

AGENDA
Council on Postsecondary Education
May 21, 2001

10:30 am (ET), Meeting Room A, Council on Postsecondary Education, Frankfort, KY

(The Academic Affairs and Finance Committees will meet simultaneously at 8:30 a.m. All council members are asked to gather in Meeting Room A at 8:30 a.m. for the oath of office to John R. Hall.)

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K.	Adjournment	

MINUTES
Council on Postsecondary Education
March 19, 2001

The Council on Postsecondary Education met March 19, 2001, at 11 a.m. at Eastern Kentucky University in Richmond, Kentucky. Chair Whitehead presided.

ROLL CALL

The following members were present: Norma Adams, Walter Baker, Steve Barger, Peggy Bertelsman, Ron Greenberg, Merl Hackbart, Philip Huddleston, Hilda Legg, Amanda Coates Lich, Shirley Menendez, Charlie Owen, Joan Taylor, Lois Weinberg, Charles Whitehead, and Gene Wilhoit. Lee Todd did not attend.

Mr. Whitehead thanked Eastern Kentucky University for hosting the council.

**APPROVAL OF
MINUTES**

The minutes of the February 4, February 5, and February 22 meetings were approved as distributed.

EKU CAMPUS REPORT

Dr. Robert Kustra, President of Eastern Kentucky University, introduced a presentation by ECU faculty on an interpreter-training program. In 1998, a memorandum of agreement established the University of Louisville as an off-campus site for ECU faculty to train interpreters. UofL offers primarily general education and supporting courses required for the program. ECU faculty teach the required interpreter training courses in cooperation with the UofL Classical and Modern Languages Department. Those graduating at UofL will graduate with an interpreting degree from ECU.

Dr. Kustra said he has discussed a University Center of the Mountains with the presidents of Morehead State University, Hazard Community College, and the Kentucky Community and Technical College System. Along this line, ECU and Hazard Community College have developed a joint bachelor's degree in social work. Dr. Hughes and Dr. Kustra signed the agreement between the two institutions.

**MoSU NASA SATELLITE
TRACKING STATION**

The Finance Committee discussed a NASA satellite tracking station, which has been transferred to Morehead State University. President Ronald Eaglin said that the partnership with NASA is a rare opportunity for the Commonwealth and the university. Dr. Ben Malphrus, Professor of Space Sciences and Director of the Space Science Center at Morehead State University, made a presentation.

PRESIDENT'S REPORT

A written report from the council president was included in the agenda book.

LEGISLATIVE UPDATE

A summary of legislation pertaining to postsecondary education resulting from the 2001 General Assembly was included in the agenda book.

AGENCY AUDIT REQUEST FOR PROPOSAL

RECOMMENDATION: The staff recommends that the council authorize the issuance of a request for proposals for auditing services and that the Executive Committee be authorized to select the firm that will perform an annual audit of the council beginning with the 2000-01 fiscal year.

Mr. Davies said that the Council on Postsecondary Education and its predecessor, the Council on Higher Education, until recently, was a very small operation. The postsecondary education reform resulted in sizeable amounts of money appropriated to the council as trust funds or pass-throughs. Because of the size and complexity of the operating budget, an annual audit of the agency's finances is necessary.

MOTION: Mr. Barger moved approval of the recommendation. Mr. Baker seconded the motion.

VOTE: The motion passed.

Mr. Whitehead asked the Executive Committee to review proposals from competing vendors and select the audit firm. Executive committee members are Mr. Whitehead, Ms. Weinberg, Ms. Adams, Mr. Baker, Mr. Barger, and Ms. Menendez.

COUNCIL STAFF

Mr. Davies announced that council staff member Rana Johnson successfully defended her doctoral dissertation at the University of Kentucky. He also introduced two additions to the council staff – Sherri Noxel as senior associate for information and Sue Hasbrouck as senior associate for finance.

KEY INDICATORS OF PROGRESS TOWARD POSTSECONDARY EDUCATION REFORM

RECOMMENDATIONS:

- The staff recommends that the council approve the key indicators outlined in Attachment A to answer the five questions guiding postsecondary reform. These indicators will tell us whether Kentucky's system of postsecondary education is helping to improve the lives of Kentucky's people, the quality of the communities in which they live and work, and the economic well-being of the state.
- For the indicators included in Attachment B, the staff recommends that the council approve goals for 2002.
- The staff recommends that the council direct the staff to continue its work with the institutions and other agencies to propose the remaining goals by the end of 2001 according to the schedule outlined in

goals by the end of 2001 according to the schedule outlined in Attachment C.

