

**KENTUCKY COUNCIL ON POSTSECONDARY EDUCATION
EXECUTIVE COMMITTEE MEETING**



January 30, 2025 – 10:30 a.m. ET
Council on Postsecondary Education, Frankfort, KY - Boardroom

- I. Call to Order and Roll Call**

- II. Action Items**
 - A. Approval of the Minutes 2
 - B. Annual Audit Results, year ended June 30, 2024

- III. Reports and Updates**
 - A. FY25 Agency Budget Update 5
 - B. CPE President Report
 - C. Kentucky State University Management Improvement Plan
 - D. 2025 Council Retreat planning

- IV. Closed Session due per KRS. 61.810(1)(f) to discuss individual personnel matters relating to the reappointment of an employee**

- V. Other Business**
 - A. Committee Appointment

- VI. Adjournment**

Next committee meeting: April 17, 2025

MEETING MINUTES

Draft for Approval by the Executive Committee on Jan. 30, 2025

Who: Kentucky Council on Postsecondary Education
Meeting Type: Executive Committee
Date: November 22, 2024
Time: 8:30 a.m. ET
Location: Bellarmine University, Louisville – Centro Hall, Abell Board Room

CALL TO ORDER

The Executive Committee of the Kentucky Council on Postsecondary Education met Friday, November 22, 2024, at 8:30 a.m. ET. The meeting occurred at Bellarmine University in Louisville, Kentucky. Rev. CB Akins presided.

ROLL CALL

The following committee members attended the meeting: CB Akins, Jacob Brown, Kellie Ellis (virtual), and Karyn Hoover (virtual). Those who did not attend: Madison Silvert 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 15, 2024, committee meeting were approved as distributed.

EXECUTIVE COMMITTEE MEETING DATES FOR CALENDAR YEAR 2025

Mr. Travis Powell, Senior Vice President and General Counsel, presented the proposed 2025 meeting dates for the Executive Committee: January 31, April 17, June 11, September 12 and November 14.

MOTION: Mr. Brown moved the committee approve the proposed 2025 meeting dates. Dr. Ellis seconded the motion.

VOTE: The motion passed.

STUDY DIRECTED BY SENATE BILL 91

Mr. Powell presented the report completed in response to Section 76 of Senate Bill 91 (2024), which directed CPE to detail all programs administered in Fiscal Years 2023 and

2024, the statutes authorizing these programs, and the associated expenditures and fund sources. This report was organized by functional unit except for the sections detailing the Technology Trust Fund, fiduciary (pass-through) funds, and special legislative directives of a non-recurring nature. Since the expenditures do not fit neatly within any one unit, they are treated as stand-alone programs for the purposes of the report. Each section provided a high-level overview the unit's purpose, a description of its programs and activities (along with any statutory references), and its expenditures during the specified time frame.

Rev. Akins commended Council staff on their work to complete the report and said he looks forward to how it may impact future budget decisions.

CPE PRESIDENT UPDATE

President Thompson provided an update on the work of the Postsecondary Education Working Group on Performance Funding Group, the fall 2024 preliminary enrollment numbers, and collaborative efforts to ensure more students complete the 2025-26 FAFSA .

CLOSED SESSION PER KRS 61.810(1)(f)

MOTION: Mr. Brown moved the committee go into closed session per KRS 61.810(1)(f) to discuss individual personnel matters relating to the reappointment of an employee. Dr. Ellis seconded the motion.

VOTE: The motion passed.

The committee remained in Executive Session for ten minutes.

MOTION: Mr. Brown moved the committee go into open session. Ms. Hoover seconded the motion.

VOTE: The motion passed.

Rev. Akins confirmed that no action took place during the closed session and that only matters identified in the motion were discussed.

OTHER BUSINESS

Mr. Powell explained the process the Council will take during the business meeting to elect a temporary chair.

If elected temporary chair, Rev. Akins announced that he will be making the following committee appointments at the business meeting on behalf of Chair Silvert, per his request.

- 2025 Nominating Committee – Kevin Weaver, who will serve as chair, Jennifer Collins and LaDonna Rogers.

- Academic and Strategic Initiatives Committee – Sean Garber and Macy Waddle
- Finance Committee – Macy Waddle

ADJOURNMENT

The Executive Committee adjourned at 9:40 a.m., ET.

