

KY COUNCIL ON POSTSECONDARY EDUCATION EXECUTIVE COMMITTEE



September 9, 2022 – 10:00 a.m. ET

Virtual Meeting - <https://cpe-ky-gov.zoom.us/j/89129396618>

**Denotes action item*

- I. **Call to Order and Roll Call**
- II. **Approval of the Previous Meeting Minutes* 2**
- III. **CPE President’s Report**
- IV. **Kentucky State University Items**
 - A. Update on recent activity
 - B. Amendment to the KSU Expenditure Approval Policy* 5
- V. **2023 Legislative Session**
- VI. **2022 Postsecondary Education Trusteeship Conference**
- VII. **Other Business**
- VIII. **Adjournment**

DRAFT MINUTES
Kentucky Council on Postsecondary Education

Type: Executive Committee
Date: June 17, 2022
Time: 8:30 a.m. ET
Location: Council on Postsecondary Education, 100 Airport Road, Frankfort, KY
40601

CALL TO ORDER

The Executive Committee of the Kentucky Council on Postsecondary Education met Friday, June 17, 2022, at 8:30 a.m., ET. The meeting occurred in the Boardroom of the Council offices in Frankfort, KY. Chair Lucas Mentzer presided.

ATTENDANCE

Members were in attendance: Lori Harper, Karyn Hoover, and Lucas Mentzer.

Member not in attendance: Eric Farris and Madison Silvert

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

APPROVAL OF THE MINUTES

The minutes of the April 14, 2022, Committee meeting were approved as distributed.

REVIEW OF EXPIRING ADMINISTRATIVE REGULATION – 13 KAR 2:045

Mr. Travis Powell, CPE's Vice President and General Counsel shared the Council's recommendation that 13 KAR 2:045 continue to exist in its current form. KRS 13A.3102 requires that action be taken on an administrative regulation at least every seven (7) years or the regulation will expire. Pursuant to KRS 13A.3104, action can be in the form of certification that the agency either intends to keep the regulation in effect "as is," or amend the regulation within 18 months. Agencies can also choose not to take action and allow regulations to be repealed after the expiration date.

KRS 164.020(8)(a) requires that the Council define residency for purposes of tuition and admission to the state postsecondary educational system. 13 KAR 2:045 is the Council's regulation promulgated to meet this requirement. The last substantive action on the regulation was effective July 13, 2015 and will therefore expire on July 13, 2022 without Council action. Certifying that a regulation be maintained in its current form does not preclude an agency from pursuing an amendment at any time.

MOTION: Ms. Harper moved the Committee that 13 KAR 2:045 continue to exist in its current form and recommend approval by the Council at its June 17, 2022, business meeting. Ms. Hoover seconded the motion.

VOTE: The motion passed.

2022-23 CPE AGENCY BUDGET

Mr. Shaun McKiernan, CPE's Executive Director of Finance and Budget, presented the 2022-23 Agency Budget for the Council on Postsecondary Education. It was largely a continuation budget for CPE with a few exceptions. The General Fund provided for an 8% cost of living adjustment for staff, and all other General Fund appropriations relate to pass-through funding for the institutions. Pass-through funding included:

- Debt service of \$1,612,000 to support \$40 million in Bond Funds for Bucks for Brains for the research institutions (\$30 million) and the comprehensive institutions (\$10 million).
- \$2,225,000 is included for the Workforce Development Trust Fund, which goes to KCTCS institutions.
- \$2,000,000 for Spinal Cord and Head Injury Research.
- \$1,000,000 for Ovarian Cancer Research and Screening.
- \$3,628,000 in Technology Trust Fund.
- \$50,000 for Doctoral Scholars and \$214,800 for SREB Dues.

MOTION: Ms. Hoover moved the Committee approve the agency operating budget for 2022-23, and recommend approval by the Council at its June 17, 2022, business meeting. Ms. Harper seconded the motion.

VOTE: The motion passed.

KENTUCKY STATE UNIVERSITY UPDATE

President Thompson, Mr. Powell, and Greg Rush, CPE's Senior Fellow, provided an update on activities that have occurred over the last few months at Kentucky State University. Topics included the financial disbursements that have occurred thus far, planning for the upcoming academic year, and the status of the selection of a new interim president.

OTHER BUSINESS

Chair Mentzer discussed the Council hold an annual retreat to occur with the already scheduled November 17-28, 2022, meetings. Location and agenda will be developed over the summer.

ADJOURNMENT

The Executive Committee adjourned at 9:35 a.m., ET.