Sue Hodges Moore said the year-long effort involved the council, council staff, faculty and staff of the institutions, and the key stakeholders who benefit from the postsecondary system. In November, the council discussed proposed indicators. Following that meeting, the staff again consulted with the key stakeholders and the institutions and then refined the proposal. Dr. Moore called attention to three characteristics of the indicator system:

1. It is short and easy to understand. It will stimulate change and improvement and is framed around the five questions.
2. It is oriented around statewide priorities, not necessarily around institutions. The questions tie directly back to House Bill 1, to 2020 Vision, and to the Action Agenda. The questions are aimed at improving lives. The systemwide goals are based on where the state wants to be in 20 years.
3. The accomplishment of many of the goals, particularly questions 1 and 5, rely as much on the efforts of those outside the postsecondary system as those within it.

Staff will continue to work with outside agencies to develop goals on some of the indicators. This information will be brought to the council at future meetings.

MOTION: Mr. Baker moved that the recommendations be approved. Mr. Barger seconded the motion.

Ms. Weinberg thanked the staff for working with others throughout the Commonwealth. She said the questions and indicators give council members an opportunity to organize the enormous amount of data that is available to track progress on House Bill 1 goals.

Mr. Wilhoit said that the Department of Education is involved in a similar set of activities for elementary and secondary, and its first report was issued recently. He said that the staffs of the council and the department also are developing a data system, which will allow the transfer of information from one agency to another. Results should be seen in about 18 months.

AMENDMENT TO MOTION: Mr. Greenberg amended the motion to ask the council staff to develop additional indicators for academic quality and research and that these measures be reported to the council by the end of October. Mr. Hackbart seconded the motion.

Ms. Bertelsman said that the trust funds are a mandated part of reform and

there is no indicator that will allow the council to monitor the performance of both comprehensive and research university trust funds.

AMENDMENT TO MOTION: Ms. Bertelsman moved that the original motion be tabled and suggested that the council discuss the indicators at a retreat planned for early summer.

Dr. Moore said that these indicators do not replace all the other types of evaluation and monitoring conducted by the council staff and the council. The objectives of the equal opportunities plan, indicators for adult education, new economy, Bucks for Brains, and evaluation of programs of distinction will continue. The indicators under consideration are the “dashboard” – the things that we need to pay close attention to to see if reform is working. Additional indicators can be added at any time.

Ms. Bertelsman withdrew her amendment to table the motion, noting that indicators can be added later.

VOTE ON MR. GREENBERG’S AMENDMENT: The amendment failed.

VOTE ON ORIGINAL MOTION: The motion passed.

NATIONAL SURVEY OF STUDENT ENGAGEMENT

At its March 2000 study session, the council endorsed the participation of Kentucky’s public universities in the National Survey of Student Engagement. The survey, sponsored by the Pew Charitable Trusts, is based on research suggesting that students learn more when they are actively engaged in their studies. Centre College was among the first institutions taking part in the survey. The Chronicle of Higher Education in November 2000 said Centre and three other liberal arts colleges “stood out among 276 institutions whose freshmen and seniors participated.” John Ward, vice president for academic affairs and dean of Centre College, and Elizabeth Perkins, associate dean, spoke with the council about the survey, why Centre chose to participate, and the reasons for the college’s high ratings.

Ms. Adams presented the report of the Academic Affairs Committee.

ADULT EDUCATION NEW OPPORTUNITY GRANTS

The Adult Education Action Plan for fiscal year 2000-01, approved by the council in November, set aside \$1.5 million for New Opportunity Grants and authorized council staff to select the recipients. Sixty-two applications were received and nine proposals totaling \$1,060,723 were selected. Information about the grants is included in the agenda book.

MA IN TEACHING, NKU

RECOMMENDATION: The staff recommends that the council approve the master of arts in teaching proposed by Northern Kentucky University. NKU should bring a report to the council in May and report on the progress of creating a presence in the Kentucky Virtual University.

MOTION: Ms. Adams moved that the recommendation be approved. Ms. Bertelsman seconded the motion.

VOTE: The motion passed.

MS AND DSc IN
CLINICAL SCIENCES,
UK

RECOMMENDATION: The staff recommends that the council approve the master of science and doctor of science in clinical sciences proposed by the University of Kentucky. UK should bring a report to the council in September and report on the progress of creating a presence in the Kentucky Virtual University.

MOTION: Ms. Adams moved that the recommendation be approved. Ms. Bertelsman seconded the motion.

VOTE: The motion passed.

