

## **MEETING MINUTES**

*Approved by the Finance Committee, June 10, 2024*

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Who: Kentucky Council on Postsecondary Education  
Meeting Type: Finance Committee  
Date: March 25, 2024  
Time: 1:00 p.m. ET  
Location: Virtual Meeting via ZOOM Webinar

### **CALL TO ORDER**

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The Finance Committee met Monday, March 25, 2024, at 1:00 p.m., ET. The meeting occurred virtually via ZOOM webinar. Committee Chair Eric Farris presided.

### **ATTENDANCE**

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All committee members were in attendance: Jacob Brown, Jennifer Collins, Kellie Ellis, Eric Farris, Chloe Marsteller, Madison Silvert, and Elaine Walker.

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

### **APPROVAL OF THE MINUTES**

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The minutes of the January 16, 2024, Finance Committee meeting were approved as presented.

### **TUITION SETTING PROCESS FOR ACADEMIC YEAR 2024-25**

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Dr. Bill Payne, Vice President of Finance and Administration, provided an update on the 2024-25 tuition-setting process, including a listing of Council-approved maximum base-rate increases by institution for the upcoming year.

On March 31, 2023, the Council approved resident undergraduate tuition and fee ceilings for 2023-24 and 2024-25 that equated to:

- Maximum base rate increases of no more than 5.0 percent over two years, and no more than 3.0 percent in any one year, for public universities.
- Maximum base rate increases of no more than \$7.00 per credit hour over two years, and no more than \$4.00 per credit hour in any one year, for KCTCS.

It also approved a recommendation that allows institutions to submit:

- Nonresident undergraduate tuition and fees that comply with the Council's Tuition and Mandatory Fees Policy, or an existing MOU between the Council and an institution.
- Market competitive tuition and fee rates for graduate and online courses

In 2023-24, campus-adopted base rates complied with Council-approved ceilings. Rate increases at every university were at or below the 3.0%, one-year cap. KCTCS increased its base rate by \$4.00 per credit hour in 2023-24, or at the cap. The system average increase was 2.8% for resident undergraduate students. This followed four years where system average increases were the lowest in more than 20 years (i.e., 1.4% per year).

## **CAMPUS TUITION AND FEE PROPOSAL FOR ACADEMIC YEAR 2024-25 – KENTUCKY STATE UNIVERSITY**

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Mr. Shaun McKiernan, Executive Director of Finance and Budget, presented Kentucky State University's tuition and mandatory fee proposal for academic year 2024-25. On March 12, 2024, KSU submitted its proposal to the Council, containing planned tuition and mandatory fee charges for academic year 2024-25. Between academic years 2023-24 and 2024-25, the university is proposing to increase its annual base-rate charge for resident undergraduate students by \$173.00, or 1.9 percent. This complied with the Council's approved ceiling for resident undergraduate tuition and mandatory fees, which stipulates that base rates cannot increase by more than 3.0 percent in any one year at public research and comprehensive universities. In addition, this complies with the approved ceiling which stipulates that tuition and mandatory fees cannot increase more than 5.0% over two years. The university's proposed tuition and fee charges for nonresident, graduate, and online students also adhere to Council parameters. The proposal was approved by the university's Board of Regents at their March 7, 2024, meeting.

MOTION: Ms. Walker moved the Finance Committee approve the Kentucky State University's tuition and mandatory fee proposal for academic year 2024-25 and recommend final approval by the Council at its March 28, 2024, meeting. Mr. Brown seconded the motion.

VOTE: The motion passed.

## **REVISIONS TO THE 2022-24 ENDOWMENT MATCH PROGRAM GUIDELINES**

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Mr. Ryan Kaffenberger, Associate Director of Finance and Budget, presented the proposed revisions to the 2022-24 Endowment Match Program Guidelines.

The Bucks for Brains program, also referred to as the Endowment Match Program, matches public dollars with private donations on at least a dollar-for-dollar basis to encourage research at the University of Kentucky and the University of Louisville and to strengthen key programs at Kentucky's comprehensive universities. All funds, both public and private, must

be endowed, with investment proceeds used to provide a perpetual source of funding for research-related activities.

The Council approved the guidelines at its June 2022 meeting; however, since that time, staff identified areas in the guidelines where language should be clarified to reduce confusion for the institutions. In addition, the current version of the guidelines prohibits all federal funds from being used as matching funds. This is in line with federal guidelines that permit up to 20% of Title III grant awards to be endowed provided they are matched dollar for dollar.

MOTION: Ms. Walker moved the Finance Committee approve the proposed revisions to the 2022-24 Endowment Match Program Guidelines and recommend final approval by the Council at its March 28, 2024, meeting. Mr. Silvert seconded the motion.

VOTE: The motion passed.

## **2024-26 BIENNIAL BUDGET DEVELOPMENT UPDATE**

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Dr. Payne and Mr. McKiernan provided an update on the 2024-2026 budget development process, including major components and funding amounts in the Council's budget recommendation, in the Executive Budget, in the House Budget (as amended), and in the Senate Budget. Three attachments were provided that show the comparisons across the various versions of the postsecondary education budgets. The Senate and House will meet in the Free Conference committee to agree on the budget components and funding amounts to reconcile differences.

## **UPDATE ON 2022-24 ASSET PRESERVATION FUNDING**

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Mr. McKiernan provided the annual update on the use of Asset Preservation Pool funds, per the guidelines approved in June 2022. In the 2022-2024 state budget (HB 1, 2022 RS), the General Assembly appropriated \$683.5 million in General Fund supported bond funds for asset preservation projects on postsecondary education campuses. When combined with a \$16.5 million stand-alone project for KCTCS, total funding for asset preservation for the biennium was \$700.0 million. As of February 29, 2024, Kentucky public postsecondary institutions have drawn down 20% of the \$683.5 million appropriated for asset preservation, or \$136.1 million.

## **ADJOURNMENT**

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The Finance Committee adjourned at 2:15 p.m., ET.