to connect new smart thermostats to the campus network	Norse Hall	\$ 100,000	\$ 86,960	\$ 13,040		
71000011802	Commonwealth Hall/Monitoring System	Repl system which monitors the building's control system & thermostats	Commonwealth Hall	\$ 32,000	\$ 27,827	\$ 4,173		
23-0316	Fire Alarm Cabling Upgrades (AP)/Housing	Upgrade fiber infrastructure between and in buildings to increase reliability and redundancy (in residence halls)	Norse Commons	25,093.93	\$ 21,822	\$ 3,272	21,822	100.0%
211010025	Callahan Door Closers	Install fire marshal-required door closers on suite doors in Callahan residence hall	Callahan Hall	23,730	\$ 20,636	\$ 3,094		
24-0338	Univ Suites Boiler/Thermostat	Replace boiler and thermostats	University Suites	77,685.49	\$ 67,555	\$ 10,130	24,650	36.5%
71000011804	Univ Suites Shower Repairs	Replace deteriorated flooring near showers, replace drains to prevent leaks	University Suites	160,000	\$ 139,136	\$ 20,864		
→ Housing Subtotal				\$1,309,260	\$1,138,532	\$170,728	458,881	40.3%
Grand Total				<u>\$49,692,252</u>	<u>\$43,212,382</u>	<u>\$6,479,870</u>	7,766,190	18.0%

Western Kentucky University

Project Number	Project Name	Project Description	Building Name	Project Scope	State Funds	Campus Match	State Funds Reimbursed	Percent of Total
929898	Steam Line Repairs 2022	Steam Line Replacement (8 locations) to the Main Distribution System.	Central Heating Plant	\$1,310,549	\$1,139,653	\$170,896	\$643,604	56.5%
929946	Steam Line Repairs 2023	Continued Steam Line Distribution repairs and replacement	Central Heating Plant	\$1,600,000	\$1,391,360	\$208,640	\$1,291,883	92.9%
929907	Recoat IEB Roof	Remove and replace known failed roof areas. Coat entire roof and provide 12 year warranty.	Industrial Education Building	\$137,834	\$119,860	\$17,974	\$115,846	96.7%
929916	High Voltage Underground Electric	Replace 4160 volt with 12,470 volt system eliminating remaining 4,160 Substation	University Wide High Voltage Distribution System	\$3,000,000	\$2,608,800	\$391,200	\$17,088	0.7%
929942	Interior Renovation	Replace interior finishes that have exceeded their useful life.	Industrial Education Building	\$75,000	\$65,220	\$9,780		0.0%
929899	Cherry Hall Renovation	Evaluate the existing building envelope, structure, and infrastructure with the aim of improvements that will preserve the asset, extend the useful life, and renovate the structure. HVAC systems, plumbing systems and devices, electrical systems, data systems, roof, and accessibility to support the academic programs.	Henry Hardin Cherry Hall	\$30,000,000	\$26,088,000	\$3,912,000	\$156,547	0.6%
929939	Roof Project (Section 18)	Remove and Replace Roof Section 18	Center for Research and Development	\$285,000	\$247,836	\$37,164	\$228,487	92.2%
929940	Roof Project MMTH	Roofing Project to extend useful life; 20 year warranty; thermal scan completed; fully reinforced roof restoration	Jody Richards Hall (JRH) formally Mass Media & Technology Hall (MMTH)	\$995,000	\$865,252	\$129,748	\$865,252	100.0%
929937	Roof Project South Campus	Roofing Project to extend useful life; 20 year warranty; thermal scan completed; fully reinforced roof restoration	South Campus (SC)	\$570,000	\$495,672	\$74,328	\$479,470	96.7%
929893	FAC Roof Repair/Replacement	Roof Repair/Replacement	Ivan Wilson Fine Arts Center (FAC)	\$150,000	\$130,440	\$19,560		0.0%
191833	Replace Generator STH	Replace Generator - Life Safety	Science & Technology Hall (STH), (New name; College High Hall, (COHH))	\$70,000	\$60,872	\$9,128	\$54,433	89.4%
929859	Replace AHU #1 FAC	Replace AHU #1 at FAC	Ivan Wilson Fine Arts Center (FAC)	\$225,000	\$195,660	\$29,340	\$183,464	93.8%
929877_929941	Replace EST Air Handler(s)	Replace Air Handling Units #1 & #2	Environmental Science & Technology (EST)	\$530,000	\$460,888	\$69,112	\$62,232	13.5%
929952	Refurbish, upgrade and Replace Phoenix System	Upgrade Phoenix System valves and pneumatic controls	Engineering & Biological Sciences Bldg. (EBS)	\$550,000	\$478,280	\$71,720		0.0%
929935	Upgrade and Replace Natural Gas Line	Replace existing gas line	Gary Ransdell Hall (GRH)	\$85,000	\$73,916	\$11,084	\$69,091	93.5%
929938	N2 to BACNET Conversion	Upgrading Metasys N2 to BACnet. This is critical project for maintaining an efficient energy management system.	Engineering & Biological Sciences Bldg. (EBS)	\$325,000	\$282,620	\$42,380	\$115,610	40.9%

Western Kentucky University

Project Number	Project Name	Project Description	Building Name	Project Scope	State Funds	Campus Match	State Funds Reimbursed	Percent of Total
929936	N2 to BACNET Conversion	Upgrading Metasys N2 to BACnet. This is critical project for maintaining an efficient energy management system.	Snell Hall (SH)	\$145,000	\$126,092	\$18,908	\$92,634	73.5%
929964	N2 to BACNET Conversion	Upgrading Metasys N2 to BACnet. This is critical project for maintaining an efficient energy management system.	Mass Media & Technology Hall (MMTH), (New Name; Jody Richards Hall (JRH))	\$150,000	\$130,440	\$19,560		0.0%
929965	N2 to BACNET Conversion	Upgrading Metasys N2 to BACnet. This is critical project for maintaining an efficient energy management system.	Florence Schneider Hall (FS), (New Name; Academy for Mathematics and Sciences of KY (FS))	\$95,000	\$82,612	\$12,388		0.0%
929963	N2 to BACNET Conversion	Upgrading Metasys N2 to BACnet. This is critical project for maintaining an efficient energy management system.	Health Services Center (HS)	\$140,000	\$121,744	\$18,256		0.0%
929962	N2 to BACNET Conversion	Upgrading Metasys N2 to BACnet. This is critical project for maintaining an efficient energy management system.	Cravens Library (RCL)	\$150,000	\$130,440	\$19,560		0.0%
929966	N2 to BACNET Conversion	Upgrading Metasys N2 to BACnet. This is critical project for maintaining an efficient energy management system.	Science & Technology Hall (STH), (New name; College High Hall, (COHH))	\$30,000	\$26,088	\$3,912		0.0%
929961	N2 to BACNET Conversion	Upgrading Metasys N2 to BACnet. This is critical project for maintaining an efficient energy management system.	Academic Complex (AC)	\$105,000	\$91,308	\$13,692		0.0%
929960	N2 to BACNET Conversion	Upgrading Metasys N2 to BACnet. This is critical project for maintaining an efficient energy management system.	Wetherby Administration Bldg (WAB)	\$230,000	\$200,008	\$29,992		0.0%
929958	N2 to BACNET Conversion	Upgrading Metasys N2 to BACnet. This is critical project for maintaining an efficient energy management system.	South Campus (SC)	\$200,000	\$173,920	\$26,080		0.0%
929959	N2 to BACNET Conversion	Upgrading Metasys N2 to BACnet. This is critical project for maintaining an efficient energy management system.	Agricultural Exposition Center (AEC)	\$85,000	\$73,916	\$11,084		0.0%
To be Assigned	Renovate Kentucky Building	Evaluate the existing building , interior with the aim of improvements that will preserve the asset, extend the useful life, and renovate the structure to meet some specific programatic needs.	KENTUCKY LIBRARY & MUSEUM	\$450,000	\$391,320	\$58,680		0.0%
To be Assigned	Exterior Renovation Kentucky Building	Evaluate the exterior envelope of the structure to scope needed renovation to protect the asset. Roof renewal, structural and exterior elements.	KENTUCKY LIBRARY & MUSEUM	\$275,000	\$239,140	\$35,860		0.0%
929879	Renovation of MMTH	Renovation of interior space to modernize areas such as the 24/7 Computer Lab and other space as needed	Jody Richards Hall (JRH) formally Mass Media & Technology Hall (MMTH)	\$2,000,000	\$1,739,200	\$260,800		0.0%
929978	Renovation of Center for Research and Development	Renovation of interior and exterior space to modernize and protect the asset.	Center for Research and Development	\$2,000,000	\$1,739,200	\$260,800		0.0%

Western Kentucky University

Project Number	Project Name	Project Description	Building Name	Project Scope	State Funds	Campus Match	State Funds Reimbursed	Percent of Total
929970	Van Meter Hall Interior Renovation	Interior Renovation as needed to protect the asset	Van Meter Auditorium	\$150,000	\$130,440	\$19,560		0.0%
929969	Campus Wide E&G Access Control	Renovate existing E&G Building Exterior egress doorway systems to include adding Electronic Access Control.	Various E&G Building Across Campus	\$2,000,000	\$1,739,200	\$260,800		0.0%
To be Assigned	Renovation Gordon Wilson Hall	Functional renovation primarily to improve ADA accessibility, modernize restrooms and possible the addition of an elevator	Gordon Wilson Hall	\$2,000,000	\$1,739,200	\$260,800		0.0%
To be Assigned	Roof Project Academic Athletic BLDG.1 (E.A. Diddle Arena)	Roofing project to extend the useful life of this facility	Academic Athletic BLDG.1 (E.A. Diddle Arena)	\$4,000,000	\$3,478,400	\$521,600		0.0%
929968	Replace Electric Boiler Feed-Water Pumps	Replace two (2) electric feed-water pumps	Central Heating Plant	\$160,000	\$139,136	\$20,864		0.0%
929981	Roofing Project - WAB	This project is to replace and recoat existing roof to extend its useful life	Wetherby Administration Building	\$100,000	\$86,960	\$13,040		0.0%
929982	Roofing Project - EBS	This project is to replace and recoat existing roof to extend its useful life	Engineering & Biological Sciences Bldg. (EBS)	\$390,000	\$339,144	\$50,856		0.0%
929950	Renovation HCIC Patio	Remove and replace water damaged building envelope sections. Repair is design to ensure the integrity of the envelope and extend useful life	Honors College & International Center	\$75,000	\$65,220	\$9,780		0.0%
929974	Elevator Replacement- EST	Remove and replace existing elevator.	Environmnetal Science & Technology	\$350,000	\$304,360	\$45,640		0.0%
929949	Generator Replacement - AEC	Replace 40 year old generator to improve efficiency, reliability, safety and environmental impact.	Agricultural Exposition Center (AEC)	\$100,000	\$86,960	\$13,040		0.0%
929975	Replace pneumatic Controls to digital - EST	Replacing pneumatic controls with digital controls to provide efficiency, accuracy resulting in overall building performance	Environmnetal Science & Technology (EST)	\$175,000	\$152,180	\$22,820		0.0%
929951	Convert Theater Lighting to LED	Convert Russell H. Miller Theatre lighting to LED	Ivan Wilson Fine Arts Center (FAC)	\$100,000	\$86,960	\$13,040		0.0%
929970	Renovation of Van Meter Auditorium	Remove and replace water damaged building materials to protect the asset. This work is specifically targeting the plaster work original to the stucture	Van Meter Auditorium	\$150,000	\$130,440	\$19,560		0.0%
191862	Duct Work Study	Perform an assessment and analysis of the ductwork system in various E&G buildings. The goal of the study is to evaluate the efficiency and performance to identify the potential problems or areas for improvement.	Various E&G Building Across Campus	\$100,000	\$86,960	\$13,040		0.0%
929947	Gary Ransdell Hall Renovation	Life Safety improvement of existing fire shutter door	Gary Ransdell Hall	\$900,000	\$782,640	\$117,360		0.0%
929932	AP-Boiler Renovation	Modernaztion of Controls	Central Heating Plant	\$170,000	\$147,832	\$22,168		0.0%

Western Kentucky University

Project Number	Project Name	Project Description	Building Name	Project Scope	State Funds	Campus Match	State Funds Reimbursed	Percent of Total
To be Assigned	AP_Air Handling Units Renewal_Academic Complex	Renewal of (2) Air handling units to improve operational efficiency.	Academic Complex (AC)	\$362,250	\$315,013	\$47,237		0.0%
929973	AP - Jones Jagers HVAC upgrade	Replace failed HVAC systems and controls.	JONES JAGGERS HALL (Education Complex: Lab School)	\$50,000	\$43,480	\$6,520		0.0%
To be Assigned	AP-College High Hall Renovation	Evaluate the existing building mechanical systems and infrastructure with the aim of improvements that will support the academic programs.	Science & Technology Hall (STH), (New name; College High Hall, (COHH))	\$100,000	\$86,960	\$13,040		0.0%
To be Assigned	AP_Academic Athletic BLDG.1 Mechanical Upgrade	Upgrade Mechanical Equipment to address IAQ improvement and domestic hot water.	Academic Athletic BLDG.1 (E.A. Diddle Arena)	\$625,000	\$543,500	\$81,500		0.0%
929977	AP - Elimination of Pneumatics JRH	Replacing pneumatic controls with digital controls to provide efficiency, accuracy resulting in overall building performance	Jody Richards Hall (JRH) formally Mass Media & Technology Hall (MMTH)	\$225,000	\$195,660	\$29,340		0.0%
929976	AP - Elimination of Pneumatics in EBS and IEB	Replace all pneumatic controls with electronic controls to provide efficiency, accuracy resulting in overall building performance to improve indoor air quality.	Engineering & Biological Sciences Bldg. (EBS) and Industrial Education Building	\$155,000	\$134,788	\$20,212		0.0%
To be Assigned	AP_Elevator Renewal-Academic Complex	Modernize and renew Academic Complex elevator #1	Academic Complex (AC)	\$220,000	\$191,312	\$28,688		0.0%
To be Assigned	Fire Safety Modernization	Replace end of life fire alarm devices and panels in various campus E&G Facilities		\$200,000	\$173,920	\$26,080		0.0%
To be Assigned	AP - CRD Roof Project	Various roofing area improvements and/or replacements	Center for Research and Development	\$800,000	\$695,680	\$104,320		0.0%
To be Assigned	AP-CRD HVAC Improvements	Replacement/Upgrades to various HVAC systems	Center for Research and Development	\$300,000	\$260,880	\$39,120		0.0%
To be Assigned	AP-OSHA Fall Protection Upgrades	Upgrades to existing E&G facilities needed Fall Protection	Academic Complex (0047), Environmental Science &	\$225,000	\$195,660	\$29,340		0.0%
To be Assigned	Steam Line Repairs 2024	Steam Line Replacement to the Main Distribution System.	Central Heating Plant	\$950,000	\$826,120	\$123,880		0.0%
To be Assigned	AP_Service Supply Elevator Renewal	Modernize and renew SSB elevator to improve reliability	Service Supply Building	\$350,000	\$304,360	\$45,640		0.0%
929987	AP_MMTH Data Center Upgrades	Upgrade the Data Center HVAC and Backup Systems to improve the reliability of the infrastructure.	Jody Richards Hall (JRH) formally Mass Media & Technology Hall (MMTH)	\$998,000	\$867,861	\$130,139		0.0%
To be Assigned	AP_Renewal of 12 Air Handler Units	Renewal of (12) Air handling units to improve operational efficiency.	Ivan Wilson Fine Arts Center (FAC)	\$501,975	\$436,517	\$65,458		0.0%
929988	AP_Concrete Restoration_Academic Athletic BLDG.1	Remove and replace failed concrete joints and concrete to protect the plant.	Academic Athletic BLDG.1 (E.A. Diddle Arena)	\$125,000	\$108,700	\$16,300		0.0%
Total				\$63,070,607	\$54,846,200	\$8,224,407	\$4,375,639	8.0%

KCTCS - Education and General Projects

Fund Number	Project Name	Project Description	Building Name	Project Scope	State Funds	Campus Match	State Funds Reimbursed	Percent of Total
CAET	Renovate and/or Construct Transportation Training Center - Ashland CTC	Renovate buildings at the Roberts Drive Campus. Based on a study, the project may be modified to construct a new facility at the Technology Drive Campus if it is found to be more cost efficient.	Workforce Solutions Autobody/Mechanics Diesel Technology	12,000,000	10,435,200	1,564,800	\$2,460,968	23.6%
CAWE	Renovate Main Building Phase II - Ashland CTC	Update electrical and security system, plumbing, lighting, restrooms, windows and doors.	Main Building	11,400,000	9,913,440	1,486,560	\$776,466	7.8%
CAWZ	Roof Replacements - Ashland CTC	Replace roof on two buildings.	Goodpaster Technology Drive	1,598,000	1,389,621	208,379	\$1,389,621	100.0%
CAP1	Roof Replacements - Big Sandy CTC	Roof repairs and replacements on six buildings.	Hager Hill Mayo Building E Mayo Building F Pikeville Regional Tech Prestonsburg Student Center Prestonsburg Johnson Building	3,363,500	2,924,900	438,600	\$2,924,900	100.0%
CAWY	Renovate Administration Building - Bluegrass CTC	Renovate plumbing and restroom upgrades, masonry and window repairs, elevator and student services addition.	Administration Building	9,700,000	8,435,120	1,264,880	\$717,730	8.5%
CAXU	Renovate Science Building Labs - Elizabethtown CTC	Upgrade interior flooring, ceiling, technology and equipment in labs.	Science Building	6,400,000	5,565,440	834,560	\$556,544	10.0%
CAFG	Student Center Roof - Elizabethtown CTC	Replace Student Center roof.	Student Center	308,000	267,837	40,163	\$267,837	100.0%
CAPB	Site Development - Elizabethtown CTC	Improvements to interior roadways, adding roundabouts, adding pedestrian walkways and walking paths, additional lighting and greenspace.	N/A	999,000	868,730	130,270	\$123,483	14.2%
CB2E	Parking Lot Paving - Elizabethtown CTC	Paving parking lots on the Main Campus.	N/A	999,000	868,730	130,270	\$0	0.0%
CAP9	Roof Replacements - Gateway CTC	Replacement of two roofs at Gateway.	Student Services Center - Edgewood	1,574,762	1,369,413	205,349	\$1,369,413	100.0%
CAEW	Mechanical Equipment and Controls - Gateway CTC	Upgrade and replace boilers, chillers, pumps and air handlers and heating, ventilation and air conditioning control upgrades.	Various	4,500,000	3,913,200	586,800	\$3,047,010	77.9%
CAP3	Renovate Jolly Classroom Center - Hazard CTC	Renovation will include flooring, HVAC, plumbing and roof replacement.	Jolly Center	6,300,000	5,478,480	821,520	\$504,368	9.2%
CAWH	HVAC Upgrades - Hazard CTC	Replace or upgrade HVAC equipment and controls in various facilities.	Various	4,700,000	4,087,120	612,880	\$284,359	7.0%
CAXV	Student Center Relocation & Demolition - Henderson CC	Relocate services in the Student Center to other buildings and demolish the Student Center.	Student Center	1,000,000	869,600	130,400	\$333,579	38.4%
CAP8	Administration -Replace Doors and Windows - Henderson CC	Replacement of doors and windows.	Administration Building	991,014	861,786	129,228	\$861,786	100.0%
CADL	Renovate Academic Building - Hopkinsville CC	Renovate building including flooring, windows, restroom and HVAC upgrades.	Academic Building	14,900,000	12,957,040	1,942,960	\$1,815,725	14.0%

KCTCS - Education and General Projects

Fund Number	Project Name	Project Description	Building Name	Project Scope	State Funds	Campus Match	State Funds Reimbursed	Percent of Total
CAX0	Renovate and/or Replace Hartford Building Phase I - Jefferson CTC	Based on a study, it was determined that it would be more cost efficient to replace the Hartford Building with two low rise energy efficient buildings. This project is the first phase constructing a new laboratory building.	Hartford Hall	25,000,000	21,740,000	3,260,000	\$21,566,080	99.2%
CAWF	Renovate Science Labs - Jefferson CTC	Renovate six laboratories at the Southwest Campus. Replace or renovate exhaust hoods, equipment and fixtures.	Science Building	3,000,000	2,608,800	391,200	\$38,436	1.5%
CAWG	Renovate Technical Campus - Madisonville CC	Upgrade plumbing, boilers, lighting, window and electrical requirements.	Office Building Academic Building Occupation Building Simulated Mine	3,700,000	3,217,520	482,480	\$269,576	8.4%
CA80	Renovate Aviation - Madisonville CC	Renovation includes roof replacement, internal reconfiguration, HVAC upgrades, parking lot, lighting and drainage.	Aviation Center	1,278,903	1,112,134	166,769	\$1,108,797	99.7%
CA6L	Glema Mahr Roof Replacement - Madisonville CC	Replace Glema Mahr Center for the Arts roof.	Glema Mahr Center for the Arts	1,188,000	1,033,085	154,915	\$1,033,085	100.0%
CARF	Roof Replacements - Maysville CTC	Replace two roofs at the Maysville Campus - Administration and Denham Buildings.	Administration Academic Denham Tech Building	658,220	572,388	85,832	\$572,388	100.0%
<u>CB7X</u>	<u>Parking Lot Repairs - Maysville CTC</u>	<u>Repair parking lots Campuswide.</u>	<u>N/A</u>	<u>999,000</u>	<u>868,730</u>	<u>130,270</u>	<u>\$88,654</u>	<u>10.2%</u>
CABR	Window Leak Mitigation Various Bldgs. - Maysville CTC	Repair window and other related leaks at the Maysville, Mt Sterling and Rowan Campuses.	Various	3,700,000	3,217,520	482,480	\$1,542,023	47.9%
CAPO	Upgrade Fire Alarms - Maysville CTC	Create a campuswide interconnected fire alarm system that provides monitoring control from a central location.	Various	1,500,000	1,304,400	195,600	\$1,152,730	88.4%
CAP2	Replace HVAC System Phase I Main Campus - Owensboro CTC	First Phase of a three phase project, which will retrofit the HVAC System on the Main Campus.	Various	4,521,420	3,931,827	589,593	\$3,931,827	100.0%
C9G8	Exterior Repairs - Owensboro CTC	Repair sidewalks, skylight and exterior railings.	Various	542,501	471,759	70,742	\$471,759	100.0%
CANZ	Southeast Roof Repairs - Owensboro CTC	Repair roof at the Southeastern campus.	Southeastern Campus	847,000	736,551	110,449	\$736,551	100.0%
CAP4	Upgrade Life and Fire Safety - Owensboro CTC	Upgrade fire alarm, sprinkler and safety systems at all campuses.	Various	2,400,000	2,087,040	312,960	\$1,339,149	64.2%
CAP5	Life Safety Upgrades - Somerset CC	Upgrade sprinkler, fire alarms and safety systems.	Various	4,300,000	3,739,280	560,720	\$1,202,092	32.1%
CAFW	Upgrade HVAC South Campus - Somerset CC	Upgrade HVAC System at the South Campus.	Building 1 - Community WF Building 2 Business Building 3 Administration Building 4 Cosmetology Building 5 Diesel	2,143,900	1,864,335	279,565	\$1,864,335	100.0%
CAXT	Upgrade ADA - Somerset CC	Upgrade restrooms on all campuses and parking lot requirements for ADA requirements.	Various	1,600,000	1,391,360	208,640	\$194,790	14.0%

KCTCS - Education and General Projects

Fund Number	Project Name	Project Description	Building Name	Project Scope	State Funds	Campus Match	State Funds Reimbursed	Percent of Total
CAXW	Replace Windows & Doors - Somerset CC	Replace windows and doors at five buildings.	Building 1 - Community WF Building 2 Business Building 3 Administration Stoner Building Meece Building	1,200,000	1,043,520	156,480	\$146,093	14.0%
CAX1	Renovate Main Campus Buildings - Southcentral CTC	Renovate four buildings on the Main Campus to more effectively service student, faculty, staff and the community needs.	Building A Building D Building J Building H	12,000,000	10,435,200	1,564,800	\$908,732	8.7%
CAPA	Roof Replacements - Southeast KY CTC	Replace three roofs on the Cumberland and Middlesboro Campuses.	Chrisman Hall Administration Building Classroom Building	2,419,000	2,103,562	315,438	\$2,103,562	100.0%
CAFX	Mechanical Equipment Upgrades - Southeast KY CTC	Upgrade and replace boilers, chillers, pumps and air handlers and heating, ventilation and air conditioning control upgrades.	Various	7,000,000	6,087,200	912,800	\$691,767	11.4%
CB4F	Renovate Pineville Campus - Southeast KY CTC	Upgrade HVAC, flooring and roof replacement.	Health Tech Center	2,500,000	2,174,000	326,000	\$260,880	12.0%
CAP6	Renovate Main Campus Buildings - West KY CTC	Replace roofs and switchgear on the Main Campus.	Student Center Matheson LRC Building Carson Hall Athletics Building	5,744,888	4,995,755	749,133	\$4,995,755	100.0%
CAP7	Parking Lots and Sidewalks - West KY CTC	Paving and sidewalk repairs.	N/A	2,801,150	2,435,880	365,270	\$2,435,880	100.0%
CAF5	Fire Alarm Upgrades Group 1 - KCTCS West Colleges	Upgrade fire alarm panels in the western colleges.	Various	1,600,000	1,391,360	208,640	\$439,635	31.6%
CAF4	Fire Alarm Upgrades Group 2 - KCTCS East Colleges	Upgrade fire alarm panels in the eastern colleges.	Various	1,600,000	1,391,360	208,640	\$151,722	10.9%
CAPP	Renovate Valley Oak Buildings - Somerset CC	Upgrade HVAC System, exhaust system, electrical, and ADA issues. Replace drywall, insulation, and flooring.	VO610 Building VO580 Building	999,000	868,730	130,270	\$815,072	93.8%
CASK	Chiller Replacement -Madisonville CC	Chiller Replacement for the Postsecondary Education Building.	Steve Beshear Center for Postsecondary Education Building	238,200	207,139	31,061	\$207,139	100.0%
CAVV	Stoner HVAC Controls Upgrade - Somerset CC	Upgrade HVAC System and controls in the Stoner Hall.	Stoner Hall	379,044	329,617	49,427	\$329,617	100.0%
CAY5	McCreary Center Roof Replacement - Somerset CC	Replace the roof on the McCreary Center.	McCreary Center	213,000	185,225	27,775	\$185,225	100.0%
CAZY	Mechanical Equipment & Upgrades - Henderson CC	Upgrade mechanical equipment and controls at the Henderson Community College.	Various	1,500,000	1,304,400	195,600	\$56,524	4.3%
CB2D	Upgrade Campus Security -		Various	999,000	868,730	130,270	\$0	0.0%

KCTCS - Education and General Projects

Fund Number	Project Name	Project Description	Building Name	Project Scope	State Funds	Campus Match	State Funds Reimbursed	Percent of Total
	Henderson CC	Upgrade security cameras on the Henderson Main Campus.						
CB2F	Roof Replacements - Bluegrass CTC	Replace the roofs on the Leestown Campus Building S and the Newtown Campus Megowan Building.	Megowan Building Building S	1,400,000	1,217,440	182,560	\$21,392	1.8%
CBB2	Fire Alarm Upgrades - Big Sandy CTC	Replace the fire panel systems at all Big Sandy CTC locations.	Various	2,700,000	2,347,920	352,080	\$0	0.0%
CB8L	HVAC Replacements - Bluegrass CTC	Replace the HVAC units at the Leestown Campus in Buildings B and S and at the Newtown Campus in the Megowan Building.	Megowan Building Building B Building S	2,500,000	2,174,000	326,000	\$35,654	1.6%
CB84	Edgewood Renovation - Gateway CTC	Renovate the Edgewood Campus to include an elevator replacement, new flooring, restroom and classroom upgrades.	Student Services Center	3,500,000	3,043,600	456,400	\$0	0.0%
CB7W	Replace Switchgear Downtown Campus - Owensboro CTC	Replace the switchgear at the Downtown Campus.	Downtown Campus	2,800,000	2,434,880	365,120	\$221,226	9.1%
CB5A	Chiller Replacement- Big Sandy CTC, Pikeville Campus	Replace the chiller at the Pikeville Campus.	Pikeville Regional Technology Center	895,000	778,292	116,708		
	Grand Total			193,100,502	167,920,197	25,180,305	68,551,936	40.8%

TITLE: Annual Audit Results, year ended June 30, 2023

DESCRIPTION: The Executive Committee will provide a recommendation to the Council on the results of the annual audit for fiscal year 2022-23.