The Academic Affairs Committee discussed the seriousness of involving the KYVU in proposed programs that are being placed on the Web. The committee requested that a statement be included in proposals, making clear the institution's intentions.

Mr. Baker presented the report of the Finance Committee.

POSTSECONDARY
EDUCATION TRUST
FUNDS INVESTMENT
INCOME

RECOMMENDATIONS:

- The staff recommends that the interest income earned through June 30, 2000, on the five trust funds listed in the attached chart be allotted to the institutions in accordance with the trust fund criteria and policy statements put into effect when the trust funds were established in 1997-98.
- The staff recommends that, using funds from the Technology Initiative Trust Fund (see Agenda Item I-2), the council provide the required one-for-one match of interest income from the Regional University Excellence Trust Fund if used by the comprehensive universities to advance the statewide strategy for engineering. The staff further recommends that the council match funds allocated internally by the University of Kentucky and the University of Louisville for the statewide engineering strategy up to an amount equivalent to the interest income accumulated in the Research Challenge Trust Fund. The staff recommends that the council limit the total amount of the matching funds from the Technology Initiative Trust Fund to \$650,000, as presented in Agenda Item I-2.

MOTION: Mr. Baker moved that the recommendations be approved. Mr. Barger seconded the motion.

VOTE: The motion passed.

TECHNOLOGY
INITIATIVE TRUST
FUND

RECOMMENDATION: The staff recommends that the council approve the following allocations from the 1998-2000 General Fund appropriation to the Technology Initiative Trust Fund:

- \$650,000 for academic program development, primarily the statewide strategy on engineering education.
- \$300,000 for the development and administration of surveys that support the key indicators.
- \$100,000 for the council's Web development.
- \$400,000 for degree audit and course transfer systems.
- \$100,000 for local P-16 councils.

MOTION: Mr. Baker moved that the recommendation be approved. Mr. Barger seconded the motion.

VOTE: The motion passed.

2002-04 OPERATING
AND CAPITAL BUDGET
RECOMMENDATIONS:
PRELIMINARY
TIMELINE

Mr. Baker called attention to a preliminary timeline developed to submit the 2002-04 operating and capital budget recommendations for the public institutions and the council. The recommendations are to be submitted to the Governor's Office for Policy and Management and the Legislative Research Commission by November 15, 2001.

2002-04 TUITION-
SETTING GUIDELINES

Mr. Baker said that the Finance Committee had extensive discussion on the draft 2002-04 tuition-setting guidelines. The guidelines need further discussion by the council members.

UK GLUCK EQUINE
RESEARCH CENTER
RENOVATION

RECOMMENDATION: The staff recommends that the council approve the University of Kentucky's request to renovate the Gluck Equine Research Center with \$4,700,000 in private and agency funds.

MOTION: Mr. Baker moved that the recommendation be approved. Mr. Barger seconded the motion.

VOTE: The motion passed.

MoSU NASA SATELLITE
TRACKING STATION

RECOMMENDATION: The staff recommends that the council approve Morehead State University's request to spend \$4,200,000 in federal funds to relocate the operations of the NASA-Goddard satellite tracking station to Morehead from Wallops Island, Virginia.

Mr. Baker noted that the council has the statutory responsibility to review and approve postsecondary education capital construction projects costing \$400,000 or more, regardless of fund source.

MOTION: Mr. Baker moved that the recommendation be approved. Ms. Menendez seconded the motion.

VOTE: The motion passed.

ATHLETIC CONTRACTS The Finance Committee discussed the buy-out of coaches' contracts at the University of Kentucky and the University of Louisville. The committee took no action but expressed informally its dissatisfaction.

NOMINATING COMMITTEE Mr. Whitehead appointed a nominating committee to select officers before June 30. Members of the committee are Mr. Whitehead, Ms. Weinberg, Ms. Adams, and Mr. Baker, with Mr. Baker serving as chair.

COUNCIL COMMITTEE STRUCTURE Mr. Huddleston asked the council members to consider combining the Finance Committee and the Academic Affairs Committee as a committee of the whole. This would eliminate the split sessions and would allow all council members to hear presentations and discussions on all issues.

Mr. Whitehead said that the council members should discuss this proposal at the retreat planned for early summer.

NEXT MEETING The next meeting is May 21 at the council offices in Frankfort.

ADJOURNMENT The meeting was adjourned at 12:20 p.m.

