

MEETING MINUTES

Approved by the Finance Committee, September 11, 2023

Who: Kentucky Council on Postsecondary Education
Meeting Type: Finance Committee
Date: June 6, 2023
Time: 1:00 p.m. ET
Location: Virtual Meeting via ZOOM Webinar

CALL TO ORDER

The Finance Committee met Tuesday, June 6, 2023, at 1:00 p.m., ET. The meeting occurred virtually via ZOOM webinar. Committee Chair Eric Farris presided.

ATTENDANCE

Committee member attendance

- All members attended: Jacob Brown, Kellie Ellis, Eric Farris, Garrison Reed, Madison Silvert (joined at 2pm) and Elaine Walker.

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 21, 2023, Finance Committee meeting were approved as amended to reflect the addition of the vote results for the interim capital project request.

CAMPUS TUITION AND FEE PROPOSALS FOR ACADEMIC YEAR 2023-24

Mr. Shaun McKiernan, Executive Director of Finance and Budget, presented the 2023-24 Tuition and Mandatory Fee proposals for Eastern Kentucky University, Murray State University and Western Kentucky University. Each institution implemented the max allowable increase for its undergraduate residents, which falls within the parameters that Council approved in March. Additionally, staff stated the rates set for nonresidents, graduate and online students also adhere to Council parameters.

- Eastern Kentucky University - annual base-rate charge for resident undergraduate students by \$286.00, or 3.0 percent.
- Murray State University - annual base-rate charge for resident undergraduate students by \$276.00, or 2.9 percent.

- Western Kentucky University - annual base-rate charge for resident undergraduate students by \$324.00, or 3.0 percent.

MOTION: Mr. Reed moved the Finance Committee approve the tuition and fee proposals from Eastern Kentucky University, Murray State University, and Western Kentucky University and recommend final approval by the Council at its June 9, 2023, meeting. Ms. Walker seconded the motion.

VOTE: The motion passed.

The tuition and fee proposal from Kentucky State University was originally on the agenda but pulled an hour before the meeting began. No action was taken on that proposal.

DELEGATION OF AUTHORITY TO APPROVE TUITION PROPOSALS

Dr. Bill Payne, Vice President of Finance and Administration, presented the staff's recommendation that the Finance Committee to request authority from the full Council at its June 9, 2023, meeting to review and approve tuition and fee proposals of the following institutions due to the timing of their board meetings: University of Kentucky, University of Louisville, Morehead State University, Northern Kentucky University, and Kentucky Community and Technical College System. Due to the last-minute pull of Kentucky State University's proposal, it was recommended that proposal also request the same delegation. To accommodate this request, staff recommended a special-called meeting of the Finance Committee be scheduled in late June to facilitate this action.

MOTION: Dr. Ellis moved the Finance Committee request the authority to approve the proposals on behalf of the full Council. Mr. Reed seconded the motion.

VOTE: The motion passed.

INTERIM CAPITAL PROJECT – UL ELKSTROM LIBRARY EXPANSION

Mr. McKiernan presented the request from the University of Louisville for an \$8,000,000 privately funded interim project to expand the Ekstrom Library. The project will add 1,800 square feet to each of the three floors (basement, first and second) on the south side of the building, and will provide additional space for study and collaboration, offices, and university archives. It will also allow existing space to be repurposed to better meet the needs of the university.

Rick Graycerek, UL's Vice President of Finance and Budget, and Meg Campbell, Assistant Vice President of Planning, Design, and Construction, attended the meeting to answer questions regarding the project.

MOTION: Ms. Walker moved the Finance Committee approve the proposed interim capital project request from the University of Louisville and recommend final approval by the Council at its June 9, 2023, meeting. Mr. Brown seconded the motion.

VOTE: The motion passed.

DELEGATION OF AUTHORITY TO APPROVE INSURANCE CLAIMS

Mr. McKiernan presented the staff's recommendation that the Finance Committee approve a new policy that will allow the Council president to approve insurance claim projects on behalf of the full Council. Over the past year, campus officials brought two capital project requests to the Council that came about as the result of damage caused by emergency weather conditions. Both projects were KCTCS facilities in Eastern Kentucky that had sustained significant flood damage, and both projects resulted in insurance claims that financed 100% of the project costs. In order to quickly facilitate the emergency nature of these requests, it was recommended that capital projects that will be financed completely with funds derived from insurance claims be delegated authority for approval by the Council president.

MOTION: Ms. Walker moved the Finance Committee approve a new policy that allows the Council president to approve insurance claim projects on the Council's behalf and recommended final approval by the Council at its June 9, 2023, meeting. Mr. Brown seconded the motion.

VOTE: The motion passed.

INTERSTATE TUITION RECIPROCITY AGREEMENTS

Mr. Ryan Kaffenberger, CPE's senior associate of Finance and Budget, presented tuition reciprocity renewal agreements with the states of Ohio and West Virginia. Both state's agreements were set to expire on June 30, 2023. Staff worked with officials from those states and participating Kentucky institutions to renegotiate the agreements in compliance with policies adopted by the Council. The proposed renewals had only minimal changes from the agreements currently in place.

Kentucky/West Virginia	New Term: July 1, 2023 – June 30, 2025
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Kentucky/Ohio (3 separate agreements)	New Term: July 1, 2023 – June 30, 2025
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Committee members engaged in a discussion regarding the number of students taking advantage of these agreements and as well as the number of students returning back to Kentucky after graduation. They requested staff conduct further research on the types

of programs the students are enrolling in at the institutions in reciprocal states and the return rate and report back at a future meeting.

MOTION: Mr. Reed moved to approve the tuition reciprocity agreements between Kentucky and Ohio. Ms. Walker seconded the motion.

VOTE: The motion passed.

MOTION: Mr. Brown moved to approve the tuition reciprocity agreement between Kentucky and West Virginia. Mr. Reed seconded the motion.

VOTE: The motion passed.

PERFORMANCE FUNDING MODEL REVIEW UPDATE

Dr. Payne provided an update on the 2023 Performance Funding Model Review process. The working group held its third meeting on April 19 to continue comprehensive reviews of Kentucky's public university and KCTCS performance funding models (KRS 164.092). The meeting was conducted in three parts so that CPE staff and KCTCS officials could share information and facilitate discussion relevant to the university and two-year models, respectively. The committee meets again in July.

BIENNIAL BUDGET DEVELOPMENT UPDATE

Dr. Payne provided an update on the 2024-2026 biennial budget development process. The Council is directed in statute to make a biennial budget request for postsecondary education (HB 1, 97 RS). Major components of the request typically include: (1) operating funds; (2) capital investment; (3) trust funds; and (4) agency operations. Developing a unified budget request is a collaborative process, involving Council members, campus presidents, chief budget officers, and CPE staff. For the upcoming 2024-2026 biennium, the deadline for submitting the postsecondary education budget request to the Office of State Budget Director has been moved up from November 15, 2023 to on or before October 1, 2023 (HB 360, 23 RS).

ADJOURNMENT

The Finance Committee adjourned at 3:05 p.m., ET.