STAFF CONTACT: Leslie Brown, CPE's Executive Director of Administrative Services

BACKGROUND INFORMATION

The Executive Committee will receive the results of the annual audit for fiscal year 2022-23 from Allen Norvell, the lead auditor from Blue & Co., PSC.

For fiscal year 2023, 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, 2023, 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, 2023



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

February 22, 2024

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, 2023, 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 August 2, 2023. 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 13 to the financial statements, effective July 1, 2022, the Board adopted the Government Accounting Standards Board's Statement No. 96, *Subscription-Based Information Technology Arrangements*. No other new accounting policies were adopted, and 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. All significant transactions have been recognized in the financial statements in the proper period.

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 are 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 “Emphasis of Matter” was added to the Report of the Independent Auditors to address the adoption of Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription Based Information Technology Arrangements*, for the year ended June 30, 2023. Our opinion was not modified with respect to the adoption of this statement.

OTHER MATTERS

We applied certain limited procedures to the management's discussion and analysis, budgetary comparison schedules, schedules of proportionate share of net pension and OPEB liabilities, and the schedules of pension and OPEB contributions, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the schedule of expenditures of federal awards, supplementary schedule of assets, liabilities, and fund balances (for major and non-major funds), supplementary schedule of revenues, expenditures, and changes in fund balances (for major and non-major funds), and the schedule of grants and subsidies, which accompany the financial statements but are not RSI. With respect to this supplementary information, 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.

To the Council Members
Council on Postsecondary Education
Page 4

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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, 2023

COUNCIL ON POSTSECONDARY EDUCATION
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COUNCIL ON POSTSECONDARY EDUCATION
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REPORT OF INDEPENDENT AUDITORS

To the Council Members
Council on Postsecondary Education
Frankfort, Kentucky

Report on the Audit of Financial Statements

Opinions

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"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which comprise the Council's financial statements as listed in the table of contents.

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, 2023, 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.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Council and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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

Emphasis of Matter

As discussed in Note 13 of the financial statements, the Council implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription Based Information Technology Arrangements*, for the year ended June 30, 2023, which represents a change in accounting principle. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Council's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.

To the Council Members
Council on Postsecondary Education

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Council's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 12, the schedule of proportionate share of the net pension liability and the schedule of pension contributions on pages 52 through 53, the schedule of proportionate share of the net Other Postemployment Benefits (OPEB) liability and the schedule of OPEB contributions on pages 54 through 55, and the budgetary comparison information on pages 56 through 62, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

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 Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented on pages 69 through 70 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 64 through 68 is also presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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

To the Council Members
Council on Postsecondary Education

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 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 22, 2024, 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 solely 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 the effectiveness of the Council's 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
February 22, 2024

COUNCIL ON POSTSECONDARY EDUCATION

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2023

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, 2023. 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 assets of the Council exceeded its liabilities at the close of FY 2023 by \$22,387,430.
- Net position increased \$43,525,049 between FY 2022 and FY 2023 due to the Bucks for Brains program, which was a one-time appropriation to use state funds to match private donations to encourage research and strengthen key programs at Kentucky universities.
- As of the close of FY 2023, the Council's governmental funds reported an ending fund balance of \$45,509,602, which includes balances in strategic investment and incentive funding programs appropriated to the Council on behalf of public postsecondary education institutions and agency operations.
- Total fund revenues for FY 2023 were \$79,483,490 representing a 225% increase from FY 2022.
- Total fund expenditures for FY 2023 were \$44,575,398, representing an 85% increase from FY 2022.

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.

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 the Council's assets, deferred outflows, liabilities, and deferred inflows, with the difference between the two reported as net position.

COUNCIL ON POSTSECONDARY EDUCATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2023

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 13 and 14 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 16 and 18 of this report.

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 and the statement of changes in fiduciary net position can be found on page 19 and 20, 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 21.

COUNCIL ON POSTSECONDARY EDUCATION

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023

FINANCIAL ANALYSIS OF THE COUNCIL

Government-wide Financial Analysis:

Condensed Financial Information Statement of Net Position

	June 30, 2023	June 30, 2022
Assets:		
Current	\$ 23,160,136	\$ 3,479,558
Noncurrent	28,553,562	2,508,888
Total assets	<u>51,713,698</u>	<u>5,988,446</u>
Deferred outflows of resources	2,241,950	2,773,490
Total assets and deferrals	<u>\$ 53,955,648</u>	<u>\$ 8,761,936</u>
Liabilities:		
Current	\$ 4,824,945	\$ 1,388,722
Noncurrent	24,501,323	26,345,173
Total liabilities	<u>29,326,268</u>	<u>27,733,895</u>
Deferred inflows of resources	1,589,820	1,513,530
Total liabilities and deferrals	<u>\$ 30,916,088</u>	<u>\$ 29,247,425</u>
Net position (deficit):		
Net investment in capital assets	317,205	-0-
Restricted	\$ 42,858,388	\$ 1,506,289
Unrestricted deficit	<u>(20,136,033)</u>	<u>(21,991,778)</u>
Total net position (deficit)	<u>\$ 23,039,560</u>	<u>\$ (20,485,489)</u>

Current assets consist primarily of program cash and cash equivalents, subscription-based right to use assets, and prepaid expenses. Noncurrent assets consist primarily of investments.

Current liabilities consist primarily of liabilities related due to right of use subscription agreements and accrued compensated absences. As of June 30, 2023, 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.

COUNCIL ON POSTSECONDARY EDUCATION

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2023

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 (deficit)*, 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. Assets exceeded liabilities by approximately \$22.4 million. Total assets and deferrals increased by approximately \$45.2 million, primarily in cash and investments held for the Bucks for Brains program. Total liabilities and deferrals decreased by approximately \$1.7 million, primarily related to an increase in subscription liabilities related to the implementation of new accounting guidance. Therefore, net position increased significantly during 2023, primarily driven by funds being held to use for endowment matching at the Commonwealth's universities.

COUNCIL ON POSTSECONDARY EDUCATION

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023

Condensed Financial Information Statements of Activities For the Fiscal Years Ended

	June 30, 2023	June 30, 2022
Revenues:		
Program revenues:		
Charges for services	\$ 4,241,367	\$ 4,202,925
Operating grants and contributions	12,539,906	8,450,635
Capital grants and contributions	474,071	626,579
General revenues:		
State appropriations	61,832,985	11,213,666
Investment gain on restricted accounts	395,161	-0-
Loss on disposal of capital assets	-0-	(2,541)
Total revenues	79,483,490	24,491,264
Expenses:		
Strategic investment and incentive funding programs	19,332,150	9,228,113
Agency and KYVC/KYVL Operations	6,025,667	6,274,281
Federal Programs	10,120,624	7,771,081
Postsecondary Education Equine Trust Fund	480,000	480,000
Other	-0-	164
Total expenses	35,958,441	23,753,639
Transfer to state general fund	-0-	(451,500)
Change in net position	43,525,049	286,125
Net position (deficit), beginning of year	(20,485,489)	(20,771,614)
Net position (deficit), end of year	\$ 23,039,560	\$ (20,485,489)

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 were an increase in state appropriations, of which \$40.3 million was one-time funding for the endowment matching program, Bucks for Brains, and an increase of \$2.4 million in Federal Program expenses due to the Healthcare Workforce Initiative.

COUNCIL ON POSTSECONDARY EDUCATION

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2023

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 54% of the Council's total expenses for the year ended June 30, 2023. 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, 2023	June 30, 2022
Total assets	\$ 47,261,433	\$ 5,621,929
Total liabilities	1,751,831	1,388,722
Fund balances	45,509,602	4,233,207
Total liabilities and fund balances	\$ 47,261,433	\$ 5,621,929

The fund balance primarily represents the cash balances, investment balances, and amounts due from the Federal government. The fund balances of the Council increased approximately \$41.6 million between fiscal years.

COUNCIL ON POSTSECONDARY EDUCATION

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023

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

	June 30, 2023	June 30, 2022
Revenues:		
State appropriations	\$ 61,832,985	\$ 11,213,666
Charges for services	4,241,367	4,202,925
Intergovernmental revenues	474,071	626,579
Federal programs	10,387,406	8,040,594
Other	2,152,500	410,041
Income from investments	395,161	-0-
Total revenues	79,483,490	24,493,805
Expenditures:		
Personnel services	12,000,123	13,191,119
Grants and subsidies	8,919,626	5,766,778
Intergovernmental expenditures	6,612,000	-0-
Capital expenditures	6,368,303	-0-
Other	10,675,346	5,162,700
Total expenditures	44,575,398	24,120,597
SBITA asset financing	6,368,303	-0-
Interfund transfer out	-0-	(451,500)
Net change in fund balances	41,276,395	(78,292)
Fund balances, beginning of year	4,233,207	4,311,499
Fund balances, end of year	\$ 45,509,602	\$ 4,233,207

The most significant change in this year's revenue is an increase in state appropriations of \$50.6 million and an increase of \$2.3 million in federal programs related to the Healthcare Workforce Initiative.

Grants and subsidies primarily consist of payments to institutions, state agencies, and other service providers for costs related to discrete authorized activities and endowment matches paid to universities participating in the Bucks for Brains program. In 2023, grants and subsidies increased by \$3.2 million due to the Healthcare Workforce Initiative, Postsecondary Workforce Development, and American Rescue Plan programs. Personnel services also saw a 9% decrease largely due to expense accruals related to the implementation of new accounting standards related to subscription-based information technology assets.

COUNCIL ON POSTSECONDARY EDUCATION

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023

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.

BUDGETARY HIGHLIGHTS

Final budgeted revenues and expenditures remained consistent from the original budget.

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, 2023

	Governmental Activities
<u>ASSETS AND DEFERRALS</u>	
Current assets:	
Cash and cash equivalents	\$ 311,349
Cash and cash equivalents - restricted	17,454,636
Accounts receivable	140,871
Intergovernmental receivables	194,690
Due from the Federal government	606,325
Prepaid expenses	1,061,946
SBITA assets, net	3,390,319
Total current assets	23,160,136
Noncurrent assets:	
Investments	3,134,289
Investments - restricted	25,419,273
Total noncurrent assets	28,553,562
Total assets	51,713,698
Deferred outflows of resources	
Deferred outflows - pension	1,629,383
Deferred outflows - OPEB	612,567
Total deferred outflows of resources	2,241,950
Total assets and deferrals	\$ 53,955,648
<u>LIABILITIES AND DEFERRALS</u>	
Current liabilities:	
Accounts and other payables	\$ 258,590
Interest payable	119,818
Due to the state investment pool	333,506
Accrued expenses	403,332
Subscription liabilities	3,073,114
Accrued compensated absences - current portion	636,585
Total current liabilities	4,824,945
Noncurrent liabilities:	
Accrued compensated absences - noncurrent portion	307,000
Net pension	20,836,096
Net OPEB	3,358,227
Total noncurrent liabilities	24,501,323
Total liabilities	29,326,268
Deferred inflows of resources	
Deferred inflows - pension	787,927
Deferred inflows - OPEB	801,893
Total deferred inflows of resources	1,589,820
Total liabilities and deferrals	\$ 30,916,088
<u>NET POSITION (DEFICIT)</u>	
Net investment in capital assets	\$ 317,205
Restricted	42,858,388
Unrestricted deficit	(20,136,033)
Total net position (deficit)	\$ 23,039,560

COUNCIL ON POSTSECONDARY EDUCATION

STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2023

FUNCTIONS/PROGRAMS:	Program Revenues				Net (Expenses) Revenues and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Operations	\$ 6,025,667	\$ 532,000	\$ 269,011	\$ -0-	\$ (5,224,656)
Federal Programs	10,120,624	-0-	10,118,395	-0-	(2,229)
Postsecondary Education Equine Trust Fund	480,000	-0-	-0-	474,071	(5,929)
Kentucky Regional Network Enhancement	205,669	-0-	-0-	-0-	(205,669)
Postsecondary Workforce Development Trust Fund	2,225,000	-0-	-0-	-0-	(2,225,000)
Comprehensive University Excellence Trust Fund	639,500	-0-	-0-	-0-	(639,500)
Technology Initiative Trust Fund	7,705,824	3,709,367	2,152,500	-0-	(1,843,957)
Capital Projects	1,612,000	-0-	-0-	-0-	(1,612,000)
Kentucky State University Stabilization	5,470,762	-0-	-0-	-0-	(5,470,762)
Assessment and Professional Development	1,473,395	-0-	-0-	-0-	(1,473,395)
Total governmental activities	\$ 35,958,441	\$ 4,241,367	\$ 12,539,906	\$ 474,071	(18,703,097)
General revenues:					
State appropriations					61,832,985
Income from investments					395,161
Total general revenues					62,228,146
Change in net position					43,525,049
Net position (deficit), beginning of year					(20,485,489)
Net position (deficit), end of year					\$ 23,039,560

COUNCIL ON POSTSECONDARY EDUCATION

BALANCE SHEET – GOVERNMENTAL FUNDS

JUNE 30, 2023

	Operations	Federal Programs	Comprehensive University Excellence Trust Fund	Research Challenge Trust Fund	Technology Initiative Trust Fund	Kentucky State University Stabilization Fund	Other (Non- major) Non- governmental Funds	Total Governmental Funds
ASSETS								
Cash and cash equivalents	\$ 208,201	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 103,148	\$ 311,349
Cash and cash equivalents - restricted	-	-	3,742,087	12,098,793	1,561,464	-	52,292	17,454,636
Investments	1,383,907	-	-	-	1,750,382	-	-	3,134,289
Investments - restricted	-	-	5,618,413	18,165,258	594,017	-	1,041,585	25,419,273
Accounts receivable	29,042	-	-	-	64,564	46,775	490	140,871
Intergovernmental receivables	-	-	-	-	194,690	-	-	194,690
Due from the Federal government	-	606,325	-	-	-	-	-	606,325
Total assets	<u>\$ 1,621,150</u>	<u>\$ 606,325</u>	<u>\$ 9,360,500</u>	<u>\$ 30,264,051</u>	<u>\$ 4,165,117</u>	<u>\$ 46,775</u>	<u>\$ 1,197,515</u>	<u>\$ 47,261,433</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts and other payables	\$ 21,609	\$ 85,474	\$ -0-	\$ -0-	\$ 104,242	\$ 46,775	\$ 490	\$ 258,590
Due to the state investment pool	-	333,506	-	-	-	-	-	333,506
Accrued expenses	233,188	102,564	-	-	28,737	14,525	24,318	403,332
Interest Payable	-	-	-	-	119,818	-	-	119,818
Accrued compensated absences	519,086	84,781	-	-	14,759	1,744	16,215	636,585
Total liabilities	<u>773,883</u>	<u>606,325</u>	<u>-0-</u>	<u>-0-</u>	<u>267,556</u>	<u>63,044</u>	<u>41,023</u>	<u>1,751,831</u>
Fund balances:								
Restricted:								
for KHEAA Innovation Funds	-	-	-	-	113,324	-	-	113,324
for Technology Initiative	-	-	-	-	895,198	-	-	895,198
for Regional Network Optimization	-	-	-	-	-	-	794,331	794,331
for Lexington Theological Society	-	-	-	-	13,500	-	-	13,500
for Read to Achieve	-	-	-	-	204,191	-	-	204,191
for Endowment Match Program	-	-	9,360,500	30,264,051	-	-	-	39,624,551
for James Graham Brown Foundation	-	-	-	-	929,268	-	-	929,268
for University Equine programs	-	-	-	-	-	-	402,694	402,694
Assigned:								
for Agency operations	847,267	-	-	-	-	-	-	847,267
for Technology Trust Fund	-	-	-	-	1,799,736	-	-	1,799,736
Unassigned	-	-	-	-	(57,656)	(16,269)	(40,533)	(114,458)
Total fund balances	<u>847,267</u>	<u>-0-</u>	<u>9,360,500</u>	<u>30,264,051</u>	<u>3,897,561</u>	<u>(16,269)</u>	<u>1,156,492</u>	<u>45,509,602</u>
Total liabilities and fund balances	<u>\$ 1,621,150</u>	<u>\$ 606,325</u>	<u>\$ 9,360,500</u>	<u>\$ 30,264,051</u>	<u>\$ 4,165,117</u>	<u>\$ 46,775</u>	<u>\$ 1,197,515</u>	<u>\$ 47,261,433</u>

COUNCIL ON POSTSECONDARY EDUCATION

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION JUNE 30, 2023

Fund balances - total governmental funds	\$ 45,509,602
Amounts reported for governmental activities in the statement of net position are different because:	
The deferred outflows of resources are not current financial resources, and therefore, are not reported in the governmental funds.	2,241,950
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.	
Prepaid expenses	1,061,946
Capital outlays for SBITA assets are presented as assets and financing received for SBITA liabilities are presented as other financing sources in the governmental funds	317,205
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.	
Accrued compensated absences - noncurrent portion	(307,000)
The deferred inflows of resources is not due and payable in the current year and, therefore, is not reported in the governmental funds.	(1,589,820)
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.	(24,194,323)
Net position of governmental activities	<u>\$ 23,039,560</u>

COUNCIL ON POSTSECONDARY EDUCATION

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS YEAR ENDED JUNE 30, 2023

	Operations	Federal Programs	Comprehensive University Excellence Trust Fund	Research Challenge Trust Fund	Technology Initiative Trust Fund	Kentucky State University Stabilization Fund	Other (Non-major) Governmental Funds	Total Governmental Funds
REVENUES:								
State appropriations	\$ 6,459,261	\$ -0-	\$ 10,000,000	\$ 30,000,000	\$ 3,628,300	\$ 5,453,192	\$ 6,292,232	\$ 61,832,985
Charges for services	532,000	-0-	-0-	-0-	3,709,367	-0-	-0-	4,241,367
Intergovernmental revenues	-0-	-0-	-0-	-0-	-0-	-0-	474,071	474,071
Federal programs	269,011	10,118,395	-0-	-0-	-0-	-0-	-0-	10,387,406
Other revenues	-0-	-0-	-0-	-0-	2,152,500	-0-	-0-	2,152,500
Income from investments	-0-	-0-	-0-	264,051	131,110	-0-	-0-	395,161
Total revenues	7,260,272	10,118,395	10,000,000	30,264,051	9,621,277	5,453,192	6,766,303	79,483,490
EXPENDITURES:								
Personnel services	5,944,582	3,334,495	-0-	-0-	1,072,244	346,968	1,301,834	12,000,123
Utilities, rental, and other services	711,467	1,395,363	-0-	-0-	502,398	115,509	16,063	2,740,800
Commodities and supplies	499,318	145,242	-0-	-0-	6,572,499	-0-	209,086	7,426,145
Grants and subsidies	285	5,111,287	639,500	-0-	349,829	-0-	2,818,725	8,919,626
Travel	172,217	132,008	-0-	-0-	48,448	6,984	28,926	388,583
Capital expenditures	-0-	-0-	-0-	-0-	6,368,303	-0-	-0-	6,368,303
Intergovernmental expenditures	-0-	-0-	-0-	-0-	-0-	5,000,000	1,612,000	6,612,000
SBITA - Interest	-0-	-0-	-0-	-0-	119,818	-0-	-0-	119,818
Total expenditures	7,327,869	10,118,395	639,500	-0-	15,033,539	5,469,461	5,986,634	44,575,398
Excess (deficiency) of revenues over expenditures	(67,597)	-0-	9,360,500	30,264,051	(5,412,262)	(16,269)	779,669	34,908,092
OTHER FINANCING SOURCES (USES):								
SBITA asset financing	-0-	-0-	-0-	-0-	6,368,303	-0-	-0-	6,368,303
Net change in fund balances	(67,597)	-0-	9,360,500	30,264,051	956,041	(16,269)	779,669	41,276,395
Fund balances, beginning of year	914,864	-0-	-0-	-0-	2,941,520	-0-	376,823	4,233,207
Fund balances, end of year	\$ 847,267	\$ -0-	\$ 9,360,500	\$ 30,264,051	\$ 3,897,561	\$ (16,269)	\$ 1,156,492	\$ 45,509,602

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, 2023

**Net change in fund balances -
total governmental funds** \$ 41,276,395

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 695,429

Capital outlays for SBITA assets are presented as assets and financing received for SBITA liabilities are presented as other financing sources in the governmental funds

317,205

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.

1,213,720

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

22,300

Change in net position of governmental activities \$ 43,525,049

COUNCIL ON POSTSECONDARY EDUCATION

STATEMENT OF FIDUCIARY NET POSITION JUNE 30, 2023

	<u>Total Custodial Funds</u>
<u>ASSETS</u>	
Cash and cash equivalents - restricted	\$ 4,192
Interfund receivable	23,000,000
Investments - restricted	<u>28,096</u>
Total assets	<u>\$ 23,032,288</u>
<u>LIABILITIES</u>	
Accounts payable	<u>\$ 32,288</u>
<u>NET POSITION</u>	
Restricted for:	
Individual, organizations, and other governments	<u>\$ 23,000,000</u>

COUNCIL ON POSTSECONDARY EDUCATION

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION YEAR ENDED JUNE 30, 2023

	<u>Total Custodial Funds</u>
<u>ADDITIONS</u>	
State allotments	\$ 9,300,000
Intergovernmental revenue	2,798,426
Interest income	<u>12,193</u>
Total additions	12,110,619
<u>DEDUCTIONS</u>	
Payments to beneficiaries	<u>12,110,619</u>
Total deductions	<u>12,110,619</u>
Changes in net position	-0-
NET POSITION - Beginning of the year	<u>23,000,000</u>
NET POSITION - End of the year	<u><u>\$ 23,000,000</u></u>

COUNCIL ON POSTSECONDARY EDUCATION

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2023

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, 2023

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 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, 2023

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 the American Rescue Plan.

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.

Kentucky State University Stabilization Fund - This fund is intended to support operations at Kentucky State University by providing emergency stabilization for funding shortfalls and financial structural imbalance at the University. The Council was the recipient of emergency appropriations from the Legislature's passage of House Bill 250. This fund does not account for the emergency loan provided in the year ended June 30, 2022.

COUNCIL ON POSTSECONDARY EDUCATION

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2023

Comprehensive University Excellence Trust Fund- The goal of this fund is to provide certain endowment fund matches at the Commonwealth's six public Universities not provided through the Research Challenge Trust Fund and to provide endowment matching for specific purposes.

Research Challenge Trust Fund- The goal of this fund is to encourage research at the University of Kentucky and the University of Louisville and to provide endowment matching for specific purposes.

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 Postsecondary Education Equine Trust and Revolving Fund, the Kentucky Regional Network Enhancement fund, and the Assessment and Professional Development Fund.

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
- Kentucky State University Fiscal Stabilization

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 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

COUNCIL ON POSTSECONDARY EDUCATION

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2023

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 custodial funds, and they present statement of fiduciary net position and statement of changes in fiduciary net position.

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.

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NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2023

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.

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 9 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, 2023, the balance mainly consists of amounts due under the Council's GEAR-UP and American Rescue Plan 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

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NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2023

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.

Interfund Transactions

During the course of operations, transactions may occur between funds within Council activities that may result in amounts owed between funds. Interfund transactions as well as 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.

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- 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.

As of June 30, 2023, Postsecondary Education Equine Trust Fund net position totaling \$402,694 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 Federal programs, revenues received from the Commonwealth of Kentucky to administer the Bucks for Brains program, and the intergovernmental revenues primarily associated with the funding of the Postsecondary Equine Trust and Revolving Fund (see Note 9).

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NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2023

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.

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.

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NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2023

Subscription Based Information Technology Arrangements (SBITAs)

Payments made to third-party vendors for information technology subscriptions where the subscription term is more than one year are presented as right to use assets and a corresponding liability on the face of the financial statements using the economic resources measurement focus. When the subscription term is less than one year, a current asset is reported at the time of expenditure and an expenditure/expense is recognized in the period in which the services are consumed.

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.

2. 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, 2023 in the amount of \$40,533 and the Kentucky State University Stabilization Fund had a negative fund balance of \$16,269. The negative fund balances above are due to revenue

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NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2023

recognition and expense accruals of the Council under the modified accrual basis of accounting. Additional revenues received in fiscal year 2024 are expected to eliminate the deficits.

