

MINUTES

Council on Postsecondary Education

Type: Executive Committee
Date: January 9, 2020
Time: 9:00 a.m. ET
Location: Council on Postsecondary Education, 2nd Floor Training Room

WELCOMING & CALL TO ORDER

The Council on Postsecondary Education met Thursday, January 9, 2020 at 9:00 a.m., ET, at the CPE offices in Frankfort, Kentucky. Chair Sherrill Zimmerman presided.

ATTENDANCE

Members in attendance: Ben Brandstetter in person. Ron Beal, Kristi Nelson, and Sherrill Zimmerman by teleconference.

Members not in attendance: Kim Halbauer

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.

REVIEW RESULTS OF FY19 ANNUAL AUDIT

Presenters: Leslie Brown, CPE's Director of Administrative Services
Allen Norvell, Blue & Co., PSC

Blue and Company LLP, a certified public accounting agency in Lexington, conducted the audit for the fiscal year 2019. 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, 2019, 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.

FOLLOW-UP ON ANNUAL EVALUATION OF THE CPE PRESIDENT

Presenter: Sherrill Zimmerman, CPE Chair

At its December 11, 2019 meeting, the Executive Committee evaluated President Thompson's performance in his first year of service and an incentive compensation bonus was approved prior to adjournment; however, the discussion of a potential contract extension was deferred to the next meeting.

MOTION: Ms. Nelson moved to extend President Thompson's contract for an additional two and one-half years, or until June 30, 2023, upon the same terms and conditions as his current contract, except that the provision outlining terms for unilateral termination by the Council without cause (Section 7.D.1) be revised to provide for 6 months compensation upon such termination, or compensation for the remainder of the contract, whichever is less. Mr. Beal seconded the motion.

VOTE: The motion passed.

REVIEW OF EXPIRING ADMINISTRATIVE REGULATIONS

Presenter: Travis Powell, CPE's Vice President and General Counsel

House Bill (HB) 50, signed into law in the 2017 Regular Session, amends the statutes governing administrative regulations, KRS Chapter 13A, and requires that action be taken on an administrative regulation at least every seven (7) years or the regulation will be repealed. 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.

The first date of expiration outlined in HB 50 was July 1, 2019 for regulations last adopted or amended on or before July 1, 2012, but due to the passage of HB 4 in the 2019 Regular Session, the first date of expiration was extended to March 1, 2020. The issue of regulation expiration was generally discussed with the full Council at the February 22, 2019 and April 25, 2019 meetings.

Mr. Powell discussed the following regulations that are set to expire if no action is taken by March 1, 2020, and the staff's recommendation for action:

- 13 KAR 1:030 – Amend in next 18 months
- 13 KAR 2:100 – Amend in next 18 months
- 13 KAR 1:050 – Amend in next 18 months
- 13 KAR 2:070 – Remain as is
- 13 KAR 2:080 – Remain as is

MOTION: Mr. Brandstetter moved to accept the staff's recommendation for action for each of the regulations listed. Ms. Nelson seconded the motion.

VOTE: The motion passed.

OTHER BUSINESS

President Thompson discussed the possibility of holding a public comment period at each Council business meeting. Mr. Powell discussed how other education related boards conduct public comment periods in their board meetings. Council members discussed the various options available, the potential issues that may arise, and next steps in this process.

ADJOURNMENT

The committee adjourned at 10:15 a.m., ET.

MINUTES REVIEWED AND APPROVED BY THE EXECUTIVE COMMITTEE: March 6, 2020