



# CPE Programs and Expenditures: FY 2023 and 2024

*A report submitted to the Interim Joint Committee on Appropriations and Revenue by the Council on Postsecondary Education in fulfillment of the requirements of Senate Bill 91 (2024)*

DRAFT

### **About the Council on Postsecondary Education**

The Council on Postsecondary Education is Kentucky's higher education coordinating agency committed to strengthening our workforce, economy and quality of life. We do this by guiding the continuous improvement and efficient operation of a high-quality, diverse and accessible system of postsecondary education.

Key responsibilities include:

- developing and implementing a strategic agenda for postsecondary education that includes measures of progress.
- producing and submitting a biennial budget request for adequate public funding of postsecondary education.
- determining tuition rates and admission criteria at public postsecondary institutions.
- collecting and distributing data about postsecondary education performance.
- ensuring the coordination and connectivity of technology among public institutions.
- licensing non-public postsecondary institutions to operate in the Commonwealth.

# TABLE OF CONTENTS

Introduction.....	2
Academic Excellence.....	3
Student Access & Success.....	7
Finance.....	14
Policy, Planning, Communication, Data & Research.....	19
Workforce & Economic Development.....	22
Agency Operations.....	25
Technology Trust Fund.....	30
Fiduciary Funds.....	33
Special Legislative Directives.....	35
Appendix A: Supporting Documents.....	38

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# INTRODUCTION

Section 76 of Senate Bill 91 (2024 Regular Session) charges the Kentucky Council on Postsecondary Education with submitting a report to the Interim Joint Committee on Appropriations and Revenue detailing all programs administered by CPE in Fiscal Years 2023 and 2024, the statutes authorizing these programs, and the associated expenditures and fund sources.

The resulting report demonstrates the breadth of activities and initiatives carried out by CPE as the state's coordinating body for public, postsecondary education. In every instance, the programs administered by CPE either directly respond to a legislative charge or fall under the general umbrella of advancing the statewide strategic agenda for postsecondary education [per [KRS 164.020](#)]. As part of the accountability framework outlined in this statute, the objectives, strategies, and strategic implementation plans of the agenda have produced dramatic improvements in student outcomes, university research, and community and employer outreach that are transforming Kentucky's workforce, economy, and quality of life. This progress is a testament to the power of a statewide higher education coordinating board to drive change and improvement through policy, analysis and deep collaboration with campuses, state education and workforce agencies, and other key stakeholders.

This report is organized by functional unit except for the sections detailing the Technology Trust Fund, fiduciary (pass-through) funds, and special legislative directives of a non-recurring nature. Since these expenditures do not fit neatly within any one unit, they are treated as stand-alone programs for the purposes of this report. Each section provides a high-level overview the unit's purpose, a description of its programs and activities (along with any statutory references), and its expenditures during the specified time frame. Units of the Council include:

- **Academic Excellence**, which oversees matters relating to the quality of degree programs and instruction;
- **Student Access and Success**, which promotes smoother transitions to and through postsecondary education through policy, programs, and enhanced student support services;
- **Finance**, which oversees college affordability and deals with postsecondary budgetary matters;
- **Policy, Planning, Communications, Data and Research**, which develops and implements the strategic agenda and associated accountability system; collects, analyzes, and warehouses student data; and coordinates communications and events;
- **Workforce and Economic Development**, which aligns degree offerings with workforce needs and addresses critical shortages in the high-need occupational areas; and
- **Agency Operations**, which houses the office of the president, human resources, administrative services, and other functions supporting agency staff.

# ACADEMIC EXCELLENCE

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## OVERVIEW

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The academic excellence unit works directly with chief academic officers and other representatives at public institutions on statewide policies and procedures that promote academic quality and student success. These efforts include the approval of academic programs and review of existing programs, as well as the establishment of minimum admissions requirements and academic readiness standards for public universities, all of which are required by statute. As part of CPE's efforts to enhance the quality of academic offerings, the unit developed the Kentucky Graduate Profile, which identifies ten essential skills that prepare undergraduates for career success. CPE is leading efforts with campus teams to ensure these essential skills are embedded in academic programs and that students are assessed on their mastery.

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## PROGRAMS AND FUNCTIONS

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### Approval of New Academic Programs

A major responsibility of the unit is approving all new technical, associate, baccalaureate, and graduate programs offered by public postsecondary institutions [[KRS 164.020\(15\)](#)]. The unit looks at an array of criteria when determining the need for new academic programs, including total credit hours, student and workforce demand, and similar programs offered in the state (to avoid unnecessary duplication).

Once a program is approved, it is entered into the statewide program inventory. Staff continually monitors the statewide inventory of academic programs to ensure it is up-to-date and accurate.

### Review of Existing Academic Programs

[KRS 164.020\(16\)](#) establishes guidelines for the review of existing academic programs. Upon completion of a comprehensive baseline review of all baccalaureate programming in 2019-20, CPE updated its program review policy, which now consists of a three-pronged approach: 1) the evaluation of university program review efforts, 2) a statewide data analysis, and 3) implementation of the academic excellence and student success elements of the statewide strategic agenda. CPE works with the KCTCS system office to evaluate the review of approximately 25 percent of the system's academic portfolio each year. If the unit determines a further review of KCTCS programs is necessary, CPE works with KCTCS until all

issues are resolved. The unit also conducts extensive data analysis each year to pinpoint any unnecessary duplication among existing programs.

A major part of program review is ensuring academic programs are preparing students for career success. CPE works with KCTCS and universities on statewide efforts to enhance academic quality. In FY23 and FY24, the unit focused on the development and implementation of the Kentucky Graduate Profile, a set of career-focused learning outcomes each undergraduate student must demonstrate as part of their college curriculum. Teams of faculty, staff, and employers are working to identify the knowledge and behaviors associated with each skill and determine appropriate assessments. CPE contracted with the Competency-Based Education Network (C-BEN) to facilitate this process. The result of this partnership is a toolkit offering guidance and resources for embedding essential skills into the curriculum, rubrics outlining levels of mastery for each of the ten essential skills, and a signature assessment for each.

The Kentucky Graduate Profile Academy, which consists of a four-member team from each of Kentucky's eight public universities and 16 KCTCS campuses, is responsible for implementing the Kentucky Graduate Profile. These teams, with the support and guidance of the Academic Excellence unit, are working to embed these essential employability skills into undergraduate degree and certificate programs offered at their institutions.

### **Minimum Admissions Requirements**

Per [KRS 164.020\(8\)](#), CPE is charged with establishing minimum college admissions criteria for Kentucky public institutions. A traditional high school graduate or adult learner must have at least a 2.5 GPA (on a four-point scale) to be admitted to a state university in Kentucky (transfer students must have at least a 2.0 GPA). Students admitted with a GPA between 2.0 and 2.49 are required to enter into a learning contract outlining to maximize the student's chance of success. The Academic Excellence unit monitors this statewide policy.

A related piece of this work is determining which assessments should be accepted as indicators of college readiness and the minimum cut scores needed in English, reading and math. The Academic Excellence unit works with institutional representatives to periodically review and revise this policy. Additionally, the unit ensures students who fall below admissions standards are offered co-requisite developmental education courses instead of remedial courses that carry no academic credit. Students in co-requisite courses receive enhanced academic supports, such as additional labs or tutoring, so they can get up to speed and earn credit in introductory gateway courses.

### **General Education Assessment**

As a result of [KRS 164.2951](#), CPE, in collaboration with the public universities and KCTCS, established procedures to monitor the transfer and crediting of lower-division coursework, including a system of ongoing assessment that ensures comparability for transfer purposes. Campuses submit annual reports responding to these requirements, as well as detailing general education student learning

outcomes that were assessed in the previous academic year. The unit creates an executive summary to document improvements and changes to general education programs that have resulted from assessment activities. This process provides a means for institutions to share information on best practices and learn from the frameworks and experiences of other institutions.

### **Programs of Distinction**

The unit evaluates annual reports from the comprehensive universities to note activities that have led to national prominence and other accomplishments over the past year, In accordance with [KRS 164.003\(2\)](#). Staff shares these accomplishments with other universities and looks for trends and potential partnership opportunities among the various programs.

