

MINUTES

Council on Postsecondary Education

Type: Finance Committee Meeting
Date: June 14, 2022
Time: 2:00 p.m. ET
Location: Virtual Meeting by ZOOM Webinar; Public viewing hosted on CPE YouTube Page

CALL TO ORDER

The Finance Committee met Tuesday, June 14, 2022, at 2:00 p.m., ET. The meeting occurred virtually via ZOOM teleconference. Members of the public were invited to view the livestream on the CPE YouTube page.

Chair Lucas Mentzer presided.

ATTENDANCE

Committee members in attendance: Colby Birkes, Eric Farris, Lucas Mentzer, Richard Nelson, Madison Silvert and Elaine Walker.

Committee members not in attendance: Kellie Ellis

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

APPROVAL OF THE MINUTES

The minutes of the April 12, 2022, Finance Committee meeting were approved as distributed.

2022-23 FINANCE COMMITTEE MEETING DATES

Chair Mentzer presented the meeting dates for the Finance Committee for the 2022-23 academic year. Each meeting will take place at 1pm ET on September 13 and November 10 of 2022, and January 24, March 21, and June 6 of 2023.

MOTION: Ms. Walker moved to approve the meeting dates. Mr. Silvert seconded the motion.

VOTE: The motion approved.

CAMPUS TUITION AND FEE PROPOSALS FOR ACADEMIC YEAR 2022-23

Mr. Shaun McKiernan, Executive Director of Finance and Budget, presented for approval the campus-proposed undergraduate tuition and mandatory fee rates for the University of Kentucky (UK), University of Louisville (UL), Eastern Kentucky University (EKU), Kentucky State University (KSU), Morehead State University (MoSU), Murray State University (MuSU), and Western Kentucky University (WKU). He also presented the proposed graduate rates for Northern Kentucky University (NKU) as their undergraduate rates were approved at the April 15, 2022, Council meeting.

Institution	Proposed base rate increases for 2022-23
UK	\$249 increase or 2.0%
UL	\$150 increase or 1.2%
EKU	\$92 increase or 1.0%
KSU	\$154 increase or 1.8%
MoSU	\$98 increase or 1.1%
MuSU	\$180 increase or 1.9%
WKU	\$120 increase or 1.1%

Staff reviewed the proposed 2022-23 tuition and fee charges for every degree level, residency, and attendance status and determined that they comply with Council approved ceilings approved at the May 13, 2021, meeting. In addition, staff determined that proposed prices for nonresident undergraduate students adhere to provisions of the Council's Policy, or a previously approved Memorandum of Understanding between the Council and an institution.

MOTION: Mr. Farris moved that the Finance Committee approve the proposed tuition and mandatory fee proposals for academic year 2022-23 and recommend final approval by the Council at its June 17, 2022, meeting. Ms. Walker seconded the motion.

VOTE: The motion passed.

ASSET PRESERVATION POOL GUIDELINES & DELAGATION OF AUTHORITY REQUEST

Dr. Bill Payne, CPE's Vice President for Finance and Administration presented for approval the 2022-24 Asset Preservation Pool Guidelines.

The Postsecondary Education Asset Preservation Pool was developed to provide funding for individual asset preservation, renovation, and maintenance projects at Kentucky public postsecondary institutions. During the 2022 session, the General Assembly authorized \$683.5 million in General Fund supported bond funds, and the guidelines reviewed by the Finance Committee were to provide guidance to the campuses on a number of areas including the matching requirements, uses of funds, eligibility criteria and the reimbursement process.

MOTION: Mr. Birkes moved the Finance Committee approve the Asset Preservation Pool Guidelines and recommend approval by the Council at its June 17, 2022, meeting. Ms. Walker seconded the motion.

VOTE: The motion passed.

Dr. Payne presented for approval a Delegation of Authority for projects being funded by the Asset Preservation Pool. The enacted budget stipulates that capital projects funded from the pool are authorized by the General Assembly and campuses requested that project review be expedited to avoid delays.

