

1 AN ACT relating to the Council on Postsecondary Education's oversight of public
2 postsecondary education institutions.

3 ***Be it enacted by the General Assembly of the Commonwealth of Kentucky:***

4 ➔Section 1. KRS 164.096 is amended to read as follows:

5 (1) (a) **1.** No later than June 30 of each year, the president or chief executive
6 officer of each state institution or independent institution that is licensed
7 or overseen by the Council on Postsecondary Education, and the chair of
8 the governing board of each institution, shall jointly execute a signed,
9 sworn statement attesting to whether the institution:

10 a.[1.]Was in sound financial standing with a stable financial base to
11 support the mission of the institution and the scope of its programs
12 and services during the previous fiscal year;

13 b.[2.]Underwent an institutional audit for the most recent fiscal year
14 prepared by an independent certified public accountant or
15 appropriate government auditing agency employing the
16 appropriate audit guide during the previous fiscal year; and

17 c.[3.]Has an annual budget for the upcoming fiscal year that is preceded
18 by sound planning, subject to sound fiscal procedures, and
19 approved by the president of the institution and the chair of the
20 governing board.

21 **2.[(b)]** In executing the statement required by **subparagraph 1.[paragraph**
22 **(a)}** of this **paragraph****[subsection]**, a president or chief executive officer
23 and chair of the governing board of an institution may reasonably rely
24 upon the representations of an employee of the institution that is
25 responsible for the financial management and accounting of the
26 institution, including the treasurer or chief financial officer of the
27 institution, and external financial service providers.

1 **(b)** Each institution shall provide the sworn statement required by
2 paragraph (a)~~(1)~~ of this subsection~~section~~ to the president of
3 the Council on Postsecondary Education, the chairs of the Budget Review
4 Subcommittee on Education of the Interim Joint Committee on
5 Appropriations and Revenue, and the co-chairs of the Interim Joint
6 Committee on Appropriations and Revenue.

7 **(c)**~~(3)~~ If an institution fails to provide a statement as required by paragraph
8 (b)~~(2)~~ of this subsection~~section~~, the Council on Postsecondary
9 Education shall have the authority to conduct an investigation and request any
10 financial documentation necessary to inform a report on the financial data
11 required by paragraph (a)~~(1)~~ of this subsection~~section~~. The
12 council shall report its findings to the chairs of the Budget Review
13 Subcommittee on Education of the Interim Joint Committee on
14 Appropriations and Revenue and the co-chairs of the Interim Joint Committee
15 on Appropriations and Revenue.

16 **(4) (a) Each public postsecondary education institution shall provide the Council**
17 **on Postsecondary Education:**

18 **1. Its annual operating budget by August 1 of each fiscal year; and**
19 **2. A quarterly budget-to-actual report, in a format approved by the**
20 **council, within thirty (30) days following the end of each fiscal**
21 **quarter.**

22 **(b) Upon the request of the Council on Postsecondary Education, each public**
23 **postsecondary education institution shall provide financial information**
24 **relevant to the council's review of the institution's annual operating budget**
25 **or quarterly budget-to-actual report, including but not limited to:**

26 **1. Detailed financial transaction information;**
27 **2. Bank statements;**

1 3. Investment reports and statements;

2 4. Payroll and staffing information; and

3 5. Other financial information as requested by the council.

4 ➔Section 2. KRS 164.013 is amended to read as follows:

5 (1) The Council on Postsecondary Education shall set the qualifications for the position
6 of president of the council. Except for the first president appointed under subsection
7 (2) of this section, the council may employ a search firm and conduct a nationwide
8 search for candidates. Any search firm employed by the council shall consider,
9 interview, and propose three (3) or more candidates for the position of president.
10 The council may seek additional names from the search firm or from other sources.

11 (2) In the selection of candidates for the first president of the Council on Postsecondary
12 Education, the Strategic Committee on Postsecondary Education shall serve as a
13 search committee, employing a search firm for assistance. The committee shall
14 recommend three (3) candidates to be considered by the council and shall repeat
15 this process until it finds a satisfactory person to appoint as the[~~first~~] president of
16 the council.

17 (3) The president shall possess an excellent academic and administrative background,
18 have strong communication skills, have significant experience and an established
19 reputation as a professional in the field of postsecondary education, and shall not
20 express, demonstrate, or appear to have an institutional or regional bias in his or her
21 actions.

22 (4) The president shall be the primary advocate for postsecondary education and
23 advisor to the Governor and the General Assembly on matters of postsecondary
24 education in Kentucky. As the primary advocate for postsecondary education, the
25 president shall work closely with the committee and the elected leadership of the
26 Commonwealth to ensure that they are fully informed about postsecondary
27 education issues and that the council fully understands the goals for postsecondary

1 education that the General Assembly has established in KRS 164.003(2).

2 (5) The president may design and develop for review by the council new statewide

3 initiatives in accordance with the strategic agenda.

4 (6) (a) The council shall set the salary of the president at an amount no greater than

5 the salary the president was receiving on January 1, 2012.

6 (b) The salary of the president shall be exempt from state employee salary

7 limitations as set forth in KRS 64.640.

8 (7) The president shall be accorded a contract to serve for a term not to exceed five (5)

9 years, which is renewable at the pleasure of the council.

10 (8) The president shall determine the staffing positions and organizational structure

11 necessary to carry out the responsibilities of the council and may employ staff. All

12 personnel positions of the Council on Higher Education, as of May 30, 1997, with

13 the exception of the position of executive director, shall be transferred to the

14 Council on Postsecondary Education. All personnel shall be transferred at the same

15 salary and benefit levels. Notwithstanding the provisions of KRS 11A.040, any

16 person employed by the Council on Higher Education prior to May 30, 1997, may

17 accept immediate employment with any governmental entity or any postsecondary

18 education organization or institution in the Commonwealth and may carry out the

19 employment duties assigned by that entity, organization, or institution.

20 (9) The president shall be responsible for the day-to-day operations of the council and

21 shall report and submit annual reports on the strategic implementation plan of the

22 strategic agenda, carry out policy and program directives of the council, prepare and

23 submit to the council for its approval the proposed budget of the council, and

24 perform all other duties and responsibilities assigned by state law.

25 (10) With approval of the council, the president may enter into agreements with any

26 state agency or political subdivision of the state, any state postsecondary education

27 institution, or any other person or entity to enlist staff assistance to implement the

1 duties and responsibilities under KRS 164.020.

2 (11) *The president shall consult with boards of regents and boards of trustees in their*
3 *respective presidential selection and evaluation processes to ensure institutional*
4 *progress towards statewide goals for postsecondary education in accordance with*
5 *the strategic agenda.*

6 (12) The president shall be reimbursed for all actual and necessary expenses incurred in
7 the performance of all assigned duties and responsibilities.