### **Faculty Leadership Academy**

The Faculty Leadership Academy is a year-long series of professional development offerings for full-time, mid-career faculty who are seeking to further develop their leadership skills and foster connections with peers, mentors, and established faculty leaders. To qualify, members must be nominated by their institution's leadership. The goal of the initiative is to instill in participants a deeper understanding of not only what leadership entails, but also of their institution's place within the state and national postsecondary landscape. Such professional development opportunities are critical for faculty and staff to effectively lead statewide strategic agenda strategy implementation at their institutions.

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## **EXPENDITURES**

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CPE spent a total of \$977,806 on the Academic Excellence unit in FY23 and \$1,088,107 in FY24. A majority of expenses supported personnel, including consulting services to assist with the Kentucky Graduate Profile and upgrades to the KnowHow2Transfer website. A total of \$251,000 was awarded as grants to support the work of Graduate Profile Academy teams. The amount spent on conferences, convenings and meetings includes expenses related to the Student Success Summit, CPE's premier, annual professional development event for postsecondary faculty and administrators, as well as the Graduate Profile Academy.

## Academic Excellence Financial Overview

EXPENDITURES	FY23 General Fund (22RS HB1)	FY24 General Fund (22RS HB1)
<b>Personnel</b>	<b>3.5 FTE</b>	<b>2.5 FTE</b>
Salary & Benefits	\$673,389	\$551,531
Other Personnel Services	13,876	44,556
Consulting Services (C-BEN)	139,385	251,468
<b>Personnel TOTAL</b>	<b>\$826,650</b>	<b>\$847,555</b>
<b>Operations</b>		
Supplies	2,808	
Travel	11,571	13,784
Conference, Convenings and Meetings	46,052	58,742
Professional Memberships	3,225	4,526
<b>Operating TOTAL</b>	<b>\$63,656</b>	<b>\$77,052</b>
<b>Grants</b>		
Graduate Profile Grants to Institutions	87,500	163,500
<b>Grants TOTAL</b>	<b>\$87,500</b>	<b>\$163,500</b>
<b>TOTAL EXPENDITURES</b>	<b>\$977,806</b>	<b>\$1,088,107</b>



# STUDENT ACCESS AND SUCCESS

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## OVERVIEW

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The Student Access and Success unit coordinates policies and initiatives that facilitate a smooth transition to postsecondary education. These include early college experiences that prepare high school students for college (e.g., dual credit and summer bridge programming), as well as policies and programs to enhance outcomes for non-traditional adult learners. The unit also provides student-centered support to increase college retention and completion rates. In carrying out this work, the unit convenes the Commonwealth Education Continuum, Kentucky’s statewide P-20 council, and administers several grant programs, the largest of which are GEAR UP Kentucky (an early awareness and readiness program supported by a federal grant) and the Kentucky Student Success Collaborative (funded by a James Graham Brown Foundation grant).

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## PROGRAMS AND FUNCTIONS

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### Commonwealth Education Continuum (CEC)

As defined in [KRS 164.001](#), Kentucky’s statewide P-16 council was re-established in 2021 as the Commonwealth Education Continuum, co-chaired by Lt. Governor Jacqueline Coleman, CPE President Aaron Thompson, and KDE Commissioner Robbie Fletcher. The reconstituted CEC was expanded to encompass P-20 and currently has 28 members representing the entire continuum of education providers—from early childhood to the workforce. The CEC identifies initiatives and policy recommendations to strengthen the state’s education pipeline and increase the educational attainment of Kentucky citizens. It is informed by the work of an ad hoc data team made up of representatives from the Kentucky Center for Statistics (KYSTATS), the Kentucky Department of Education (KDE), the Kentucky Community and Technical College System (KCTCS), and CPE.

### Early Postsecondary Opportunities

[KRS 164.098](#) requires CPE to standardize scores for awarding college credit for Advanced Placement (AP) and International Baccalaureate (IB) courses and exams. CPE also provides guidance around dual credit programming and credential requirements for high school dual credit teachers. The unit coordinates the Dual Credit Advisory Council, which promotes best practices and monitors the quality of dual credit offerings. Additionally, the unit reviews and revises the statewide dual credit policy; the most recent addition establishes a goal for 50 percent of graduating seniors to have successfully

completed a dual credit course beginning in 2030. Finally, the unit works with other education providers to deliver professional development opportunities to improve the effectiveness of high school dual credit teachers, ensure course alignment with college curricula, and promote academic rigor.

## Transfer

In 2011, the Kentucky legislature passed HB 160, which standardized the transfer process at Kentucky's public institutions. This legislation guarantees that general education courses will be accepted for credit toward degree requirements and not just electives. A year later, [KRS 164.2951](#) provided additional guidance on the facilitation of course transfer, as well as degree pathways from two-year to four-year public institutions meant to maximize the transferability of credit within the major and prevent students from taking unnecessary courses. CPE's work to expand degree pathways, particularly in high-need occupational areas, is ongoing. Smoothing the transfer process is critical to improved student retention and completion.

## Educator Workforce

[KRS 161.167](#) requires CPE to work with its statewide education partners to develop a plan to encourage persons to enter the teaching profession and seek employment in Kentucky. This statute includes language to increase the number of minority teachers and administrators in the Commonwealth. The unit carries out this mandate through the CEC. CPE also approves teacher education programs at public universities for compliance to standards established by the Education Professional Standards Board pursuant to [KRS 161.020](#).

## Access, Engagement and Belonging (AEB)

To support the requirements of [KRS 164.540](#) and [13 KAR 2:060](#), the AEB unit works to ensure all students have an opportunity to receive a rich and fulfilling educational experience enhanced by exposure to different perspectives and cultures. The AEB unit is responsible for coordinating and reviewing the statewide diversity planning process (currently under revision) and CPE's Committee on Equal Opportunity.

Other key initiatives include a voluntary cultural competency certification process for campuses and the Academic Leadership Development Institute (ALDI), a learning community of early career, underrepresented faculty and staff who are on track for professional advancement. The program provides opportunities to learn about emerging higher education trends and topics from state and national experts and peers.

## Grant Programs and Initiatives

[KRS 164.020](#) requires CPE to develop and implement a strategic agenda and develop a system of public accountability related to the plan. CPE has actively sought private and federal funding to achieve these objectives. Grant funding administered by the Student Access and Success unit addresses comprehensive student support, institutional collaboration, academic quality, college affordability and

accessibility, and business and community partnerships. Below is an overview of the grants administered by the unit to achieve these goals.

- **GEAR UP Kentucky:** Authorized by Congress in 1998, GEAR UP (Gaining Early Awareness and Readiness for Undergraduate Programs) is a competitive federal grant program designed to increase high school graduation rates, college enrollment rates, and the academic performance of students in low-income communities. In October 2018, CPE was awarded a seven-year, \$24.5 million grant by the U.S. Department of Education to serve at least 10,000 middle and high school students in at least 10 school districts, following them through their first year of college. This is the fourth GEAR UP state grant that has been administered by CPE.
- **Kentucky Student Success Collaborative (KYSSC):** Funded by the James Graham Brown Foundation and housed at CPE, the Kentucky Student Success Collaborative (KYSSC) works with both two- and four-year institutions to improve degree completion, provide additional supports to address students' basic needs, close equity gaps, and improve graduates' transition to careers. The Impact exChange is an online platform for faculty and administrators to ask questions, share resources, and support one another in the common goal of student success. KYSSC also launched a year-long change leadership program to provide participants with the skills to lead strategic change, foster innovation, and drive continuous improvement at their institutions. KYSSC has been instrumental in ensuring campuses are implementing strategic agenda and legislative priorities more effectively, especially as they relate to serving more post-traditional, adult students.
- **The Kentucky Advising Academy (KAA):** KAA is supported by Governor's Emergency Education Relief (GEER) and Elementary and Secondary School Emergency Relief (ESSER) funds awarded to CPE by KDE. It provides a free comprehensive series of professional learning opportunities and resources for school counselors, Family Resource/Youth Service Center (FRYSC) coordinators, and all professional educators, as well as flexible opportunities to connect with higher education and postsecondary advising leaders. Its overarching goal is equitable access to postsecondary advising so all students can prepare for a successful transition to college. The KAA supports educators serving in advising roles by providing comprehensive professional learning sessions, online resources, and networking opportunities centered around postsecondary advising. The [College and Career Advising Toolkit](#) is a comprehensive collection of tools and resources that serves as a hub for advisors across the Commonwealth.
- Also supported by GEER and ESSER funds, **summer bridge programs** provide incoming students with the resources and skills needed for success in a college environment. They generally occur in the summer before matriculation and vary in length, from several days to weeks, and provide orientation to college life, academic advising, training in time management and study skills, and

accelerated academic coursework. CPE awarded grants to institutions to supplement these programs through a competitive RFP process.