MOTION: Ms. Walker moved the Finance Committee approve the Committee and the Council delegate to staff the authority to approve capital projects funded from the Asset preservation pool and recommend approval by the Council at its June 17, 2022, meeting. Mr. Birkes seconded the motion.

VOTE: The motion passed.

ENDOWMENT MATCH PROGRAM GUIDELINES

Dr. Payne presented for approval the 2022-24 Endowment Match Program Guidelines. The Endowment Match Program was authorized by the 2022 Legislative Session and placed \$40 million in state bond funds for Bucks for Brains. Of that amount, \$30 million was appropriated to the Research Challenge Trust Fund (RCTF) and \$10 million was appropriated to the Comprehensive University Excellence Trust

Fund (CUETF). Areas covered in the guidelines include the use of funds requirements, allocation of funds, how to request funds, how to report and matching requirements.

MOTION: Mr. Silvert moved the Finance Committee approve the 2022-24 Endowment Match Program Guidelines and recommend approval by the Council at its June 17, 2022, meeting. Mr. Birkes seconded the motion.

VOTE: The motion passed.

WORKFORCE DEVELOPMENT TRUST FUND GUIDELINES

Mr. McKiernan for approval the 2022-24 Workforce Development Trust Fund Guidelines. The Workforce Development Trust Fund was authorized by the 2022 Legislative Session and designated \$2.25 million of non-recurring funds for the 2022-23 fiscal year to help KCTCS increase credential production capacity for identified supply gaps and support program offerings in targeted industry sectors. The targeted industry sectors for this initiative are healthcare, advanced manufacturing, transportation and logistics, business services and information technology, and construction and trades. Areas covered in the guidelines include the use of funds requirements, allocation of funds, how to request funds, and how to report.

MOTION: Ms. Walker moved the Finance Committee approve the 2022-24 Workforce Development Trust Fund Guidelines and recommend approval by the Council at its June 17, 2022, meeting. Mr. Birkes seconded the motion.

VOTE: The motion passed.

INTERIM CAPITAL PROJECT APPROVAL (ASSET PRESERVATION POOL PROJECTS)

Mr. McKiernan presented two interim capital project requests that would be funded by the Asset Preservation Pool.

- 1) Southeast Kentucky Community and Technical College – Mechanical Equipment and Upgrades. It has a \$2,000,000 total scope with \$1,739,200 being paid for with asset preservation pool funds and \$260,800 paid for with campus funds. The project would upgrade and replace boilers, chillers, pumps, and air handlers and provide for heating, ventilation, and air conditioning control upgrades.

2) Madisonville Community College – New Roof for Glema Mahr Arts Center. It has a \$1,500,000 total scope with \$1,304,400 being paid for with asset preservation pool funds and \$195,600 paid for with campus funds.

MOTION: Mr. Silvert moved the Finance Committee approve the two proposed interim capital projects and recommend approval by the Council at its June 17, 2022, meeting. Mr. Nelson seconded the motion.

VOTE: The motion passed.

KENTUCKY STATE UNIVERSITY FUNDING DISBURSEMENT REQUEST

Mr. Travis Powell, CPE's Vice President and General Counsel, presented Kentucky State University's Funding Disbursement Request of \$5.5 million from its \$23 million 2021-22 special appropriation to address the current year budget shortfall. Per the written request, the funds will allow them to meet the payroll and end of year expenses as well as expenses related to the capital projects and provide a cash reserve.

MOTION: Mr. Farris moved the Finance Committee approve KSU's funding disbursement request and recommend approval by the Council at its June 17, 2022, meeting. Mr. Birkes seconded the motion.

VOTE: The motion passed.

ADJOURNMENT

The Finance Committee adjourned at 3:20 p.m., ET.

MINUTES REVIEWED AND APPROVED BY THE COMMITTEE: September 13, 2022