

BUDGET REVIEW SUBCOMMITTEE ON EDUCATION

Minutes of the 1st Meeting of the 2024 Interim

June 5, 2024

Call to Order and Roll Call

The first meeting of the Budget Review Subcommittee on Education was held on June 5, 2024, at 10:30 AM in Room 154 of the Capitol Annex. Representative Bobby McCool, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Representative Bobby McCool Co-Chair; Senator Matthew Deneen Co-Chair; Senator Gerald Neal; Representatives James Tipton, Tina Bojanowski, Derrick Graham, Steve Riley, and Killian Timoney.

Guests: Vicki Dunaway, Vice President, Finance and Administration and CFO; Jennifer Linton, Director of Capital Planning and Facilities Management; Dr. Stephanie Mayberry, Vice Provost, Student Affairs; Dr. Michael Dailey, Interim Provost; Dr. Wendy Dixie, Interim Vice President of Information Technology and Special Assistant to the President; Travis Powell, Vice President and General Counsel; Dr. Bill Payne, Vice President for Finance and Administration.

LRC Staff: Liz Columbia, Mariah Derringer-Lackey, Justin Smith, Ethan Williams, and Amie Elam.

Kentucky State University

Representatives from Kentucky State University (KSU) provided an update on the management improvement plan, which included an overview of enrollment and financial aid.

In response to a question from Chair McCool, Dr. Mayberry said that KSU has redesigned the scholarship program to increase revenue from more students, specifically out-of-state students.

In response to a question from Representative Timoney, Dr. Mayberry said that students are more likely to leave between their freshman and sophomore years. She agreed to provide the committee with a comparison of the graduation rates between in-state and out-of-state students.

In response to a question from Representative Graham, Ms. Dunaway said that delaying

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renovations for the nursing school would prevent KSU from expanding programming in multiple areas. She emphasized that the nursing facility needs significant repairs.

In response to a question from Representative Tipton, Ms. Linton said that the additional \$60 million allocation for asset preservation will be used to repair and replace mechanical, electrical, and plumbing infrastructures at KSU. Ms. Dunaway stated that KSU has decided to make an adjusted entry and write off unenrolled student debt of \$21 million. Dr. Mayberry added that the current administration is intentionally requiring students to be current on payments before allowing enrollment for a new semester.

In response to a question from Chair McCool, Ms. Dunaway explained that in the best interest of the university and its students, KSU has decided to stop accepting new donations for its foundation. She mentioned that the foundation is currently involved in a lawsuit and is withholding requested financial information.

In response to a question from Senator Deneen, Ms. Dunaway stated that measures will be taken in the upcoming weeks and months to address the issues with and recover the funds from the foundation.

Kentucky Council on Postsecondary Education

Travis Powell, Vice President and General Counsel, and Dr. Bill Payne, Vice President for Finance and Administration, provided an overview and update on postsecondary education performance funding.

In response to a question from Chair McCool, Dr. Payne said that CPE believes that performance funding is effective. He added that changes have been made to address issues with parity, and that the results will be evident in the upcoming year.

There being no further business before the subcommittee, the meeting adjourned at 12:00 p.m.