3. 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, 2023, the Council's share of deposits in the Commonwealth's general depository (State investment pool) totals \$46,319,547. Custodial funds held by the Council in the Commonwealth's general depository total \$32,288 at June 30, 2023.

The Commonwealth's Annual Comprehensive Financial Report (ACFR) for the year ended June 30, 2023 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).

4. INTERFUND RECEIVABLE/ PAYABLE

Pursuant to House Bill 250 in the 2022 regular session, the General Assembly appropriated \$23 million to the Council in 2022 to address financial instability at Kentucky State University (KSU). In accordance with the provisions of House Bill 250, the disbursements from the Council to KSU out of the \$23 million shall be a non-interest-bearing loan to be repaid by KSU. House Bill 250 also created a trust fund for the purpose of holding funds not disbursed to KSU as well as receiving and holding loan repayments collected from KSU. All receipts in the trust fund shall remain in the trust fund until reappropriated by the General Assembly. The entire \$23 million was disbursed to KSU as of June 30, 2022. Accordingly, the Council reported an interfund receivable in the accompanying statement of fiduciary net position of \$23 million due from KSU. Though no repayment terms currently exist, the General Assembly will consider the terms and schedule for repayment of the loan during the 2026 Regular Session.

5. 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.

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Activity in the liability for accrued compensated absences during the year ended June 30, 2023 is summarized as follows:

	Balance July 1, 2022	Increases	Decreases	Balance June 30, 2023
Accrued compensated absences	\$ 837,703	\$ 614,286	\$ 508,404	\$ 943,585

As of June 30, 2023, the amount estimated to be due within one-year totals approximately \$637,000.

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, 2023. The estimated accumulated amount of unused sick leave at June 30, 2023, totals approximately \$1,586,000.

6. 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.

Currently, the Council is required to contribute 8.03% of the covered employees' salaries. The contribution requirement for the year ended June 30, 2023 totals approximately \$445,000, consisting of approximately \$274,000 from the Council and \$171,000 from employees. The contribution requirement for the year ended June 30, 2022 totals approximately \$352,000, consisting of approximately \$217,000 from the Council and \$135,000 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

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NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2023

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).

	Tier 1	Tier 2	Tier 3
	Participation Prior to 9/1/2008	Participation 9/1/2008 through 12/31/2013	Participation on or after 1/1/2014
Covered Employees:	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.		
Benefit Formula:	Final Compensation X Benefit Factor X Years of Service		Cash Balance Plan
Final Compensation	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.

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	Tier 1 Participation Prior to 9/1/2008	Tier 2 Participation 9/1/2008 through 12/31/2013	Tier 3 Participation on or after 1/1/2014
Benefit Factor:	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.
Cost of Living Adjustment (COLA):	No COLA unless authorized by the Legislature with specific criteria. This impacts all retirees regardless of Tier.		
Unreduced Retirement Benefit:	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.	
Reduced Retirement Benefit:	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.

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NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2023

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 year ended June 30 2023, plan employees were required to contribute 5 percent of their annual covered salary for retirement benefits. Employees participating in Tiers 2 and 3 were required to contribute an additional 1 percent for the insurance fund. The Council was contractually required to contribute 7.82 percent of covered payroll plus a monthly amount determined by the KERS actuary for its own portion of the total unfunded liability over a set period regardless of covered payroll to the nonhazardous KERS pension plan during the year ended June 30, 2022. The contribution rate is actuarially determined as an amount that, when combined with employee contributions during the year, is expected to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded liability. The Council's total required contributions to KERS nonhazardous pension plan for the year ended June 30, 2023, was \$1,511,014.

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 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, 2023, the Council reported a liability of \$20,836,096 for its proportionate share of net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2020, rolled forward to 2021 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, 2023, the Council's proportion was 0.157048 percent.

There have been no actuarial assumption or method changes since June 30, 2020.

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. Only one employer elected to cease participation under these provisions and freeze benefit

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NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2023

accruals for their current employees. As such, there is no material impact on the total pension liability due to this legislation.

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.

Actuarial Assumptions

Actuarial Valuation Date	June 30, 2020
Actuarial Cost Method	Entry age normal
Amortization Method	Level percent of pay
Asset Valuation Method	20% of the difference between the market value of assets and the expected actuarial value of the assets is recognized.
Remaining Amortization Period	28 years, closed
Actuarial Assumptions:	
Investment Rate of Return	5.25%
Inflation Rate	2.30%
Projected Salary Increases	3.30% to 15.30%, varies by service

Mortality Tables:

Active Member	Pub-2010 General Mortality tables projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010.
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Healthy Retired Members	System-specific mortality table based on mortality experience from 2013-2018,
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NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2023

	projected with the ultimate rates from MP-2014 mortality improvement scale using a base year of 2019.
Disabled Members	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.
Date of Experience Study	The period July 1, 2013 – June 30, 2018
Update Procedures Applied	The actuarial valuation date of June 30, 2020, was rolled forward from the valuation date to the plan's fiscal year end of June 30, 2021, using standard roll forward procedures.

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For the year ended June 30, 2023, the Council recognized pension expenses of \$550,788 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	\$ -0-	\$ 24,409
Net difference between projected and actual earnings	80,751	-0-
Changes in proportion and differences between employer contributions and proportionate share of contributions	37,618	763,518
Contributions subsequent to the measurement date	<u>1,511,014</u>	<u>-0-</u>
Total	<u>\$ 1,629,383</u>	<u>\$ 787,927</u>

The \$1,511,014 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, 2023. 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, 2021 plan year, the estimated remaining service life was 2.13 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>
2024	\$ (736,234)
2025	(15,056)
2026	(20,375)
2027	<u>102,107</u>
Total	<u>\$ (669,558)</u>

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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:

Kentucky Retirement Systems		
Asset Class	Target Allocation	Long-Term Nominal Rate of Return
Growth:		
US Equity	16.25%	2.23%
Non-US Equity	16.25%	2.22%
Private Equity	7.00%	10.15%
Specialty Credit/High Yield	15.00%	2.28%
Liquidity:		
Core Bonds	20.50%	0.28%
Cash	5.00%	-0.91%
Diversifying Strategies:		
Real Estate	10.00%	3.67%
Real Return	10.00%	4.07%
Total	100.00%	

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 28-year amortization period of the unfunded actuarial accrued liability.

June 30, 2021 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%):

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	1% Decrease (4.25%)	Discount (5.25%)	1% Increase (6.25%)
	<hr/>	<hr/>	<hr/>
The Council's proportionate share	\$ 23,694,899	\$ 20,836,096	\$ 18,259,814

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.

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 \$150,000 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.

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NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2023

7. 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 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, 2021. 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
<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 September 1, 2008, were required to contribute an additional 1 percent of their salary for retiree healthcare benefits. The Council was contractually required to contribute 2.15 percent of covered payroll plus a monthly amount determined by the KERS actuary for its own portion of the total unfunded liability over a set period regardless of covered payroll to the nonhazardous KERS OPEB plan during the year ended June 30, 2022. The contribution rate is actuarially determined as an amount that, when combined with employee contributions during the year, is expected to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded liability. The Council’s total required contributions to KERS nonhazardous insurance plan for the year ended June 30, 2023 was \$177,512.

At June 30, 2023, the Council reported a liability of \$3,358,227 for its proportionate share of collective net OPEB liability. The collective net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net collective OPEB liability was determined by an actuarial valuation performed as of June 30, 2020, rolled forward to 2021 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

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NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2023

to the projected contributions of all participating entities, actuarially determined. At June 30, 2023, the plan's proportion was 0.151811 percent.

For the year ended June 30, 2023, the Council recognized OPEB expenses of (\$8,946) 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	\$ 81,823	\$ 268,981
Net difference between projected and actual earnings	68,517	-0-
Changes of assumption	188,765	222,797
Changes in proportion and differences between employer contributions and proportionate share of contributions	28,914	310,115
Contributions subsequent to the measurement date	244,548	-0-
Total	\$ 612,567	\$ 801,893

Of the total amount reported as deferred outflows of resources related to OPEB, \$177,512 resulting from Council statutorily required contributions and \$67,036 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, 2023. 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, 2021 plan year, the estimated remaining service life was 3.44 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:

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NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

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

Fiscal Years	Amount
2024	\$ (197,313)
2025	(192,166)
2026	(98,676)
2027	54,281
Total	\$ (433,874)

The total OPEB liability, net OPEB liability, and sensitivity information shown in this report are based on an actuarial valuation performed as of June 30, 2020, 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, 2021, using generally accepted actuarial principles.

**Actuarial
Assumptions**

Actuarial Valuation Date	June 30, 2020
Experience Study	July 1, 2013 – June 30, 2018
Actuarial Cost Method	Entry age normal, Level percentage of pay
Asset Valuation Method	5 years smoothing
Remaining amortization period	28 years, closed
Actuarial assumptions:	
Investment rate of return	6.25%
Inflation rate	2.3%
Payroll Growth Rate	0%
Salary Growth	3.30% to 15.30%, varies by service
Mortality Tables:	PUB-2010 General Mortality table projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010.
Healthcare Trend Rates Pre-65	Initial trend starting at 6.30% at January 1, 2023, and gradually decreasing to an ultimate trend rate of 4.05% over a period of 13 years.

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NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2023

Healthcare Trend Rates Post-65

Initial trend starting at 6.30 % at January 1, 2023, and gradually decreasing to an ultimate trend rate of 4.05% over a period of 13 years.

Update Procedures Applied

The actuarial valuation date of June 30, 2020, was rolled forward from the valuation date to the plan's fiscal year end of June 30, 2021, using standard roll forward procedures.

The assumed increase in future health care costs, or trend assumption, was reviewed during the June 30, 2020, valuation process and was updated to better reflect more current expectations relating to anticipated future increases in the healthcare costs. There were no other material assumption 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.

Asset Class	Kentucky Retirement Systems Target Allocation	Long-Term Nominal Rate of Return
Growth:		
US Equity	21.75%	2.23%
Non-US Equity	21.75%	2.22%
Private Equity	10.00%	10.15%
Specialty Credit/High Yield	15.00%	2.28%
Liquidity:		
Core Bonds	10.00%	0.28%
Cash	1.50%	-0.91%
Diversifying Strategies:		
Real Estate	10.00%	3.67%
Real Return	10.00%	4.07%
Total	100.00%	

The projection of cash flows used to determine the discount rate of 5.72% for KERS Nonhazardous, assumed that local employers would contribute the actuarially determined contribution rate of projected compensation over the remaining 28 years (closed) amortization

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NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2023

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 3.69%, as reported in Fidelity Index's "20 -Year Municipal GO AA Index" as of June 30, 2021. 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 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 (4.72 percent) or 1-percentage-point higher (6.72 percent) than the current discount rate:

	1% Decrease (4.72%)	Discount (5.72%)	1% Increase (6.72%)
The Council's proportionate share	\$ 4,020,384	\$ 3,358,227	\$ 2,748,868

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NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2023

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:

	1% Decrease		Current Healthcare Cost Trend Rate		1% Increase
The Council's proportionate share	\$ 2,761,021	\$	3,358,227	\$	3,999,576

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.

8. INTERGOVERNMENTAL TRANSACTIONS

At June 30, 2023, intergovernmental revenue consisted of the following:

Funding for the Postsecondary Education Equine Trust and Revolving Fund from a Special Revenue Fund of the Commonwealth of Kentucky	\$	474,071
Total intergovernmental revenues	\$	474,071
Transfer to the State Property and Buildings Commission for Debt Service	\$	1,612,000
Payments to Kentucky State University under the Stabilization Fund's management improvement plan		5,000,000
Total intergovernmental expenses	\$	6,612,000

9. 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

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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 2023, the Council paid approximately \$414,000 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 2023. During 2023, the Council paid approximately \$2,000 to the Personnel Cabinet and approximately \$22,000 to the Finance and Administration Cabinet for services provided during the year.

The Council uses vehicles from the Transportation Cabinet's fleet. During 2023, the Council paid approximately \$21,000 to the Transportation Cabinet for use of their vehicles.

The Council leases office space from the Department for Facilities and Support Services. During 2023, the Council paid approximately \$294,000 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 2023, the Council paid approximately \$3,000 to the Department for Facilities and Support Services for printing and postage.

The Council also pays the Kentucky State Patrol for security services at their offices. During 2023, the Council paid approximately \$6,000 to the Kentucky State Patrol for security.

10. COMMITMENTS AND CONTINGENCIES

As of June 30, 2023, the Council is committed under certain agreements and contracts in the amount of approximately \$39,180,000. 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 liability of the Council. As of June 30, 2023, the Council estimates that no material liabilities will result from such audits.

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NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2023

11. 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.

12. 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.

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NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2023

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, 2023 are as follows:

	Assets at Fair Value as of June 30, 2023			
	Level 1	Level 2	Level 3	Total
Commonwealth's investment pool	\$ 26,126,611	\$ 2,426,951	\$ -0-	\$ 28,553,562
Total assets at fair value	\$ 26,126,611	\$ 2,426,951	\$ -0-	\$ 28,553,562

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, 2023.

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.

13. CHANGE IN ACCOUNTING PRINCIPLES

On July 1, 2022, the Council adopted Governmental Accounting Standards Board (GASB) Statement No 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, which requires that such partnerships follow more uniform guidance in the reporting of the arrangements. The adoption of this statement did not have a material effect on the Council.

On July 1, 2022, the Council adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This standard defines a subscription-based information technology arrangement (SBITA); establishes that a SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability; provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and requires note disclosures regarding a SBITA. GASB Statement No. 96 did not materially impact the beginning net position of the Council.

On July 1, 2022, the Council adopted GASB Statement No 99, *Omnibus 2022*, which amended certain definitions and disclosures related to GASB Statement No 34, 87, 94, and 96. The adoption of this statement did not have a material effect on the Council.

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NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2023

14. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The Council uses subscription-based information technology arrangements (SBITA) to provide services to member organizations of the Kentucky Virtual Library. These activities are accounted for in the Council's Technology Initiative Trust Fund. The Council's master agreements with their SBITA vendors are two-year subscription terms with biennial renewal options. The Council had the following subscription activity for the year ended June 30, 2023:

	Balance July 1, 2022	Increases	Amortization	Balance June 30, 2023
Subscription assets	\$ -0-	\$ 6,368,303	\$ 2,977,984	\$ 3,390,319
	Balance July 1, 2022	Increases	Decreases	Balance June 30, 2023
Subscription liabilities	\$ -0-	\$ 6,368,303	\$ 3,295,189	\$ 3,073,114

The Council accrued \$119,818 in interest expense associated with the SBITA financing, which was imputed using the Council's estimated incremental borrowing rate of 4.1%. The Council will recognize amortization expense of \$3,390,319 in the 2024 fiscal year.

15. NEW ACCOUNTING PRONOUNCEMENTS

As of June 30, 2023, the GASB has issued the following statements not yet implemented by the Council:

- GASB Statement No 100, *Accounting Changes and Error Corrections, an amendment of GASB Statement No 62*, which provides new guidance on accounting for accounting changes and error corrections.
- GASB Statement No 101, *Compensated Absences*, which amends the guidance for the recognition and measurement of accrued liabilities for unused leave balances.

Management has not evaluated the effect of these pronouncements on the financial statements of future periods.

REQUIRED SUPPLEMENTARY INFORMATION

COUNCIL ON POSTSECONDARY EDUCATION

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Proportion of the net pension liability (asset)	0.157048%	0.166941%	0.160350%	0.161487%	0.176962%	0.184184%	0.191420%	0.183165%	0.169904%
Proportionate share of the net pension liability	\$ 20,836,096	\$ 22,231,529	\$ 22,713,021	\$ 22,806,813	\$ 24,073,513	\$ 24,659,174	\$ 21,821,203	\$ 18,374,905	\$ 15,243,442
Covered payroll	\$ 2,044,582	\$ 2,173,901	\$ 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	1019.09%	1022.66%	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	18.51%	18.48%	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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Statutorily required contribution	\$ 1,511,014	\$ 1,522,252	\$ 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	1,511,014	1,522,252	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-	\$ -0-	\$ -0-
Covered payroll	\$ 2,176,133	\$ 2,044,582	\$ 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	69.44%	74.45%	73.28%	71.03%	71.03%	41.06%	40.24%	30.84%	30.84%	17.30%

Notes to Schedule

Valuation date	June 30, 2020	June 30, 2019	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	Entry Age Normal	Entry Age Normal	Not available
Experience study	July 1, 2013 - June 30, 2018	July 1, 2013 - June 30, 2018	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	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	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%	5.25%	5.25%	6.75%	6.75%	6.75%	7.50%	7.75%	Not available
Inflation	2.30%	2.30%	2.30%	2.30%	3.25%	3.25%	3.25%	3.25%	3.50%	Not available
Projected salary increase	3.30% to 15.30%, varies by service	3.55% to 15.30%, varies by service	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.

COUNCIL ON POSTSECONDARY EDUCATION

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

	2023	2022	2021	2020	2019	2018	2017
Proportion of the net OPEB liability (asset)	0.151811%	0.166029%	0.160350%	0.161487%	0.177214%	0.184184%	0.191420%
Proportionate share of the net OPEB liability	\$ 3,358,227	\$ 3,358,227	\$ 4,071,139	\$ 3,589,688	\$ 4,201,588	\$ 4,670,837	\$ 3,953,169
Covered payroll	\$ 2,044,582	\$ 2,173,901	\$ 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	164.25%	154.48%	178.07%	151.97%	155.10%	160.66%	131.54%
Plan fiduciary net position as a percentage of the total OPEB liability	38.15%	38.38%	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 EMPLOYERS' RETIREMENT SYSTEM

	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily required contribution	\$ 177,512	\$ 196,317	\$ 242,390	\$ 283,491	\$ 292,893	\$ 227,818	\$ 242,750	\$ 238,312
Contribution in relation to the statutorily required contribution	177,512	196,317	242,390	283,491	292,893	227,818	242,750	238,312
Contribution deficiency (excess)	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Covered payroll	\$ 2,176,133	\$ 2,044,582	\$ 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	8.16%	9.60%	11.15%	12.40%	12.40%	8.41%	8.35%	7.93%

Notes to Schedule

Valuation date	June 30, 2020	June 30, 2019	June 30, 2017	June 30, 2017	June 30, 2016	June 30, 2016	June 30, 2015	Not available
Experience Study	July 1, 2013 - June 30, 2018	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	Not available
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
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 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	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	30 Years, Closed	30 Years, Closed	26 Years, Closed	26 Years, Closed	27 Years, Closed	27 Years, Closed	28 Years, Closed	Not available
Investment return	6.25%	6.25%	6.25%	6.25%	7.50%	7.50%	7.50%	Not available
Inflation	2.30%	2.30%	2.30%	2.30%	3.25%	3.25%	3.25%	Not available
Payroll growth rate	0.00%	0.00%	0.00%	0.00%	4.00%	4.00%	4.00%	Not available
Projected salary increase	3.30 to 15.30, varies by service	3.55 to 15.55, varies by service	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 6.40% at 1/1/2022 and gradually decreasing to an ultimate trend rate of 4.05% over a period of 14 years.	Initial trend starting at 6.25% at 1/1/2021 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 7.25% 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 6.30% at 1/1/2023 and gradually decreasing to an ultimate trend rate of 4.05% over a period of 13 years.	Initial trend starting at 5.50% at 1/1/2021 and gradually decreasing to an ultimate trend rate of 4.05% over a period of 14 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 5.10% 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), Beginning in 2022, a system-specific mortality table based on mortality experience from 2013-2018, projected with the ultimate rates from MP-2014 improvement scale using a based year of 2019

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 REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL (BUDGETARY BASIS) – UNAUDITED YEAR ENDED JUNE 30, 2023

	Operations			Over (Under) Budget
	Original Budget	Final Budget	Actual	
Budgetary fund balance, July 1	\$ 3,804,138	\$ 2,833,001	\$ 1,579,934	\$ (1,253,067)
REVENUES:				
State appropriations	8,044,788	8,042,666	6,459,261	(1,583,405)
Charges for services	300,000	524,500	532,000	7,500
Federal programs	265,000	265,000	269,011	4,011
Other revenues	-0-	-0-	-0-	-0-
Total revenues	<u>8,609,788</u>	<u>8,832,166</u>	<u>7,260,272</u>	<u>(1,571,894)</u>
Amount available for expenditures	12,413,926	11,665,167	8,840,206	(2,824,961)
EXPENDITURES:				
Personnel services	5,938,800	6,326,740	5,857,379	(469,361)
Utilities, rentals, and other services	1,136,200	879,784	711,467	(168,317)
Commodities and supplies	506,800	389,931	499,318	109,387
Grants and subsidies	-0-	-0-	285	285
Travel	53,000	54,503	172,216	117,713
Capital expenditures	-0-	-0-	-0-	-0-
Interest Expense	-0-	-0-	-0-	-0-
Total expenditures	<u>7,634,800</u>	<u>7,650,958</u>	<u>7,240,665</u>	<u>(410,293)</u>
OTHER FINANCING SOURCES (USES):				
Interfund transfers in (out)	-0-	-0-	-0-	-0-
Budgetary fund balance, June 30	<u>\$ 4,779,126</u>	<u>\$ 4,014,209</u>	<u>\$ 1,599,541</u>	<u>\$ (2,414,668)</u>

COUNCIL ON POSTSECONDARY EDUCATION

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL (BUDGETARY BASIS) – UNAUDITED YEAR ENDED JUNE 30, 2023

	Federal Programs			
	Original Budget	Final Budget	Actual	Over (Under) Budget
Budgetary fund balance, July 1	\$ 15,099,300	\$ 15,099,300	\$ 164,051	\$ (14,935,249)
REVENUES:				
State appropriations	-0-	-0-	-0-	-0-
Charges for services	-0-	-0-	-0-	-0-
Federal programs	18,540,700	12,233,577	10,118,395	(2,115,182)
Other revenues	-0-	-0-	-0-	-0-
Total revenues	<u>18,540,700</u>	<u>12,233,577</u>	<u>10,118,395</u>	<u>(2,115,182)</u>
Amount available for expenditures	33,640,000	27,332,877	10,282,446	(17,050,431)
EXPENDITURES:				
Personnel services	4,379,300	4,350,801	3,311,201	(1,039,600)
Utilities, rentals, and other services	830,900	422,081	1,395,363	973,282
Commodities and supplies	403,500	115,234	145,242	30,008
Grants and subsidies	10,250,000	5,250,189	5,111,287	(138,902)
Travel	296,000	133,514	132,008	(1,506)
Capital expenditures	-0-	-0-	-0-	-0-
Interest Expense	-0-	-0-	-0-	-0-
Total expenditures	<u>16,159,700</u>	<u>10,271,819</u>	<u>10,095,101</u>	<u>(176,718)</u>
OTHER FINANCING SOURCES (USES):				
Interfund transfers in (out)	-0-	-0-	-0-	-0-
Budgetary fund balance, June 30	<u><u>\$ 17,480,300</u></u>	<u><u>\$ 17,061,058</u></u>	<u><u>\$ 187,345</u></u>	<u><u>\$ (16,873,713)</u></u>

COUNCIL ON POSTSECONDARY EDUCATION

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL (BUDGETARY BASIS) – UNAUDITED YEAR ENDED JUNE 30, 2023

	Kentucky State University Stabilization Fund			
	Original Budget	Final Budget	Actual	Over (Under) Budget
Budgetary fund balance, July 1	\$ -0-	\$ -0-	\$ -0-	\$ -0-
REVENUES:				
State appropriations	5,750,000	5,214,800	5,453,192	238,392
Charges for services	-0-	-0-	-0-	-0-
Federal programs	-0-	-0-	-0-	-0-
Other revenues	-0-	-0-	-0-	-0-
Total revenues	-0-	5,214,800	5,453,192	238,392
Amount available for expenditures	5,750,000	5,214,800	5,453,192	238,392
EXPENDITURES:				
Personnel services	500,000	356,417	330,700	(25,717)
Utilities, rentals, and other services	250,000	50,000	115,509	65,509
Commodities and supplies	-0-	-0-	-0-	-0-
Intergovernmental expenditures	5,000,000	5,000,000	5,000,000	-0-
Travel	-0-	-0-	6,983	6,983
Judgements	-0-	-0-	-0-	-0-
Interest Expense	-0-	-0-	-0-	-0-
Total expenditures	5,750,000	5,406,417	5,453,192	46,775
OTHER FINANCING SOURCES (USES):				
Interfund transfers in (out)	-0-	-0-	-0-	-0-
Budgetary fund balance, June 30	\$ -0-	\$ (191,617)	\$ -0-	\$ 191,617

COUNCIL ON POSTSECONDARY EDUCATION

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL (BUDGETARY BASIS) – UNAUDITED YEAR ENDED JUNE 30, 2023

	Comprehensive University Excellence Trust Fund			
	Original Budget	Final Budget	Actual	Over (Under) Budget
Budgetary fund balance, July 1	\$ -0-	\$ -0-	\$ -0-	\$ -0-
REVENUES:				
State appropriations	10,000,000	10,000,000	10,000,000	-0-
Charges for services	-0-	-0-	-0-	-0-
Federal programs	-0-	-0-	-0-	-0-
Other revenues	-0-	-0-	-0-	-0-
Total revenues	10,000,000	10,000,000	10,000,000	-0-
Amount available for expenditures	10,000,000	10,000,000	10,000,000	-0-
EXPENDITURES:				
Personnel services	-0-	-0-	-0-	-0-
Utilities, rentals, and other services	-0-	-0-	-0-	-0-
Commodities and supplies	-0-	-0-	-0-	-0-
Grants and subsidies	-0-	639,500	639,500	-0-
Travel	-0-	-0-	-0-	-0-
Capital expenditures	-0-	-0-	-0-	-0-
Interest Expense	-0-	-0-	-0-	-0-
Total expenditures	-0-	639,500	639,500	-0-
OTHER FINANCING SOURCES (USES):				
Interfund transfers in (out)	-0-	-0-	-0-	-0-
Budgetary fund balance, June 30	\$ 10,000,000	\$ 9,360,500	\$ 9,360,500	\$ -0-