- The **Knowledge Works Foundation** awarded CPE a \$25,000, one-year grant to support the College High School Alliance in its mission to advance equity and quality-focused policy impacting college in high school programs.
- The **Lumina Foundation** awarded CPE a \$75,000, one-year grant to increase the financial stability of adult learners, students of color, and students with low incomes by streamlining access to public benefits through enhanced partnerships and embedded processes.
- Small stipends were awarded to CPE by **NASH** and the **Military Compact** to help offset the cost of travel and personnel associated with maximizing the transfer of military credit to academic institutions for veterans.
- The **New Venture Fund** awarded a small grant to CPE to build a strong career pathway system through comprehensive college and career advising strategies.
- CPE partnered with **Save The Children** to maintain contracts with higher education institutions in Kentucky to administer tuition support to full-time students enrolled in a child development or related degree program who have been recruited and approved by the Save the Children Federation, Inc.
- The **ECMC Foundation** awarded CPE a two-year grant to help address student basic needs like food and housing insecurity, childcare and transportation.

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## EXPENDITURES

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### Student Access and Success

Excluding grant expenditures, CPE spent a total of \$987,575 of General Fund dollars on the Access and Success unit in FY23 and \$982,842 in FY24. A majority of these funds supported personnel; meeting expenses and travel accounted for the bulk of expenditures in operations.

## Student Access & Success Financial Overview

EXPENDITURES	FY23 General Fund (22RS HB1)	FY24 General Fund (22RS HB1)
<b>Personnel</b>	<b>6.5 FTE</b>	<b>5.5 FTE</b>
Salary & Benefits	\$ 922,659	\$ 851,467
Other Personnel Services including Transfer Equivalency Service Contract	27,835	88,167
<b>Personnel TOTAL</b>	<b>\$950,494</b>	<b>\$939,634</b>
<b>Operations</b>		
Supplies	4,872	
Convening Expenses and Travel	17,356	39,458
Professional Memberships	14,853	3,750
<b>Operations TOTAL</b>	<b>\$37,081</b>	<b>\$43,208</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 987,575</b>	<b>\$ 982,842</b>

### GEAR UP Kentucky

GEAR UP funds supported 35 full-time employees in FY23 and 25 employees in FY24, for a total of \$2,718,718 and \$3,024,173 respectively. Operations costs totaled \$705,416 in FY23 and \$398,975 in FY24; the reduction in FY24 was due to fewer costs associated with supplies, meetings, and school events.

## GEAR UP Kentucky Financial Overview

EXPENDITURES	FY23 (Federal Funds)	FY24 (Federal Funds)
<b>Personnel</b>	<b>35 FTE</b>	<b>25 FTE</b>
Salary & Benefits	\$2,226,329	\$2,462,312
Other Personnel Services, Consulting, Summer Temporary Employment	492,389	561,861
<b>Operations</b>		
Office and Classroom Supplies	395,728	100,475
Meeting and School Events	30,622	12,549
Travel and Carpool Rental	100,416	109,705
Technology Expenses	44,601	55,214
Professional Memberships and Subscriptions	29,349	26,764
School District Reimbursement	104,700	94,268
<b>TOTAL EXPENDITURES</b>	<b>\$3,424,134</b>	<b>\$3,423,148</b>

## KYSSC

KYSSC spent a total of \$691,525 in FY23 and \$774,190 in FY24. The largest expenditure categories were personnel, including a contract with SOVA consulting, and technical assistance to campuses. All funding was provided by the James Graham Brown Foundation.

KYSSC Financial Overview				
EXPENDITURES		FY23 (JGBF Grant)	FY24 (JGBF Grant)	
<b>Personnel</b>		<b>2 FTE</b>	<b>3 FTE</b>	
	Salary & Benefits	\$309,598	\$350,646	
	Consultant Contract - SOVA	198,116	261,960	
<b>Operations</b>				
	Office Space	22,808	22,706	
	Meeting and Events	5,669	33,385	
	Travel	14,374	14,221	
	Technology Expenses	6,660	6,429	
	Professional Memberships and Subscriptions		54,843	
	Technical Assistance to Campuses	134,300	30,000	
<b>TOTAL EXPENDITURES</b>		<b>\$691,525</b>	<b>\$774,190</b>	

## Programs Supported by GEER & ESSER Funds

GEER and ESSER federal funds were provided to states to offset financial losses associated with the COVID-19 pandemic. CPE spent a total of \$4,404,586 from these two fund sources in FY 23 and \$3,068,125 in FY24 to support strategic agenda and statutory requirements within the Student Access and Success unit.

Financial Overview for GEER & ESSER Supported Programs				
EXPENDITURES	FY23		FY24	
	ESSER	GEER	ESSER	GEER
			<b>6.5 FTE</b>	
<b>Kentucky Advising Academy</b>				
	Personnel	\$61,244	\$483,379	\$523,081
	Contract – District Coaching and Advising Toolkit	840,011		740,867
	Postsecondary Advising Grants to High Schools			51,155
	Travel, Meeting & Convening Expenses	2,519	64,993	23,977
<b>Early Postsecondary Opportunities Guidance</b>				
	Training and Support	267		267
	Contract – National Alliance of Concurrent Enrollment Partnership			30,000

<b>Dual Credit Oversight</b>				
Dual Credit Mini Grants to Postsecondary Institutions			49,280	
Contract – Dual Credit Policy Toolkit	25,000			
<b>Commonwealth Education Continuum</b>				
Contract – Strategic Guidance & Urban Schools Academy	75,000		25,000	
Meeting Expenses	1,553		600	
<b>Summer Bridge</b>				
Grants to Postsecondary Institutions	1,007,012	1,827,219	1,017,416	\$408,226
Contract – Evaluation	16,389		8,100	
<b>TOTAL EXPENDITURES</b>	<b>\$2,028,995</b>	<b>\$2,375,591</b>	<b>\$2,469,743</b>	<b>\$598,382</b>

### Programs Supported by Private Grants

CPE spent a total of \$172,782 in FY23 and \$138,532 in FY24 from private funding sources to extend efforts to support statutory and strategic agenda responsibilities.

<b>Financial Overview for Programs Supported with Private Funds</b>			
<b>EXPENDITURES</b>	<b>FY23</b>	<b>FY24</b>	
<b>Knowledge Works</b>			
Meetings and Events – Dual Credit Workshops	\$22,802		
<b>Knowledge Works - TOTAL EXPENDITURES</b>	<b>\$22,802</b>		
<b>Lumina Foundation – Student Success</b>			
Meeting Expenses and Travel	\$6,518		
Grants to Postsecondary Institutions	48,680	\$6,914	
<b>Lumina Foundation –TOTAL EXPENDITURES</b>	<b>\$55,198</b>	<b>\$6,914</b>	
<b>NASH, Military Compact, and NVF</b>			
Salary & Benefits	\$7,090		
Grants to Postsecondary Institutions	3,543		
Travel	9,016	\$9,143	
<b>NASH, Military Compact, and NVF –TOTAL EXPENDITURES</b>	<b>\$19,649</b>	<b>\$9,143</b>	
<b>Save the Children</b>			
Tuition Support	\$75,133	\$105,937	
<b>Save the Children –TOTAL EXPENDITURES</b>	<b>\$75,133</b>	<b>\$105,937</b>	
<b>ECMC – Student Basic Needs</b>			
Salary & Benefits		\$16,538	
<b>ECMC –TOTAL EXPENDITURES</b>		<b>\$16,538</b>	

# FINANCE

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## OVERVIEW

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CPE's finance unit manages distributions to public postsecondary institutions through the performance-based funding model and various trust funds. The unit takes the lead in crafting the postsecondary institution and agency budget request to the General Assembly; facilitates approval of interim capital construction and asset preservation pool projects on campuses; monitors college affordability and the financial health of institutions; reviews and develops finance-related policy; manages the state's performance-based funding model; recommends tuition and mandatory fee ceilings for public universities and KCTCS; manages tuition reciprocity agreements with bordering states; and administers other trust funds related to institutions' House Bill 1 goals.