DRAFT

Kentucky Council on Postsecondary Education

Agency Budget Update

FY2025 – Second Quarter (July 1, 2024 – December 31, 2024)

GENERAL FUND OPERATIONS

Overview

General funds are used to provide essential services and resources that support the board, president, and agency in carrying out CPE’s statutory duties and strategic agenda priorities. Units and initiatives funded through general funds are:

- **The Office of the President**, which is the state’s primary advocate for public postsecondary education and advises the Governor and General Assembly on higher education matters;
- **CPE Board** whose responsibilities are set out in KRS 164.013. The CPE Board and its standing and advisory committees meet regularly throughout the year to review staff recommendations and approve major decisions of the Council;
- **Academic Excellence**, which oversees matters relating to the quality of degree programs and instruction;
- **Finance**, which oversees college affordability and deals with postsecondary budgetary matters;
- **Policy, Planning, Communications, Data and Research**, which develops and implements the strategic agenda and associated accountability system; collects, analyzes, and warehouses student data; and coordinates communications and events;
- **Workforce and Economic Development**, which aligns degree offerings with workforce needs and addresses critical shortages in the high-need occupational areas; and
- **Agency Operations**, which houses the office of general counsel and government relations, human resources, administrative services, and other functions supporting agency staff.

HB6 of the 2024 Regular Session appropriates funds to be used for strategic initiative efforts. These funds are used to support:

- **Student Access and Success**, which promotes smoother transitions to and through postsecondary education through policy, programs, and enhanced student support services;
- Graduate Profile grants to institutions and the Faculty Leadership Academy

HB6 of the 2024 Regular Session appropriated general funds for CPE oversight of Kentucky State University and to conduct a Postbaccalaureate Study.

Financial Overview

Program	FY2025 Budget	Expenditures As of Report Period	Balance As of Report Period
Operations Base	\$6,318,500	\$2,726,255	\$3,592,245
Postbaccalaureate Study	2,000,000	573,051	1,426,949
Operations Strategic Initiatives	1,457,400	529,260	928,140
Operations - SREB Dues	224,800	0	224,800
Kentucky State University Oversight	750,000	223,147	526,853
TOTAL GENERAL OPERATIONS	\$10,750,700	\$4,051,714	\$6,698,986

TECHNOLOGY TRUST FUND

Overview

KRS 164.7911 creates the Technology Initiative Trust Fund, and KRS 164.7921 clarifies that the fund supports ongoing technology investments and upgrades for CPE and postsecondary institutions. KRS 164.800 encourages shared program delivery among libraries, institutions, systems, agencies, and programs. These joint technology purchases and digital subscriptions result in considerable cost savings for the Commonwealth.

- The Kentucky Postsecondary Education Network (KPEN) provides internet access to public postsecondary campuses and other digital initiatives.
- Kentucky Virtual Library (KYVL) is a consortium of over 300 Kentucky libraries and institutions, including colleges and universities, public libraries, K12 schools, hospitals, the Kentucky Department for Libraries and Archives (KDLA), and more.

Program funding comes from the General Fund and fees from Kentucky postsecondary institutions.

Financial Overview

KPEN and Technology Support	FY2025 Budget	Expenditures As of Report Period
REVENUE		
Prior Year Carry Forward	\$1,468,823	\$1,468,823
General Fund	2,105,800	1,684,500
Member Fees	550,000	232,905
TOTAL REVENUES	\$4,124,623	\$3,386,228
EXPENDITURES		
Personnel	\$600,000	\$334,392
Operating	2,962,423	1,257,804
TOTAL EXPENDITURES	\$3,562,423	\$1,592,196
FUND BALANCE	\$562,200	\$1,794,032

Kentucky Virtual Library (KYVL)	FY2025 Budget	Expenditures As of Report Period
REVENUE		
Prior Year Carry Forward	\$1,089,427	\$1,089,427
General Fund	1,547,400	1,229,700
Member Fees	3,150,000	2,565,848
TOTAL REVENUES	\$5,786,827	\$4,884,975
EXPENDITURES		
Personnel	\$410,311	\$203,575
Operating	3,991,554	3,644,402
TOTAL EXPENDITURES	\$4,401,865	\$3,847,978
FUND BALANCE	\$1,384,962	\$1,036,997

RESTRICTED and TRUST FUND PROGRAMS

Overview

Equine Trust Fund

Pursuant to KRS 138.510(5), the Equine Trust Fund directs one percent of all money wagered on live and historical races at the track to be deposited into a trust for the construction, expansion, or renovation of facilities or the purchase of equipment for equine programs at state universities. CPE serves as the administrative agent of these funds and develops procedures for administering the program and making disbursements in accordance with established guidelines.

