

Minutes
Council on Postsecondary Education
November 3, 2017

The Council on Postsecondary Education met Friday, November 3, 2017, at 9:00 a.m., ET, at Elizabethtown Community and Technical College in Elizabethtown, Kentucky. Chair Sherrill Zimmerman presided.

WELCOME AND
ROLL CALL

Chair Zimmerman called the meeting to order and welcomed everyone.

The following members were present: Ronald C. Beal, Benjamin Brandstetter, Dan Flanagan, Kimberly Halbauer, Lucas Mentzer, Donna Moore, Kristi Nelson, Vidya Ravichandran, Shawn Reynolds, Robert H. Staat, Sebastian Torres, Carol Wright, and Sherrill Zimmerman. Maryanne Elliott, Joe Ellis, and Commissioner Stephen Pruitt did not attend.

APPROVAL OF
MINUTES

The minutes of the September 11, 2017 meeting were approved as distributed.

STRONGER BY
DEGREES:
MURRAY STATE
UNIVERSITY 2017
ANNUAL REPORT

Dr. Robert O. Davies, president of Murray State University, delivered MuSU's annual Stronger By Degrees presentation with Dr. Mark Arant, provost and vice president for academic affairs, and Mr. Steve Williams, MuSU's board chair. The presentation focused on baseline data, targets to be met by the end of the strategic plan, and strategies being implemented to meet those targets. During the presentation, Dr. Davies answered questions regarding MuSU's constraints in meeting higher levels of progress for underprepared students, as well as its retention and graduation rates. President King stated he would like to see MuSU close achievement gaps for underrepresented and low-income students faster than the target would allow. MuSU Chair Williams closed the presentation by stating the governing board regularly receives progress on the statewide agenda and monitors progress closely.

STRONGER BY
DEGREES:
WESTERN
KENTUCKY
UNIVERSITY 2017
ANNUAL REPORT

Dr. Timothy Caboni, president of Western Kentucky University, delivered WKU's annual Stronger By Degrees presentation, which focused on baseline data, targets to be met by the end of the strategic plan, and strategies being implemented to meet those targets. Dr. Caboni stated that since targets for the plan had been established before his tenure as president, he set additional 10-year goals that more accurately reflect his vision for the university.

Minutes

Council on Postsecondary Education

November 3, 2017

Chair Zimmerman commended him on his vision and tenacity in accepting nothing but excellence from his staff and institution.

STRONGER BY DEGREES: KENTUCKY COMMUNITY AND TECHNICAL COLLEGE 2017 ANNUAL REPORT

Dr. Jay Box, president of Kentucky Community and Technical College, and Ms. Alicia Crouch, vice chancellor for research and policy analysis, delivered KCTCS's annual Stronger By Degrees presentation. The presentation focused on baseline data, targets to be met by the end of the strategic plan, and strategies being implemented to meet those targets. Following the presentation, Dr. Box stated the 2020-21 target for certificates awarded has already been met, and KCTCS will adjust the target appropriately. He also stated the reason for the increase was more coordination and communication with the business community to meet their needs. Dr. Box also answered questions about job placement for certificate holders, the transferability of the Associate of Applied Science degree, and the preparedness of KCTCS's incoming students in the areas of math and reading.

2018-20 BIENNIAL BUDGET RECOMMENDATION

The *Kentucky Postsecondary Education Improvement Act of 1997* (House Bill 1), codified under KRS 164.020, authorizes the Council on Postsecondary Education to submit to the Governor and General Assembly the biennial budget recommendation for the postsecondary education sector and its nine institutions. Over the course of eight months, Council staff worked collaboratively with campus presidents, provosts, chief budget officers, institutional research directors, and members of the Council's Budget Development Work Group to develop the budget recommendation, and all nine public institution presidents and the Council president endorsed the recommendation in its entirety.

Dr. Bill Payne, CPE's vice president for finance and administration, and Mr. Shaun McKiernan, senior associate of finance and administration, presented the 2018-20 budget recommendation, consisting of the following four major funding categories:

1. Institutional Operating Funds: Funds, along with tuition and fee revenue, support education and general (E&G) expenditures on campus, including faculty and staff salaries, fringe benefits, student financial aid, utilities, building maintenance, libraries, student support services, and

Minutes

Council on Postsecondary Education

November 3, 2017

numerous other operating expenses. When available, these funds also finance strategic initiatives consistent with mandates of House Bill 1 (1997).

