

KY COUNCIL ON POSTSECONDARY EDUCATION EXECUTIVE COMMITTEE



August 18, 2021 – 10:00 a.m. ET

Virtual meeting via ZOOM teleconferencing option

Livestream: <https://www.youtube.com/c/KentuckyCouncilOnPostsecondaryEducationFrankfort>

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	<i>Next meeting: September 14, 2021 @ 8:30am ET</i>	

DRAFT MINUTES
Council on Postsecondary Education

Type: Executive Committee
Date: June 25, 2021
Time: 8:30 a.m. ET
Location: Cooperative Extension Building, Room 219
Kentucky State University, 105 University Dr, Frankfort, KY 40601.

CALL TO ORDER

The Executive Committee of the Council on Postsecondary Education met Friday, June 25, 2021, at 8:30 a.m., ET. The meeting took place in the Cooperative Extension Building at Kentucky State University.

Chair Lucas Mentzer presided.

ATTENDENCE

Members in attendance: Eric Farris, Lori Harper (by teleconference), Lucas Mentzer, Vidya Ravichandran (by teleconference), and Robert Staat.

CPE President Aaron Thompson attended the meeting and served as Secretary of the board, per the CPE Bylaws. Heather Faesy, CPE's senior associate for Board Relations, served as recorder of the meeting minutes.

DISCUSS THE ROLE OF THE COMMITTEE

Chair Mentzer thanked everyone for their agreement to serve on the newly reformed Executive Committee. The group engaged in a discussion on the role of the committee (per the bylaws) and how it acts in an advisory capacity to the president.

2021-22 MEETING SCHEDULE

Chair Mentzer proposed the Executive Committee plan meetings on the following schedule: One meeting about a month before each Council meeting, and one meeting the morning before the Council meeting. Committee members were in agreement and Chair Mentzer asked CPE staff to poll for availability and finalize the meeting dates through January 2022.

EXECUTIVE SESSION

Chair Mentzer stated a personnel matter needed to be discussed and asked for a motion to go into closed session.

MOTION: Mr. Farris moved the Committee go into closed session per KRS 61.810(1)(f) to discuss a personnel matter. Dr. Staat seconded the motion.

The Committee remained in closed session for 25 minutes.

MOTION: Mr. Farris moved the Council go back into open session. Dr. Staat seconded the motion.

VOTE: The motion passed.

Chair Mentzer confirmed that no action took place during executive session and that only the matters identified in the motion were discussed. He then stated the committee discussed the contract for President Aaron Thompson as well as the process of the annual presidential review.

MOTION: Ms. Harper moved to adjust the annual presidential evaluation process to align with the fiscal year of July 1 through June 30. Ms. Ravichandran seconded the motion.

VOTE: The motion passed.

MOTION: Mr. Farris moved to extended Aaron Thompson's contract an additional three years, ending June 30, 2026 and increase his compensation to the statutory limit. Dr. Staat seconded the motion.

VOTE: The motion passed.

Chair Mentzer stated both motions would go before the full Council for approval at its June 25, 2021 meeting.

ADJOURNMENT

The Executive Committee adjourned at 9:14 a.m., ET.

MINUTES REVIEWED AND APPROVED BY THE COMMITTEE: _____



ANDY BESHEAR
GOVERNOR

EXECUTIVE ORDER

2021-504
July 20, 2021

Secretary of State
Frankfort
Kentucky

RELATING TO KENTUCKY STATE UNIVERSITY

As recent news reports have indicated, members of the Kentucky State University (KSU) Board of Regents and the Council on Postsecondary Education (CPE) have voiced concerns about the financial stability of the University. The purpose of this Executive Order is to ensure that CPE is able to provide guidance, oversight, and resources to the KSU Board of Regents for a review of KSU's financial condition, so that KSU may continue to provide a high-quality education to its students.

CPE is charged with "evaluating the performance and effectiveness of the state's postsecondary system." KRS 164.020(4). It is further charged with the development and implementation of "policies to be used in making recommendations to the Governor for consideration in developing recommendations to the General Assembly for appropriations to the universities," as well as "policies that provide for allocation of funds among the universities." KRS 164.020(9). To carry out these duties, CPE is empowered to: "[d]evelop a financial reporting procedure to be used by all state postsecondary education institutions," KRS 164.020(26); to "[r]equire reports from the executive officer of each institution it deems necessary for the effectual performance of its duties," KRS 164.020(12); and to "[e]xercise any other powers, duties, and responsibilities necessary to carry out the purposes of this chapter," KRS 164.020(38). CPE also develops and implements "a system of accountability for the postsecondary education institutions that measures," among other things, each institution's "use of resources," KRS 164.095(3)(d), and reports on these accountability measures to the Governor and the General Assembly, KRS 164.095(5).