Healthcare Workforce Investment Fund (HWIF)

In 2023, the General Assembly passed HB 200, establishing an innovative fund whereby employers pledge a dollar amount to a postsecondary healthcare program held in trust to be matched by general fund state dollars. Over half of the funds are dedicated to scholarships for students pursuing high-demand healthcare credentials; the remaining dollars recognize program excellence and support administration of the fund at CPE. Funds carry forward until expensed until the program sunsets in 2030.

Kentucky Regional Optical Network Infrastructure

HB1 of the 2022 regular session appropriated capital funds for networking equipment to support the integration of Internet2 applications into the Kentucky Wired Fiber Optic Network's teaching and learning environment. The project funded the purchase of routing hardware and firewalls to support the Kentucky Regional Optical Network and Kentucky Postsecondary Network that is migrating to Kentucky Wired. The networking equipment serves all public postsecondary education institutions.

Licensure

As set forth in KRS 164.945-47, CPE is required to license all non-public, postsecondary institutions that operate in Kentucky offering bachelor's degrees or higher, including out-of-state institutions offering programs through distance education. The licensure unit also manages Kentucky's participation in the State Authorization Reciprocity Agreement (SARA), which sets standards for interstate offerings of postsecondary distance education. The fund is funded through licensure fees. Funds carry forward until expensed.

Research Challenge and Comprehensive University Excellence Trust Fund "Bucks for Brains"

- The Research Challenge Trust Fund provides funding to the University of Kentucky and the University of Louisville to recruit world-class research faculty through an endowment match program. It also supports scientific research leading to new discoveries and innovations for the good of the state (KRS 164.7917). Funds carry forward until expensed.
- The Comprehensive University Excellence Trust Fund (KRS 164.7919) are awarded to Eastern Kentucky University, Kentucky State University, Morehead State University, Murray State University, Northern Kentucky University, and Western Kentucky University to support their designated Programs of Distinction (PODs). Funds carry forward until expensed.

Program	FY2025 Available Funds	Expenditures As of Report Period	Balance As of Report Period
Equine Trust Fund	\$751,991	\$0	\$751,991
Healthcare Workforce Investment Fund	13,720,000	0	13,720,000
Ky Regional Optical Network Infrastructure	600,000	101,677	498,323
Licensure	500,000	225,742	274,258
Research Challenge Trust Fund	13,373,487	1,000,000	12,373,487
Comprehensive University Excellence Trust Fund	8,650,000	2,411,301	6,238,699
TOTAL Restricted and Trust Funds	\$37,595,477	\$3,738,720	\$33,856,757

GRANTS

Overview

Grant funds are used to support non-general fund services and resources to further efforts in carrying out CPE’s statutory duties and strategic agenda priorities. Most grant funds are awarded for periods that do not coincide with the state fiscal year, the below chart shows expenditures as of fiscal year report period.

Responsible Unit	Grant Name	Source	*Available Funds Annualized	Expenditures As of Report Period
Academic Excellence	SHEEO	SHEEO	\$10,000	\$0
Licensure	NC SARA	NC Sara	6,918	595
Performance and Planning	Innovative Scholarship Fund	KHEAA	125,000	0
Student Access and Success	ARPA/ESSER - KAA	Federal - KDE	367,564	367,564
Student Access and Success	GEARUP	GEARUP	3,500,000	1,934,965
Student Access and Success	Save The Children	Save The Children	297,097	4,971
Student Access and Success	LAUNCH Grant	New Venture Fund	91,540	8,544
Student Access and Success	Commonwealth Education Continuum	NASH	13,333	0
Student Access and Success	Futuriti	NASH	13,333	0
Student Access and Success	P-20 Dual Credit	NASH	13,333	0
Student Access and Success	Preschool Development	Office of Early Childhood	200,000	28,928
Student Access and Success	Scaling Student Basic Needs	ECMC	459,100	71,802
Student Access and Success	Refugee Resettlement Initiative	NASH	1,500	0
Student Access and Success	Catalyst Fund - Transfer	NASH	7,400	0
Student Access and Success	Admissions Redesign	Lumina	100,000	13,934
Student Access and Success	Kentucky Student Success Center	James Graham Brown	994,863	265,437
Student Access and Success	Adult Learner	Kentucky Office of Adult Education	575,000	0
Student Access and Success	Transfer - NIC	NASH	10,725	0
Workforce and Economic Development	Healthcare Workforce	Federal - State Fiscal Recovery Funds	4,481,065	1,130,729
Workforce and Economic Development	Career Ladders in Mental and Behavioral Health (CLIMB)	Cabinet for Health and Family Services	700,000	240,473
Workforce and Economic Development	Nuclear Medicine	KY Board of Medical Imaging and Radiation Therapy	100,000	0
Agency Operations	Indirect Revenue from Grants		600,000	87,135
TOTAL Grant Expenditures			\$12,667,771	\$4,155,077

