

MEETING MINUTES

Approval by the Finance Committee, January 16, 2024

Who: Kentucky Council on Postsecondary Education
Meeting Type: Finance Committee
Date: October 23, 2023
Time: 1:00 p.m. ET
Location: Virtual Meeting via ZOOM Webinar

CALL TO ORDER

The Finance Committee met Monday, October 23, 2023, at 1:00 p.m., ET. The meeting occurred virtually via ZOOM webinar. Committee Chair Eric Farris presided.

ATTENDANCE

Committee members in attendance: Jennifer Collins, Kellie Ellis, Eric Farris, Chole Marsteller, and Madison Silvert.

Committee members not in attendance: Jacob Brown and Elaine Walker.

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

APPROVAL OF THE MINUTES

The minutes of the September 11, 2023, Finance Committee meeting was approved as presented.

INTERIM CAPITAL PROJECT REQUESTS - KCTCS

Mr. Shaun McKiernan, Executive Director of Finance and Budget, presented five interim capital project requests from the Kentucky Community and Technical College System (KCTCS). Those projects were as follows:

1. Big Sandy CTC - Pikeville Nursing Renovation - \$1,500,000.
The federal funded project will upgrade facilities for the Pikeville Regional Technology Center nursing program and allow Big Sandy CTC to renovate classrooms and labs that will house the college's Nursing Education Program after its relocation from the Summit Building at Pikeville Medical Center.

2. Southcentral CTC - Franklin Simpson Center Roof Replacement - \$1,200,000.
The project will replace 41,300 square feet of roofing and will be funded with agency restricted funds.
3. Southcentral CTC - Signage - \$1,200,000.
The agency restricted fund project will construct a main campus sign to contain lettering and video boards. The project will include removal of the existing sign, site development, a decorative fence element, lighting, and landscaping.
4. Owensboro CTC - Mobile Healthcare Labs - \$2,000,000.
The project will be funded with federal grant funds and will purchase two mobile healthcare labs that will service sixteen counties in western Kentucky, providing access to education for students who may not choose to attend college due to location or life challenges.
5. Bluegrass CTC - Property Acquisition - \$4,000,000.
The agency restricted funds project will allow the purchase of an existing 80,040 gross square foot building on 15.42 acres (804 parking spaces) that is near the BCTC Winchester campus.

KCTCS representative, Andy Casebier, answered questions from the Council regarding the high expected expenses for the project at Southcentral CTC and the future needs for the project at Bluegrass CTC.

MOTION: Mr. Brown moved the Finance Committee approve the proposed interim capital project requests from Kentucky Community and Technical College system and recommend final approval by the Council at its November 17, 2023, meeting. Dr. Ellis seconded the motion.

VOTE: The motion passed.

KCTCS STUDY ON RESOURCE AND PROGRAM OPTIMIZATION

Dr. Larry Ferguson, interim president for KCTCS, discuss the results of a study conducted by Huron Consulting Group earlier in the year. KCTCS leadership engaged Huron Consulting Group to perform an assessment of the system's physical resources, programs, and administrative support structures to identify opportunities to improve business operations, cross-campus collaboration, and overall efficiency in alignment with the system's strategic plan. The study was conducted with the engagement of over 2,300 members of the KCTCS organization, including interviews with 70+ System Office and college employees, hosting 21 focus groups with 250+ participants, and facilitating 17 townhalls with approximately 2,000 attendees. Huron also gathered and analyzed institutional data and collected market and peer data to gain insight on additional opportunities.

The results of that assessment were presented to the KCTCS Board of Regents in June 2023. It resulted in a menu of 47 academic, space, and financial and organizational opportunities for KCTCS to consider, prioritize, and pursue. Compensation and Equity will be covered in a future report.

Dr. Ferguson answered questions from the Council about how employers were engaged in the study as well KCTCS's current plans for the suggestions that resulted from the study.

STUDENT DEBT IN KENTUCKY

Mr. Travis Muncie, Executive Director for Data and Advanced Analytics, and Dr. Chris Ledford, Associate Director for Data and Advanced Analytics, presented CPE's latest study on Kentucky student debt levels after graduation from one of Kentucky's public institutions. CPE staff conducted the 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 findings show that average debt levels for postsecondary graduates in Kentucky are declining. Moderating debt load of Kentucky's college students has been a key focus of campuses across the state, as well as CPE and state leaders. Specifically,

- Average debt for all graduates (including those graduating with and without debt) dropped 26.4% between 2017-18 and 2021-22.
- At four-year public universities, average graduate debt declined by 11.7% and 4.3% among only graduates with debt. The proportion of graduates with debt declined from 63.7% to 58.8%.
- At KCTCS, average graduate debt declined over the past 5 years by 33.7% and 8.4% among only graduates with debt. The proportion of graduates with debt declined from 48.8% to 35.2%.

Council members thanked the staff for their work in this area and stated they look forward to future reports surrounding affordability and debt.

ADJOURNMENT

The Finance Committee adjourned at 2:05 p.m., ET.