NOW, THEREFORE, I, Andy Beshear, by virtue of authority vested in me pursuant to the Kentucky Constitution and KRS Chapters 12 and 164, do hereby Order and Direct as follows:



ANDY BESHEAR
GOVERNOR

EXECUTIVE ORDER

2021-504
July 20, 2021

Secretary of State
Frankfort
Kentucky

1. CPE shall provide an assessment of the current financial status of KSU, and shall provide a report to the Governor detailing its assessment prior to providing recommendations concerning appropriations for the next biennial budget.
2. To assist CPE in performing its assessment, KSU shall provide CPE access to any records CPE deems necessary to preparing its assessment.
3. CPE shall assist the KSU Board of Regents in developing a management and improvement plan with goals and measurable metrics, which shall be subject to the approval of CPE. The management and improvement plan shall be designed to assist with organizational and financial stability. The management and improvement plan shall provide for continuing oversight by, and reporting to, CPE concerning the implementation of the plan.
4. CPE shall make recommendations to the KSU Board of Regents concerning the KSU administrative structure and leadership.

A handwritten signature in cursive script that reads "Andy Beshear".

ANDY BESHEAR, Governor
Commonwealth of Kentucky

A handwritten signature in cursive script that reads "Michael G. Adams".

MICHAEL G. ADAMS
Secretary of State

RECEIVED AND FILED

DATE

7/21/2021

MICHAEL G. ADAMS

SECRETARY OF STATE

COMMONWEALTH OF KENTUCKY

BY

Sarah M. Burgin

Table 1 - Institution Funding Components and Request Amounts

Funding Component	Fiscal 2020-21	Fiscal 2021-22	Biennial Total
Operating Funds			
• Performance Funding ¹	\$52,492,400	\$74,989,100	\$127,481,500
• KSU Land Grant Match ²	\$497,400	\$497,400	\$994,800
Capital Investment			
• Asset Preservation ³	\$200,000,000	\$200,000,000	\$400,000,000
– Debt Service	8,239,000	24,717,000	32,956,000

¹ Additional operating funds that will provide incentives for institutions to increase student success and course completion outcomes. If authorized, these funds will help Council and campus officials maintain affordability and access for Kentucky citizens and provide resources necessary for institutions to continue making progress toward the state's student success goals. The request represents increases of **6.2%** and **8.8%**, respectively, above the current year net General Fund base.

² Additional operating funds to meet federal matching requirements for KSU's land-grant program. If authorized by the General Assembly, these funds would be added to \$6,651,400 already contained in KSU's fiscal 2019-20 operating appropriation and the resulting \$7,148,800 mandated program total would be excluded from the performance funding model. These funds will help sustain the effectiveness and impact of outreach, service, and applied research of KSU's land-grant program.

³ Debt service for a \$400 million bond issue to finance asset preservation and renovation projects at the postsecondary institutions during the upcoming biennium. If requested bond funds are authorized, CPE staff recommends that they be **matched fifty cents on the dollar** by receiving institutions. It is estimated that the combined \$600 million total, state bonds and campus matching funds, would address about 10% of the total asset preservation need.

Council on Postsecondary Education
2022-24 Biennial Budget Development Timeline
August 4, 2021

Group	Date	Activity
CBO Meeting	July 22, 2021	<ul style="list-style-type: none"> • Review funding components, amounts, and rationale for 2020-22 biennia. • Review updated postsecondary education priorities for fiscal year 2021-22. • Share preliminary timeline and discuss budget development process. • Discuss potential funding components for 2022-24.
Presidents' Meeting	August 4, 2021	<ul style="list-style-type: none"> • Update presidents regarding progress. • Review funding components, amounts, and rationale for 2020-22 biennia. • Review updated postsecondary education priorities for fiscal year 2021-22. • Share preliminary timeline and discuss budget development process. • Discuss potential funding components for 2022-24.
CBO Meeting	August 19, 2021	<ul style="list-style-type: none"> • Continue discussion of potential 2022-24 funding components. • Initiate discussion of funding amounts and rationale for requests.
Presidents' Meeting	September 1, 2021	<ul style="list-style-type: none"> • Update presidents regarding progress. • Continue discussion of potential 2022-24 funding components. • Initiate discussion of funding amounts and rationale for requests.
Finance Committee	September 2, 2021	<ul style="list-style-type: none"> • CPE staff updates committee regarding progress. • Review funding components, amounts, and rationale for 2020-22 biennia. • Review updated postsecondary education priorities for fiscal year 2021-22. • Share preliminary timeline and discuss budget development process. • Discuss potential funding components for 2022-24.
Council Meeting	September 14, 2021	<ul style="list-style-type: none"> • Finance Committee Chair updates Council regarding progress. • Share preliminary timeline and discuss budget development process. • Discuss potential funding components for 2022-24.
CBO Meeting	September 23, 2021	<ul style="list-style-type: none"> • Formulate draft funding recommendation to share with presidents. • Draft will include funding components, amounts, and rationale for the request.