COUNCIL ON POSTSECONDARY EDUCATION

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL (BUDGETARY BASIS) – UNAUDITED YEAR ENDED JUNE 30, 2023

	Research Challenge Trust Fund			
	Original Budget	Final Budget	Actual	Over (Under) Budget
Budgetary fund balance, July 1	\$ -0-	-0-	\$ -0-	\$ -0-
REVENUES:				
State appropriations	30,000,000	30,000,000	30,000,000	-0-
Charges for services	-0-	-0-	-0-	-0-
Federal programs	-0-	-0-	-0-	-0-
Income from investments	-0-	-0-	264,051	264,051
Total revenues	<u>30,000,000</u>	<u>30,000,000</u>	<u>30,264,051</u>	<u>264,051</u>
Amount available for expenditures	30,000,000	30,000,000	30,264,051	264,051
EXPENDITURES:				
Personnel services	-0-	-0-	-0-	-0-
Utilities, rentals, and other services	-0-	-0-	-0-	-0-
Commodities and supplies	-0-	-0-	-0-	-0-
Grants and subsidies	-0-	-0-	-0-	-0-
Travel	-0-	-0-	-0-	-0-
Judgements	-0-	-0-	-0-	-0-
Interest Expense	-0-	-0-	-0-	-0-
Total expenditures	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
OTHER FINANCING SOURCES (USES):				
Interfund transfers in (out)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Budgetary fund balance, June 30	<u>\$ 30,000,000</u>	<u>\$ 30,000,000</u>	<u>\$ 30,264,051</u>	<u>\$ 264,051</u>

COUNCIL ON POSTSECONDARY EDUCATION

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL (BUDGETARY BASIS) – UNAUDITED YEAR ENDED JUNE 30, 2023

	Technology Initiative Trust Fund			
	Original Budget	Final Budget	Actual	Over (Under) Budget
Budgetary fund balance, July 1	\$ 4,608,156	\$ 3,765,851	\$ 2,972,852	\$ (792,999)
REVENUES:				
State appropriations	3,628,300	3,628,300	3,628,300	-0-
Charges for services	2,200,000	2,200,000	3,709,367	1,509,367
Income from investments	-0-	-0-	131,110	131,110
Other revenues	-0-	2,152,500	2,152,500	-0-
Total revenues	<u>5,828,300</u>	<u>7,980,800</u>	<u>9,621,277</u>	<u>1,640,477</u>
Amount available for expenditures	10,436,456	11,746,651	12,594,129	847,478
EXPENDITURES:				
Personnel services	2,100,000	2,100,000	1,060,076	(1,039,924)
Utilities, rentals, and other services	-0-	-0-	502,398	502,398
Commodities and supplies	-0-	-0-	6,572,499	6,572,499
Grants and subsidies	3,760,000	3,760,000	349,829	(3,410,171)
Travel	-0-	-0-	48,448	48,448
Capital expenditures	-0-	-0-	6,368,303	6,368,303
Interest Expense	-0-	-0-	119,818	-0-
Total expenditures	<u>5,860,000</u>	<u>5,860,000</u>	<u>15,021,371</u>	<u>9,041,553</u>
OTHER FINANCING SOURCES (USES):				
SBITA Financing	-0-	-0-	6,368,303	6,368,303
Budgetary fund balance, June 30	<u>\$ 4,576,456</u>	<u>\$ 5,886,651</u>	<u>\$ 3,941,061</u>	<u>\$ (1,825,772)</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, 2023

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	Comprehensive University Excellence Trust Fund	Research Challenge Trust Fund	Kentucky University Stabilization Fund	Technology Initiative Trust Fund
Total revenues per the budgetary comparison schedule	\$ 7,260,272	\$ 10,118,395	\$ 10,000,000	\$ 30,264,051	\$ 5,453,192	\$ 9,621,277
Total revenues per the statement of revenues, expenditures, and changes in fund balance	<u>\$ 7,260,272</u>	<u>\$ 10,118,395</u>	<u>\$ 10,000,000</u>	<u>\$ 30,264,051</u>	<u>\$ 5,453,192</u>	<u>\$ 9,621,277</u>
Total expenditures per the budgetary comparison schedule	\$ 7,240,665	\$ 10,095,101	\$ 639,500	\$ -0-	\$ 5,453,192	\$ 15,021,371
Change in accrued expenditures	(10,472)	9,194	-0-	-0-	14,525	6,772
Change in short-term compensated absences	97,676	14,101	-0-	-0-	1,744	5,396
Total expenditures per the statement of revenues, expenditures, and changes in fund balance	<u>\$ 7,327,869</u>	<u>\$ 10,118,396</u>	<u>\$ 639,500</u>	<u>\$ -0-</u>	<u>\$ 5,469,461</u>	<u>\$ 15,033,539</u>

ADDITIONAL SUPPLEMENTARY INFORMATION

COUNCIL ON POSTSECONDARY EDUCATION

SUPPLEMENTARY SCHEDULE OF ASSETS, LIABILITIES, AND FUND
BALANCES – OPERATIONS
JUNE 30, 2023

	<u>Agency Operations</u>	<u>Contract Spaces</u>	<u>Total Operations</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 208,201	\$ -0-	\$ 208,201
Investments	1,383,907	-0-	1,383,907
Accounts receivable	<u>29,042</u>	<u>-0-</u>	<u>29,042</u>
 Total assets	 <u>\$ 1,621,150</u>	 <u>\$ -0-</u>	 <u>\$ 1,621,150</u>
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts and other payables	\$ 21,609	\$ -0-	\$ 21,609
Accrued expenses	233,188	-0-	233,188
Accrued compensated absences	<u>519,086</u>	<u>-0-</u>	<u>519,086</u>
Total liabilities	<u>773,883</u>	<u>-0-</u>	<u>773,883</u>
Fund balances:			
Assigned:			
for agency operations	<u>847,267</u>	<u>-0-</u>	<u>847,267</u>
 Total liabilities and fund balances	 <u>\$ 1,621,150</u>	 <u>\$ -0-</u>	 <u>\$ 1,621,150</u>

COUNCIL ON POSTSECONDARY EDUCATION

SUPPLEMENTARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – OPERATIONS YEAR ENDED JUNE 30, 2023

	Agency Operations	Contract Spaces	Total Operations
REVENUES:			
State appropriations	\$ 6,246,583	\$ 212,678	\$ 6,459,261
Charges for services	532,000	-0-	532,000
Federal programs	269,011	-0-	269,011
Total revenues	7,047,594	212,678	7,260,272
EXPENDITURES:			
Personnel services	5,944,582	-0-	5,944,582
Utilities, rentals, and other services	711,467	-0-	711,467
Commodities and supplies	286,640	212,678	499,318
Grants and subsidies	285	-0-	285
Travel	172,217	-0-	172,217
Total expenditures	7,115,191	212,678	7,327,869
Excess (deficiency) of expenditures	(67,597)	-0-	(67,597)
OTHER FINANCING SOURCES:			
Interfund transfers	-0-	-0-	-0-
Net change in fund balances	(67,597)	-0-	(67,597)
Fund balances, beginning of year	914,864	-0-	914,864
Fund balances, end of year	\$ 847,267	\$ -0-	\$ 847,267

COUNCIL ON POSTSECONDARY EDUCATION

SUPPLEMENTARY SCHEDULE OF ASSETS, LIABILITIES, AND FUND BALANCES – NON-MAJOR FUNDS JUNE 30, 2023

	Postsecondary Education Equine Trust Fund	Kentucky Regional Network Enhancement Program	Postsecondary Workforce Development Trust Fund	Capital Projects	Assessment and Professional Development Fund	Other (Non- major) Governmental Funds
ASSETS						
Cash and cash equivalents	\$ -0-	\$ 103,148	\$ -0-	\$ -0-	\$ -0-	\$ 103,148
Cash and cash equivalents - restricted	52,292	-0-	-0-	-0-	-0-	52,292
Investments - restricted	350,402	691,183	-0-	-0-	-0-	1,041,585
Accounts receivable	-0-	-0-	-0-	-0-	490	490
Total assets	\$ 402,694	\$ 794,331	\$ -0-	\$ -0-	\$ 490	\$ 1,197,515
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts and other payables	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 490	\$ 490
Accrued expenses	-0-	-0-	-0-	-0-	24,318	24,318
Accrued compensated absences	-0-	-0-	-0-	-0-	16,215	16,215
Total liabilities	-0-	-0-	-0-	-0-	41,023	41,023
Fund balances (deficit)						
Restricted:						
for University Equine programs	\$ 402,694	\$ -0-	\$ -0-	\$ -0-	\$ -0-	402,694
for Network Optimization	-0-	794,331	-0-	-0-	-0-	794,331
Unassigned	-0-	-0-	-0-	-0-	(40,533)	(40,533)
Total fund balances (deficit)	402,694	794,331	-0-	-0-	(40,533)	1,156,492
Total liabilities and fund balances	\$ 402,694	\$ 794,331	\$ -0-	\$ -0-	\$ 490	\$ 1,197,515

COUNCIL ON POSTSECONDARY EDUCATION

SUPPLEMENTARY SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES – NON-MAJOR FUNDS YEAR ENDED JUNE 30, 2023

	Postsecondary Education Equine Trust Fund	Kentucky Regional Network Enhancement	Postsecondary Workforce Development Trust Fund	Capital Projects	Assessment and Professional Development Fund	Other (Non- major) Governmental Funds
REVENUES:						
State appropriations	\$ -0-	\$ 1,000,000	\$ 2,225,000	\$ 1,612,000	\$ 1,455,232	\$ 6,292,232
Intergovernmental revenues	474,071	-0-	-0-	-0-	-0-	474,071
Total revenues	<u>474,071</u>	<u>1,000,000</u>	<u>2,225,000</u>	<u>1,612,000</u>	<u>1,455,232</u>	<u>6,766,303</u>
EXPENDITURES:						
Personnel services	-0-	-0-	-0-	-0-	1,301,834	1,301,834
Utilities, rentals, and other services	-0-	-0-	-0-	-0-	16,063	16,063
Commodities and supplies	-0-	205,669	-0-	-0-	3,417	209,086
Grants and subsidies	480,000	-0-	2,225,000	-0-	113,725	2,818,725
Travel	-0-	-0-	-0-	-0-	28,926	28,926
Capital projects	-0-	-0-	-0-	1,612,000	-0-	1,612,000
Total expenditures	<u>480,000</u>	<u>205,669</u>	<u>2,225,000</u>	<u>1,612,000</u>	<u>1,463,965</u>	<u>5,986,634</u>
Excess (deficiency) of revenues over expenditures	<u>(5,929)</u>	<u>794,331</u>	<u>-0-</u>	<u>-0-</u>	<u>(8,733)</u>	<u>779,669</u>
OTHER FINANCING SOURCES (USES):						
Interfund transfers in (out)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Net change in fund balances	(5,929)	794,331	-0-	-0-	(8,733)	779,669
Fund balances, beginning of year	<u>408,623</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>(31,800)</u>	<u>376,823</u>
Fund balances, end of year	<u>\$ 402,694</u>	<u>\$ 794,331</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ (40,533)</u>	<u>\$ 1,156,492</u>

COUNCIL ON POSTSECONDARY EDUCATION

SUPPLEMENTARY SCHEDULE OF GRANTS AND SUBSIDIES
YEAR ENDED JUNE 30, 2023

	Governmental Funds	Fiduciary Funds
Gaining Early Awareness and Readiness for Undergraduate Programs	\$ 64,434	\$ -0-
American Rescue Plan	1,007,012	-0-
Healthcare Workforce Initiative	2,301,937	-0-
Postsecondary Workforce Development	2,225,000	-0-
Governor's Emergency Education Relief Fund	1,737,904	-0-
Postsecondary Education Equine Trust Fund	480,000	-0-
Comprehensive University Excellence Trust Fund:		
Endowment Match Program	639,500	-0-
Technology Initiative Trust Fund	349,829	-0-
Assessment and Professional Development	113,725	-0-
Cancer Research Institutions Matching Fund	-0-	2,810,620
Spinal Cord and Head Injury Research	-0-	2,000,000
Cancer Research Screenings	-0-	6,250,000
Ovarian Cancer Screenings	-0-	1,000,000
Southern Regional Education Board Doctoral Scholars Program	-0-	49,999
	<u> </u>	<u> </u>
Total grants and subsidies	<u>\$ 8,919,626</u>	<u>\$ 12,110,619</u>

COUNCIL ON POSTSECONDARY EDUCATION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

JUNE 30, 2023

Program Title	Federal AL Number	Pass-Through Entity Identifying Number	Total Federal Expenditures	Passed Through to Subrecipient
DEPARTMENT OF EDUCATION				
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334		\$ 3,563,764	\$ 104,700
Education Stabilization Fund				
COVID-19 - Governor's Emergency Education Relief Fund <i>Passed Through the Commonwealth of Kentucky</i>	84.425C		2,335,897	1,836,540
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425U	4300003-21	1,010,393	-
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425U	4300007-21	1,023,401	1,007,012
Total Passed Through the Commonwealth of Kentucky			<u>2,033,794</u>	<u>1,007,012</u>
Total Education Stabilization Fund			<u>4,369,691</u>	<u>2,843,552</u>
TOTAL DEPARTMENT OF EDUCATION			<u>7,933,455</u>	<u>2,948,252</u>
DEPARTMENT OF THE TREASURY				
<i>Passed Through the Commonwealth of Kentucky</i>				
COVID-19 - Coronavirus State and Local Fiscal Recovery Fund	21.027	SLFRP1027	2,453,953	2,301,937
TOTAL FEDERAL EXPENDITURES			<u>\$ 10,387,408</u>	<u>\$ 5,250,189</u>

COUNCIL ON POSTSECONDARY EDUCATION

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS JUNE 30, 2023

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) under programs of the federal government for the year ended June 30, 2023. 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.

Expenditures reported on the Schedule are reported on the accrual basis of accounting. The Council did not elect to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

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.

2. SUBRECIPIENTS

The accompanying Schedule includes expenditures consisting of federal awards provided to subrecipients as follows on the next page.

COUNCIL ON POSTSECONDARY EDUCATION

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS JUNE 30, 2023

Subrecipient Name	Amount
Gaining Early Awareness and Readiness for Undergraduate Programs	
Augusta Independent School District	\$ 10,684
Bath County Board of Education	1,885
Bourbon County Board of Education	2,776
Fleming County Board of Education	18,313
Frankfort County Board of Education	4,827
Marion County Board of Education	15,575
Mason County Board of Education	9,413
Mercer County Board of Education	13,585
Morehead State University	18,922
Paris Independent School District	342
Pendleton County Board of Education	4,492
Robertson County Board of Education	3,886
	\$ 104,700
Governor's Emergency Education Relief Fund	
Asbury University	\$ 162,491
Bellarmino University	27,308
Eastern Kentucky University	94,086
Kentucky Community and Technical College System	589,695
Kentucky State University	159,980
Lindsey Wilson College	7,183
Maysville Community and Technical College	22,310
Morehead State University	113,291
Murray State University	110,221
Northern Kentucky University	89,036
Northern Kentucky University Research Foundation	15,246
Spalding University	43,361
University of Kentucky	52,584
University of Kentucky Research Foundation	77,370
University of Louisville Research Foundation	187,448
University of Pikeville	6,982
Western Kentucky University	77,948
	\$ 1,836,540
Elementary and Secondary School Emergency Relief Fund	
Bellarmino University	\$ 125,263
Centre College	132,442
Eastern Kentucky University	123,320
Kentucky State University	139,346
Kentucky Wesleyan College	50,000
Lindsey Wilson College	61,440
University of Kentucky Research Foundation	24,480
University of Louisville Research Foundation	132,344
University of Pikeville	20,851
Western Kentucky University	197,526
	\$ 1,007,012
Coronavirus State and Local Fiscal Recovery Fund	
Kentucky Community and Technical College System	\$ 1,403,831
Kentucky State University	27,943
Morehead State University	72,917
Murray State University	86,938
Northern Kentucky University	69,433
University of Kentucky Research Foundation	317,388
University of Louisville Research Foundation	51,407
Western Kentucky University	272,080
	\$ 2,301,937



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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
Frankfort, Kentucky

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, 2023, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements, and have issued our report thereon dated February 22, 2024.

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 or significant deficiencies 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
February 22, 2024



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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
Frankfort, Kentucky

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Council on Postsecondary Education's (the "Council") compliance with the types of compliance requirements identified as subject to audit 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, 2023. 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.

In our opinion, the Council complied, in all material respects, with the compliance requirements referred to above is that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Program

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 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Council and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit does not provide a legal determination of the Council's compliance with the compliance requirements referred to above.

To the Council Members
Council on Postsecondary Education

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Council's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Council's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the Council's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Council's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Council's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the Council's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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

To the Council Members
Council on Postsecondary Education

requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Blue & Co., LLC

Lexington, Kentucky
February 22, 2024

COUNCIL ON POSTSECONDARY EDUCATION

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2023**

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, 2023

Identification of major programs:

<u>AL Number</u>	<u>Name of Federal Program or Cluster</u>
84.425	Education Stabilization Fund
21.027	Coronavirus State and Local Fiscal Recovery Fund

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, 2023

There were no findings reported for the year ended June 30, 2022.

TITLE: Revision to the Kentucky State University Management Improvement Plan

DESCRIPTION: The Executive Committee will provide a recommendation to the Council on the approval of the realignment of financial incentives in the Management Plan.

STAFF CONTACTS: Travis Powell, Vice President and General Counsel
Greg Rush, Senior Fellow, KSU Initiatives

COMMITTEE REVIEW AND RECOMMENDATION

The Executive Committee will consider the proposed recommendation during its March 28, 2024, morning meeting. If approved by the Committee, they will request the Council take final approval action.

BACKGROUND INFORMATION

At the September 19, 2024, Council business meeting, the Council approved several financial incentives to be awarded to Kentucky State University upon completion of various Management Improvement Plan objectives. While the university is on track to complete most of the incentivized tasks before June 30, 2024, there are three objectives that are likely to be delayed.

Interim leadership at the university during the 2023 fiscal year set the deadlines for completion of Management Improvement Plan objectives but did not prioritize completion of many of the deliverables in the plan, particularly those related to financial management. As a result, when President Akakpo began his presidency last summer, the university was significantly behind schedule in completing the deliverables listed below. While President Akakpo and his staff have made significant progress this year, it is unlikely that these deliverables will be fully complete by June 30, 2024.

Staff recommends that the financial incentives for these three objectives be removed and reassigned.

Objective: Incorporate National Association of College and University Business Officers (NACUBO) Financial Accounting and Reporting Manual for Higher Education (FARM) as a guiding document for all business procedures.

- Deliverable: Completed business procedures document.
- Deadline: Q2 2024.
- Funding: \$250,000 to be used at the institution's discretion.
- Rationale: Updating procedures to conform with best practice is paramount to improving the business functions of any organization. This requirement will also help address many of the findings from the Auditor of Public Accounts (APA) report issued last spring.

Objective: Improve the accounting and reporting system, as well as internal controls over financial reporting, and provide quarterly Generally Accepted Accounting Principles (GAAP) statements and other financial information to the Board of Regents.

- Deliverable: Revise and update Business Procedures Manual.
- Deadline: Q2 2024.
- Funding: \$250,000 to be used at the institution's discretion.
- Rationale: Updating procedures to conform with best practice is paramount to improving the business functions of any organization. This requirement will also address many of the findings from the Auditor of Public Accounts (APA) report issued last spring.

Objective: Improve the accounting and reporting system, as well as internal controls over financial reporting, and provide quarterly Generally Accepted Accounting Principles (GAAP) statements and other financial information to the Board of Regents.

- Deliverables:
 - Clearing accounts reconciled within 14 days of end of each month.
 - Bank accounts reconciled within 14 days of end of each month.
 - Monthly closing entries posted within 14 days of end of each month.
 - Month closed by the 15th day of each month.
 - Credit card account reconciliations.
 - Statement of Revenues, Expenses and Changes in Net Position by 15th of each month (income statement).
 - Statement of Net Position by 15th of each month (cash flow and trial balance).
 - Balance of asset preservation fund reserves for month-end.
 - Accounts payable aging summary.
 - Monthly report of collection activity.
 - Monthly report of outstanding student balances.
- Deadline: 20th of each month.
- Funding: \$500,000 upon successful completion of all monthly deliverables in 3 consecutive months to be used at the institution's discretion.
- Rationale: The back-end accounting, finance, and budgeting functions at KSU must be completed on time and accurately in order for the institution to move toward financial stability. Virtually all university decisions have a budgetary impact, and the financial information upon which those decisions are made must be solidified in order to be completely relied upon. Since the adoption of the Management Improvement Plan, KSU has struggled to meet all monthly deliverables, and the award of incentive funding will reward sustained performance in this most important area.

These objectives will remain in the Plan but will be assigned new deadlines for completion along with all other outstanding objectives at the June 21, 2024, Council meeting.

REQUESTED REVISION AND RATIONALE

While the university has made significant progress on many management plan objectives, a number of objectives relating to finance have been delayed due to a lack of attention from the prior interim leadership and the delay in completion of prior year audits. Realigning incentive funding to important tasks that can be completed by June 30, 2024, will allow CPE to continue to drive completion of these important tasks, and help the university develop solutions to long-term challenges.

Staff recommends three new objectives and deliverables be added to the plan with the incentives for completion outlined below.

Objective: Develop and submit to CPE a plan to complete all outstanding tasks related to financial management.

- Deliverable: Plan for completion of all financial management objectives that includes the following:
- Completion date of all objectives prior to June 30, 2025.
- Staff assignments for tasks, including any additional staff or consulting needs.
- Gantt Chart or similar project planning documents outlining task dependencies, time to complete tasks, resources assigned, critical path analysis, etc.
- Deadline: May 15, 2024.
- Funding: \$500,000 upon submission of an acceptable plan to CPE. Once received, funds can be used at the university's discretion.
- Rationale: While completion of the original objectives is critical, it is important to recognize that the current delays are not due to the existing leadership at the university. KSU I needs additional time to complete these deliverables.

Objective: Issue a Request for Proposal (RFP) for a review of the philanthropy strategy and governance structure of related entities, including relationships with the Foundation and Alumni Association.

- Deliverable: Issuance of RFP.
- Deadline: June 1, 2024.
- Funding: \$250,000 upon issuance of RFP. Funds shall be used for this purpose and any remainder may be used at the university's discretion.
- Rationale: Successful philanthropy operations and results are critical to the future of the University. A well-qualified consulting firm, with experience advising HBCU institutions, can evaluate the current philanthropy organization and operations, including staffing and infrastructure, as well as the University's relationships with the Foundation and Alumni

Association. This evaluation can be completed as part of a campaign readiness assessment and feasibility study, which will provide essential information for leadership in positioning the University for future philanthropy success. This RFP deliverable is related to the current MIP deliverable to obtain an external philanthropy review, which is due in June 2024. CPE will recommend an extension of this due date at the June 2024 CPE Board meeting.

Objective: Issue a Request for Proposal (RFP) for a review of the Department of Intercollegiate Athletics.

- Deliverable: Issuance of RFP.
- Deadline: June 1, 2024.
- Funding: \$250,000 upon issuance of RFP. Funds shall be used for this purpose and any remainder may be used at the university's discretion.
- Rationale: The university faces significant budget challenges for the next few years. It also has several deteriorating athletic facilities without identifiable funding streams for repair/renovation. A well-qualified consulting firm, with extensive knowledge of intercollegiate athletics, can assist the university in evaluating the current Intercollegiate program that includes: student-athlete experience, conference and division suitability, enrollment and financial optimization, fundraising challenges and opportunities, facility conditions and needs, Title IX compliance, proper staffing, athletic alumni(ae) engagement, and the department's overall contribution to the mission of KSU.

Staff recommends the deliverable be revised for one objective as outlined below.

Objective: Complete the Banner accounting system optimization project and ADP payroll system transition to Banner.

- Original Deliverable: Completed transition from ADP to Banner payroll module.
- Revised Deliverable: Project plan for completion of ADP transition and Banner optimizations.
- Deadline: Q4 2024 (June 1, 2024)
- Funding: \$350,000 dedicated to this purpose.
- Rationale: Transitioning payroll to Banner will put KSU's financial and HR management functions into one system for ease of administration. Considering the biggest cost driver at any university is personnel, it is essential that these systems be integrated. Change is due to delays from the prior administration in making the completed transition in Q4 2024.

- TITLE:** Data Spotlight - Enrollment and Degree Attainment
- DESCRIPTION:** CPE staff will provide an update on enrollment and credential trends across the state with new data for 2023-24 enrollments and 2022-23 credentials awarded.
- PRESENTERS:** Travis Muncie, Executive Director, Data and Advanced Analytics
Blake Nantz, Senior Associate, Data and Advanced Analytics
Adam Blevins, Senior Associate, Data and Advanced Analytics
-

SUPPORTING INFORMATION

Two indicators that assess an institution’s growth and sustainability are enrollment and degree and credential attainment. In this data spotlight, CPE staff will discuss the major improvements statewide and across sectors, including:

- A year-to-year enrollment increase of over 4% at public and private/non-profit postsecondary institutions in 2023-24.
- The continued increase of degrees and credentials awarded across the Commonwealth, including a 3% year-to-year increase in 2022-23 driven by non-degree credentials and graduate degrees.

Staff will provide insights on improvement needed, including low-income student enrollment at public institutions, which fell 10% from 2021-22 to 2022-23. Staff also will discuss Kentucky’s enrollment and degree trends over time and the work being done to sustain improvements in postsecondary education across the state.