* Annualized Available Funds may not include available carry forward balances; grant awards often span multiple state fiscal years

FIDUCIARY FUNDS

Overview

Fiduciary (or pass-through) funds are appropriated by the General Assembly to CPE and held for the benefit of individuals or units outside of the agency. CPE is the trustee or fiduciary responsible for these assets, which can be used only for trust beneficiaries. CPE ensures assets reported in these funds are used for their intended purposes.

Financial Overview

Program	FY2025 Budget	Expenditures As of Report Period	Balance As of Report Period
App Reg Healthcare - Psychiatric Residency	\$8,000,000	\$0	\$8,000,000
Cancer Research Matching Program	3,807,400	1,224,271	2,583,129
Cancer Research - Tobacco Settlement Funds	5,843,200	0	5,843,200
National Stem Cell Foundation	300,000	300,000	0
Ovarian Cancer Screening	1,000,000	0	1,000,000
Spinal Cord and Head Injury Research	2,000,000	2,000,000	0
SREB Doctorial Scholars Program	50,000	0	50,000
Simmons College	3,239,565	395,919	2,843,646
TOTAL FIDICARY FUNDS	\$24,240,165	\$3,920,190	\$20,319,975

Program Descriptions

- Appalachian Regional Healthcare – Psychiatric Residency:** HB1 of the 2024 Regular Session appropriates funding to be distributed to Appalachian Regional Healthcare to establish a psychiatric residency program to serve Kentucky.
- Cancer Research Matching Funds:** KRS 164.043 creates the cancer research institutions' matching fund. For tax periods beginning on or after June 1, 2005, the one cent (\$.01) surtax collected under KRS 138.140(1)(c) shall be deposited into the fund. One-half of the monies is distributed to the University of Kentucky and one-half to the University of Louisville. The two universities must provide a dollar-for-dollar match to receive funds.
- Cancer Research:** HB6 of the 2024 Regular Session appropriates Tobacco Settlement Funds to be used for cancer research and screening to be shared equally between the University of Kentucky and the University of Louisville.
- National Stem Cell Foundation:** SB91 of the 2024 Regular Session appropriates funding to be distributed to the National Stem Cell Foundation to support grant match.
- Ovarian Cancer Screening:** HB6 of the 2024 Regular Session appropriates funding to the ovarian cancer screening outreach program at the University of Kentucky.

- **Spinal Cord and Head Injury Research:** HB6 of the 2024 Regular Session appropriates funding to support spinal cord and head injury research. In accordance with KRS 211.500, KRS 211.502, KRS 211.504, the appropriation in each fiscal year shall be shared between the University of Kentucky and the University of Louisville.
- **SREB Doctoral Scholars:** HB6 of the 2024 Regular Session appropriates funding for annual dues to the Southern Regional Education Board (SREB).
- **Simmons College:** HB 1 of the 2022 Regular Session appropriates funds for the Teacher Education Initiative at Simmons College. The funds shall also be used to expand academic offerings in psychology to produce more licensed mental health practitioners, quality control technology workers, and logistics and supply chain managers. Additionally, HB 1 of the 2024 Regular Session appropriates dollars from the State Fiscal Recovery Funds to support infrastructure planning and facility acquisition for student residential housing, an onsite tutoring/study facility, and the development and design of capital improvements to support academic program expansion.