

MINUTES
Council on Postsecondary Education

Type: Finance Committee Meeting
Date: August 12, 2019
Time: 1:00 p.m.
Location: Council on Postsecondary Education, Conference Room B

CALL TO ORDER

The Finance Committee met Monday, August 12, 2019, at 1:00 p.m., ET, at the CPE offices in Frankfort, Kentucky. Committee Chair Ben Brandstetter presided.

ATTENDANCE

Attendance in person: OJ Oleka and Grant Minix

Attendance by teleconference: Ben Brandstetter, Kim Halbauer, Brandon Wilson, Carol Wright and Sherrill Zimmerman.

Did not attend: Robert Staat

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

PENSION RELIEF BILL (HB 1)

Presenter: Travis Powell, Vice President and General Counsel

Mr. Powell updated the committee on the results of the 2019 Special Session, which adjourned on July 24, 2019. The purpose of the special session was House Bill 1, an act relating to the Kentucky Employees Retirement System and declaring an emergency.

UPDATED BUDGET DEVELOPMENT TIMELINE

Presenter: Bill Payne, Vice President for Finance and Administration

Dr. Payne reviewed the updated timeline as presented in the meeting materials.

DRAFT 2020-22 BUDGET RECOMMENDATION

Presenters: Bill Payne, Vice President for Finance and Administration
Shaun McKiernan, Director of Finance and Budget

Staff presented the work conducted thus far on developing a 2020-22 Biennial Budget Recommendation for the agency and public institutions. The agenda materials provided included detailed information on the following:

- Funding components and suggested request amounts;
- Performance funding distribution scenarios, taking into account hypothetical new funding and no change in the current model;
- Potential Bucks for Brains allocation requests by institution;
- Potential Asset Preservation allocation requests by institution; and
- Potential rationale for including each of the components requested.

Discussion among the committee centered on the inclusion of the Bucks for Brains component versus other priorities such as rising pension costs and asset preservation.

PERFORMANCE FUNDING

Presenters: Bill Payne, Vice President for Finance and Administration
Shaun McKiernan, Director of Finance and Budget

Staff updated the committee on discussions centered on performance funding at the August campus Presidents meeting.

NONRESIDENT STUDENT TUITION POLICY

Presenters: Bill Payne, Vice President for Finance and Administration

Dr. Payne presented potential amendments for the Tuition and Mandatory Fee Policy in regards to nonresident students. Dr. Payne asked the committee members to review the revisions and provide feedback before the next meeting, where it will be presented as an action item for approval.

INCOME SHARE AGREEMENT DISCUSSION

Presenters: Bill Payne, Vice President for Finance and Administration

A white paper by Dr. Payne was provided in the agenda materials: A Review of Income Share Agreements to Pay for College. Committee Chair Brandstetter asked the members to review the paper and be prepared to discuss it at the next Finance Committee meeting.

ADJOURNMENT

The Finance Committee adjourned the meeting at 2:45 p.m., ET.

MINUTES REVIEWED AND APPROVED BY THE FINANCE COMMITTEE: October 16, 2019