Enrollment & Credentials Report

Blake Nantz
Senior Associate

Kentucky Council on Postsecondary Education

Adam Blevins
Senior Associate

Kentucky Council on Postsecondary Education

2023 Fall Enrollment

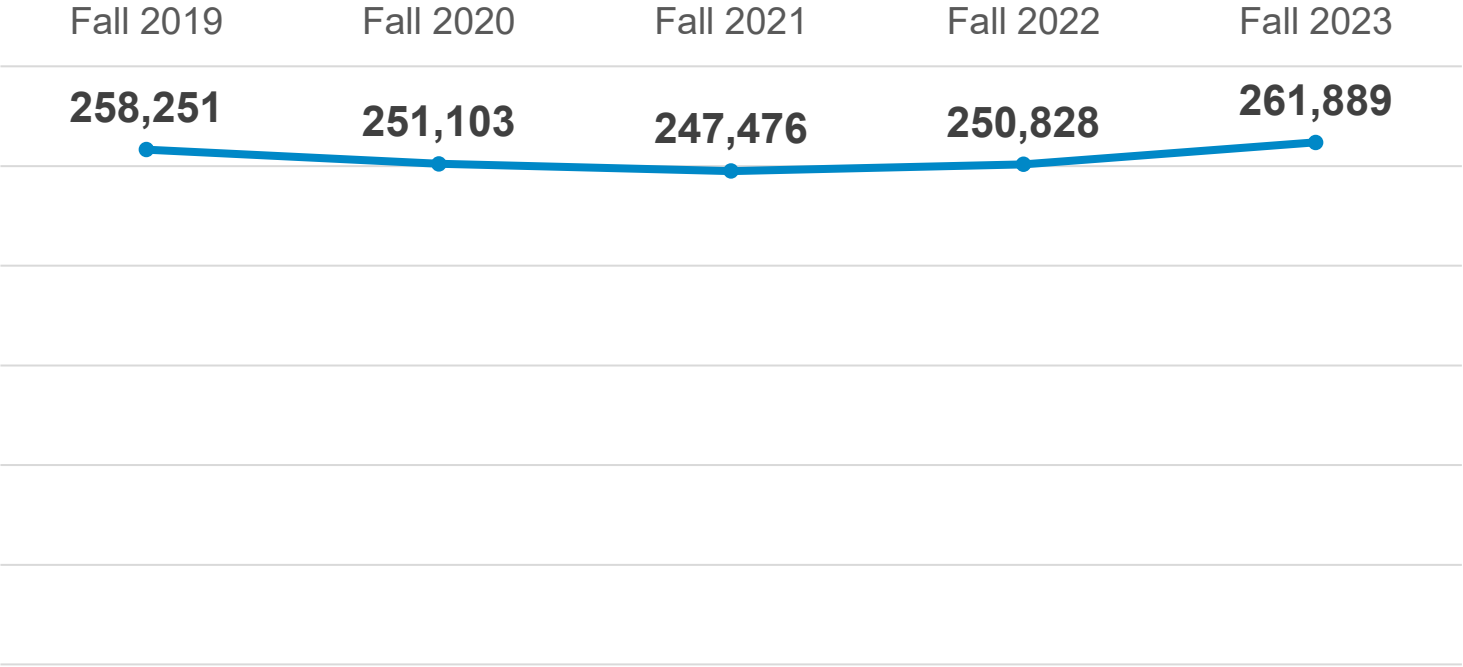
2023 Fall Enrollment Highlights

- Enrollment in the Commonwealth grew from fall 2022 to fall 2023, across total, undergraduate, and graduate enrollment.
 - Total and graduate enrollment are at the highest they've been in five years, with undergraduate enrollment not far behind.
- Undergraduate, first-time, underrepresented minority, and dual credit populations all increased from last year across both four- and two-year sectors.
 - Low-income decreased across both sectors, while adult only decreased at four-year public institutions.
- While URM and dual credit populations continued to grow over the last five years, adult and low-income enrollment are much lower than in fall 2019.

Enrollment

Statewide

Total Enrollment

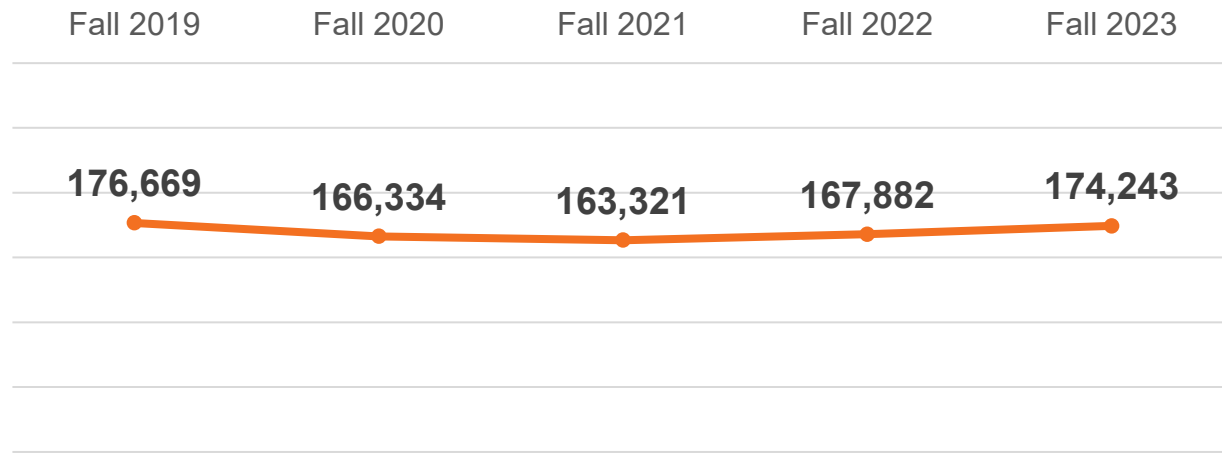


- Total enrollment has recovered from the dip during the pandemic, increasing 1.4% since 2019.
- From fall 2022, enrollment across the Commonwealth grew 4.4%.

Enrollment

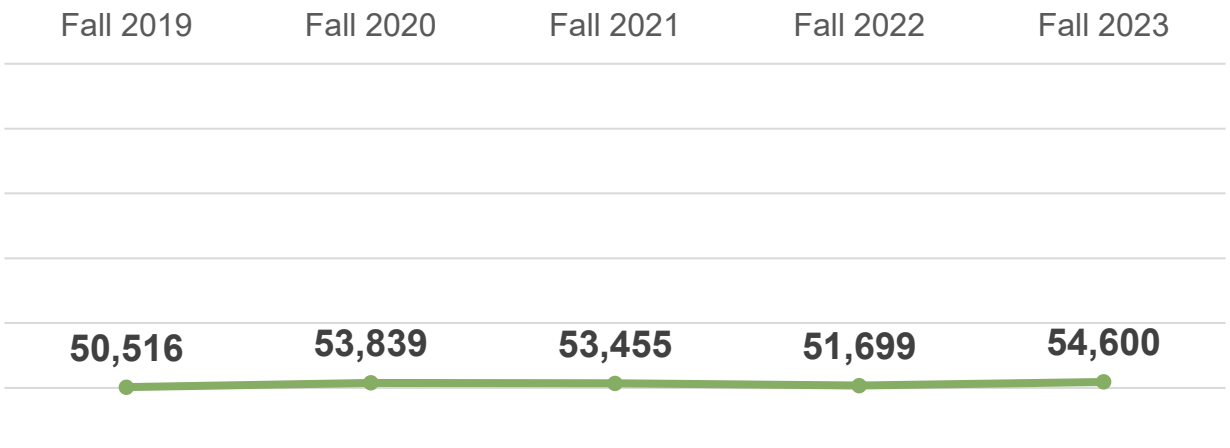
Statewide

Undergraduate Enrollment



- Undergraduate enrollment increased from fall 2022 to fall 2023 by 3.8%.
- The five-year trend shows that enrollment has steadily increased since fall 2021 and is only 1.4% lower than it was in fall 2019.

Graduate Enrollment



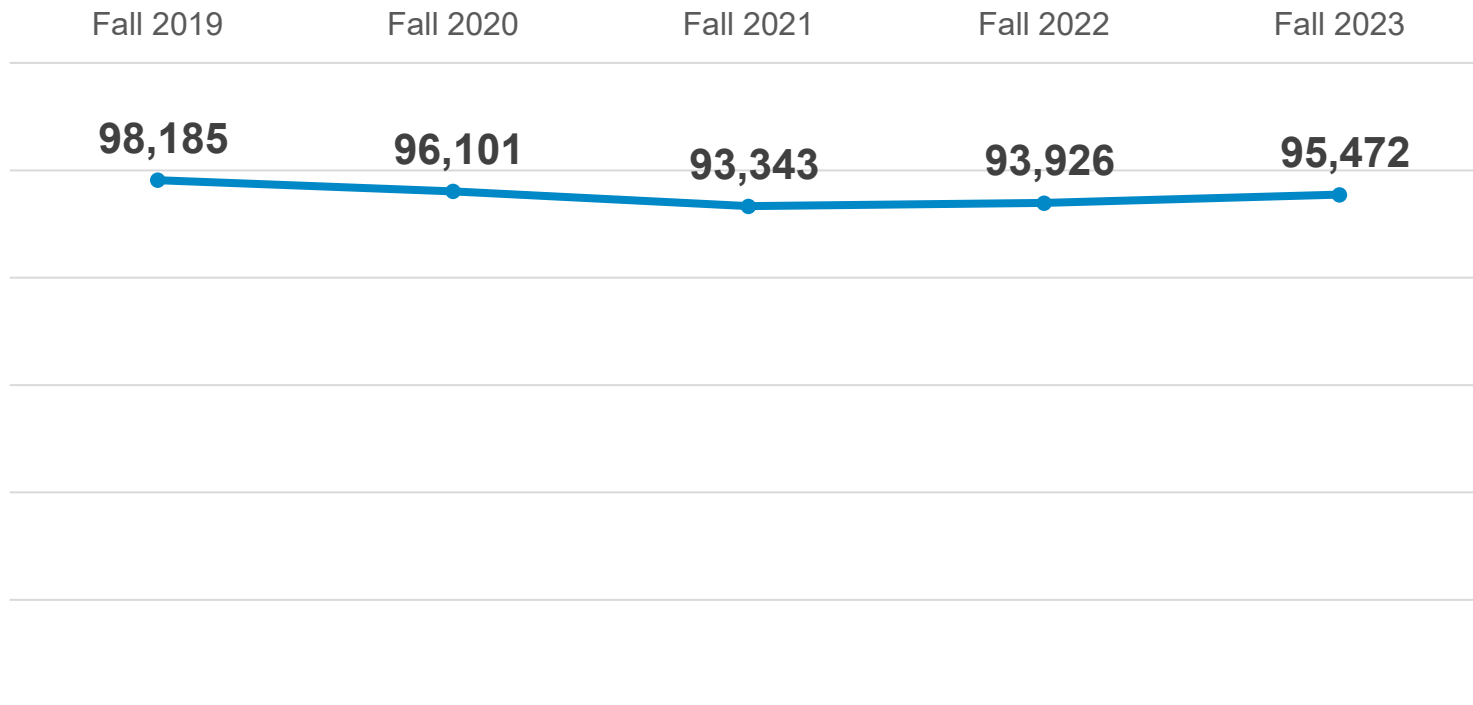
- Graduate enrollment saw the largest increase from last year with a 5.6% gain.
- Fall 2023 graduate enrollment is the highest it's been since fall 2019.

Fall 2023 Enrollment Four-Year Publics

Enrollment

Four-Year Publics

Four-Year Public Undergraduate Enrollment

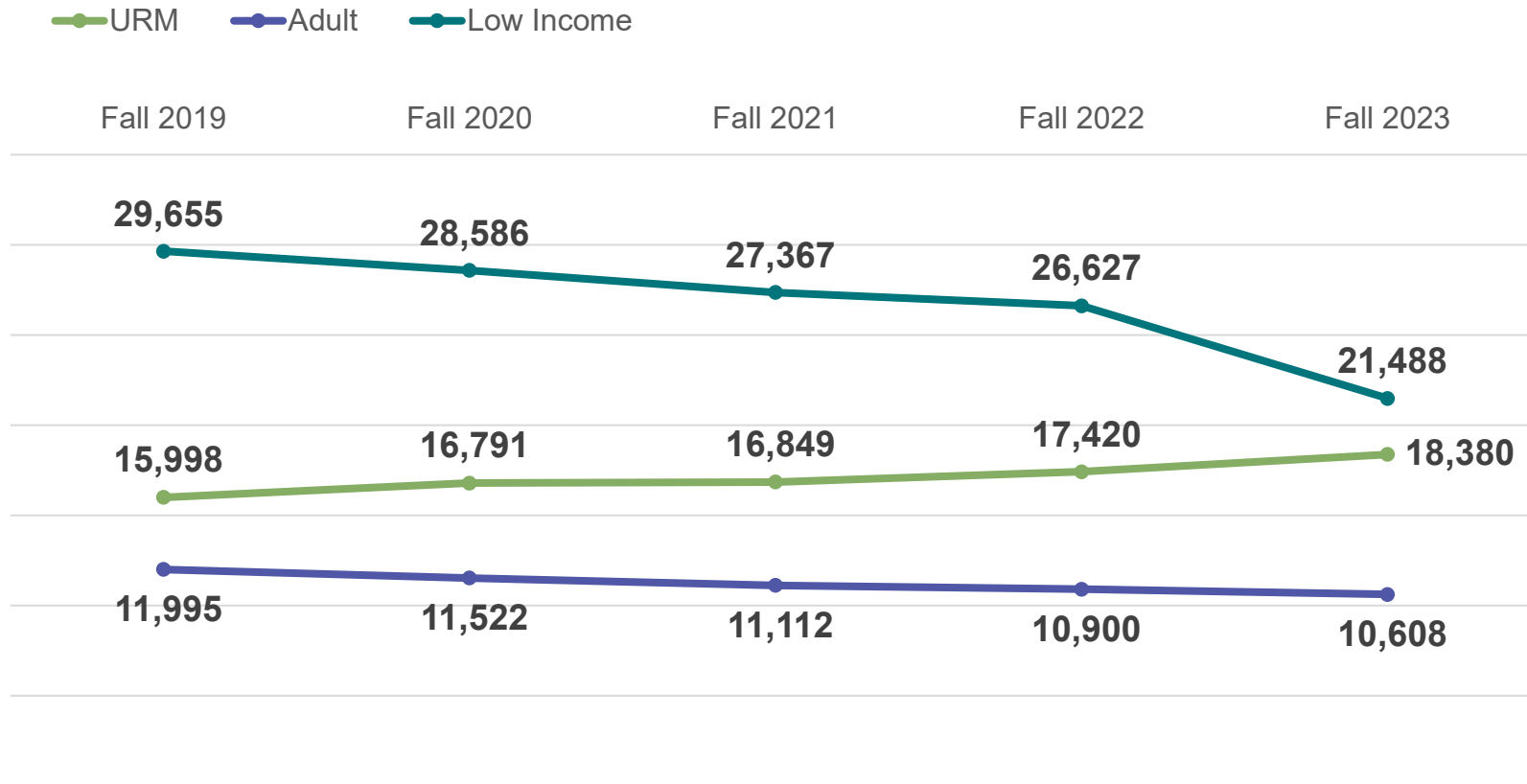


- Undergraduate enrollment at four-year public institutions has grown since fall 2021, with an increase of 1.6% from fall 2022 to fall 2023.
- From fall 2019 to fall 2023, enrollment decreased 2.8%.

Enrollment

Four-Year Publics

Four-Year Public Undergraduate Enrollment by Population

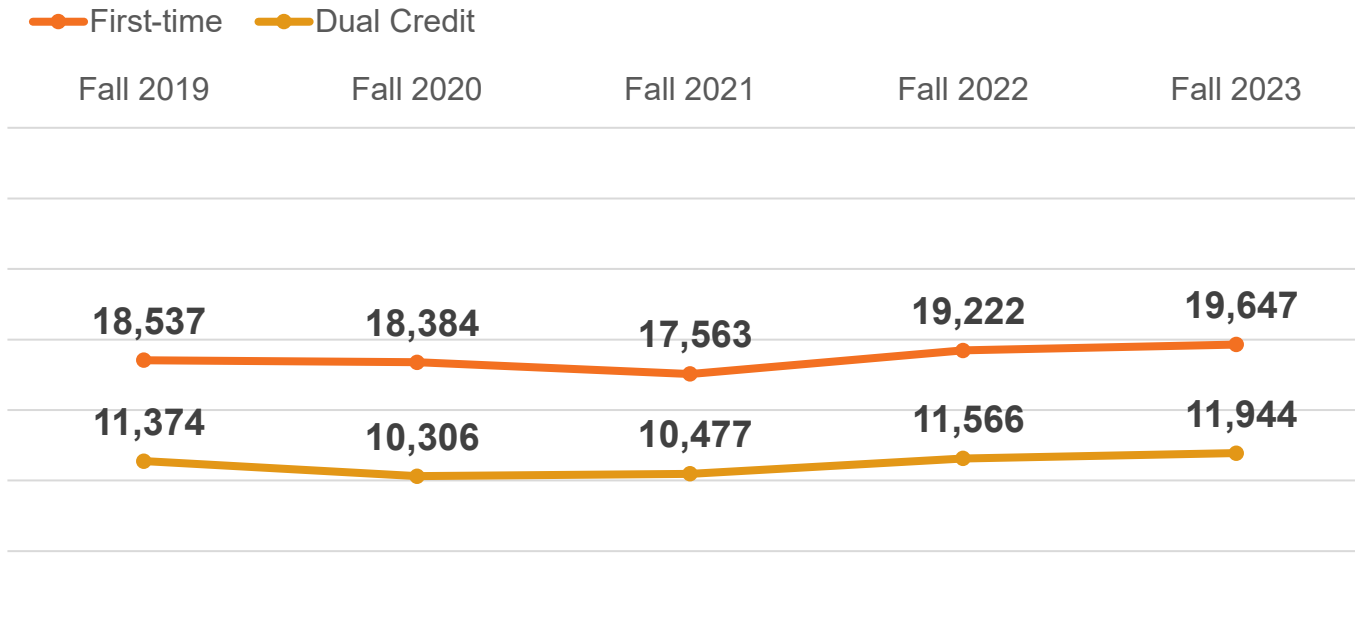


- Undergraduate enrollment for underrepresented minority students grew 13.0% from fall 2019, and 5.2% from fall 2022 to fall 2023.
- Five-year and one-year adult and low-income enrollment trends have declined.
 - Low-income undergraduate enrollment decreased 23.9% from last fall.
 - While adult enrollment decreased 2.8%.

Enrollment

Four-Year Publics

Four-Year Public Undergraduate Enrollment by Population



- Both first-time and dual credit students increased from fall 2022 to fall 2023.
- In fall 2023, first-time and dual credit had their highest enrollments since fall 2019, with a 5.6% and 4.7% increase, respectively.
- From fall 2022, first-time enrollment grew 2.2% and dual credit enrollment increased 3.2%.

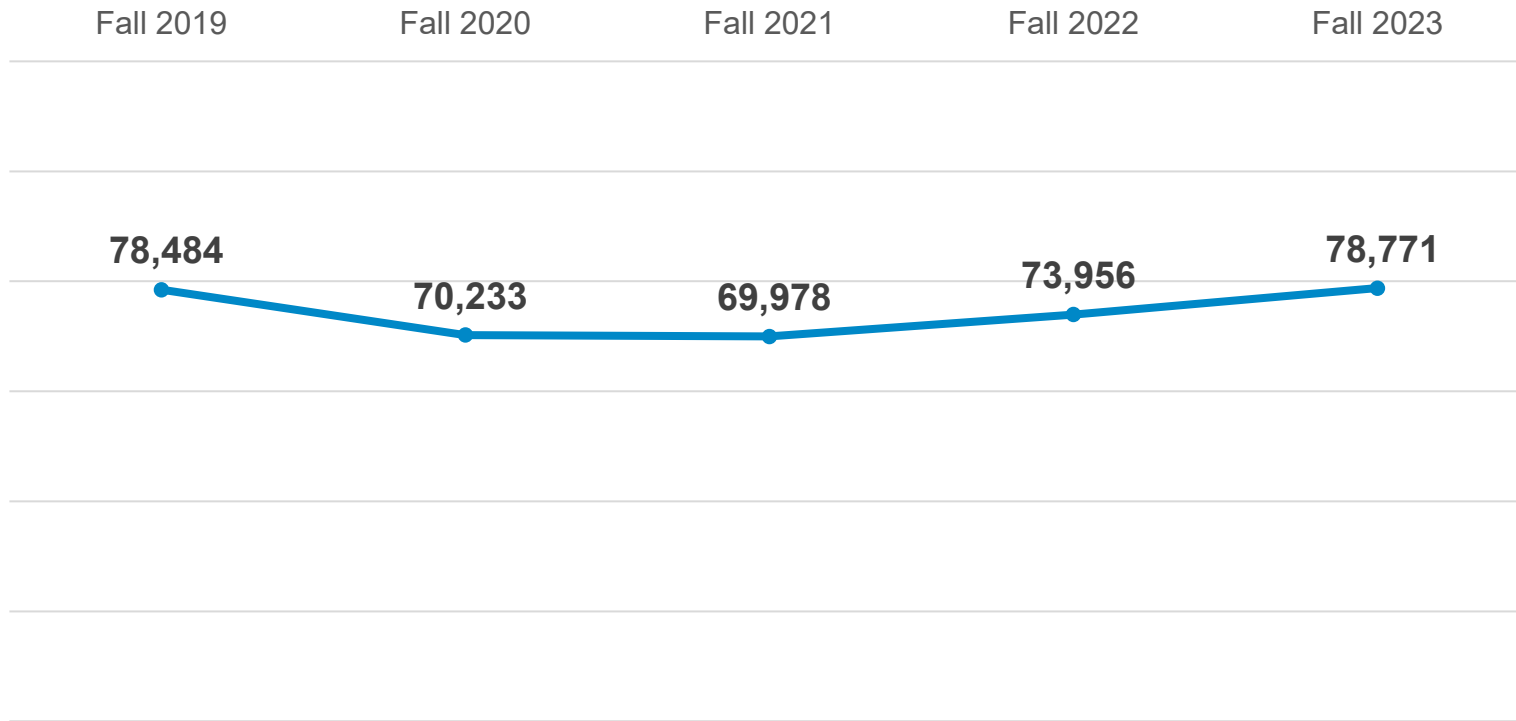
Fall 2023 Enrollment

Two-Year Publics

Enrollment

Two-Year Publics

Two-Year Undergraduate Enrollment

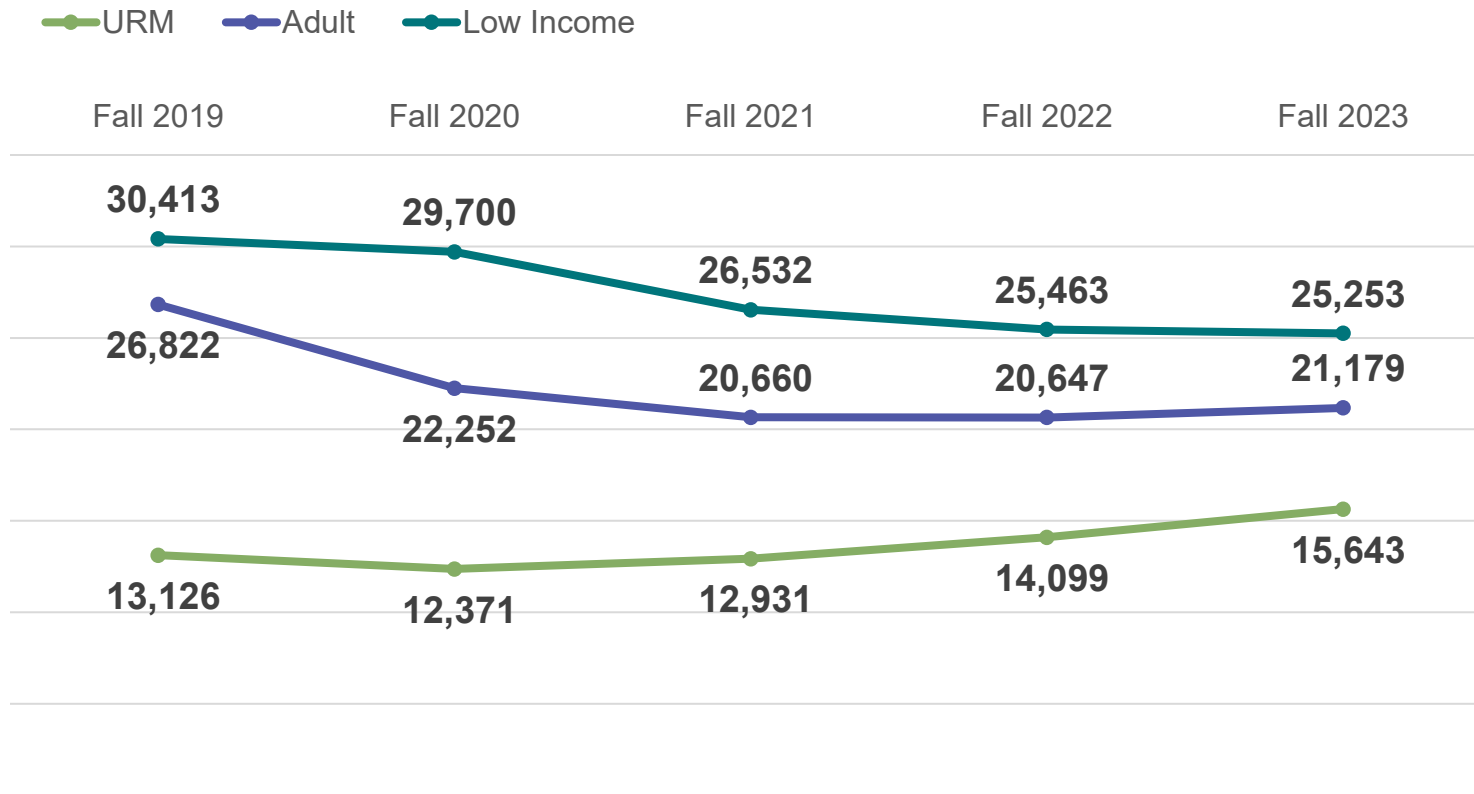


- Enrollment in fall 2023 at two-year public institutions is the highest it's been since fall 2019 (+0.4%), showing a rebound since the pandemic.
- From fall 2022 to fall 2023, enrollment grew 6.1%.