Council on Postsecondary Education
 2022-24 Biennial Budget Development Timeline
 August 4, 2021

Group	Date	Activity
Presidents' Meeting	October 6, 2021	<ul style="list-style-type: none"> • Review draft funding recommendation. • Discuss funding components, amounts, and rationale for the request. • Provide feedback to CPE staff regarding any suggested changes to draft request.
CBO Meeting	October 21, 2021	<ul style="list-style-type: none"> • Modify funding recommendation based on input from presidents. • Review and discuss presentation materials.
Presidents' Zoom Call	TBD	<ul style="list-style-type: none"> • Review and finalize modified funding recommendation. • Review and discuss presentation materials.
Finance Committee	October 28, 2021	<ul style="list-style-type: none"> • Committee takes action on proposed 2022-24 biennial budget recommendation.
Presidents' Meeting	November 3, 2021	<ul style="list-style-type: none"> • Discuss biennial budget recommendation advocacy efforts.
Council Meeting	November 5, 2021	<ul style="list-style-type: none"> • Council takes action on proposed 2022-24 biennial budget recommendation.
CPE Staff	November 15, 2021	<ul style="list-style-type: none"> • Biennial budget submission to OSBD and LRC staffs.
CBO Meeting	November 18, 2021	<ul style="list-style-type: none"> • Budget development and submission process debrief. • Final K-Bud review and corrections, if required.

-- Updated July 28, 2021

Affordability a shared goal since higher education matters – for everyone

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OPINION EDITORIAL

Release Date: Aug. 17, 2021

Contact: Sue Patrick

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Affordability a shared goal since higher education matters – for everyone

By Kentucky Council on Postsecondary Chair Lucas Mentzer, Vice-Chair Eric Farris and President Aaron Thompson

It's been truly inspiring to see young students from across the Commonwealth step up to the microphone in the Capitol rotunda and express their thoughts on what a full scholarship to one of Kentucky's public colleges or universities means to them. The scholarships, which are being awarded to 15 students ages 12 to 17, are a part of Gov. Andy Beshear's vaccine incentive program to encourage Kentuckians to get vaccinated against COVID-19.

We're very appreciative that the governor included the scholarships in his "Shot at a Million" program. The awards allow these promising youth to follow -- and afford -- their dreams of a college degree.

But students who don't win this scholarship still have a shot at a million, although of a different sort. An investment in a bachelor's degree will likely earn you \$1 million more over the course of your career. According to the American Community Survey, the median lifetime earnings for bachelor's degree holders in Kentucky is \$2.5 million, compared to just \$1.5 million for high school graduates.

And for those whose college goal includes a short-term credential or associate degree, there's a substantial boost in median lifetime earnings in your future, too. That college

experience will likely increase your lifetime earnings by \$200,000.

Beyond increased earnings potential, higher education matters in other life-changing ways. The data show that those with higher education credentials have higher rates of job satisfaction and better health outcomes. They are less likely to be unemployed, on public assistance or incarcerated. Additionally, the state reaps the benefits of a more highly skilled workforce to drive Kentucky's economy.

For these reasons and more, the Council on Postsecondary Education is committed to ensuring that higher education is affordable for all Kentuckians. Last year, CPE approved a historically low average tuition increase of just 0.7% across the system. For the coming academic year, the average system-wide tuition increase is 1.2%.

We are also laser-focused on reducing other financial barriers to college for students from all backgrounds, with a special focus on historically underserved populations. Guided by our strategic agenda, campuses are making considerable progress with high-impact strategies to close equity gaps for underrepresented minority (URM) populations. Our recent progress report showed graduation rates and degrees conferred are at historic highs for URM students at public universities and KCTCS.

But there's more we can do to lower the cost of college, and we need your help!

- Students – Fill out your FAFSA application to see if you qualify for free money for college. Talk to your counselor and parents for guidance about your college options, and don't be afraid to ask for help. You can always reach out to the Kentucky Higher Education Assistance Authority [outreach counselors](#) since they provide services in every county.
- Parents/Mentors -- Check out a new resource, the [Kentucky Students' Right to Know website](#), to compare the cost of college at Kentucky public campuses, explore job demand for different majors, salaries and more.
- Kentucky executive and legislative leaders – Keep making Kentucky higher education a priority in the budget process and continue to move us toward healthier funding levels. Thank you for the recent addition of \$38 million for pensions and performance funds. However, in nominal dollars since fiscal year 2008, the campuses have lost \$178 million in funding. In inflation-adjusted dollars, that's over \$500 million, and it's almost 40% less on a per-student, inflation-adjusted basis.

We will roll out a new strategic agenda in November that addresses affordability and equity issues in innovative and collaborative ways. Our goal is to ensure that all Kentuckians have a

place in higher education if they want it. At CPE, we believe that higher education matters -- for everyone.

Photos and bios of Lucas Mentzer and Eric Farris are available at <http://cpe.ky.gov/aboutus/members.html>.
President Aaron Thompson's bio and photo are available at <http://cpe.ky.gov/aboutus/president.html>.

###

The Council on Postsecondary Education is leading transformation in our workforce, economy and quality of life by advancing progress in educational attainment across Kentucky. As the state's higher education coordinating agency, we champion high-quality, inclusive and affordable postsecondary opportunities that prepare students for civic engagement and sustainable careers. That's why we are undertaking the 60x30 goal, an ambitious effort to raise the percentage of working-age Kentuckians with a postsecondary degree or certificate to 60% by the year 2030. At CPE, we believe that higher education matters – *for everyone*.

Kentucky Council on Postsecondary Education

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