2. Strategic Investment and Incentive Trust Funds: The Kentucky Postsecondary Education Improvement Act of 1997 (HB 1) created six Strategic Investment and Incentive Trust Funds to bring about change and improvement at Kentucky colleges and universities by providing strategic, financial incentives for institutions to pursue desired state goals for postsecondary education. When the General Assembly authorizes appropriations for trust fund programs, they are passed on to postsecondary institutions based on compliance with Council-approved guidelines and procedures.
3. Capital Investment: Includes anticipated capital construction, asset preservation, and information technology and equipment needs of Kentucky's public postsecondary institutions. While investment in new construction, information technology and equipment is needed by postsecondary institutions, due to the magnitude of accumulated renovation and renewal needs, staff recommended that the 2018-20 request for capital construction focus exclusively on asset preservation projects.
4. CPE Agency Budget: Includes five existing expenditure categories - (a) Agency Operations; (b) Adult Education; (c) Student Aid and Assistance; (d) Technology and Academic Support; and (e) Research and Economic Development.

The 2018-20 postsecondary education budget recommendation can be viewed in the meeting materials and is incorporated as reference

MOTION: Mr. Reynolds moved that the Council approve the postsecondary institutions' portion of the 2018-20 biennial budget recommendation as presented. Dr. Staat seconded the motion.

VOTE: The motion passed.

Minutes
Council on Postsecondary Education
November 3, 2017

MOTION: Ms. Moore moved that the Council approve the CPE agency portion of the 2018-20 biennial budget recommendation as presented. Dr. Staat seconded the motion.

VOTE: The motion passed.

APPROVAL OF
CAMPUS
DIVERSITY, EQUITY
& INCLUSION

At its September 23, 2016 meeting, the Council approved the 2016-20 Kentucky Public Postsecondary Education Policy for Diversity, Equity, and Inclusion. After that, Council staff worked with institutions to develop their campus-level plans, which identify strategies for achieving the goals of the plan and assessing strategy effectiveness.

Ms. Caroline Atkins, senior associate for academic affairs, and Dr. Aaron Thompson, executive vice president and chief academic officer, presented the following campus plans for approval:

- University of Kentucky
- University of Louisville
- Murray State University
- Western Kentucky University
- All 16 KCTCS campuses

Mr. Reynolds, chair of the Committee on Equal Opportunities (CEO), and Mr. Torres, student member on the CEO, gave positive remarks on the feedback institutions received as they moved through the development process.

Ms. Halbauer expressed her disappointment that some of the targets were not as ambitious as she would like. Dr. Thompson agreed that while some are very conservative, the strategies being pursued are sound and may lead to greater gains than anticipated. President King echoed his disappointment and suggested the Council delay the vote to allow campuses time to consider more aggressive targets.

Dr. Thompson agreed that staff would discuss the plans and targets with campuses and present new recommendations at the next meeting.

Minutes
Council on Postsecondary Education
November 3, 2017

No motion was made for the approval of the campus diversity plans.

EXECUTIVE
COMMITTEE
REPORT

Chair Zimmerman discussed the FY 2016-17 audit results presented at the Executive Committee meeting on November 3, 2017. Due to the complexity and amount of funds flowing through the agency's budget, the Council annually contracts with an independent auditor to compile financial statements and perform the agency's financial audit. This audit is not statutorily required, but it serves the Council well to have an outside entity review Council finances, internal controls, and regulation and grant compliance. Blue and Company LLP, a certified public accounting agency in Lexington, conducted the audit this year.

The auditors issued an unmodified opinion, stating that the Council's financial statements present fairly, in all material respects, the financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Council as of June 30, 2017, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, the expenditures of federal awards and supplementary information are fairly stated in all material respects in relation to the basic financial statements as a whole. The firm also noted that it did not identify any deficiencies in internal control that they consider to be material weaknesses.

Chair Zimmerman thanked Ms. Rebecca Bowman and the finance and administration staff for their compliance with the audit requirements.

CPE PRESIDENT'S
REPORT TO THE
COUNCIL

A written report from President King was provided in the agenda book.

KENTUCKY
COMMISSIONER OF
EDUCATION
REPORT

Commissioner Stephen Pruitt provided a written report in the agenda book.

Minutes
Council on Postsecondary Education
November 3, 2017

UPDATE ON 2017-18 CPE WORK PLAN Ms. Lee Nimocks, vice president of policy, planning and external relations, gave an update on the 2017-18 work plan that was approved at the June 16 meeting. On September 8, 2017, the Office of State Budget Director requested all Executive Branch agencies develop a budget reduction plan that reflects a 17.4 percent cut in the current fiscal year, which equates to a \$7,166,000 reduction. As of November 3, the Governor's office had not instituted the potential budget reduction; however, Ms. Nimocks stated that if imposed, the proposed cuts would affect CPE's ability to fulfill the 2017-18 Work Plan as approved.