Enrollment

Two-Year Publics

Two-Year Public Undergraduate Enrollment by Population

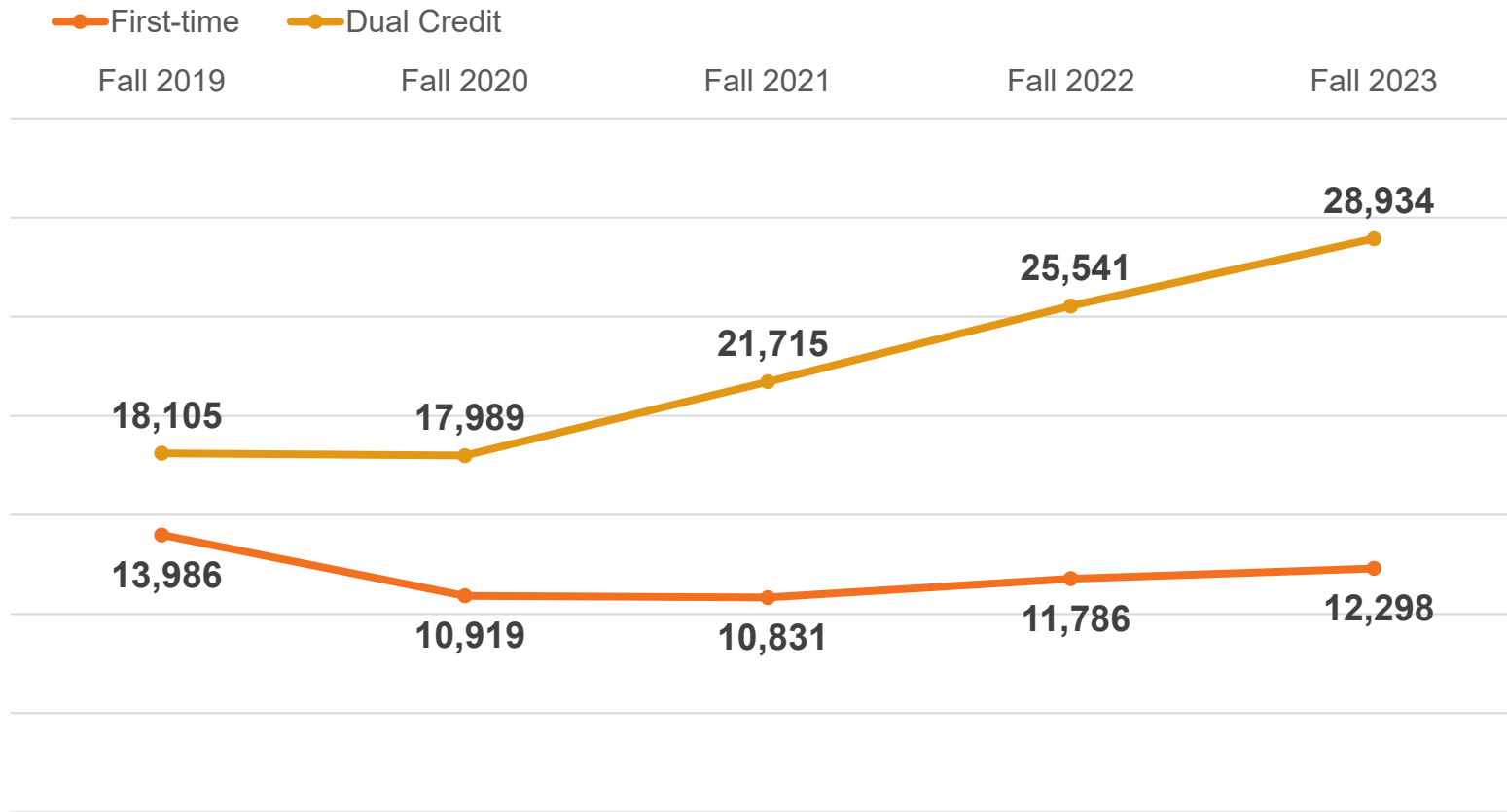


- Low-income enrollment has been steadily declining since fall 2019, with a decrease of 37.4%; enrollment fell 6.1% from fall 2022 to fall 2023.
- Adult enrollment grew 2.5% from fall 2022; however, it's fallen 26.6% since fall 2019.
- Underrepresented minority enrollment continues to grow after a dip in fall 2020. There was a 9.9% increase from last year and a 16.1% increase from fall 2019 to fall 2023.

Enrollment

Two-Year Publics

Two-Year Public Undergraduate Enrollment by Population



- Dual credit continues to grow exponentially for two-year public institutions, with a 11.7% increase since fall 2022, and a 37.4% increase since fall 2019.
- After a dip in fall 2021, first-time enrollment rebounded from fall 2022 to fall 2023, with a 4.2% gain.

2022-23 Degrees & Credentials

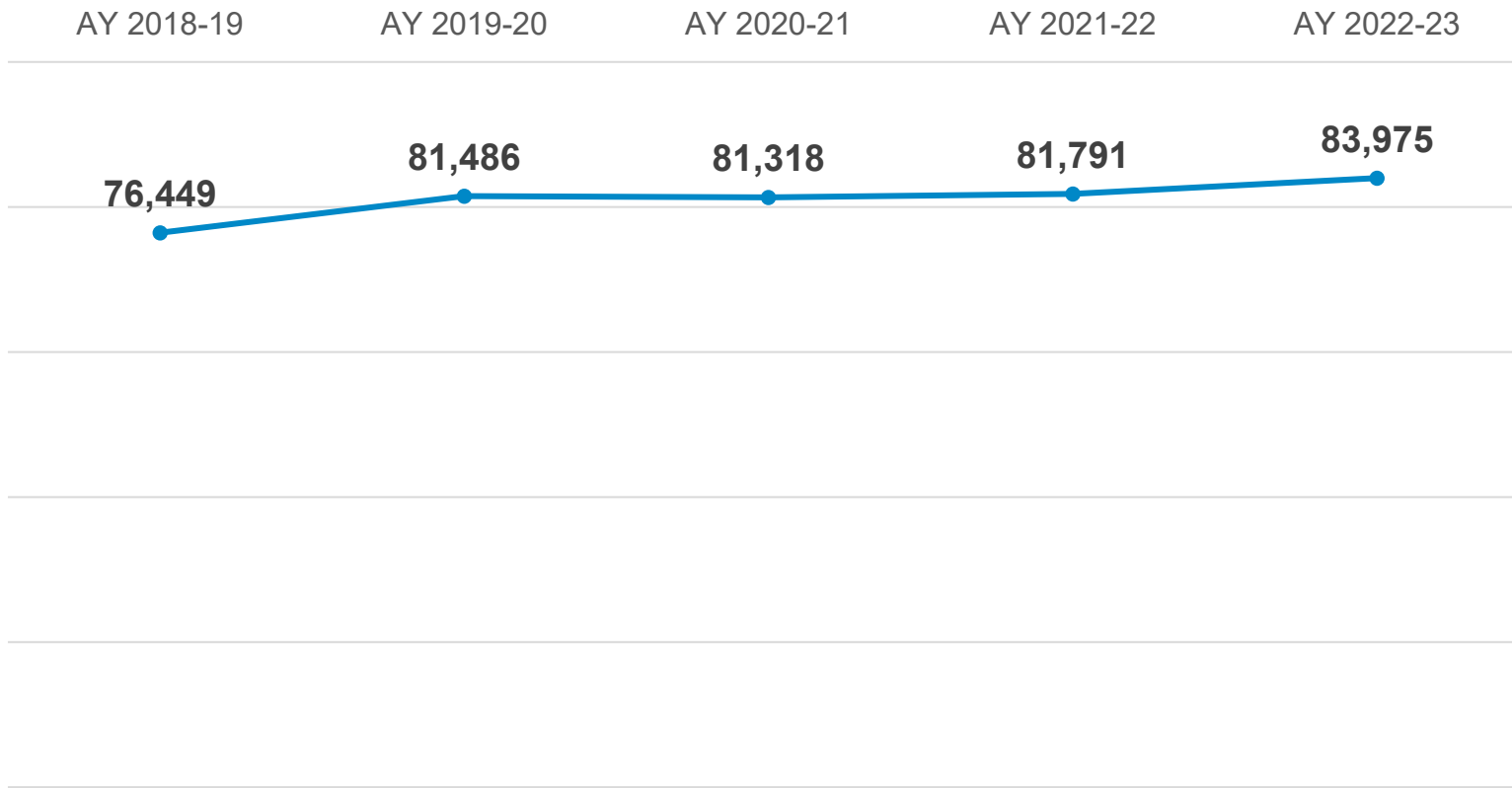
2022-23 Degree & Credential Highlights

- Total credential attainment has grown steadily since AY 2018-19, driven largely by credential production at KCTCS institutions, AIKCU institutions, and at the graduate level.
 - Undergraduate credential trends show declines at four-year public institutions.
- Undergraduate URM credential production continues to outpace overall attainment rates across sectors.
 - Adult student credential completion has steadily declined over several academic years across sectors. Low-income student completions have declined steadily at four-year publics, but remain relatively flat at two-year publics.
- Enrollment trends suggest that credential attainment gains should continue given retention and completion efforts across the Commonwealth; renewed effort to support low-income and adult students will be crucial in achieving CPE's 60X30 Goal.

Credentials

Statewide

Total Degrees and Credentials



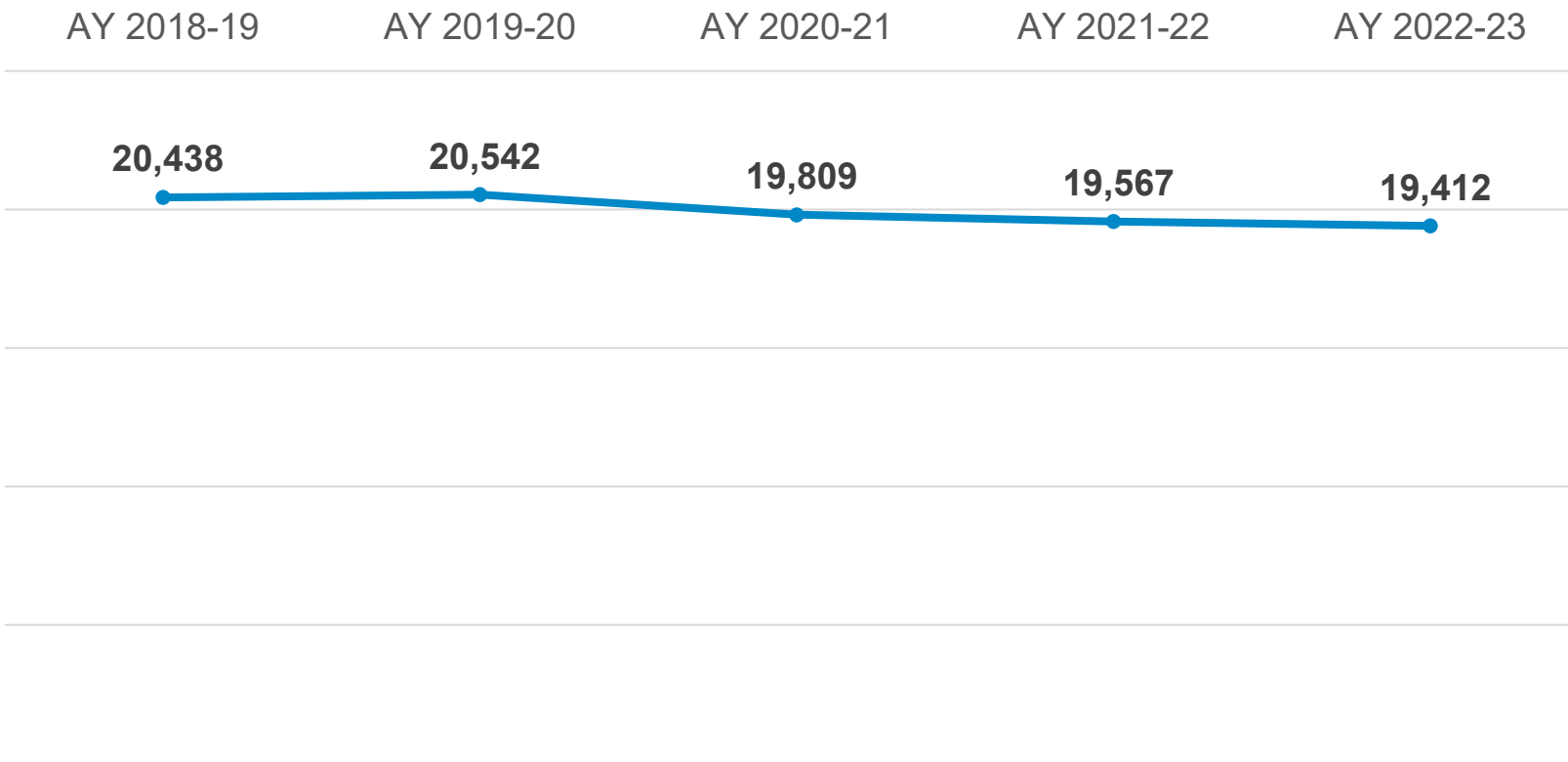
- Credential completion across the state has maintained momentum over the last five academic years.
 - Increased 2.6% between AY 21-22; 9.0% since AY 18-19.
- With recent enrollment growth across the Commonwealth, credential completion is expected to increase as larger cohorts are retained and graduate.

2022-23 Degrees and Credentials Four-Year Publics

Credentials

Four-Year Publics

Four-Year Total Degrees and Credentials

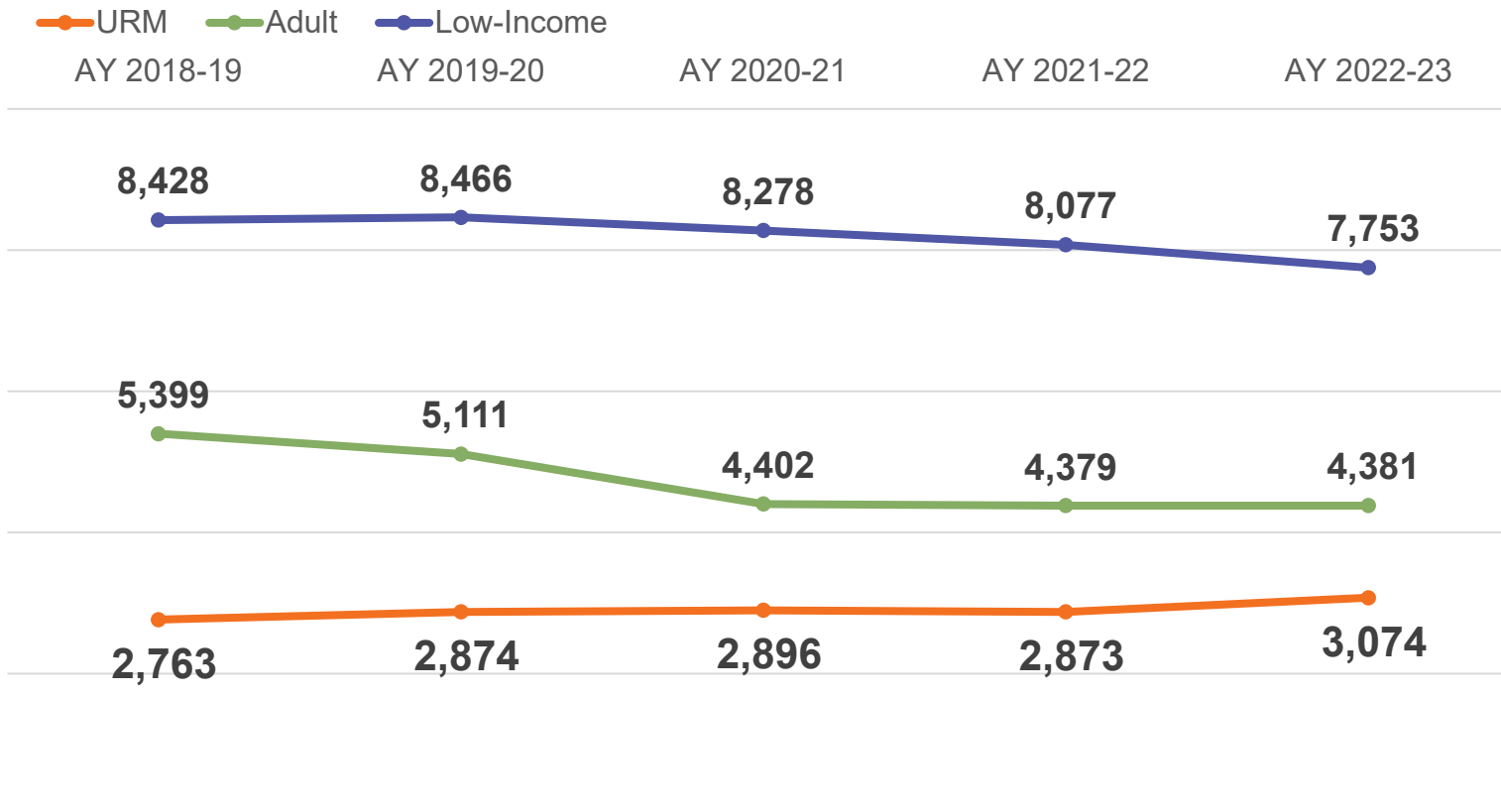


- We are primarily looking at baccalaureate production when examining credentials at four-year institutions.
- Credential completion at four-year publics decreased 0.8% from AY 21-22 to AY 22-23 and -5.3% since AY 18-19.
- Pandemic-related enrollment decreases are expected to suppress credential gains for the next several years.

Credentials

Four-Year Publics

Four-Year Degrees and Credentials by Population



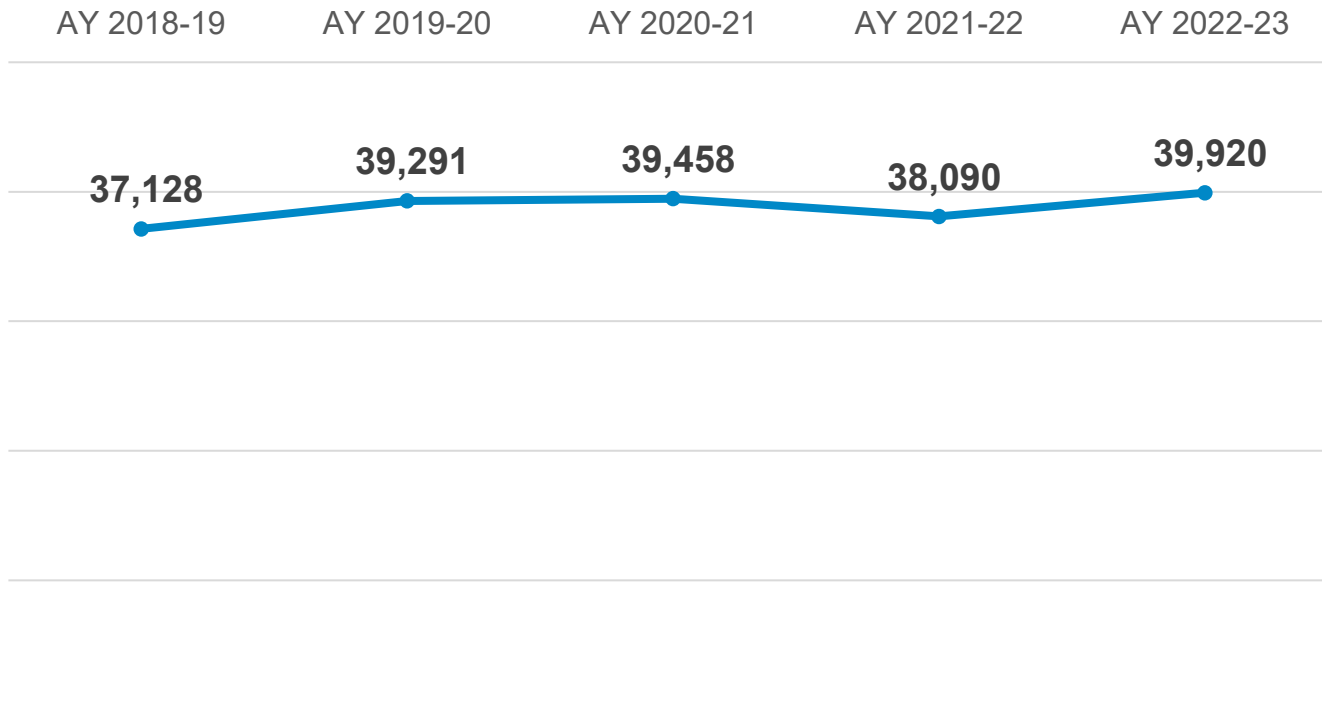
- URM completions increased 7.0% in the most recent AY and +10.1% since AY 18-19.
- Adult student completions decreased 23.2% since AY 18-19 but were flat in the most recent AY.
- Low-income completions have steadily declined with a decrease of 4.0% in the most recent AY and - 8.7% since AY 18-19.

2022-23 Degrees and Credentials Two-Year Publics

Credentials

Two-Year Publics

Two-Year Public Total Degrees and Credentials

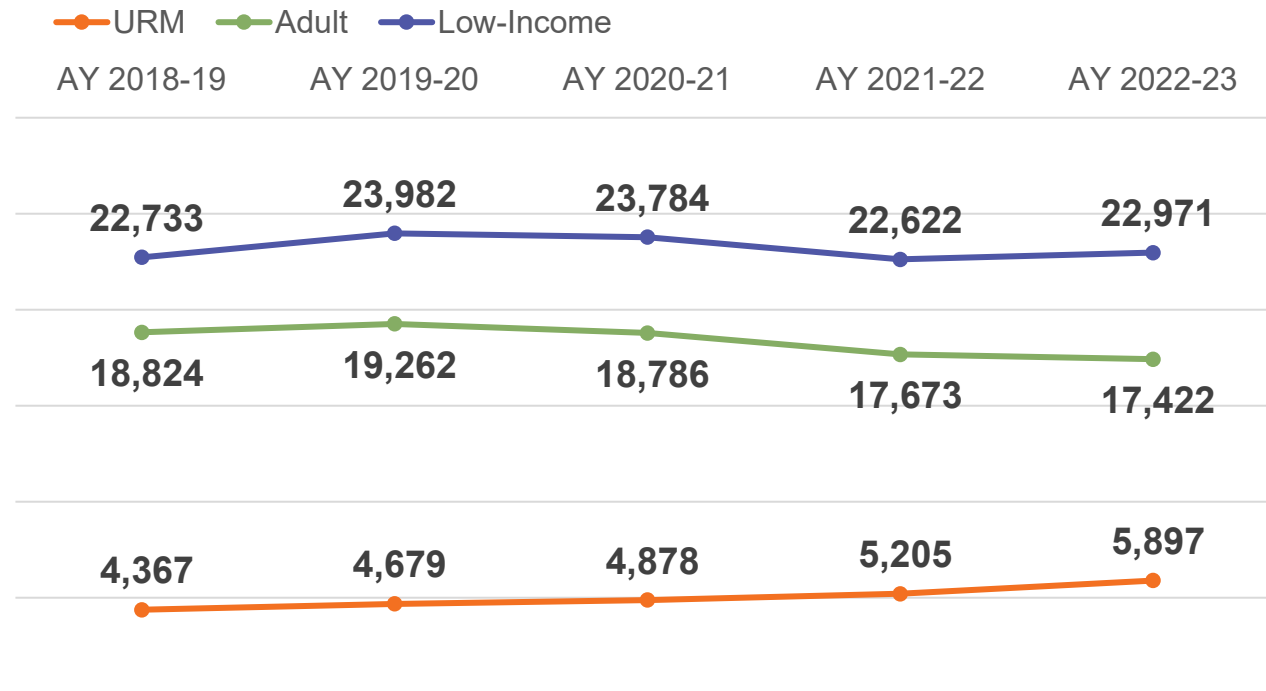


- Completions at two-year publics have increased steadily since 2018-19, but briefly dipped in AY 20-21, consistent with enrollment instability brought on by the pandemic.
- Completions increased 4.6% between AY 21-22 and AY 22-23; 7.0% since AY 18-19.
- Credential growth was largely driven by gains in non-degree credentials and certifications.

Credentials

Two-Year Publics

Two-Year Public Degrees and Credentials by Population



- URM completions have steadily increased over time and outpaced overall completion gains, with +11.7% from AY 21-22 to AY 22-23 and +25.9% since AY 18-19.
- Although declines in adult student completions are not as dramatic at KCTCS, they fell -1.4% from AY 21-22 and -8.0% since AY 18-19.
- Low-income student completions were relatively flat at two-year publics but have increased +1.5% between AY 21-22 and AY 22-23, and +1.0% since AY 18-19.

Summary

- Overall enrollment trends suggest a return to pre-COVID levels.
 - Increases not experienced across all subgroups.
 - Steady increases for URM, dual credit, and first-time student enrollment.
 - Declines for low-income and adult student enrollment.
- Credential trends are variable for undergraduate credentials, while graduate credentials have increased.
 - Undergraduate credential growth driven by KCTCS institutions.
 - Variation across subgroups mirrors trends in undergraduate enrollment.

Areas of Opportunity

Adult and low-income enrollment and completion are integral to Kentucky's 60X30 goal.

- Performance funding model
 - Introduction of new weight for adult students
 - Proposed increases for low-income weights (3% to 8% at 4YP; 2% to 4% at KCTCS)
- Increased research and initiatives to meet student basic needs
 - Student Success Collaborative
 - Credit for prior learning
 - Work Ready Kentucky Scholarships
 - Institution-level initiatives

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CPE REPORT

Eastern Kentucky University News for the Council on Postsecondary Education



EKU LAUNCHES FEASIBILITY STUDY FOR A COLLEGE OF OSTEOPATHIC MEDICINE

Eastern Kentucky University is exploring the possibility of a College of Osteopathic Medicine. As the School of Opportunity, EKU is committed to meeting the rising health care needs in the state by seeking to introduce a new and cost-effective medical education program in Kentucky.

The university is currently reviewing vendors to complete a feasibility study to analyze if a public College of Osteopathic Medicine is needed in the Commonwealth. At the same time, EKU is requesting approval from the Kentucky General Assembly to offer this type of degree program.

"The idea of EKU having a Doctor of Osteopathic Medicine program is one that was born out of the need for us to have more primary care physicians in Kentucky," said EKU President David McFaddin. "Our communities, our neighbors, our friends and our families deserve to have a qualified physician who is there to care for them when they're in their time of need. Being part of bringing those physicians who are Kentuckians back to our Kentucky communities to serve our neighbors and friends—there could be no higher calling."

Nearly all of the state's 120 counties contain facilities designated as health professional shortage areas for primary care. EKU anticipates that by offering a College of Osteopathic Medicine, the number of shortage areas throughout the Commonwealth may be reduced.

Lillian Jones, an EKU pre-med student from Barbourville, said a medical school closer to home would not only be convenient but would also help prepare her and other students for the unique challenges facing healthcare workers in the region. After completing her education, Jones' hope is to return to Barbourville to work, because she wants to serve the people of her community.

