

DRAFT MINUTES
Council on Postsecondary Education

Type: Finance Committee Meeting
Date: September 13, 2022
Time: 1:00 p.m. ET
Location: Virtual Meeting via ZOOM Webinar

CALL TO ORDER

The Finance Committee met Tuesday, September 13, 2022, at 2:00 p.m., ET. The meeting occurred virtually via ZOOM webinar.

Chair Lucas Mentzer presided.

ATTENDANCE

All Committee members in attendance: Kellie Ellis (joined at 1:50), Eric Farris, Lucas Mentzer, Richard Nelson, Madison Silvert and Elaine Walker.

Student Council member, Garrison Reed, also attended the meeting as a non-voting member.

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

APPROVAL OF THE MINUTES

The minutes of the June 14, 2022, Finance Committee meeting were approved as distributed.

INNOVATIVE SCHOLARSHIP PROGRAM

Ms. Lee Nimocks, CPE' Senior Vice President and Chief of Staff, presented an overview of the Innovative Scholarship Program and staff's recommendation that the Council approve the resident rate of tuition for recipients of the Kentucky Innovative Scholarship.

The Kentucky Innovative Scholarship Pilot Project was established funding appropriated by the 2022 General Assembly and provides college access and promotes undergraduate student success for displaced students and for students participating in international exchange programs.

Funds for each campus are held in reserve by KHEAA and will be allocated based on the scholarship needs of the intended populations. The reserved amounts for Kentucky's public universities and KCTCS are based on the overall percentage of undergraduate students.

- Public Universities: \$5,877,000
- KCTCS Campuses: \$2,823,000
- Private, Non-Profit Campuses: \$1 million

Campuses are required to provide a 25% match to receive Innovative Scholarship Pilot Project grants, and Campuses receiving Innovative Scholarship Pilot funding are required to participate in the state Community of Practice and are encouraged to work with Kentucky-based or national organizations that support and/or resettle displaced populations to help identify and recruit eligible scholars.

Ms. Nimocks also stated that scholarships awarded are designed to cover the total cost of attendance for displaced students, which includes tuition, fees, books, supplies, and living expenses such as room and board. Because displaced students may or may not be considered Kentucky residents for purposes of tuition pursuant to 13 KAR 2:045, the total cost of attendance for non-resident students may be higher than the cost for resident students due to the higher tuition rate charged to non-resident students. Therefore, the recommendation to establish and approve the resident rate of tuition for the Kentucky Innovative Scholarship recipients would allow campuses to apply this lower rate, making each scholarship cost less and allowing the appropriated funds to support the maximum number of students.

MOTION: Ms. Walker moved that the Finance Committee approve that any recipient of the Kentucky Innovative Scholarship qualify for the resident rate of tuition, and recommend approval by the full Council at the September 19, 2022, meeting. Mr. Farris seconded the motion.

VOTE: The motion passed.

COVID-19 COSTS AND FORGONE REVENUE

Mr. Ryan Kaffenberger, Senior Associate of Finance and Budget, presented an update on the campus COVID-19 related awards, costs, and foregone revenue as of June 30, 2022. This included a summary from all three rounds of funding:

- Coronavirus Aid, Relief, and Economic Security Act (CARES)
- Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA)
- American Rescue Plan Act (ARP)

Overall, the projected eligible costs and lost revenue for Kentucky public institutions as of June 30, 2022, totaled \$712.4 million. This amount exceeded the funds available to the institutions by \$185.4 million. Additionally, institutions have identified \$33.3 million in costs that are pandemic-related, but not eligible for reimbursement per the guidelines of the funding.

WORKFORCE DEVELOPMENT TRUST FUND DISTRIBUTION

Mr. Shaun McKiernan, Executive Director of Finance and Budget, presented an update on the activities since the approval of the guidelines governing the distribution of the Workforce Development Trust Funds.

The Workforce Development Trust Fund was authorized by the 2022 Legislative Session and designated \$2.25 million of non-recurring funds for the 2022-23 fiscal year to help KCTCS increase credential production capacity for identified supply gaps and support program offerings in targeted industry sectors. The targeted industry sectors for this initiative are healthcare, advanced manufacturing, transportation and logistics, business services and information technology, and construction and trades. Areas covered in the guidelines include the use of funds requirements, allocation of funds, how to request funds, and how to report.

A list of proposed projects and award amounts by institution was provided. West Kentucky Community and Technical College was the only two-year college that did not submit an application.

STRATEGIC AGENDA IMPLEMENTATION PROJECTS

Dr. Bill Payne, CPE's Vice President for Finance and Administration discussed the various projects that the Finance unit has under development that directly support the 2022-24 statewide action plan for the strategic agenda.

ADJOURNMENT

The Finance Committee adjourned at 2:00 p.m., ET.

<i>MINUTES REVIEWED AND APPROVED BY THE COMMITTEE:</i> _____

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