

INTERIM JOINT COMMITTEE ON APPROPRIATIONS & REVENUE

Budget Review Subcommittee on Education

Minutes of the 2nd Meeting of the 2022 Interim

August 17, 2022

Call to Order and Roll Call

The 2nd meeting of the Budget Review Subcommittee on Education of the Interim Joint Committee on Appropriations & Revenue was held on Wednesday, August 17, 2022, at 10:30 AM, in Room 154 of the Capitol Annex. Senator Stephen West, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Stephen West, Co-Chair; Representatives James Tipton, Co-Chair, and Steve Riley, Co-Chair; Senator Max Wise; Representatives Kim Banta, Bobby McCool, and Charles Miller.

Guests: Dr. Paul Czarapata, President, Kentucky Community and Technical College System; Buddy Combs, Assistant Vice President of Financial Support Services, Kentucky Community and Technical College System; Dr. Gerald Patton, Chair, Board of Regents, Kentucky State University; Tammi Dukes, Member, Board of Regents, Kentucky State University; Dr. Ronald Johnson, Interim President, Kentucky State University; Dr. Daarel Burnette, Chief of Staff, Kentucky State University; Dr. Gerald Shields, Vice President and Chief Financial Officer, Kentucky State University; Dr. Aaron Thompson, President, Council on Postsecondary Education; Greg Rush, Senior Fellow for Policy Development, Council on Postsecondary Education; Travis Powell, Vice President and General Counsel, Council on Postsecondary Education.

LRC Staff: Seth Dawson, Savannah Wiley, Liz Columbia, and Amie Elam

Kentucky Community and Technical College System (KCTCS)

KCTCS provided a budget overview and explained how funds are allocated between the different functions of KCTCS. The presentation included updates on 2022 Regular Session House Bill 1 initiatives Workforce Development Trust Fund, Commonwealth West Healthcare Workforce Innovation Center, and Asset Preservation.

In response to a question from Chair West, Mr. Combs said that the total KCTCS budget is approximately \$900 million. Mr. Combs agreed to provide additional budget information to the committee. Mr. Combs said there are 289 employees including those at

the Kentucky Fire Commission. Dr. Czarapata said that initial data shows the flooding damage in Hazard to be between \$15-20 million and at the Southeast campus between \$3.5-7 million.

In response to a question from Representative Tipton, Dr. Czarapata said he received many emergency financial aid requests. He said rebuilding will be a years-long process, and students will need additional resources and wrap-around support services. He vowed to be flexible with students who have had their lives upended by the floods in Eastern Kentucky. Dr. Czarapata acknowledged that discussions are ongoing with K-12 on the use of facilities and dual-credit instructors. He added that the percentage of unprepared students has grown since the beginning of the pandemic. In response to a question regarding the 2022 Regular Session House Bill 8 Kentucky Employees Retirement System supplement, Mr. Combs said that the amount is insufficient and will only cover one month.

In response to a question from Representative Banta, Dr. Czarapata said that KCTCS is putting a deep focus on credit for prior learning.

Kentucky State University (KSU) Financial Update

Dr. Johnson and representatives from KSU provided the committee with a financial status update.

In response to a question from Representative Tipton, Dr. Johnson said that campus dorms are old and were not constructed properly, nor will they work with a modern air conditioning system. He stated the addition of the 408-bed residence hall would give KSU the opportunity to consider taking older facilities out of active use and ask for support to provide new housing for students.

2022 Regular Session House Bill 250 Update

Dr. Aaron Thompson and Travis Powell, Council on Postsecondary Education (CPE), gave an update pursuant to 2022 Regular Session House Bill 250.

In response to a question from Chair West, Mr. Powell said the \$23 million was a prior year appropriation that has been used to backfill. Mr. Rush said that KSU has several vacancies that are causing delays with reconciliation and month-end close. CPE and KSU are working together to monitor the situation until these vacancies can be filled. Mr. Powell stated that the Auditor of Public Accounts has testified it intends to complete the examination by the fall of 2023. Lisa Lang, General Counsel at Kentucky State University, confirmed the ongoing litigation. She added that there are investigations tied to ongoing litigations.

In response to a question from Representative Tipton, Dr. Thompson said that additional appropriated money for KSU may be invested in adult online learning, teacher education programs, and credential programs related to state government. Dr. Patton said that the board is excited about the future despite the challenges the university faces. He stated that the board is highly engaged, organized, and committed to moving the university forward.

There being no further business before the subcommittee, the meeting adjourned at 11:45 A.M.