"I love the idea of giving comfort to familiar faces," Jones said. "Medicine is a calling. Having had medical scares of my own, it really made me consider going into medicine because you are able to comfort someone when they are in their most vulnerable state. It would be a challenging but greatly rewarding career."



EKU NAMED TO FORBES LIST OF AMERICA'S BEST EMPLOYERS

Eastern Kentucky University was named as one of the best employers in Kentucky in the Forbes fifth annual list of America's Best Employers by State. The university was among 49 employers across the Commonwealth recognized for worker satisfaction. EKU employs nearly 2,500 full- and part-time faculty and staff, making it one of the largest employers in the local community.

"We are committed to making EKU a great place to work and an Employer of Choice for the region. Our priority is serving the amazing people who serve this institution," said EKU President David McFaddin.

According to Forbes, 70,000 workers were anonymously surveyed at companies (minimum of 500 employees) across all 50 states. Participants were asked to evaluate their employer based on working conditions, diversity, compensation packages, the potential for development, company image and more.

EKU offers employees a range of insurance benefits and a generous tuition waiver. Additional perks include access to state-of-the-art campus facilities, the BlueMine Health Clinic, an employee wellness program and one of the most competitive leave schedules among public institutions in the Commonwealth.

In 2022, McFaddin signed a policy enacting parental leave for all eligible employees including maternity, paternity and adoption leave. EKU became one of the first higher education institutions in Kentucky to adopt a telework policy, offering hybrid and summer and winter flexible schedules.

"We're investing in our employees; we're supporting our employees; and we deeply value each and every member of our faculty and staff," said McFaddin.

CELEBRATING 150 YEARS OF TEACHING ON THE CAMPUS BEAUTIFUL

2024 is the sesquicentennial anniversary of Eastern Kentucky University—marking an impressive 150 years since the inception of higher education on the Richmond, Kentucky, campus. Since 1874, the Campus Beautiful has served the Commonwealth, preparing students to make a difference in their communities.

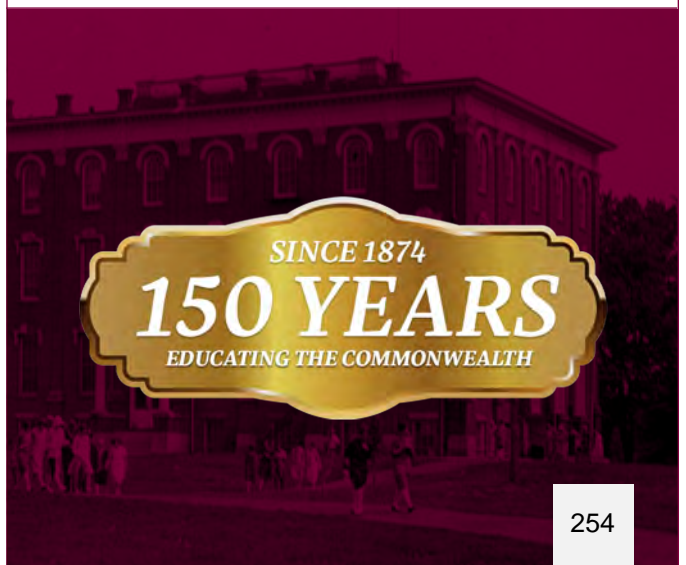
The first instance of higher education on the Richmond campus came on Sept. 22, 1874, when Central University was founded. Central University merged with Centre College in 1901, leaving behind the eight buildings that made up the campus.

In 1906, the Kentucky General Assembly established the Eastern Kentucky State Normal School—eventually becoming Eastern Kentucky University—and the old Central University campus was selected as the new home of the normal school, which would primarily train K-12 educators.

In 1922, the normal school became a four-year institution and was renamed Eastern Kentucky State Normal School and Teachers College, and in 1930, the Kentucky General Assembly removed "normal school" from the name. Eventually, the General Assembly also removed "Teachers" from the school's name and gave the college the ability to award nonprofessional degrees in 1948.

In 1966, Gov. Edward T. Breathitt signed a bill into law changing the name of Eastern Kentucky State College to Eastern Kentucky University and sanctioning the awarding of graduate degrees in fields other than education.

As of Fall 2023, EKU has an enrollment of approximately 15,000 students and offers 85 undergraduate, 34 master's, one specialist and four doctorate degrees in a variety of fields.





Green and Gold Day at the Capitol



KENTUCKY STATE UNIVERSITY

KSU Celebrates Green and Gold Day at the Capitol

The KSU community filled the Capitol mezzanine with Green and Gold on Feb. 28, showcasing the importance of Kentucky State University to Frankfort and the Commonwealth of Kentucky.

At the annual event, the KSU delegation provided lunch for attendees, legislators, and state government employees. This gave Kentucky State students, faculty, staff, administrators, alumni, and supporters a chance to meet with legislators.

“Kentucky State University is back,” said Kentucky State University President, Dr. Koffi C. Akakpo. “Our students are the workforce of the future for the Commonwealth and our programs align with the future needs of the state. I thank the legislature and everyone here today for their support.”

KSU School of Criminal Justice and Government Relations Announces Degree Agreements with KSP and LPD

The School of Criminal Justice and Government Relations has established completer degree agreements with the Kentucky State Police and Lexington Police Department. These agreements will allow recent police training academy graduates to complete a Bachelor of Arts degree in Criminal Justice fully online in two years or fewer. These officers may also be eligible for KSU’s credit for life program.

KSU Plays Pivotal Role in 60th Anniversary of the Freedom March on Frankfort

On March 5, Kentucky State University took part in the 60th anniversary of Dr. Martin Luther King’s Freedom March on Frankfort. The 1964 Freedom March, led by Dr. Martin Luther King, baseball legend Jackie Robinson, and 10,000 people resulted in the passage of the Kentucky Civil Rights Act of 1966. Kentucky was the first state south of the Mason-Dixon Line to pass its own state-level Civil Rights Act.



On the steps of the Kentucky Capitol, the KSU Concert Choir, led by Dr. Keith McCutchen, performed several songs to begin the program. KSU President, Dr. Koffi C. Akakpo addressed the crowd alongside Governor Andy Beshear, Senator Gerald Neal, Rev. Kevin Cosby, and activist Mattie Jones.

KSU STEM Scholars Attended the 2024 KY-WV LSAMP

Biology and Agriculture students represented Kentucky State University at the annual Kentucky-West Virginia Louis Stokes Alliance for Minority Participation (KY-WV LSAMP) Symposium, held at Marshall University on February 10, 2024.

Graduating Biology seniors Mr. Donavyn Mosley, Ms. Ariell Dunkley, Ms. Audi Hicks, and Ms. Segen Mussie, and Junior Agriculture major Ms. Jensine Crowder were afforded the opportunity to network with Marshall University's Provost, Dr. Avinandan Mukherjee, and the keynote speaker, Ms. Jabreel Walker.



The Kentucky – West Virginia Louis Stokes Alliance for Minority Participation is a consortium of colleges and universities working together to create, enhance, and expand programs designed to broaden participation and increase the quality and quantity of students from underrepresented populations who receive degrees in science, technology, engineering, and mathematics disciplines. The University of Kentucky is currently the host institution and the ten-member consortium is funded by the National Science Foundation under Grant No. 1826763.

KSU Hosts Governor's Prayer Breakfast

Kentucky State University was honored to host the 56th Annual Governor's Prayer Breakfast in Exum Center on March 12. Emceed by Lt. Gov. Jacqueline Coleman, the theme for this year's event was "Forward Together in Faith, Empathy and Compassion." Former University of Kentucky men's basketball point guard Dominique Hawkins and former University of Louisville men's basketball point guard Peyton Siva served as the keynote speakers at the breakfast.



SIAC Names Gracen Kerr Player of the Year, Amani Williams Coach of the Year, and Taleah Dilworth to Second Team

The Southern Intercollegiate Athletic Conference (SIAC) has named Gracen Kerr the SIAC Women's Basketball Player of the Year and Head Coach Amani Williams as SIAC Women's Basketball Coach of the Year. In addition, Gracen Kerr was named to the SIAC first team, while Taleah Dilworth was selected for the SIAC second team.

In her very first year as head coach, Williams finished the regular season 19-6 (.760) and in SIAC play 15-4 (.789), to be named regular season West Division Co-Champs securing the #1 seed heading in to the 2024 SIAC Basketball Championship. Leading the SIAC by averaging 17.2 points per game and 4.9 assists per game along with being named SIAC Player of the Week four times, Kerr was named Player of the Year and to the first team.

Senior Anyiah Chambers Represents KSU at the Legacy Classic College and Career Fair

Anyiah Chambers, a graduating senior and Thurgood Marshall College Fund (TMC) Yard Ambassador, recently represented KSU at the Legacy Classic college and career fair in Newark, NJ. While there, she aimed to educate and inspire students about the unique experiences and opportunities available at Kentucky State University and other HBCUs, ultimately contributing to the growth and appreciation of these institutions.



KSU Partnership with AT&T for 4-H Tech Changemakers

Kentucky State University celebrated a \$10,000 sponsorship donation from AT&T for 4-H Tech Changemakers, a program that empowers youth to be leaders by teaching digital skills to adults.

4-H Tech Changemakers uses the "Teens as Teachers" model so that youth participants can be agents of change through teaching digital literacy to adult members of underserved communities. Kentucky State has facilitated the 4-H Tech Changemakers program in past years; with AT&T's generous sponsorship, Kentucky State's 4-H Youth Development team will rebuild the program. Kentucky State's 4-H team is currently recruiting teens to be part of 4-H Tech Changemakers.



MARCH 2024



Photo credit: Intuitive Machines

Morehead State SSE students tracking lunar mission

Morehead State's Space Science Center (SSC) continues its involvement with NASA's Artemis program and the Moon to Mars initiative with the launch of Intuitive Machines' IM-1 mission.

The SSC was among the primary ground station for the mission as part of the Intuitive Machines Lunar Data Network (LDN), which included locations in England, South Africa, and Australia. Students in the space systems engineering program provided telemetry, tracking, and command services for the mission, meaning they communicated with the spacecraft and collected data it transmitted back to Earth. MSU students also tracked a NASA payload that IM-1 carried to the Moon called Lunar Node 1.

Dr. Ben Malphrus, executive director of the Space Science Center, said this was the most recent time a commercial company sent a lander to the Moon on a commercial rocket - two giant leaps for the aerospace industry.

"We'll be helping these guys make history," Malphrus said.

Intuitive Machines' IM-1 mission sent its Nova-C lunar lander named Odysseus to the Moon as part of NASA's Commercial Lunar Payload Services (CLPS) initiative. CLPS is a key part of NASA's lunar exploration efforts.



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Morehead State awarded grant to increase student service learning

Morehead State University provides valuable real-world experience to students through service-learning opportunities. MSU received a substantial financial award to expand the possibilities for Eagles to volunteer and impact their community.

As a Kentucky Campus Compact member school, MSU recently received an EngageKY+ Volunteer Generation Fund grant totaling over \$36,000. This grant aims to reduce barriers to volunteering for underrepresented populations and enhance current and newly created volunteer programs for undergraduate students.

Hammonds named Special Education Teacher of the Year

Morehead State University's quality education programs are known for consistently producing educators who are some of the best in the state. A recent alum from the Volgenau College of Education received recognition for her work in special education.

The Council for Exceptional Children recently selected Stephanie Hammonds (Class of 2022), an exceptional child instructor at Carl D. Perkins Job Corps in Paintsville, as its 2023 Special Education Teacher of the Year. She received this honor at the State Council for Exceptional Children Conference in Louisville. A first-generation college student, Hammonds earned a Bachelor of Arts in Learning and Behavior Disorders (LBD) from Pikeville College (now University of Pikeville) in 1994 and enrolled at MSU to earn her Rank II certification in 2022.

MSU receives a \$2.2 million grant for rural education

Morehead State University takes pride in its mission to educate students for success in a global environment while improving the quality of life of communities in its service region. MSU recently received significant federal funding to benefit its eastern Kentucky and rural communities.

In December 2023, the Biden-Harris Administration announced Morehead State was one of 22 higher education institutions to receive \$44.5 million in grants to improve rates of postsecondary education enrollment, persistence, and completion among students in rural communities. The University received over \$2.2 million to assist high school students with college enrollment and provide internships and career opportunities to postsecondary students. MSU was one of four colleges in Kentucky to receive grants. The funding comes courtesy of the Rural Postsecondary and Economic Development (RPED) grant program, which promotes the development of career pathways toward promising, in-demand occupations in the region.

ED.D. program earns national rankings

Morehead State University's Doctor of Education (Ed.D.) program prepares professionals to become impactful leaders in education. That commitment to quality and professional preparation has earned the program two national rankings.

The Princeton Review named MSU's Ed.D. program to its 2024 Best Online Ed.D. Programs list for the fourth consecutive year. It was one of only two Kentucky public universities to earn this distinction.

In addition, Forbes Advisor, a financial decision website from Forbes Magazine, recognized MSU's Ed.D. as one of only nine on its Best Ed.D. Programs of 2024. It was the only Kentucky university program to make the list.



Racer One statue outside the Curris Center.

Be Bold: Forever Blue & Gold Centennial Campaign most successful fundraising effort in University's history

Following a record-breaking level of generosity from donors and friends across the country, Murray State University's Be Bold: Forever Blue & Gold Centennial Campaign has reached an unprecedented level of total gifts and new documented commitments making it the most successful campaign in the history of the University. With total gifts and commitments now exceeding \$74 million as of March 1, 2024, the University is making excellent progress toward its goal of raising \$100 million through this historic campaign.

"As a student, it is so encouraging to hear about the incredible giving from our donors for the Be Bold: Forever Blue & Gold Centennial Campaign. These gifts are helping students right here, right now," explained current president of the Murray State University Student Government Association and student regent, Ellie McGowan. "With each scholarship, every well-equipped facility and every resource made available, our potential is magnified. Thank you for investing in our education."

Murray State University earns top honors for online master's degree programs

Murray State University has been recognized as one of the best schools for online master's degrees in 2024 by OnlineMastersDegrees.org.

Just 9 percent of U.S. colleges and universities earned the distinction.

Murray State's online master's programs earned top honors in the following subject areas: economics, dietetics, speech pathology and communications.



Veterinary Technology students work with cows.

Legislative support and progress continues toward the development of a School of Veterinary Medicine

Progress toward a new School of Veterinary Medicine at Murray State University continues to be made, as House Bill 400 was passed by the Kentucky House of Representatives on Feb. 15 after advancing from the House Agriculture Committee on Feb. 7.

House Bill 400, introduced by House Agriculture Committee Chair Richard Heath, would amend the existing state statute to allow Murray State to offer doctoral degrees required to become licensed in veterinary medicine. Senate Bill 189 is a companion bill introduced by State Sen. Jason Howell. Murray State President Dr. Bob Jackson and Hutson School of Agriculture Dean Dr. Brian Parr presented at a Senate committee hearing in late February as the initiative continues to gather statewide support.

"We are very grateful for the support of our legislators in working toward the development of a new School of Veterinary Medicine at Murray State University. These are major steps as we continue to move forward through the legislative process," Murray State President Dr. Bob Jackson said. "This initiative is a vitally important one for the recruitment and retention of future veterinarians in the Commonwealth of Kentucky and in our region. We have a tremendous opportunity in front of us to greatly enhance a key workforce initiative and a multi-billion dollar industry in our state while meeting the needs of the agricultural industry."

Kentucky is one of more than 20 states without a School of Veterinary Medicine. In the United States, there are only 33 veterinary colleges accredited by the American Veterinary Medical Association (AVMA).

According to the U.S. Bureau of Labor Statistics (BLS), there are 86,300 veterinarians in the United States and this occupation is expected to grow by over 19 percent by 2031. The BLS also reports a total of 122,800 veterinarian technologists/

technicians are working today and the field is expected to grow by 20 percent by 2031.

Murray State's Hutson School of Agriculture has the largest estimated pre-veterinary medicine/veterinary technology enrollment of any university in Kentucky and is just one of three programs in Kentucky that is fully accredited by the AVMA.

Murray State students are provided valuable hands-on learning opportunities that prepare them for success upon graduation. The University's A. Carman Animal Health Technology Center, located on Murray State's West Farm in Calloway County, offers state-of-the-art equipment and supplies to prepare students for a career in the field of veterinary medicine.

The Breathitt Veterinary Center at Murray State University, under the direction of the Hutson School of Agriculture, is located in Christian County, Kentucky, and is a nationally preeminent animal disease diagnostic laboratory dedicated to protecting the invaluable assets of Kentucky's equine, livestock and poultry industries. The center is the only Level 1 Laboratory Status designated by the USDA National Animal Health Laboratory system and one of only 60 laboratories in the United States (one of 23 laboratories with Level 1 status). The center serves as an important teaching and learning facility for Murray State students.

To date, Murray State has adopted a resolution of support by its Board of Regents, established a School of Veterinary Medicine Task Force comprised of leading agricultural professionals, completed a feasibility study that indicated many benefits of a new School of Veterinary Medicine at Murray State University and gathered support from various legislators, governmental entities, communities, industry representatives, organizations and individuals.



Graduates of the Doctor of Education (Ed.D.) in P-20 and Community Leadership program celebrate after the Hooding Ceremony.

College of Education and Human Services Ed.D. program enrollment continues to grow

The Doctor of Education (Ed.D.) in P-20 and Community Leadership program at Murray State University is one of the first doctorates in the nation to provide an innovative, integrated P-20 approach to educational leadership across the learning continuum.

The program features specializations in postsecondary leadership, PK-12 leadership and agriculture education. The College of Education and Human Services' Ed.D. is designed for working professionals, intentionally integrating a cohort approach to learning.

Since the Ed.D. program started admitting students in 2014, 253 doctoral students have enrolled. The program admits students in both the fall and spring semesters, consistently admitting

between 30-40 students per year. Current enrollment is 108, and of that, 66 students are now working on their dissertations, while the remaining 42 have not yet started. In total, 113 students have completed their dissertations. Twenty dissertations were started for the 2023-24 academic year, while twelve dissertations are expected to be completed this semester. Fifteen to twenty graduates are anticipated for this academic year.

Students can complete the Ed.D. program entirely online. No on-campus components are required and they can access classrooms virtually for weekend courses. Tuition for the program is among the most affordable for doctoral programs in the area, offering the same costs for both in-state and out-of-state students.



The School of Nursing and Health Professions boasts the largest BSN program class in its history.

School of Nursing and Health Professions boasts largest BSN program class in its history

The Murray State University School of Nursing and Health Professions recently admitted 46 students to the Bachelor of Science in Nursing program, the largest in program history.

This four-year program prepares students for beginning levels of nurse practice and fulfills the educational requirements to write the National Council Licensure Examination for registered nurses. There are three semesters of pre-requisite courses and five semesters of nursing courses. Clinical experiences also take place throughout the region and in a variety of settings to prepare students for life in the field of nursing.

Murray State broke ground on a new School of Nursing and Health Professions building on Dec. 8, 2023.

To learn more about Murray State's nursing program, visit murraystate.edu/nursing.



Learn more about the nursing program



High school students engineer a survival shelter.

Murray State University hosts largest Engineering Day in program history

The Murray State University School of Engineering hosted approximately 600 students across 21 high schools for Engineering Day 2024, a series of science, technology, engineering and math-centered challenges designed to teach engineering and construction concepts under the direction of Murray State faculty and staff.

The turnout was the largest Engineering Day in program history.

Students competed in 15 events across campus. The University's Engineering and Physics Building served as the main hub, hosting competitions ranging from engineering design, robotics, computer-aided design, carbon dioxide-powered car races and physics.

Students also raced kayaks constructed from PVC pipe and plastic wrap in the Susan E. Bauernfeind Wellness Center swimming pool, showed off robots of their own creation and engineered survival shelters.

To learn more about Murray State University's School of Engineering, visit murraystate.edu/engineering. Visit bit.ly/3TIFc7T to view a video recap from the record-setting day.



Learn more about the School of Engineering



Watch the Engineering Day video recap



GOLD RUSH

MARCH 2024

NORTHERN KENTUCKY UNIVERSITY

GO FIGURE

NKU FOUNDERS DAY 2024

56TH
Birthday of NKU

1,968
Minutes of Giving

\$305K+
Raised



NKU IMPLEMENTS DIRECT ADMIT PROCESS TO STREAMLINE STUDENT ENROLLMENT

In an effort to enhance the accessibility and efficiency of its admissions process, Northern Kentucky University is proud to implement its new Direct Admit Program. This innovative approach will expand access to higher education in the region by simplifying the enrollment process for prospective students, providing them with a straightforward pathway to securing their spot. NKU will be the first public university in the tristate and Commonwealth of Kentucky to offer direct admission.

The college admissions process can often be complex and time-consuming. Recognizing the need to streamline this process and reduce barriers to entry, NKU has developed the Direct Admit Program to offer a more seamless experience for applicants. Under the Direct Admit Program, qualified students will have the opportunity to bypass the application process and application fee and receive a direct offer of admission to NKU based on predetermined criteria.

"The introduction of the Direct Admit Program reflects NKU's commitment to fostering an inclusive learning environment by removing barriers to higher education," says Dr. Ryan Padgett, associate provost for strategic enrollment planning and student success for the university. "By simplifying the admissions process—including removing the application and application fee—and offering a transparent pathway to enrollment, NKU hopes to empower students from all backgrounds to pursue their academic aspirations."

The program will launch on August 1, 2024, for students considering enrollment to NKU in the fall of 2025. High school students with a GPA above a 2.75 will be contacted about their direct admission, at which time they can begin the formal enrollment process.

"The Direct Admit Program is another example of how NKU is supporting our students and families within the region," says NKU President Cady Short-Thompson. "By offering direct admission to qualified students, we are leading the region and Commonwealth of Kentucky in what it means to be a higher education university in the 21st century."

COLLEGE CORNER

Two online programs in Northern Kentucky University's Haile College of Business have been ranked as top online programs in the country by U.S. News and World Report. Haile College's Master of Accountancy (MAcc) program is ranked No. 71 in the country, and the Master of Business Administration (MBA) program is ranked No. 102.

This is the first time the Master of Accountancy program has made the list. In addition, NKU's online MBA program has been ranked No. 62 when it comes to MBA programs for veterans.

LEARN MORE: <https://tinyurl.com/nkuhaileonlineprograms>

LEARN MORE: <https://tinyurl.com/nkudirectadmit>





NKU LAUNCHES VETERAN LEADERSHIP MINOR, FIRST OF ITS KIND IN THE REGION

Northern Kentucky University is launching groundbreaking Veteran Leadership minor, designed to recognize and credit the valuable skills and experiences gained by military and veteran students during their service in the military. This innovative program aims to bridge the gap between military training and higher education, allowing military students and veterans to translate their extensive knowledge and expertise into academic credit.

The Veteran Leadership minor acknowledges the unique leadership skills learned through military service. It will give students up to 21 credit hours toward their minor for Joint Service Training hours. That time spent learning and training in the military will now translate directly into a minor in Veteran Leadership. The only program of its kind in the region, NKU understands the immense dedication and sacrifice required of military personnel and aims to honor that commitment. "Our new Veteran Leadership minor not only honors the dedication of our military and veteran students but also recognizes the immense value they bring to our campus community," says Rusty Mardis, NKU coordinator of veteran student services. "It's an honor to be a part of this initiative, empowering our veterans to leverage their expertise and seamlessly transition into academic success. This minor will save our students time and money in their pursuit of a degree."

The Veteran Leadership minor will be available for veteran students starting in fall 2024. **LEARN MORE:** <https://tinyurl.com/veteranleadershipminor>



THE SCOREBOARD

The Northern Kentucky University Athletics department welcomed eight new Norse greats into the David Lee Holt Hall of Fame with a special induction ceremony on the morning of Saturday, December 9, inside Truist Arena.

NKU Athletics celebrated the accomplishments and contributions of Christie Freppon (1987-81), Drew Harris (2007-09), Angie Lindeman (2002-05), Kevin Listerman (1995-99), Jeanna Martin (1998-01), Dave Middendorf (2008-11), Emily Schwaeble (2010-13) and Tom Walters (1992-96) in front of a packed crowd of family, friends, former teammates, former coaches and past and current administrators.

LEARN MORE: <https://tinyurl.com/nkuhalloffame>

BRIEFS

NKU TO MOVE DEADLINE DUE TO FAFSA DELAYS

Northern Kentucky University is moving the deadline for incoming freshman to accept merit scholarship awards from May 1, 2024, to June 1, 2024. This decision comes in response to the delays universities across the country are experiencing as the federal government navigates the changes implemented to the Free Application for Federal Student Aid (FAFSA).

NKU expects to start learning of financial awards for students beginning in mid-March and is committed to sending financial aid packages out as soon as possible.

LEARN MORE: <https://tinyurl.com/nkufafsadeadline>

NKU PROFESSOR APPOINTED AS SIGMA LIAISON TO UNITED NATIONS

NKU Associate Professor Dr. Jitana Benton-Lee received a prestigious appointment by Sigma Global Initiatives to the post of Sigma liaison to the United Nations.

A two-time graduate of Northern Kentucky University, Dr. Benton-Lee has been an associate professor at NKU in the School of Nursing since 2019. Dr. Benton-Lee has taught nearly a dozen different courses at NKU, including Health Care Policy, Quality Improvement Strategies, and Epidemiology and Population Health.

LEARN MORE: <https://tinyurl.com/drjitanaabentonlee>

FACULTY FOCUS

The Haile College of Business at Northern Kentucky University proudly announces the dedication of a conference room in honor of the late Professor Sandra "Sandy" Easton. Professor Easton dedicated more than 30 years of her life to the pursuit of academic excellence and the advancement of knowledge within the business field. "We are honored to commemorate the legacy of Professor Easton through the dedication of this conference room," said Dr. Hassan HassabElnaby, dean of the Haile College of Business. "Her dedication to excellence and her family's continued support are testaments to the profound impact that individuals can have on our institution and the wider community."

LEARN MORE: <https://tinyurl.com/nkusandyeaston>

NKU TO HOST FIRST KENTUCKY NATIONAL PERSONAL FINANCE CHALLENGE

Northern Kentucky University will host the inaugural Kentucky National Personal Finance Challenge, happening on NKU's campus in April. The National Personal Finance Challenge (NPFCC) is a nationwide competition that offers high school students the opportunity to build and demonstrate their knowledge in the concepts of earning income, spending, saving, investing, managing credit and managing risk.

