

MINUTES

Council on Postsecondary Education

Type: Executive Committee
Date: January 7, 2021
Time: 9:00 a.m. ET
Location: Virtual Meeting - Committee members by ZOOM, Public viewing hosted on CPE YouTube Page.

CALL TO ORDER

The Executive Committee met Thursday, January 7, 2021, at 9:00 a.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. Chair Ben Brandstetter presided.

ATTENDANCE

Members in attendance: Ben Brandstetter, Ron Beal, Kim Halbauer, Kristi Nelson, and Robert Staat. Council member Lori Harper also attended the meeting.

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.

APPROVAL OF THE MINUTES

The Committee approved the minutes of the December 3, 2020 Executive Committee meeting.

REVIEW RESULTS OF THE FY 20 AUDIT

Allen Norvell, CPA and Director at Blue & Co., PSC, presented the FY20 CPE financial audit results. For fiscal year 20, 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, 2020, 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.

MONTHLY DISCUSSION TOPIC: OUT-OF-STATE STUDENTS

Chair Ben Brandstetter led a discussion on potential ways the state can focus efforts on recruiting and retaining students from out-of-state without diverting resources from residential students.

PROPOSED REGULATION AMENDMENTS

Travis Powell, CPE's General Counsel and Vice President presented proposed regulation amendments for 13 KAR 1:020 Private College Licensure and 13 KAR 4:010 State Authorization Reciprocity Agreement.

13 KAR 1:020 - Private College Licensure

The proposed amendment would increase initial licensure fees for new in-state colleges from \$1,000 to \$10,000 and new out-of-state colleges from \$5,000 to \$15,000. The amendment also increases annual licensure fees by 50% of the current rate starting in 2022, 75% in 2023, and 100%, or double the current rate, beginning in 2024. Many other technical changes related to certificate and diploma programs reporting have also been proposed in the application forms that are attached to the regulation.

13 KAR 4:010 - State Authorization Reciprocity Agreement

The proposed amendment would increase fees for SARA participation by half the current rate for each total full-time equivalent student range tier.

The necessity to these proposed revisions are due to many reasons including a greater federal focus on state authorization as a requirement for access to federal Title 4 student financial aid, increased consumer protection and quality assurance standards, and the additional staff to conduct the necessary work.

Approval of this action would authorize staff to file the proposed administrative regulation, and authorize Vice President and General Counsel, pursuant to KRS 13A.290(4) and KRS 13A.320(1)(b), to make such changes on behalf of the Council as necessary to comply with KRS Chapter 13A and obtain adoption by the Administrative Regulation Review Subcommittee and the Interim Joint Committee on Education.

MOTION: Ms. Halbauer moved to accept the proposed amendments to 13 KAR 1:020 and 13 KAR 4:010. Mr. Beal seconded the motion.

VOTE: The motion passed.

AGENCY UPDATES

Mr. Greg Rush, CPE's Legislative Liaison, provided an overview of the first three days of the 2021 Legislative Session.

Information regarding the Consolidated Appropriations Act of 2021 and the Kentucky Student Information Portal was provided to the Council members in their board materials.

ADJOURNMENT

The Executive Committee adjourned at 10:00 a.m., ET.

MINUTES REVIEWED AND APPROVED BY THE COMMITTEE: February 4, 2021