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## PROGRAMS AND FUNCTIONS

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### Capital Improvements

[KRS 7A.120](#) directs CPE to prepare and submit a two-year capital improvement plan (updated every two years to coincide with the biennial budget cycle), which includes requests from the four-year public universities, KCTCS, and the agency. Finance staff reviews implemented or completed capital projects and makes recommendations pertaining to the maintenance of physical properties and equipment.

In accordance with [KRS 164.020\(11\)](#), the Finance unit also coordinates CPE Board review and approval of all capital construction projects for the agency and postsecondary institutions covered by [KRS 45.750\(1\)\(f\)](#).

### Biennial Budget Request

Per [KRS 164.7915](#), the Finance unit works with campus representatives and the agency's executive leadership team to submit a biennial budget request to the General Assembly and the Governor with regard to:

- specific funding amounts to be appropriated to each individual trust fund in the Strategic Investment and Incentive Funding Program;



- specific funding amounts for all capital projects to be appropriated and funded from each individual trust fund in the Strategic Investment and Incentive Funding Program; and
- funding appropriated to the base budgets of the institutions, systems, agencies, and programs.

## **Tuition and Mandatory Fee Ceilings**

State law gives CPE the authority to determine tuition. Since 2009, the Council has exercised that authority by setting a ceiling on tuition and mandatory fee increases each year, or in some cases, a two-year period. Institution governing boards approve rates that comply with the Council's ceiling, after which they are reviewed and approved by the CPE Board.

In determining rates for resident and non-resident students, the council considers tuition and fees charged to Kentucky students in adjoining states and the SREB region, the actual cost of instruction, student debt levels, operational cost increases at institutions, and many other factors [[KRS 164.020\(8\)](#)].

## **Performance-Based Funding Model**

[KRS 164.092](#) creates the Postsecondary Education Work Group, consisting of the CPE president, postsecondary institution leaders, and representatives from the Governor's office and the legislature. This group is charged with the development and revision of a funding model that aligns state resources to performance and student success metrics.

The Finance unit manages two distinct but similar funding models: one for the public universities and one for the community and technical colleges. Every three years (or more frequently if needed), CPE convenes the group to review the model's performance, identify any unintended consequences, and recommend adjustments.

Aligning state funding to student success outcomes provides incentives for institutions to enroll and graduate more students. The model also rewards the efficient production of degrees and credentials and provides premiums when institutions graduate low-income, underrepresented, and STEM+H (science, technology, engineering, mathematics, and health) students. An overall rise in the number of graduates maximizes taxpayers' return on investment in higher education and translates to a more highly skilled workforce.

## **Financial Reporting Compliance**

[KRS 164A.565](#) directs the governing board of each institution to submit an annual financial report to CPE that accounts for the use of public funds. Additionally, institutions must post financial statements and audits on their website. The Finance unit works with campus chief budget officers to ensure compliance with CPE's system of uniform financial reporting for public higher education institutions.

## Mandatory Tuition and Fee Waiver Reporting

The Kentucky legislature offers free or reduced tuition at KCTCS and public universities for war veterans and their families, national guard members, foster or adopted children, and several other categories of students. To qualify, the student must be a Kentucky resident or a family member of a (once) Kentucky resident. The amounts granted by these waivers vary and may be dependent upon state and federal funds available for use. The Finance unit ensures compliance with state reporting requirements and monitors these programs ([KRS 164.2847](#)).

## Trust Funds for Research and Workforce Development

With the passage of postsecondary reform legislation in 1997, the General Assembly established several trust funds to assist institutions in becoming nationally recognized and meeting their HB 1 goals. More specifically, these funds incentivize the commercialization of basic and applied research at public comprehensive and research universities, as well as workforce and economic development initiatives at KCTCS.

- Commonly known as “Bucks for Brains,” the Research Challenge Trust Fund (RCTF) provides funding to the University of Kentucky and the University of Louisville to recruit world-class research faculty through an endowment match program. It also supports scientific research leading to new discoveries and innovations for the good of the state ([KRS 164.7917](#)).
- Appropriations to the Comprehensive University Excellence Trust Fund (CUETF) ([KRS 164.7919](#)) are awarded to Eastern Kentucky University, Kentucky State University, Morehead State University, Murray State University, Northern Kentucky University, and Western Kentucky University to support their designated Programs of Distinction (PODs) designed to enhance their national reputations.
- The Workforce Development Trust Fund (WDTF) ([KRS 164.7925](#)) directs CPE to establish criteria for funding technology and equipment purchases at KCTCS to improve the quality of workforce instruction.

## Equine Trust Fund

Pursuant to [KRS 138.510\(5\)](#), the Equine Trust Fund directs one percent of all money wagered on live and historical races at the track to be deposited into a trust for the construction, expansion, or renovation of facilities or the purchase of equipment for equine programs at state universities. CPE serves as the administrative agent of these funds and develops procedures for administering the program and making disbursements in accordance with established guidelines.

## EXPENDITURES

### Finance

CPE spent a total of \$516,746 in General Fund dollars on the Finance unit in FY23 and \$539,258 in FY 24. The majority of expenditures supported staff salaries and benefits, as well as tuition reimbursement and professional development (reflected in “other personnel services”). Operations expenses consisted mainly of office supplies, travel, and professional membership dues; these expenses totaled \$12,866 in FY23 and \$16,891 in FY24.

Finance Unit Financial Overview		
EXPENDITURES	FY23 General Fund (22RS HB1)	FY24 General Fund (22RS HB1)
<b>Personnel</b>	<b>3.5 FTE</b>	<b>3.5 FTE</b>
Salary & Benefits	\$485,175	\$499,188
Other Personnel Services	18,696	23,179
<b>Personnel TOTAL</b>	<b>\$503,870</b>	<b>\$522,367</b>
<b>Operations</b>		
Supplies	2,885	3,243
Travel	5,245	6,819
Professional Memberships	4,735	6,829
<b>Operations TOTAL</b>	<b>\$12,866</b>	<b>\$16,891</b>
<b>TOTAL EXPENDITURES</b>	<b>\$516,736</b>	<b>\$539,258</b>

### RCTF/CUETF/WDTF

Payments to universities from the Research Challenge Trust Fund, Comprehensive University Excellence Trust Fund, and Workforce Development Trust Fund are made upon the request of the university or KCTCS system office. Institutions must submit match request forms and other supporting documentation to access the funds. Expenditures totaled \$2,864 in FY23 and \$17,351,514 in FY24.

## Trust Fund Disbursements

EXPENDITURES	FY23 (Trust Funds)	FY24 (Trust Funds)
University of Kentucky – Research Challenge		\$13,414,334
University of Louisville – Research Challenge		3,212,180
Morehead State University – Comprehensive Excellence	\$639,500	
Northern Kentucky University – Comprehensive Excellence		725,000
KCTCS – Workforce Development	2,225,000	
<b>TOTAL EXPENDITURES</b>	<b>\$2,864,500</b>	<b>\$17,351,514</b>

### Equine Trust Fund

There were five institutions with equine programs in FY23 and FY24: Morehead State University, Murray State University, the University of Kentucky, and Western Kentucky University. The University of Louisville has an equine program but waives funding through this fund. Beginning in FY25, Bluegrass Community and Technical College also will receive funding from this program. Expenditures totaled \$480,000 in FY23 and \$480,000 in FY24.