DUAL CREDIT UPDATE Dr. Thompson provided an update on the improvement in dual credit/enrollment in Kentucky following the implementation of the 2015 Dual Credit Policy for Kentucky's Public Postsecondary Education Institutions, as well as the creation of the Dual Credit Scholarship Program in summer of 2016. Following his update, Dr. Thompson answered questions regarding the percentage of high school seniors receiving the dual credit scholarship, the quality of instruction students are receiving, and how the Council ensures dual credit courses are appropriately rigorous.

GEARUP KENTUCKY UPDATE Ms. Kim Drummond, former director for strategic initiatives for GEAR UP Kentucky, and Dr. Thompson provided an update on the GEAR UP Kentucky grant program, administered by the Council since 2011. GEAR UP Kentucky (GUK) was a six year, \$26.9 million statewide grant program funded by the U.S. Department of Education to help Kentucky students from low-income communities and their families understand how to plan, apply, pay for and succeed in postsecondary education. The program served more than 15,000 students in 20 school districts, employed 51 staff across the state and partnered with 22 different external organizations over the past six years. Services included classroom curriculum, leadership development, parent services, early campus experiences, hands-on career exploration, academic support, summer enrichment, professional development for school partners, and broad community engagement efforts.

Regrettably, Kentucky was not funded for a fourth grant cycle in 2017. However, the potential for a 2018 competition

Minutes

Council on Postsecondary Education

November 3, 2017

leaves open the opportunity for GEAR UP Kentucky to again take its place as a vehicle for expanding college access in the Commonwealth.

The Council presented a resolution to GEAR UP Kentucky for their contribution over the last 12 years in serving thousands of low-income community students across the Commonwealth. Ms. Drummond accepted it on behalf of the GEAR UP Kentucky staff, and a copy will be given to each.

REPORTS FROM INSTITUTIONS

Reports from the institutions were provided in the agenda book.

COMMITTEE APPOINTMENTS

Chair Zimmerman made the following appointments:

- 2018-19 Tuition Development Work Group: Ms. Wright, who will serve as chair, Mr. Brandstetter, Ms. Halbauer, Dr. Staat, and Mr. Torres. Chair Zimmerman will serve as an ex-officio member.
- 2018 Nominating Committee: Ms. Moore, who will serve as chair, Mr. Mentzer, and Dr. Ellis.
- 2018 CPE Retreat Committee: Ms. Zimmerman, Mr. Brandstetter, Mr. Beal, Ms. Ravichandran, and Dr. Staat.

RESOLUTIONS

The Council adopted resolutions honoring the following individuals for their dedication and service to the Council and the Commonwealth of Kentucky:

- Gayle Beverly Box – Kentucky Adult Education (retired July 31, 2017)
- Jerry Ann Warmouth – Kentucky Adult Education (retired July 31, 2017)
- Rebecca Bowman – assistant vice president for agency operations (retiring December 31, 2017)

OTHER BUSINESS

Vice Chair Brandstetter requested, as personal schedules allow, that Council members attend at least one campus board meeting before the end of the academic year.

Minutes

Council on Postsecondary Education

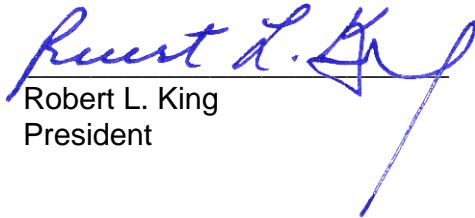
November 3, 2017

At the November 2nd work session, the Council did not get to discuss two agenda items. These were addressed in other business:

- Ms. Nimocks requested that the schedule and format for 2018 meetings be discussed at the Council retreat in February.
- Mr. Ron Carson, CPE's legislative liaison, provided a briefing on changing leadership in the General Assembly, the 2018 legislative calendar, and Council member confirmations needed in the session.

ADJOURNMENT

The next Council meetings will be held February 1-2, 2017. February 1 is the Council member retreat, and February 2 will include the joint meeting of the Council, campus presidents, and the board of student body presidents, as well as the regular business meeting. The meeting adjourned at 12:50 p.m., ET.


Robert L. King
President


Heather M. Faesy
Associate, Board Relations & Special
Projects