

MEETING MINUTES

Draft for Approval by the Finance Committee, June 6, 2023

Who: Kentucky Council on Postsecondary Education
Meeting Type: Finance Committee
Date: March 21, 2023
Time: 1:00 p.m. ET
Location: Virtual Meeting via ZOOM Webinar

CALL TO ORDER

The Finance Committee met Tuesday, March 21, 2023, at 1:00 p.m., ET. The meeting occurred virtually via ZOOM webinar. Committee Chair Eric Farris presided.

ATTENDANCE

Committee member attendance

- Attended: Jacob Brown, Kellie Ellis, Eric Farris, Garrison Reed, and Elaine Walker.
- Did not attend: Madison Silvert

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

APPROVAL OF THE MINUTES

The minutes of the January 24, 2023, Finance Committee meeting were approved as distributed.

TUITION POLICY AND TIMELINE

Dr. Bill Payne, Vice President of Finance and Administration, and Mr. Shaun McKiernan, Executive Director of Finance and Budget, presented the 2023-24 Tuition and Mandatory Fee Policy and the 2023 Tuition Setting Timeline.

CPE staff worked with campus officials to review the Tuition and Mandatory Fee Policy, and no changes were recommended for the 2023-24 academic year. Thus, staff asked the Committee to endorse the policy with no changes from the prior year. Once approved, the policy would provide a framework for establishing tuition and fee charges and evaluating campus tuition proposals.

Staff also worked with campus officials to develop a timeline that identifies target dates and planned activities for the upcoming year. A copy of that timeline is provided in the agenda materials, and no action was needed by the Committee to formalize it.

MOTION: Ms. Walker moved the Finance Committee approve the 2023-24 Tuition and Mandatory Fee Policy as proposed and recommend final approval by the Council at its March 31, 2023, meeting. Mr. Reed seconded the motion.

VOTE: The motion passed.

TUITION AND FEE RECOMMENDATION

Dr. Payne reviewed a number of key issues considered during the 2023-24 tuition setting-cycle including: state funding, pension subsidy, recent tuition increases, impact of inflation, trend in college spending, college-going rates, and enrollment trends.

CPE staff used a collaborative process to develop its tuition and mandatory fee recommendation for academic years 2023-24 and 2024-25. This included sharing information and engaging in discussions with campus presidents, chief budget officers, and Council members. Based on feedback from multiple stakeholders, there is general sentiment that increases in tuition this cycle should be moderate. The recommendation was also established to help support a necessary balance between the ability of students and families to pay for college, and the resources required for institutions to address cost increases, maintain quality academic programs, and keep making progress toward 60x30 goal.

CPE staff proposed adopting a two-year ceiling to help facilitate strategic planning and budgeting at the postsecondary institutions and make college costs more predictable for students and families.

Staff recommended that the Finance Committee approve resident undergraduate tuition and fee ceilings for 2023-24 and 2024-25 that equate 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 was further recommended that institutions be allowed to submit:

- Nonresident undergraduate tuition and fees that comply with the Council's 2023-24 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.

MOTION: Ms. Walker moved the Finance Committee approve the resident undergraduate tuition and fee ceilings for 2023-24 and 2024-25 as proposed, as well as the recommendations regarding nonresident students, graduate and online courses, and recommend final approval by the Council at its March 31, 2023, meeting. Mr. Brown seconded the motion.

The Committee discussed the data presented and staff recommendation. Staff answered questions regarding tuition rates at surrounding states, how the tuition rate at Kentucky's community and technical colleges compare to those in other SREB states, how additional state funds will be needed in order to lower tuition rates, and the practice used to set graduate and online course tuition rates.

VOTE: The motion passed.

KCTCS INTERIM CAPITAL PROJECT – BLUEGRASS NEWTOWN CAMPUS

Mr. McKiernan presented the request from Bluegrass Community and Technical College for a \$5 million expansion of its Newtown Campus Administration Building. This would be funded by institutional funds and would be part of a \$9.7 million renovation being paid by asset preservation funds. The 12,490 square foot expansion will house student services and a 220-seat assembly space with an additional 80 seat pre-event and adjacent overflow space accessible via retractable walls. The design also includes storage for tables and chairs and catering space, and an elevator, stairs, and mechanical space.

Andy Casebier, KCTCS's Assistant Vice President for Facilities Support Services, attended the meeting to answer questions regarding the project.

MOTION: Mr. Brown moved the Finance Committee approve the proposed BCTC Newtown Campus Interim Capital Project request and recommend final approval by the Council at its March 31, 2023, meeting. Mr. Reed seconded the motion.

PERFORMANCE FUNDING MODEL REVIEW UPDATE

Dr. Payne provided the Committee with an update of the work being done by the Postsecondary Education Working Group. At its March 1, 2023, meeting, CPE staff shared trend data and analyses related to the university model for eight different student outcome metrics, University responses to a funding model survey conducted in September, and six performance distribution scenarios that were requested or implied. KCTCS officials shared trend data and analyses related to the two-year model as well as the community and technical college responses to a funding model survey.

OTHER BUSINESS

Mr. Farris inquired for additional information regarding SJR98. Staff stated this will be on the agenda for the March 31, 2023 Council meeting.

ADJOURNMENT

The Finance Committee adjourned at 2:25 p.m., ET.

DRAFT