## Equine Trust Fund Disbursements

REVENUE	FY23 (Trust Fund)	FY24 (Trust Fund)
Revenue from money wagered on historical and live races	\$474,071	\$478,763
<b>EXPENDITURES</b>		
Morehead State University	\$120,000	\$120,000
Murray State University	120,000	120,000
University of Kentucky	120,000	120,000
Western Kentucky University	120,000	120,000
<b>TOTAL EXPENDITURES</b>	<b>\$480,000</b>	<b>\$480,000</b>

# POLICY, PLANNING, COMMUNICATIONS, DATA & RESEARCH

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## OVERVIEW

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This unit is responsible for strategic planning, data and advanced analytics, board member relations, communications, and event planning. Much of the unit’s work centers on creating a statewide strategic agenda for public, postsecondary institutions; holding institutions accountable for progress made toward plan objectives and goals; ensuring institutions are submitting accurate data in a timely fashion and complying with federal and state reporting requirements; conducting research to inform policy decisions and statewide strategies; and regularly communicating with stakeholders and the public at large to increase transparency around higher education in the Commonwealth.

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## PROGRAMS AND FUNCTIONS

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### Policy and Planning

[KRS 164.0203](#) lays out the requirements for the statewide strategic agenda for Kentucky postsecondary education, which is updated on a regular basis and includes statewide objectives, strategies, and metrics that guide the work of public institutions. CPE published the current strategic agenda in 2022, and it extends to 2030 (with mid-term revisions in 2024 and 2027). As part of the annual accountability system, CPE publishes an annual Progress Report (per [KRS 164.095](#)), with information on key performance indicators and statewide initiatives occurring in each priority area of the agenda. This is submitted to the Kentucky General Assembly and the Legislative Research Commission, as well as posted on CPE’s website. Additionally, campus presidents make a formal presentation to the CPE board detailing their progress over the last academic year, as well as any barriers to goal completion.

### Research and Advanced Analytics

The data arm of CPE takes the lead in collecting, validating, and warehousing unit-level data from campuses and submitting these to KYSTATS, which manages Kentucky’s longitudinal data system ([KRS 151B.132](#)). These data elements include information about student outcomes (e.g., enrollment, degree attainment, retention, graduation rates, grades, academic readiness, employment outcomes, annual salaries of graduates), as well as demographic data that allow CPE to disaggregate outcomes by income, race, gender, geographic region, age, and other factors. The unit works with chief information

officers to negotiate targets for key performance indicators of the statewide strategic agenda and produce an annual Progress Report that is central to CPE’s accountability efforts. The data team manages the Kentucky Postsecondary Education Network (KPEN) and handles data requests from legislators, the media, and other constituents, ensuring they are fulfilled in a timely manner.

The unit uses these data collections to create research briefs and reports, which are warehoused on [CPE’s website](#). The value of this research is immense; for example, CPE’s findings on topics such as unmet financial need for students, high school dual credit, and college remediation have significantly influenced statewide policy and initiatives.

Finally, with KYSTATS, the unit maintains a website called the “Kentucky Students’ Right to Know” ([KRS 164.0284](#)). This is a site for prospective college students and parents designed to provide transparency around average college costs, loan debt, graduation rates at in-state institutions, in-demand careers, and employment, and average salaries for Kentucky graduates. A more comprehensive, user-friendly website called Futuriti will be launched in early 2025 that will include all the data elements required by KRS 164.0284, plus tools to explore careers, search for programs at Kentucky institutions, and conduct job searches. Expenditures to support Futuriti come from the Technology Trust Fund.

### **CPE Board Relations**

[KRS 164.011](#) creates the CPE board and defines its membership, composition, and term length. CPE staff regularly communicates with board members and prepares board materials for regular and special meetings. Staff also arranges a joint meeting of the CPE board and the board of student body presidents, which consists of representatives from public two- and four-year institutions and one independent college or university ([KRS 164.0211](#)). These meetings occur annually.

With the passage of [KRS 164.020\(25\)](#), CPE became responsible for providing orientation and training for new board appointees, as well as professional development opportunities for existing members. The legislation requires CPE to review and approve the board orientation programs of each public university and KCTCS institution to ensure compliance. CPE created a six-hour online training program for new members that is updated on an ongoing basis; every two years, CPE holds a postsecondary education trusteeship conference that keeps CPE board members, university trustees, and KCTCS regents abreast of recent trends and developments in higher education. Additionally, board members can take advantage of professional development webinars produced by CPE staff on timely postsecondary topics.

### **Communications and Event Planning**

Carrying out all the statutory responsibilities assigned to CPE involves planning, coordinating, and executing dozens of conferences, meetings, and events each year. A staff member in communications takes the lead on event planning for the agency. The communications team handles media requests, runs CPE’s social media accounts, maintains the CPE website, issues press releases and meeting advisories, and assists staff with speeches, presentations, talking points, publications, and other

materials. For major conferences and convenings, CPE charges a registration fee or applies a cost split among participating institutions to help recoup costs.

## EXPENDITURES

CPE spent a total of \$1,559,140 in General Fund dollars on the Policy, Planning, Communications, Data and Research unit in FY23 and \$1,560,141 in FY24. The majority of these expenditures supported staff salaries and benefits, as well as tuition reimbursement and professional development (reflected in “other personnel services”). Operations expenses consisted mainly of office supplies and direct technology purchases, travel, and professional membership dues. These expenditures totaled \$53,524 in FY23 and \$62,371 in FY24.

Policy, Planning, Communications, Data & Research Financial Overview		
EXPENDITURES	FY23 General Fund (22RS HB1)	FY24 General Fund (22RS HB1)
<b>Personnel</b>	<b>11.5 FTE</b>	<b>11.5 FTE</b>
Salary & Benefits	\$1,486,969	\$1,468,833
Other Personnel Services	18,647	28,937
<b>Personnel TOTAL</b>	<b>\$1,505,616</b>	<b>\$1,497,770</b>
<b>Operations</b>		
Supplies & Technology	27,611	32,693
Travel	11,417	12,928
Professional Memberships	14,496	16,750
<b>Operations TOTAL</b>	<b>\$53,524</b>	<b>\$62,371</b>
<b>TOTAL EXPENDITURES</b>	<b>\$1,559,140</b>	<b>\$1,560,141</b>

# WORKFORCE & ECONOMIC DEVELOPMENT

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## OVERVIEW

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A primary purpose of postsecondary education is to produce adaptive, highly skilled workers to fuel Kentucky's economy and meet the needs of employers and citizens. The Workforce and Economic Development unit is charged with aligning postsecondary programs and degree production to workforce needs.

In recent years, critical workforce shortages in healthcare prompted the General Assembly to invest in incentive funding for postsecondary institutions to produce more graduates in high-need specialty areas like nursing, respiratory care, social work and others. Future areas of focus include aviation, education, and advanced manufacturing.

The unit also works with campus career development offices to share best practices and promote employer partnerships to increase work-based learning experiences in undergraduate programs. These efforts are critical to improving employment outcomes for postsecondary graduates.

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## PROGRAMS AND FUNCTIONS

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### Healthcare Workforce Collaborative (HWC)

In 2022, CPE received \$10 million from the Kentucky General Assembly to help grow the state's education and training pipeline of healthcare professionals ([22 RS HB 1](#)). As a result, CPE created the Healthcare Workforce Collaborative (HWC), which has distributed \$8 million to two- and four-year institutions through grants to support healthcare degree and credential programs. The unit regularly convenes a HWC Advisory Committee of industry professionals to oversee major decisions and initiatives. HWC funding also supports the Healthcare Workforce Collaboratory, an annual event that assembles policy experts, state leaders, and representatives from college campuses and the healthcare industry to discuss strategies to alleviate healthcare practitioner shortages in Kentucky.

### Healthcare Workforce Investment Fund (HWIF)

In 2023, the General Assembly passed [HB 200](#), establishing an innovative fund whereby employers pledge a dollar amount to a postsecondary healthcare program, to be matched state dollars. Over half of the funds are dedicated to scholarships for students pursuing high-demand healthcare credentials; the remaining dollars recognize program excellence and support administration of the fund at CPE. A



steering committee meets regularly to guide decisions related to the HWIF. CPE issued a Request for Proposals for HWIF partnerships, and with the guidance of the HWIF steering committee, recommended program awards. Approximately \$14 million has been allocated to institutions through the HWIF; funding will be awarded beginning in 2025.

