

## **MINUTES**

### **Council on Postsecondary Education**

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Type: Finance Committee Meeting  
Date: March 23, 2021  
Time: 3:00 p.m. ET  
Location: Virtual Meeting by ZOOM Webinar, Public viewing hosted on CPE YouTube Page

### **CALL TO ORDER**

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The Finance Committee met Tuesday, March 23, 2021, at 3:00 p.m., ET. Pursuant to Executive Order 2020-243 and a memorandum issued by the Finance and Administration Cabinet dated March 16, 2020, and in an effort to prevent the spread of Novel Coronavirus (COVID-19), the Committee met utilizing a video teleconference. Members of the public were invited to view the meeting virtually on the CPE YouTube page. Chair Ben Brandstetter presided.

### **ATTENDANCE**

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Members in attendance: Benjamin Brandstetter, Colby Birkes, Eric Farris, Kimberly Halbauer, Richard Nelson, Robert Staat, and Carol Wright.

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

### **APPROVAL OF THE MINUTES**

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The minutes of the October 20, 2020 and December 15, 2020 meetings were approved as distributed.

### **STATE BUDGET (21 RS, HB 192)**

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Dr. Bill Payne, CPE's Vice President of Finance and Administration, provided an update regarding the development of the state budget as it relates to postsecondary education for fiscal year 2021-22. First, Dr. Payne reminded the Committee of the budget priorities list they endorsed at the December 2020 meeting that focused on additional appropriations for performance funding and asset preservation, an additional \$1,180,100 of appropriations to meet a federal matching requirement for

KSU's land-grant program, and to maintain pension relief for Kentucky's comprehensive universities and KCTCS institutions. He also reviewed the budget as passed by the Senate and House Free Conference Committee on March 16, 2021 and pointed out how that funding differed from what the Council requested.

## **PERFORMANCE FUNDING UPDATE**

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Dr. Payne and Mr. Shaun McKiernan, CPE's Director of Finance and Budget, presented a review and update on performance funding. Areas that were covered included:

- Impetus for the funding model development.
- Impact of the model, as well as unintended consequences, in its first three years of implementation.
- Adjustments recommended by the Postsecondary Education Working Group in December 2020.
- Review of Senate Bill 135, which was signed into law on March 18, 2021, that took all recommended adjustments into consideration.

## **TUITION AND FEE DISCUSSION**

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Dr. Payne and Mr. McKiernan provide an overview regarding the tuition and fee development for the academic year 2021. They discussed the key issues to consider including state funding levels, fixed and unavoidable costs, pension costs for the comprehensive universities, costs related to the COVID-19 pandemic, and current enrollment trends. They also presented a number of policy relevant data including the trend in tuition and fees for the last 20 years, interstate price comparisons, financial aid trends, student loan debt levels, and the net price of college attendance.

## **ADJOURNMENT**

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The Finance Committee adjourned at 4:45 p.m., ET.

**MINUTES REVIEWED AND APPROVED BY THE FINANCE COMMITTEE: May 11, 2021**