MINUTES REVIEWED AND APPROVED BY THE COMMITTEE: _____

TITLE: KSU Expenditure Approval Policy

RECOMMENDATION: Staff recommend the Executive Committee approve modifications to the Expenditure Approval Policy for Kentucky State University and recommended final approval by the Council at its September 19, 2022, meeting.

PRESENTERS: Travis Powell, CPE Vice President and General Counsel

SUPPORTING INFORMATION

As part of the responsibilities granted to the Council related to Kentucky State University (KSU) in HB 250 (2022), Section 1.(1)(c) of states the following:

The Council on Postsecondary Education shall approve any Kentucky State University expenditure greater than \$5,000, and the university shall provide a monthly report of university finances to the council in the format requested by the council. The council shall provide a monthly update on the financial status of the university to the Governor and the Legislative Research Commission. The financial oversight granted to the council under this paragraph shall continue until the council reports to the Governor and the Legislative Research Commission that the university's finances are stable;

On April 15, 2022, the Council approved the current policy for approving KSU expenditures in accordance with the enacted legislation. Amongst its many requirements, the policy requires that both the KSU Chief Financial Officer (CFO) and President sign each request for approval. On July 1, 2022, KSU named a new Interim President, Dr. Ronald Johnson. Since his appointment, CPE staff has worked extensively with Dr. Johnson and his Chief of Staff, Dr. Daarel Burnette, on the implementation of HB 250 and overall efforts to improve the institution.

Due to the volume of the expenditure requests and considering the leadership Dr. Johnson has provided at the institution during his tenure, CPE staff recommends the policy be modified to provide Dr. Johnson the flexibility to name a designee to approve

expenditures on his behalf. Similarly, CPE staff recommends that the CPE Vice President or President level approval requirement be modified to require Presidential approval, or his designee. This will allow President Thompson to designate both Vice President and General Counsel Travis Powell and Senior Fellow Greg Rush as approvers.

CPE staff also recommends that the monthly expenditure approval reporting requirement to the Executive Committee be removed. These reports can be easily obtained upon request and summary financial reports are currently being provided to the Council, General Assembly, and the Governor per HB 250.



Kentucky State University Expenditure Approval Policy

HB 250 (2022)

Approved by Council: DATE

Deleted: April 15, 2022

Effective Date: DATE

Deleted: April 15, 2022

Purpose

As part of the responsibilities granted to the Council related to Kentucky State Universities (KSU) in [HB 250 \(2022\)](#), Section 1.(1)(c) of states the following:

The Council on Postsecondary Education shall approve any Kentucky State University expenditure greater than \$5,000, and the university shall provide a monthly report of university finances to the council in the format requested by the council. The council shall provide a monthly update on the financial status of the university to the Governor and the Legislative Research Commission. The financial oversight granted to the council under this paragraph shall continue until the council reports to the Governor and the Legislative Research Commission that the university's finances are stable;

Policy

KSU shall submit request for any expenditure of funds over \$5000 to Council staff at a designated email account for review and approval. Each request shall include the following information and shall be signed by both the Chief Financial Officer and President of the institution, or his designee.

1. Brief Description and Justification of Requested Expenditure
2. Originating Department
3. Programmatic Contact (with contact information)
4. Budget Unit
5. Amount Remaining in Budget Unit after Purchase
6. Funding Source
7. Procurement Method (if applicable)
8. Payment Due Date (if applicable)
9. Vendor (if applicable)
10. Contract Number (if applicable)
11. Payment Method
12. Supporting Documentation (if applicable)
13. Board of Regents Approval Date (if applicable)

All contracts and personnel actions must be approved by the KSU Board of Regents or designated Committee before resulting expenditures will be approved. Contracts and personnel obligations occurring before the effective date of HB 250, April 8, 2022, will be considered approved by the KSU Board of Regents.

CPE staff may will contact KSU with any questions or clarifications regarding the request. Requests may be revised or withdrawn at any time.

If the request is denied, CPE staff will outline the deficiencies in the request and KSU may resubmit upon correction.

If the request is approved, CPE staff will notify the KSU CFO and provide authorization for the expenditure in KSU's accounting system.

Final approval or denial will be provided ~~by the CPE President, or his designee.~~

Deleted: at the Vice Presidential or Presidential level at CPE

Reporting

A report of KSU's financial status shall also be provided monthly to the CPE Executive Committee, the Governor, and the Legislative Research Commission.

Deleted: CPE shall provide monthly reports of approved expenditures of KSU to the CPE Executive Committee on or before the 15th of the month following the close of the prior month.