### **AERO (Aviation Education Reinvestment Opportunity) Act**

Senate Bill 127 created a new section of KRS chapter 164 ([KRS 164.7011](#)) to incentivize collaboration among aerospace and aviation programs, industry partners, and the Commonwealth. The purpose of this Act is to strengthen the education and training pipeline of aerospace and aviation professionals in Kentucky. There is currently no funding allocated to this program, but the unit has begun promulgating administrative regulations and securing industry partnerships in anticipation of funding.

### **CLIMB Health**

CPE partnered with the Cabinet for Health and Family Services (CHFS) to establish the Career Ladders in Mental and Behavioral Health initiative (CLIMB Health). This program creates postsecondary pathways at KCTCS for individuals in recovery from substance-use disorders who are seeking entry-level employment as peer support specialists and additional credentials in social work. CPE received a \$1.5 million grant from CHFS to implement CLIMB Health.

### **Career Development Initiatives**

Lack of career planning by students can lead to changes in major, adding additional semesters and associated costs. Campus career development services offer students the opportunity to receive assistance with various aspects of their academic and career journeys, such as choosing a major, crafting a career path, devising effective job-search methods, and more. To elevate campus career development efforts and align outcomes to state workforce goals, CPE regularly convenes campus career development officers to improve collaboration and share innovative ideas, policies, and practices for improved employment outcomes for students.

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## **EXPENDITURES**

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The Workforce and Economic Development unit spent a total of \$2,576,062 in FY23 and \$3,521,965 in FY24. A majority of expenditures were grant awards to postsecondary institutions made possible by state fiscal recovery funds and a grant from CHFS. Travel expenses included site visits to campuses and employers, expenses associated with steering committee meetings, and in FY24, two statewide convenings (one for healthcare professionals and educators and one for CLIMB Health).

## Workforce & Economic Development Financial Overview

EXPENDITURES	FY23 General Fund (22RS HB1)	FY 23 State Fiscal Recovery Funds	FY24 General Fund (22RS HB1)	FY 24 State Fiscal Recovery Funds	CHFS Grant Funding for CLIMB Health
<b>Personnel</b>	<b>FTE 2.5</b>		<b>FTE 4.0</b>		
Salary & Benefits	\$132,968	\$135,305	\$144,751	\$254,911	\$62,963
Other Personnel Services					
<b>Personnel TOTAL</b>	<b>\$132,968</b>	<b>\$135,305</b>	<b>\$144,751</b>	<b>\$254,911</b>	<b>\$62,963</b>
<b>Operations</b>					
Supplies & Postage		50		1,085	
Travel, Meetings, Convenings		5,802		73,132	33,216
Grants Awarded to Institutions		2,301,937		2,746,235	205,197
Dues & Subscriptions (SREB)				475	
<b>Operations TOTAL</b>		<b>\$2,307,789</b>		<b>\$2,820,927</b>	<b>\$238,413</b>
<b>TOTAL EXPENDITURES</b>	<b>\$132,968</b>	<b>\$2,443,094</b>	<b>\$144,751</b>	<b>\$3,075,838</b>	<b>\$301,376</b>

# AGENCY OPERATIONS

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## OVERVIEW

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As the operational arm of CPE, this unit provides essential services and resources that support the board, president, and agency staff in carrying out CPE's statutory duties and strategic agenda priorities. This unit includes the office of the president; the CPE Board; the office of the general counsel; human resources; administrative services; the Academic Common Market; and licensure.

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## PROGRAMS AND FUNCTIONS

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### Office of the President

The CPE president is the state's primary advocate for public postsecondary education and advises the Governor and General Assembly on higher education matters in the Commonwealth. The president has broad responsibility for coordinating Kentucky's public system of postsecondary education, which includes two research universities, six comprehensive (regional) universities, and KCTCS and its 16 individual community and technical colleges.

[KRS 164.013](#) identifies the primary responsibilities of the president, which include, but are not limited to:

- to serve as chief higher education advisor to the Governor and General Assembly.
- to design and develop new statewide initiatives to advance the strategic agenda.
- to determine the staffing and organizational structure necessary to carry out CPE's statutory responsibilities and strategic agenda objectives.
- to oversee the day-to-day operations of the agency and provide annual progress reports on strategic agenda implementation.
- to carry out policy and program directives of the CPE board.
- to prepare and submit for CPE board approval the proposed agency budget.
- to approve the licensure of all private, non-profit and for-profit postsecondary institutions operating in Kentucky.
- to perform all other duties and responsibilities assigned by state law.

The president (or his proxy) also serves on boards and committees as directed by statute, including the Kentucky Board of Education (as an ex-officio member), the Bluegrass State Skills Corporation, the Governors' Scholars Board of Directors, the Kentucky Higher Education Assistance Authority (KHEAA), and several others.

## **CPE Board**

The CPE Board and its standing and advisory committees meet regularly throughout the year to review staff recommendations and approve major decisions of the Council, such as tuition and mandatory fee ceilings, performance funding distributions, new academic programs, the postsecondary education budget request to the General Assembly, campus construction and renovation projects, and the statewide strategic agenda, among others. The Board's responsibilities are set out in [KRS 164.013](#) and include hiring, evaluating, and terminating the CPE president and approving and amending his employment contract. The CPE board consists of 13 citizen members, a faculty member, and a student member, all appointed by the Governor. The Commissioner of Education serves as a nonvoting ex-officio member. The membership requirements of the CPE Board are outlined in [KRS 164.011](#). Board members are compensated for attending meetings at a rate of \$100 per day, plus all travel and meal expenses associated with each meeting, in accordance with [KRS 164.050](#).

## **Office of the General Counsel**

CPE's General Counsel attends to all legal matters of the agency, including but not limited to agency compliance with applicable federal and state law, contract review and approval, personnel matters, student complaints, and open records requests. Additionally, the Office of General Counsel performs specific duties outlined in statute:

Additionally, the General Counsel performs specific duties outlined in statute:

- create, maintain and implement policies and procedures to safeguard personal information against security breaches ([KRS 61.932](#)).
- carry out processes related to the removal of Governor-appointed individuals from postsecondary boards for cause ([KRS 63.080](#)).
- establish procedures used by educational institutions under the Council's jurisdiction for parents or eligible students to challenge the content of a student record ([KRS 160.730](#)).
- collect annual reports of crimes and threats to the safety or security of students and employees on Kentucky public and private college campuses ([KRS 164.9481](#)).

## **Human Resources**

Pursuant to [KRS 164.013](#), the human resources unit supports the agency's employees by performing or assisting with day-to-day operations related to hiring, recruitment, onboarding, training, payroll, employee evaluation, and other personnel matters.

## Administrative Services

The administrative services unit performs or assists with day-to-day operations as set forth in [KRS 164.013](#). The unit is responsible for all internal administrative functions related to general accounting, contracting, and procurement, as well as the annual audit, accounts payable and receivable, and fiscal grant management.

## Academic Common Market

CPE, as part of the Southern Regional Education Board (SREB), participates in the Academic Common Market (ACM). This program provides discounted tuition at participating out-of-state institutions for degree programs not offered in the state. To qualify for the ACM, students must prove they are Kentucky residents pursuing academic degrees not offered by Kentucky institutions ([KRS 164.530](#)).

## Licensure

As set forth in [KRS 164.945-47](#), CPE is required to license all non-public, postsecondary institutions that operate in Kentucky offering bachelor's degrees or higher, including out-of-state institutions offering programs through distance education. The licensure unit also manages Kentucky's participation in the State Authorization Reciprocity Agreement (SARA), which sets standards for interstate offerings of postsecondary distance education ([KRS 164.540](#)). The CPE president is charged with final decision-making authority on all licensure applications.

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## EXPENDITURES

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### Agency Operations

CPE spent a total of \$4,125,443 on agency operations in FY23, with \$3,719,525 from the state General Fund and \$405,918 from indirect funds from federal grants (primarily the GEAR UP Kentucky grant). In FY24, CPE spent a total of \$3,694,094, with \$3,141,174 from the state General Fund and \$552,920 from indirect grant funds. In both years, indirect grant funds were used to offset basic operating expenditures, such as facility rentals, technology charges, personnel, and other ancillary costs.

