

DRAFT MINUTES
Council on Postsecondary Education

Type: Finance Committee Meeting
Date: March 18, 2020
Time: 2:00 p.m. ET
Location: Virtual Meeting – Committee members by ZOOM teleconference. Public viewing at: <https://youtu.be/xs44R8if1lo>

CALL TO ORDER

The Finance Committee met Wednesday, March 18, 2020, at 2:00 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 CPE Finance Committee met utilizing a video teleconference. Members of the public were invited to view the meeting virtually on the CPE YouTube page: <https://youtu.be/xs44R8if1lo>. Chair Ben Brandstetter presided.

ATTENDANCE

Members in attendance: Ben Brandstetter, Kim Halbauer, Richard Nelson, Carol Wright, and Grant Minix. All attended by teleconference.

Did not attend: Sherrill Zimmerman

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

APPROVAL OF THE MINUTES

The minutes of the February 19, 2020 Finance Committee meeting were approved as presented.

UPDATE FROM THE PRESIDENT

CPE President Aaron Thompson provided an update on the campus's plans and actions thus far in relation to the COVID-19 pandemic. He also discussed how the pandemic is impacting the 2020 legislative session and the tuition and mandatory fee review process.

NONRESIDENT STUDENT TUITION MOUs

Presenter: Bill Payne, CPE's Vice President for Finance and Administration

Dr. Payne presented two Memorandum of Understandings (MOUs) between the Council and following universities regarding nonresident student tuition: Eastern Kentucky University (EKU) and Western Kentucky University (WKU). Staff reported that the goals and structures of each agreement were consistent with the Nonresident Student Tuition Policy approved at the October 31, 2019 meeting.

EKU's MOU targets students from 17 states (Alabama, Florida, Georgia, Illinois, Indiana, Missouri, Mississippi, Michigan, Maryland, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, Virginia, West Virginia, and Wisconsin) and Washington, D.C., and may be expanded to other states at a later date. The MOU specifies that students from these states and the District of Columbia may receive a tuition scholarship and that no academically qualified Kentucky resident will be displaced as a result of the MOU.

WKU's MOU state's that the university shall have flexibility to set tuition for out-of-state students so long as rates exceed the resident rate and that students from other states will be eligible to compete for need- and merit-based scholarships offered by the university and affiliated foundations. It further reiterates that no academically qualified Kentucky resident will be displaced as a result of the MOU.

MOTION: Mr. Nelson moved that the Committee accept the two individual MOUs between the Council and Eastern Kentucky University and Western Kentucky University regarding nonresident student tuition, and recommend approval of each to the Council at its April 24, 2020 meeting. Dr. Staat seconded the motion.

VOTE: The motion passed.

INTERIM CAPITAL PROJECT REQUEST - WKU

Presenter: Shaun McKiernan, CPE's Director of Finance and Budget

Mr. McKiernan presented the interim capital project requested by the Western Kentucky University (WKU) to reconfigure three classrooms in the Medical Center/Health Sciences Complex to create two larger classrooms with a minimum of 140 seats. WKU's nursing program has continued to expand and classroom spaces are now ineffective with students participating by watching the lectures/classroom instruction via electronic media in an adjoining room. This has created a situation requiring additional staffing to meet accreditation requirements.

MOTION: Dr. Staat moved the Committee approve WKU's interim capital project and recommend final approval by the Council at its April 24, 2020 meeting. Mr. Minix seconded the motion.

VOTE: The motion passed.

2020-22 HOUSE BUDGET REVIEW (HB 352)

Presenter: Bill Payne, CPE's Vice President for Finance and Administration

Dr. Payne reviewed the 2020-22 budget as approved by the House on March 6, 2020, and how it compared with the budget originally proposed by Governor Beshear. He stated the Senate is expected to pass their budget proposal within the week.

PERFORMANCE FUNDING

Information was provided in the agenda materials, but it was not discussed at the meeting.

TUITION AND MANDATORY FEE SETTING UPDATE

Information was provided in the agenda materials, but it was not discussed at the meeting.

ONLINE TUITION CHARGE UPDATE

This discussion was deferred to a later committee meeting.

RESURGENCE FUND GUIDELINES (DRAFT)

Presenter: Shaun McKiernan, CPE's Director of Finance and Budget

Mr. McKiernan provided a quick review of the drafted resurgence fund guidelines should the legislature approve a budget that includes asset preservation funding for the universities.

ADJOURNMENT

The Finance Committee adjourned at 3:00 p.m., ET.