The first round of the competition is an online 30-question challenge. The highest-scoring student teams will be invited to the state finals at NKU on April 5, 2024.

LEARN MORE: <https://tinyurl.com/nkufoundersday2024>

NKU RECEIVES DOZENS OF PIECES OF ART DEPICTING MOBY-DICK, LIKELY SETTING A RECORD

Northern Kentucky University is excited to announce a donation of 66 charcoal drawings interpreting Herman Melville's "Moby-Dick" by retired Boston College art professor and artist Aileen Callahan. With the addition of the new drawings, NKU likely has the largest collection of art depicting the literary classic at any college or university.

The new additions will be added to Steely Library's Special Collections, which already houses more than 200 works of art depicting "Moby-Dick."

LEARN MORE: <https://tinyurl.com/nkumobydick>

ALUMNI NEWS

HOW I SHOW UP



Most days, Dr. Tynisha N. Worthy ('08, '21) splits her time between serving as director of organizational excellence at Youth at the Center, and teaching in Northern Kentucky University's Ed.D. program on a part-time basis. She credits her perspective to her eye-opening experiences at NKU.

"My experiences at NKU are core to how I show up in my work," she says. "In the MPA program, I had conversations with people from so many different experiences and disciplines. We explored ideas about how our government systems and nonprofit systems advance our ideals. Having those robust conversations helped me understand who I am, what I value and how I show up."

LEARN MORE: <https://tinyurl.com/nkutynishaworthy>

PRESIDENT'S REPORT MARCH 2024

UNIVERSITY OF KENTUCKY



HONORING LYMAN T. JOHNSON AND HIS LEGACY

This year, UK is commemorating the 75th anniversary of Lyman T. Johnson's lawsuit against the institution. In 1949, a judge ruled in favor of Johnson, integrating UK and effectively overturning the Kentucky Day Law. That summer semester, Johnson and 29 other Black students enrolled at UK.

Although Johnson did not finish his degree at UK, the legacy he leaves behind is reminiscent of the lessons he once imparted upon his students: the fight for equality and fairness is an ongoing one, and the path forward is through education that enables students to learn how to think for themselves.

Throughout the spring and fall semesters, UK will celebrate Johnson's profound and enduring legacy with events across campus.



KCH OPENS KOSAIR FOR KIDS CENTER FOR SAFE AND HEALTHY CHILDREN AND FAMILIES

Thanks to a generous \$2 million gift from Kosair for Kids, representatives from Kentucky Children's Hospital (KCH) and Kosair for Kids opened the Kosair for Kids Center for Safe and Healthy Children and Families. This new clinic space provides essential care for children affected by abuse and neglect, confronting a critical need in our community.

According to the Kentucky Cabinet for Health and Family Services, Kentucky ranks 14th in the country for child abuse and neglect. The new center offers state-of-the-art facilities and technology to support specially trained pediatricians and staff of KCH's Division of Pediatric Forensic Medicine in delivering comprehensive care, addressing both the physical and psychological needs of these children.



UK NAMED AMONG NATION'S TOP LARGE EMPLOYERS BY FORBES MAGAZINE

The University of Kentucky has been named on Forbes' America's Best Large Employers list, ranking in the top 100 out of 500 total companies, and 11th in the education category. Other organizations listed include Garmin, Delta Air Lines and Fidelity Investments, placing UK among some of the most prominent companies in the nation.

America's Best Large Employers are selected based on an independent survey of more than 170,000 U.S. employees from all industry sectors working for companies employing at least 5,000 people across the U.S.

UK's strategic plan, UK-PURPOSE, calls upon the institution to take care of its people. This recognition as one of America's Best Large Employers confirms the university's commitment to this guiding principle and reinforces UK's reputation as an exceptional employer.



Dear Colleagues,

The Cardinal Community continues to soar during this spring semester. There is a lot for us to be excited about on our campuses and beyond.

Cranes, bulldozers and other big equipment rolled onto our Belknap Campus to begin work on a new 114,000-square-foot building, which will serve as a hub for next-generation engineering education, research and student life, all aimed at driving the growth of Kentucky's technology-enabled economy. My thanks to Kentucky Gov. Andy Beshear, Louisville Mayor Craig Greenberg and so many other distinguished guests who attended the formal announcement in February.

Excellence in education does not stop at our campus borders. I am pleased to report that UofL's many online programs continue to be ranked among the "Best Online Programs" by U.S. News and World Report. Our online bachelor's in business and bachelor's in psychology programs recently broke into the publication's top-20 national rankings – a distinction that illustrates our commitment to accessibility and student success.

In that same spirit, UofL is investing \$2.4 million toward the Cardinal Commitment Grant this year. The grant helps close the gap between eligible Kentucky students' financial aid and the cost of attendance, which includes tuition, dining, transportation, books and other expenses.

Our commitment to care doesn't stop there. I can't stress enough how proud I am of the students who raised more than a half-million dollars at the 11th-annual raiseRED dance marathon to aid in the fight against pediatric cancer.

These are just a few of the many ways UofL leverages innovation, creativity, entrepreneurship and compassion to help our community thrive.

Kim Schatzel, PhD
President, University of Louisville



New hub for next-generation engineering education, research

The University of Louisville is constructing a new building for next-generation engineering education, aimed at driving the growth of Kentucky's technology-enabled economy. The four-story, 114,000-square-foot building will include classrooms, a makerspace, high-tech lab facilities and room for events and student engagement.

"Extending Kentucky's record-breaking economic momentum depends on our ability to innovate and strengthen our workforce," Gov. Andy Beshear said. "This new investment and partnership with UofL show our commitment to being a destination for talented people and businesses looking to succeed in the key industries of the future."

Construction is already underway and is expected to be complete in summer 2025, just in time for the Speed School's centennial celebration.

Yum! Brands, UofL launch 'Accelerating Growth' to train senior franchise leaders

Yum! Brands, Inc. and the University of Louisville announced the launch of new "Accelerating Growth" executive education programs at the [Yum! Center for Global Franchise Excellence](#). The new programs will focus on equipping operations leaders to take on senior management roles in franchise organizations, an area identified as a key opportunity by franchisees and leadership at the center, which has been providing education for aspiring entrepreneurs through the [UofL College of Business](#) since 2021.

"We are thrilled to partner with the University of Louisville and address a need of the industry – training a new generation of leaders to take on senior management roles in franchise businesses," said Wanda Williams, head, Global Franchising, Yum! Brands.

First graduates of paraprofessional program begin careers in behavioral health

The UofL Trager Institute recently celebrated the graduation of the inaugural cohort of apprentices from the [Trauma-Informed FlourishCare™ Paraprofessional Program](#), an innovative 18-month program designed to equip participants for careers in behavioral health. It places a special emphasis on fostering recovery for individuals with substance use and various mental health needs across Kentucky.

Seven graduates received certifications as community health workers and community support specialists, as well as certification as peer support specialists during their six-month pre-apprenticeship. This graduation marks a milestone in the institute's [commitment to cultivating a workforce](#) dedicated to addressing behavioral health challenges faced by communities in Kentucky.





Celebrating its 10th anniversary this year, the University of Louisville's raiseRED fundraiser brought in more than \$550,000 to support pediatric cancer and blood disorders research and patient services.

Endowment to support study of immune system and genetics

To remain at the forefront of immune system and disease research, the University of Louisville School of Medicine will establish the Carolyn Siler Browning Endowed Chair in Immunogenetics. The Executive & Compensation Committee of UofL's Board of Trustees approved the request submitted by University Advancement at its meeting last December.

Researchers are just now uncovering the extent of immunogenetic diversity among human populations. Genetic diversity in immune genes significantly impacts individual immune responses, with critical implications for how people develop and administer novel vaccines and therapeutics.

School of Medicine Interim Dean Jeffrey Bumpous said that the university is well-prepared to support this research with equipment that other institutes do not have, and the endowment will accelerate efforts to understand the rapidly expanding field of immunogenomics.

UofL explores AI innovations

As artificial intelligence continues to evolve in the medical field, UofL is innovatively exploring the directions in which the technology can be taken.

UofL researchers have developed a new AI-powered tool that could help doctors diagnose autism at a younger age. The tool has been shown to be 98.5% accurate in kids as young as two years old, which could give doctors more time to intervene with potentially life-changing therapy. Their results were published in the journal [Biomedicines](#).

UofL is also investigating how AI could help improve patient outcomes during heart surgery. A \$750,000 grant from the American Heart Association will allow UofL researchers to advance AI specifically for acute kidney injury and complications during or following cardiac surgery.

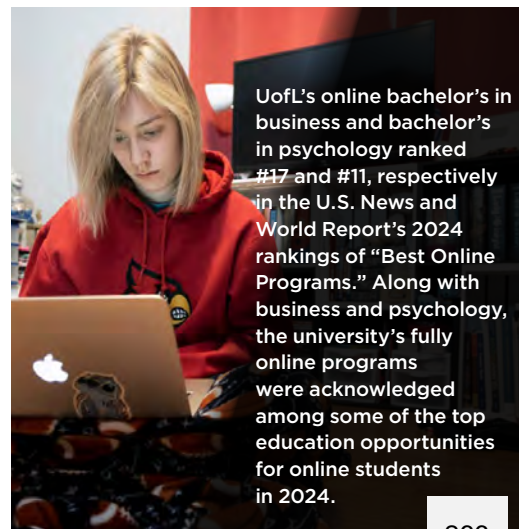
"By drawing from both medicine and engineering, we can come up with a better solution that improves lives," said Mohamed Khudri, a [bioengineering](#) undergraduate student.

UofL President Kim Schatzel named among most influential people in Louisville

University of Louisville President Kim Schatzel's influence in the City of Louisville is being recognized and celebrated after just one year at the helm of the city's premier metropolitan university. Schatzel was named among [Louisville Business First's Power 50](#) for 2024, which identifies the city's most influential people in business and related communities. She secured a position on the fourth-annual edition of the list after being included in the publication's "Five on the Rise" in 2023.

Returning to the Power 50 list is [UofL Health CEO Tom Miller](#), who has led the university's academic health system since early 2019. The list also includes major university donors, former trustees and a dozen alumni.

UofL online degrees place among top in the country





WKU recognized at CPE Student Success Summit

WKU and SKYCTC received the Partnership for Transfer award during the **2024 Student Success Summit**, CPE's signature event that promotes innovative approaches to student success.

In the past two years, WKU and SKYCTC have worked with CPE and the National Association of System Heads (NASH) on a program to increase transfer rates for students who start at a community college.

“Working on the NIC (NASH Improvement Community) has resulted in a stronger partnership between WKU and SKYCTC that will result in more students successfully transferring,” said Christopher Jensen, WKU’s Assistant Vice President for Student Success. “Already we are seeing an increase in transfer numbers between the two partner schools.”

Over the course of the past two academic years, transfer between the two institutions increased by 54% through strong collaboration and commitment to remove barriers for students.

“Our work is not only impacting transfer rates in the region, but nationally, as other institutions are using our findings to inform transfer practices,” Jensen said.

Results of the work between WKU and SKYCTC have been featured in reports by **Inside Higher Ed** and the **U.S. Department of Education**.

More than 400 higher education professionals gathered for the Student Success Summit at WKU’s Knicely Conference Center last month. The theme of this year’s summit was Partnerships that Work, which focused on partnership development as a tool to advance student success.

WKU



NEWS FOR THE COUNCIL ON POSTSECONDARY EDUCATION

MARCH 2024

WKU Online bachelor’s programs ranked among top in state, nation

U.S. News & World Report has ranked Western Kentucky University among the top 100 Best Online Bachelor’s Programs in the nation – and No. 2 in Kentucky.



The 2024 rankings were determined based on each program’s engagement, services and technology, faculty credentials and training, and expert opinion. According to the report, “U.S. News chose factors that weigh how these programs are being delivered and their effectiveness at awarding affordable degrees in a reasonable amount of time.”

Dr. Robert Fischer, Provost & Vice President for Academic Affairs, remarked that, “This ranking speaks directly to the quality of our courses and the expertise of our faculty. It reflects our commitment to providing an educational experience that is not only accessible but also enriching and comprehensive.”

WKU Online programs have remained in the top 100 out of a list of over 300 for over three years in a row. WKU online courses are built to fit around busy schedules, giving learners the flexibility to earn a degree without putting life on hold. Online courses are taught by experienced faculty who also teach face-to-face courses, so online learners receive the same high-quality education as students who take courses on campus.

“Maintaining a position in the top 100 for three consecutive years is a testament to our award-winning student services and the hard work and dedication of our staff. It underscores our continuous efforts to provide an educational environment that supports and nurtures our students’ success,” said Dr. Marko Dumančić, Western Kentucky University Assistant Provost of Faculty Development and Student Success.

WKU’s online undergraduate business program was ranked at #50 in the nation. Other achievements include the veteran’s bachelor’s program with a ranking of #52, veterans-MBA at #68, MBA at #107, and Grad Education at #108.

WKU offers over 80 online degree options, including certificate, bachelor’s, and master’s programs. All programs are regionally accredited.



WKU sustainability efforts earn international recognition

WKU's sustainability efforts continue to earn international recognition in the University of Indonesia GreenMetric World University Rankings.

In the overall 2023 rankings, WKU was recognized as the 664th World's Most Sustainable University out of 1,183 universities from 84 countries. WKU was one of 10 U.S. universities invited to participate.

The UI GreenMetric World University Rankings are based on three pillars — environmental, economic, and social value — incorporating indicators such as setting and infrastructure; energy and climate change; waste; water; transportation; education; and research.

WKU, which created its Office of Sustainability in 2008, has earned numerous national recognitions and certifications, including the International WELL Building Institute for Ogden College Hall, the Green Restaurant Association Certified Dining program, LEED (Leadership in Energy and Environmental Design) certified buildings, AASHE STARS (Association for the Advancement of Sustainability in Higher Education Sustainability Tracking, Assessment, and Rating System), Tree Campus USA, U.S. Department of Education Green Ribbon Schools and more.

In addition to its participation in the UI GreenMetric rankings since 2019, WKU has been profiled in The Princeton Review's Guide to Green Colleges for 14 straight years.



WKU once again celebrates historic fall-to-spring retention successes

In what has become a familiar trend in recent years, Western Kentucky University students again returned to campus for the spring semester at record rates, President Timothy C. Caboni announced on Tuesday, February 13. Among the university's retention successes, 85.4% of all undergraduate degree seeking students who were enrolled in the fall returned for the spring semester, the highest percentage since the university began tracking this data in 2010.

"The retention of our students illustrates the effectiveness of our strategic initiatives in enhancing student engagement; expanding support services; and deepening connections with peers, faculty and staff," President Caboni shared in his message to campus. "We strive to ensure that every student has access to the resources and support needed to succeed academically and across every area of university life."

The university made gains in its fall-to-spring retention of underrepresented minority students. President Caboni shared that 83.9% of WKU's overall underrepresented minority population returned this spring, the highest percentage among this group since the 2010-2011 academic year.

Fall-to-spring retention of first-time, first-year students jumped to 91.6%, compared to 91.1% in spring 2023. This represents a 5.3 percentage point increase since the 2017-2018 academic year, and the highest returning percentage since the university began tracking this data in 2010.

Among low-income first-time, first-year students, 90% returned in the spring, an increase of nearly 5 percentage points since 2019. Additionally, 88.5% of first-time, first-year students who identify as the first in their family to attend college returned for the spring semester, a 2 percentage point increase among this group from last year and a 4.2 percentage point increase since 2019.

The university has renewed its focus on Living Learning Communities (LLCs) in recent years, and nearly a third of first-year students were involved in an LLC to start the 2023-2024 academic year. LLC participation directly affected fall-to-spring retention rates, with 94.8% of first-time, first-year LLC students returning for the spring semester, compared to 90.4% of first-time, first-year students who did not participate in an LLC.

KCTCS GOOD NEWS REPORT

MARCH 2024

KCTCS ADDS \$3.9 BILLION TO KENTUCKY ECONOMY

REPORT FINDS THAT KCTCS RAISES WAGES, DOUBLES TAX REVENUE AND CREATES STRONGER COMMUNITIES ACROSS THE COMMONWEALTH

An independent economic impact study conducted by Lightcast shows that KCTCS added \$3.9 billion in annual income to Kentucky's economy during fiscal year 2022-2023, an amount equal to 1.6% of the Bluegrass State's gross state product. Moreover, expressed in terms of jobs, KCTCS supported more than 54,000 jobs, equating to 1 out of every 49 jobs in the commonwealth.

About KCTCS



101,521
Credit students



21,002
Non-credit students



7,139
Employees

Economic impact analysis



1 out of every 49 jobs in Kentucky is supported by the activities of the colleges and their students.



Alumni impact

Impact of the increased earnings of KCTCS alumni and the businesses they work for

\$3.6 billion
Added income

46,863 Jobs supported



An economic boost similar to hosting the Super Bowl

OR

10x



Operations spending impact

Impact of annual payroll and other spending

\$241.8 million
Added income

6,724
Jobs supported



Enough to buy 5,136 new cars

OR



Kentucky



KENTUCKY
COMMUNITY & TECHNICAL
COLLEGE SYSTEM

“KCTCS is
**AN ECONOMIC BOOM FOR OUR STUDENTS,
 BUSINESS PARTNERS, TAXPAYERS
 AND THE STATE ECONOMY,”**

said KCTCS President Ryan Quarles.

“As this report makes crystal clear, KCTCS greatly increases students' and participants' lifetime earnings, generates higher tax revenues and creates stronger communities. We look forward to continuing to build on our outstanding track record of success in making a positive difference in the workplaces, classrooms and counties across the Bluegrass State.”



Student spending impact

Impact of the daily spending of KCTCS students attracted to or retained in the state

\$47.7 million

Added income



Enough to buy **3,854 families*** a year's worth of groceries

OR **325** Jobs supported



Construction spending impact

Impact of expenditures for ongoing construction projects

\$6.8 million

Added income

OR **148** Jobs supported

● = 1,000 jobs
 * = family of four

Investment analysis



For every \$1...



Students gain **\$6.50** in lifetime earnings



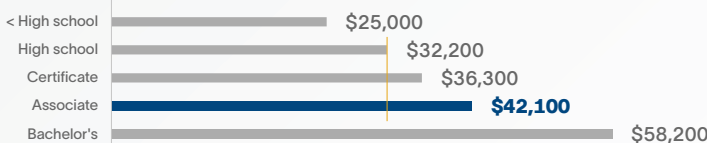
The average associate degree graduate from KCTCS will see an increase in earnings of **\$9,900** each year compared to someone with a high school diploma working in Kentucky.



Taxpayers gain **\$2.30** in added tax revenue and public sector savings



Society gains **\$9.60** in added income and social savings



Sources: Lightcast Economic Impact Study; <https://apnews.com/article/super-bowl-nfl-sports-business-los-angeles-827ec0047d78d4585b88dec9e9cb882f>; <https://www.caranddriver.com/news/a38748092/new-car-average-sale-prices-47100/>; <https://fns-prod.azureedge.us/sites/default/files/media/file/CostofFoodAug2022LowModLib.pdf>



For more information and to review the full findings, please read [Economic Impact of the Kentucky Community and Technical College System](#).





A Message From Mason



Mason Dyer AIKCU President

This has been a busy winter for the AIKCU team, as you'll see in the stories highlighted here.

In the policy arena, we've connected campus leaders with state and federal elected officials to talk about issues facing our students and institutions. Of course, we're closely watching the General Assembly, with a particular interest in student financial aid funding.

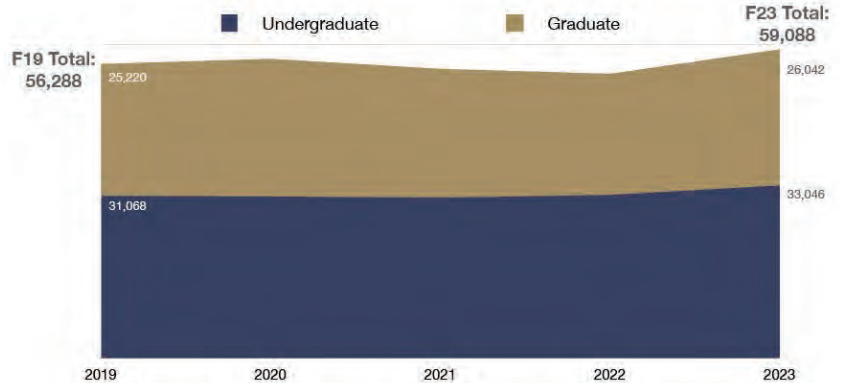
The recently released Fall 2023 enrollment data highlighted here shows that students and families continue to recognize the value proposition offered by Kentucky's independent colleges and universities. While strong recruitment of new students is crucial to this success, the post-pandemic rebound also validates the excellent work of AIKCU faculty and staff to increase student success and retention. Bravo.

The new FAFSA rollout has introduced new challenges and uncertainty to the enrollment environment, but we're thankful to our partners at CPE and KHEAA who collaborated with us to help spread a message of patience and perseverance to students and families.

There is nothing like spring on a small college campus, and I'm looking forward to getting back out to visit AIKCU members over the next few months.

I hope to see you soon.

AIKCU Total Fall Enrollments Fall 2019 - Fall 2023



Source: CPE Database

Fall 2023 enrollment jumps significantly at Kentucky's independent colleges and universities

Kentucky's independent colleges and universities saw a significant increase in enrollment this year, according to new Fall 2023 enrollment data available from the Kentucky Council on Postsecondary Education.

Total fall enrollment grew by 8.5% at the 18 institutions that make up the Association of Independent Kentucky Colleges and Universities. There were 5,000 more students enrolling than in Fall 2022.

"This is great news for the commonwealth's independent college campuses," AIKCU President Mason Dyer said. "This year's boost in enrollment tells us that students and families recognize the unique value that our independent colleges and universities offer."

Dyer said that AIKCU members have been making substantial investments to improve student outcomes and retention as they continue to recover from the pandemic. "This renewed momentum confirms that we're focusing on the right things and moving in the right direction."

Headcount Breaks Record

Headcount enrollment at AIKCU institutions reached a record 59,088 students for Fall 2023. "This continues a period of phenomenal growth for AIKCU member colleges and universities," Dyer said. "Our overall enrollment is up more than 63% over the last decade."

continued on next page

AIKCU FAST FACTS: Fall 2023 Enrollment

- 1 8.5% increase in total headcount enrollment at AIKCU institutions in Fall 2023.
- 2 4.4% increase in first-time, full-time students in Fall 2023.



Turnout strong for NAICU Advocacy Day in D.C.

Hill Day 2024 was a success! Presidents from six AIKCU member colleges, several of their senior staff, and AIKCU staff traveled to D.C. to meet with Kentucky's congressional delegation Feb. 6.

Talk of the day: the importance of federal financial aid to AIKCU students, meeting the challenges of new regulations, and the key role AIKCU colleges are playing in cultivating talent to address the state's workforce needs.

See more at www.aikcu.org/News.

Fall enrollment jumps significantly

continued from front

Undergrad & Grad Enrollment Up

While much of that growth has been driven by the expansion of graduate enrollment (up 255% since 2013), Fall 2023 saw significant growth at the undergraduate level as well.

Total Fall 2023 undergraduate enrollment at AIKCU institutions increased by 5.6% to approximately 33,000 students. Nearly 24,000 of those undergraduate students were enrolled full time in the fall.

First-time, full-time enrollment among AIKCU institutions (the traditional entering class) increased 4.4%. Fall 2023 AIKCU graduate enrollment increased by 12.4% over Fall 2022 after a slight dip last fall.

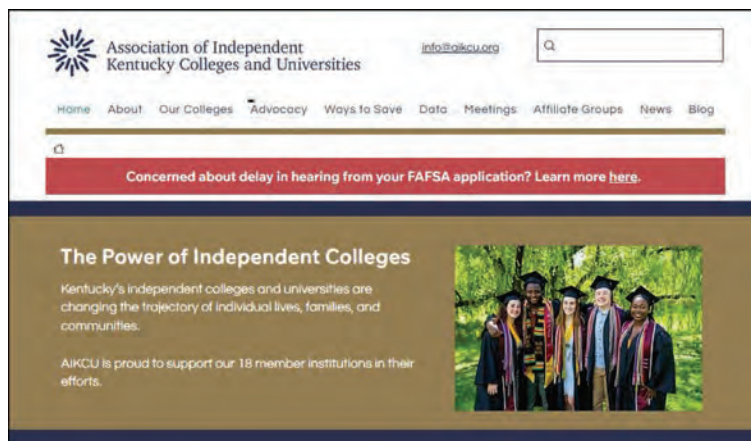
The 8.5% enrollment growth at independent colleges and universities played a large part in Kentucky's 4.4% overall statewide enrollment growth. Total fall enrollment was up 1.3% at public four-year universities and 6.5% within the Kentucky Community & Technical College System, for an overall increase of 3.3% within the public sector.

Explore the data in the CPE Data Center at www.cpe.ky.gov.

AIKCU, CPE, KHEAA team up on editorial to address FAFSA delays

The late release of the new FAFSA form is causing delays in students receiving news of their financial aid packages from the U.S. Department of Education.

To explain the situation and encourage anxious students and parents to be patient during the waiting period, AIKCU President Mason Dyer joined CPE President Aaron Thompson and KHEAA Executive Director/CEO Jo Carole Ellis to author a joint guest editorial that went out to Kentucky media. Find the full editorial and a PDF to download at www.aikcu.org/Advocacy/Financial Aid.



Check out AIKCU's new website!

We're excited to introduce AIKCU's new website. The site went live Feb. 1 and has been redesigned to better serve AIKCU members and the public. We hope you'll make this your go-to site for AIKCU news, advocacy updates, ways to save, data and stats, meeting highlights, and much more.

Explore the site at www.aikcu.org.

SPRING MEETINGS

AIKCU Library Directors Spring Meeting

April 12, 10 a.m.-2 p.m. ET, Asbury University, Wilmore

AIKCU Chief Academic Officers Spring Meeting

May 3, 10 a.m.-2 p.m. ET, Georgetown College, Georgetown

AIKCU Executive Committee

May 15, 2-3 p.m. ET, Virtual

AIKCU Board of Directors

10 a.m.-2 p.m. ET, Midway University, Midway

See full schedule at www.aikcu.org/Meetings.