The majority of expenditures in agency operations supported the salaries and benefits of 12 full-time employees, as well as routine costs associated with workers' compensation, training, security, and the agency's audit. Expenditures in FY23 totaled \$2,664,161 from the General Fund and \$36,872 from restricted funds, and \$2,426,805 from the General Fund in FY24.

Operational costs include CPE’s office lease and equipment; state motor pool rentals; maintenance and repairs; office supplies; postage; technology and software support; travel reimbursement, including travel costs paid to CPE board members; and agency and campus membership dues and subscriptions (the bulk of which is SREB membership dues). The FY23 total was \$1,424,410 (\$1,055,365 from the General Fund and \$369,046 from restricted funds), and the FY24 total was \$1,267,289 (\$714,369 from the General Fund and \$552,920 from restricted funds).

Agency Operations Financial Overview				
EXPENDITURES	FY 2023		FY 2024	
	General Fund (22RS HB1)	Restricted Fund (Indirect Costs)	General Fund (22RS HB1)	Restricted Fund (Indirect Costs)
<b>Personnel</b>	<b>12 FTE</b>		<b>12 FTE</b>	
Salary & Benefits	\$2,188,015	\$36,872	\$2,189,518	
Other Personnel Services	476,146		237,287	
<b>Personnel TOTAL</b>	<b>\$2,664,161</b>	<b>\$36,872</b>	<b>\$2,426,805</b>	
<b>Operations</b>				
Utilities Rentals & Other Services	171,998	155,268	235,150	140,967
Technology	544,682	129,035	180,199	298,275
Commodities and Supplies	5,308	1,376	8,714	1,052
Travel	13,699	30,832	16,584	10,814
Agency and Campus Dues & Subscriptions	319,677	52,535	273,722	101,812
<b>Operations TOTAL</b>	<b>\$1,055,365</b>	<b>\$369,046</b>	<b>\$714,369</b>	<b>\$552,920</b>
<b>TOTAL EXPENDITURES</b>	<b>\$3,719,525</b>	<b>\$405,918</b>	<b>\$3,141,174</b>	<b>\$552,920</b>

## Licensure

No General Funds support the licensure functions of the agency; the unit is supported by licensure fees charged to colleges and universities (restricted fund). CPE spent a total of \$376,930 on licensure in FY23, and \$434,980 in FY24. Almost all these expenditures supported staff salaries and benefits; \$4,321 in FY23 supported technology, supplies, travel, and dues and subscriptions. In FY24, the Licensure unit received a grant from NC SARA in the amount of \$6,918 to fund travel to the spring conference and to pay for membership fees to the National Association of State Administrators and Supervisors of Private

Schools (NASASPS). The remainder of these FY24 expenditures (\$2,245) were for travel, supplies, dues, and subscriptions.

### Licensure Financial Overview

	FY2023	FY2024	
REVENUES	Restricted Fund	Restricted Fund	Grant – NC SARA
Initial Licensure Fees	\$83,200	\$121,400	
Renewal Fees	153,300	162,900	
SARA Initial Fees	4,500	9,000	
SARA Renewal Fees	283,500	304,500	
<b>TOTAL REVENUES</b>	<b>\$524,500</b>	<b>\$597,800</b>	
EXPENDITURES			
<b>Personnel</b>	<b>2.5 FTE</b>	<b>3.5 FTE</b>	
Salary & Benefits	\$372,609	\$425,817	
<b>Operations</b>			
Technology, Supplies, Travel & Dues/Subscriptions	4,321	2,245	\$6,918
<b>TOTAL EXPENDITURES</b>	<b>\$376,930</b>	<b>\$428,062</b>	<b>\$6,918</b>

DRAFT

# TECHNOLOGY TRUST FUND

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## OVERVIEW

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[KRS 164.7911](#) creates the Technology Initiative Trust Fund, and [KRS 164.7921](#) clarifies that the fund supports ongoing technology investments and upgrades for CPE and postsecondary institutions. [KRS 164.800](#) encourages shared program delivery among libraries, institutions, systems, agencies, and programs. These joint technology purchases and digital subscriptions result in considerable cost savings for the Commonwealth.

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## EXPENDITURES

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### KPEN and Digital Subscriptions

CPE spent a total of \$2,704,415 in FY23 and \$2,368,812 in FY24 from the Technology Trust Fund on the Kentucky Postsecondary Network (KPEN), which provides internet access to public postsecondary campuses and other digital initiatives. Funding for these programs comes from General Fund appropriations as well as fees from Kentucky public postsecondary institutions. Additionally, the fund supports various technology-based subscriptions used by public postsecondary institutions, including:

- ESRI subscription for postsecondary institutions to access data mapping services that provide a framework for analyzing trends, predicting change, setting priorities, and evaluating results.
- Statewide postsecondary services through Parchment to provide transcript access for high school students applying to Kentucky institutions.
- A statewide postsecondary contract to house and access digital college catalogs, institutional profiles, and other resources.
- Therapy Assistance Online (TAO) services for KCTCS students.
- A new Futuriti website to help Kentuckians explore potential careers and associated majors at Kentucky public postsecondary institutions.



### KPEN & Digital Subscriptions Overview

EXPENDITURES	FY23 KPEN & Other	FY24 KPEN & Other
<b>Revenue</b>		
General Fund Appropriations (22RS HB1)	\$2,105,800	\$2,105,800
Fees from Postsecondary Institutions	715,089	1,037,051
<b>TOTAL REVENUE</b>	<b>\$2,820,889</b>	<b>\$3,142,851</b>
<b>Expenditures</b>		
Contract & Network Services	\$2,308,280	\$1,898,725
Maintenance & Licensing	28,407	3,815
Futuriti Website Service		138,504
Technology Memberships & Subscription Fees for Institutions	367,728	327,768
<b>TOTAL EXPENDITURES</b>	<b>\$2,704,415</b>	<b>\$2,368,812</b>

### Networking Equipment

HB1 of the 2022 regular session appropriated \$1,000,000 in capital funds for networking equipment to support the integration of Internet2 applications into the Kentucky Wired Fiber Optic Network’s teaching and learning environment. The project funded the purchase of routing hardware and firewalls to support the Kentucky Regional Optical Network and Kentucky Postsecondary Network that is migrating to Kentucky Wired. The networking equipment serves all public postsecondary education institutions. CPE spent \$205,669 in FY23 and \$188,314 in FY24 from these capital funds.

### Capital Funds for Networking Equipment Overview

EXPENDITURES	FY23 Capital Fund 22RS HB1	FY24 Capital Fund 22RS HB1
<b>Revenue</b>		
Equipment & Services	\$205,669	\$188,314
<b>TOTAL REVENUE</b>	<b>\$205,669</b>	<b>\$188,314</b>

## Kentucky Virtual Library (KYVL)

CPE spent a total of \$4,711,092 in FY23 and \$4,188,394 in FY24 to support the Kentucky Virtual Library (KYVL). KYVL is a consortium of over 300 Kentucky libraries and institutions, including colleges and universities, public libraries, K12 schools, hospitals, the Kentucky Department for Libraries and Archives (KDLA), and more. Primary services provided include:

- **Databases** - KYVL offers access to more than 60 core research and educational databases that serve P-20 learners across the Commonwealth. KYVL also provides technical support in their use.
- **Courier service** - KYVL supports a courier service that facilitates resource sharing and interlibrary loans among Kentucky's public and academic libraries.
- **Kentucky Digital Library** - KYVL supports this platform for shared digital archives in the Commonwealth of Kentucky.
- **Affordable Learning KY** - ALKY is a statewide partnership that promotes student success and fosters educational equity by supporting the adoption, adaptation, and creation of affordable and open educational resources in the Commonwealth. ALKY shares the best open educational practices with Kentucky educators.

Additionally, Lyris awarded KYVL a \$23,808 grant in FY23 to create a program to measure database usage statistics.

