

MINUTES

Council on Postsecondary Education

Type: Finance Committee Meeting
Date: April 20, 2020
Time: 1:00 p.m. ET
Location: Virtual Meeting – Committee member by ZOOM teleconference. Public viewing at: <https://youtu.be/iKRItLNR46Q>

CALL TO ORDER

The Finance Committee met Monday April 20, 2020, at 1:00 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 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/iKRItLNR46Q>. Chair Ben Brandstetter presided.

ATTENDENCE

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

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

APPROVAL OF THE MINUTES

The minutes of the March 18, 2020 Finance Committee meeting were approved as presented.

2021 TUITION AND MANDATORY FEE RECOMMENDATION

CPE President Aaron Thompson provided an overview of the collaborative process used to develop the 2020-21 tuition and mandatory fee recommendation, which included sharing information and engaging in discussions with campus presidents and chief budget officers, Council members, and the Governor's office. Based on feedback from multiple stakeholders and in recognition that many Kentucky students and families may be struggling financially due to disruptions caused by the COVID-19 pandemic,

there is a general sentiment that increases in resident undergraduate tuition and fees should be low in academic year 2020-21 to support a necessary balance between the ability of students and families to pay for college and resources required for postsecondary institutions to address inflationary cost increases, avoid or minimize potential layoffs of faculty and staff, and support continuing progress toward attainment of HB1 and Strategic Agenda goals and objectives.

Dr. Bill Payne, CPE's Vice President of Finance and Administration reviewed the Council staff's recommendation, which had the following provisions:

- Resident undergraduate tuition and mandatory fee ceilings for academic year 2020-21 that equate to maximum base rate increases of no more than 2.0 percent at the public research and comprehensive universities.
- Tuition and fee ceiling for resident students attending KCTCS institutions that equates to a maximum increase of no more than \$5.00 per credit hour in total tuition and fee charges (i.e., a 2.7% increase).
- Public institutions be allowed to submit, for Council review and approval, market competitive tuition and fee rates for graduate and online courses.

Dr. Payne also reviewed how the recommended maximum tuition rate increase would equate in dollar change per credit hour, the public institution's change in net general funds from 2019-20 to 2020-21, the estimated allocations for Kentucky's public postsecondary institutions under the CARES Act, and the institutions' estimated fixed and unavoidable cost increases for academic year 2020-21.

Council members discussed several topics including the financial difficulties on Kentucky's campuses, potential and actual furloughs of campus employees, the potential delay of students returning to campus in the fall versus taking all classes online and how that may impact tuition setting, and the financial hardships currently facing students and their families due to COVID-19. They also discussed the ability to set a tuition rate ceiling for the 2020 fall semester only with the option of reviewing the spring semester ceilings at a later date.

Kim Halbauer motioned for the Council to approve a zero percent increase in tuition and mandatory fees for all Kentucky public institutions, and later amended it to the following:

MOTION: Ms. Halbauer moved the Finance Committee recommend the full Council approve a zero percent (0%) increase in resident undergraduate tuition and mandatory fee ceilings for academic year 2020-21 at the public research and comprehensive universities and KCTCS institutions. If extenuating circumstances arise, the Council reserves the right to revisit the parameters as warranted. Additionally, public

institutions will be allowed to submit, for Council review and approval, market competitive tuition and fee rates for graduate and online courses. Mr. Minix seconded the motion.

VOTE: In a roll call vote, the motion passed 5-2. Both Ms. Zimmerman and Dr. Staat voted no.

UPDATE ON CARES ACT FUNDING

Information was provided in the agenda materials, but it was not discussed at the meeting. Chair Brandstetter asked that staff discuss this information further at the Council meeting on April 24, 2020.

ADJOURNMENT

The Finance Committee adjourned at 2:42 p.m., ET.

MINUTES REVIEWED AND APPROVED BY THE FINANCE COMMITTEE: June 9, 2020