KYVL Financial Overview			
REVENUES	FY2023		FY2024
	Trust Fund	Grants (Lyris)	Trust Fund
General Fund	\$1,522,500		\$1,547,400
Member Fees	2,393,143		2,917,144
KDLA Membership Contribution	508,696		254,689
<b>TOTAL REVENUES</b>	<b>\$4,424,339</b>		<b>\$4,719,203</b>
EXPENDITURES			
<b>Personnel</b>	<b>2.5 FTE</b>		<b>3.0 FTE</b>
Salary & Benefits	\$257,979		\$141,339
Software Services		\$23,808	
<b>Operations</b>			
Databases and Direct Program Costs	4,052,618		3,716,688
Courier Fees	367,574		326,879
Employee Travel	9,113		3,488
<b>TOTAL EXPENDITURES</b>	<b>\$4,687,284</b>	<b>\$23,808</b>	<b>\$4,188,394</b>

# FIDUCIARY FUNDS

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## OVERVIEW

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Fiduciary (or pass-through) funds are appropriated by the General Assembly to CPE and held for the benefit of individuals or units outside of the agency. CPE is the trustee or fiduciary responsible for these assets, which can be used only for the trust beneficiaries. CPE assures assets reported in these funds are used for their intended purposes.

## EXPENDITURES

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CPE distributed a total of \$12,082,039 to external recipients in FY23 and \$15,654,620 in FY24. The use of these funds is specified below.

- **Ovarian Cancer Screening:** [HB 1 of the 2022 Regular Session](#) (page 123) appropriates funding to the ovarian cancer screening outreach program at the University of Kentucky.
- **SREB Doctoral Scholars:** [HB 1 of the 2022 Regular Session](#) (page 123) appropriates funding for annual dues to the Southern Regional Education Board (SREB).
- **Spinal Cord and Head Injury Research:** [HB 1 of the 2022 Regular Session](#) (page 124) appropriates funding to support spinal cord and head injury research. In accordance with [KRS 211.500](#), [KRS 211.502](#), [KRS 211.504](#), the appropriation in each fiscal year shall be shared between the University of Kentucky and the University of Louisville.
- **Cancer Research:** [HB 1 of the 2022 Regular Session](#) (pages 122-23) appropriates Tobacco Settlement Funds to be used for cancer research and screening to be shared equally between the University of Kentucky and the University of Louisville.
- **Cancer Research Matching Funds:** [KRS 164.043](#) creates the cancer research institutions' matching fund. For tax periods beginning on or after June 1, 2025, the one cent (\$.01) surtax collected under [KRS 138.140\(1\)\(c\)](#) on cigarettes, tobacco, and vapor products shall be deposited into the fund. One-half of the monies is distributed to the University of Kentucky and one-half to the University of Louisville. The two universities must provide a dollar-for-dollar match to receive funds.

- **Simmons College: [HB 1 of the 2022 Regular Session](#)** (page 124) appropriates funds for the Teacher Education Initiative at Simmons College, an historically black college. The funds shall also be used to expand academic offerings in psychology to produce more licensed mental health practitioners, quality control technology workers, and logistics and supply chain managers. Additionally, **[HB 1 of the 2024 Regular Session](#)** (page 14) appropriates dollars from the State Fiscal Recovery Funds to support infrastructure planning and facility acquisition for student residential housing, an onsite tutoring/study facility, and the development and design of capital improvements to support academic program expansion.

Fiduciary Funds Overview		
EXPENDITURES	FY23	FY24
Ovarian Cancer Screening	\$1,000,000	\$1,000,000
SREB Doctoral Scholars	50,000	50,000
Spinal Cord and Head Injury Research	2,000,000	2,000,000
Cancer Research	6,250,000	6,250,000
Cancer Research Matching Funds	2,782,039	2,313,985
Simmons College		4,040,635
<b>TOTAL EXPENDITURES</b>	<b>\$12,082,039</b>	<b>\$15,654,620</b>

# Special Legislative Directives

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## OVERVIEW

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The General Assembly periodically directs CPE to execute programs or projects on a time-limited, non-recurring basis. This section includes all such programs, even if no funds were expended during FY23 or FY24.

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## EXPENDITURES

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CPE spent a total of \$5,593,093 on special legislative directives in FY23 and \$11,531,446 in FY24. The use of these funds is specified below.

- **Kentucky State University Oversight: [HB 250 of the 2022 Regular Session](#)** provides non-recurring strategic operating funds to CPE to enable Kentucky State University to avert a fiscal crisis. The act requires CPE to provide ongoing oversight of KSU's progress toward the goals outlined in its management improvement plan until all objectives are complete.
- **Innovative Scholarship Pilot Project: [HB 1 of the 2022 Regular Session](#)** (page 128) directed the Kentucky Higher Education Assistance Authority (KHEAA) to work in conjunction with CPE to develop and implement the Innovative Scholarship pilot project to facilitate increased postsecondary access and student success for displaced students and students and faculty participating in foreign exchange programs. In addition to funds provided by KHEAA, CPE was awarded a grant from the National Association of System Heads (NASH) in the amount of \$11,600 to support scholarships for displaced students.
- **SJR 98 Report: [SJR 98](#)** (Acts Chapter 49) directed CPE to submit a report to the Legislative Research Commission by December 1, 2023, to: recommend changes to the state's postsecondary governance structure to ensure the best delivery of postsecondary educational services to students; study the impact and feasibility of establishing a regional, residential, four-year public university in southeastern Kentucky; and study the feasibility, programmatic, and fiscal impacts of having KCTCS administer technical education programs and regional universities administer general education courses designed to transfer to a four-year program. No additional dollars were allocated to CPE to conduct the studies outlined in SJR 98. CPE hired

Ernst and Young to assist with the study and leveraged General Fund vacancy credits to fund the contract. CPE expended \$727,328 from General Fund dollars in FY24 to conduct the study.

- **SJR 132 Report:** In the 2024 Regular Session of the General Assembly, [SJR 132](#) directed CPE to conduct a feasibility study on transforming Hazard Community and Technical College into a four-year, residential university that offers limited baccalaureate programs aligned with regional workforce needs. CPE contracted with Ernst and Young to assist with the study. No funds were expended in FY24.
- **SJR 170 Report:** In the 2024 Regular Session of the General Assembly, [SJR 170](#) directed CPE to contract with a consultant to study the feasibility and advisability of expanding post-baccalaureate programs. This study will inform actions taken by the General Assembly during the 2025 Regular Session. Funds were allocated to CPE to conduct the study, but no expenses were incurred in FY24.

<b>Fiduciary Funds Overview</b>		
<b>EXPENDITURES</b>	<b>FY23</b>	<b>FY24</b>
<b>Kentucky State University</b>		
	<b>FTE 3.0</b>	<b>FTE 3.0</b>
Salary and Benefits	\$334,001	\$463,458
Subcontracts	68,491	216,766
Travel, Building Space, Computer Services	3,925	14,965
Paid to KSU for Improvement Plan Benchmark Completion	5,000,000	10,000,000
<b>Kentucky State University TOTAL EXPENDITURES</b>	<b>\$5,406,417</b>	<b>\$10,695,189</b>
<b>Innovative Scholarship Pilot Project</b>		
Consultant for Resource Hub/Community of Practice	\$185,500	\$97,900
Travel	1,176	932
<b>Innovative Scholarship Pilot Project TOTAL EXPENDITURES</b>	<b>\$186,676</b>	<b>\$98,832</b>
<b>NASH – Displaced Student Grant</b>		
Contract Services – Community of Practice Convening		\$10,097
<b>NASH TOTAL EXPENDITURES</b>		<b>\$10,097</b>

	<b>SJR 98 Report</b>	
Consulting Services (Funded through general fund vacancy credits)		\$727,328
	<b>SJR 98 Report TOTAL EXPENDITURES</b>	<b>\$727,328</b>
	<b>GRAND TOTAL Special Legislative Directives</b>	<b>\$5,593,093</b>
		<b>\$11,531,446</b>

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## Appendix A: Supporting Documents

Council on Postsecondary Education Audited Financial Statements for the Year Ended June 30, 2023: <https://cpe.ky.gov/aboutus/records/audits/fy23-audit.pdf>

“Higher Education Matters: A Statewide Strategic Agenda for Kentucky Postsecondary Education, 2022-2030”: <https://cpe.ky.gov/ourwork/documents/2022-30strategicagenda.pdf>

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