Gordon K. Davies
President

Phyllis L. Bailey
Secretary

2000-01 AGENCY OPERATING BUDGET THIRD QUARTER REPORT

**Agenda Item C-1
May 21, 2001**

The attached financial report presents 2000-01 budget information through the end of the third quarter. The Revised Budget 12/31/00 column displays the same information reported to the council February 4, 2001. The Revised Budget 3/31/01 column displays the current budget including changes between December 31, 2000, and March 31, 2001. The Actual Through 3/31/01 column displays revenues received and expenditures incurred through the third quarter. The final column, Percent of Budget, shows the relationship of actual revenues and expenditures to the Revised Budget 3/31/01 column.

Information is reported for five programs, including detail on each of the trust funds and for each federal program:

- Agency Operations
- Kentucky Virtual University & Kentucky Virtual Library (KYVU/KYVL)
- Strategic Investment and Incentive Trust Funds
- Pass-Through Programs
- Federal Programs

Trust fund interest earnings are reported in the Revised Budget 3/31/01 column as general fund carry-forward (1998-2000) and current year interest earnings (2000-01). The carry-forward line represents 1998-2000 interest earnings. The current year interest earnings line represents interest earnings received during 2000-01—additional current year interest earnings of \$1.3 million have been received since December 31, 2000 and are reported in the Revised Budget 3/31/01 column.

The council budget reduction is \$370,000. The agency operations program budget will be reduced by \$145,000 and the KYVU/KYVL budget will be reduced by \$225,000 in the fourth quarter of the fiscal year. The changes in revenue and expenditures will be reported to the council in the final 2000-01 quarterly report.

Agency Operations

Actual revenues and expenditures are within budget limits. The \$145,000 budget reduction will be taken from the personal services expenditure category in the fourth quarter by capturing salary savings from vacant positions.

KYVU/KYVL

Actual revenues and expenditures are within budget limits. The \$225,000 budget reduction will be taken from the personal services expenditure category in the fourth quarter by capturing salary savings from vacant positions and from unexpended balances from personal service contracts.

Personal services and capital expense expenditures through March 31, 2001, represent only 43 percent and 21 percent of their Revised Budgets, respectively. Actual personal services expenditures are less than projections for two reasons: reduced personal services contract costs, and salary savings from vacant positions. Capital expenses are lower than anticipated because of account code changes—some budgeted capital expenses are now charged to operating expenses.

Agency receipts represent funds received by the KYVU/KYVL from sources other than general fund appropriations. For example, the KYVU/KYVL receives funds from public and private institutions in support of the KYVL electronic databases. Actual agency receipts are consistent with budget projections. The 1998-2000 carry-forward amount, as reported to the council in February, reflects unpaid contract obligations from 1999-2000—both the obligations and the funds moved forward to 2000-01.

Agency receipts, unlike general fund appropriations, do not lapse but carry forward into the next fiscal year. The general practice is to spend the general fund appropriation first so that any balances remaining at the end of the 2000-01 fiscal year carry-forward.

Strategic Investment and Incentive Trust Funds

Actual revenues and expenditures are within budget limits. The trust funds were exempted from the 2000-01 state-mandated budget reduction.

The carry-forward line under the general fund revenue category represents 1998-2000 interest earnings on trust funds. These funds have been allocated to the institutions. The current year interest earnings under the general fund revenue category represent 2000-01 interest earnings. Current year interest earnings have not been allocated to institutions at the request of the Governor's Office for Policy and Management because of the uncertainty of the state's budget situation. Current year interest earnings continue to accrue to individual institutional accounts.

- **Endowment Trust Fund**

Revenues in the Endowment Trust Fund, \$128.6 million, include: the current appropriation of \$120 million, 1998-2000 interest earnings of \$6.1 million, and current year interest earnings of \$2.5 million. Allocations of the 2000-01 current appropriation and of 1998-2000 interest earnings have been made to the institutions. Actual expenditures through March 31, 2001, are from 2000-01 current appropriations—1998-2000 interest earnings have not been released to any institution. In order to request 1998-2000 interest earnings, institutions must fully match their 2000-01 allocations—Western Kentucky University is the only institution that has done so.

- **Research Challenge Trust Fund**

Enrollment growth and retention funds have been released to the institutions with 100 percent of the funds allotted as of March 31, 2001.

The 1998-2000 interest earnings for the Research Challenge program funded in the previous biennium have been allocated to UK and UofL but have not been released. The two institutions may request interest earnings when the statewide engineering memoranda of agreements are signed.

The Revised Budget 3/31/01 column includes the \$5.1 million state appropriation for Lung Cancer Research. House Bill 608 requires the Lung Cancer Research Board to prepare a plan for the use of the 2000-01 and 2001-02 state appropriations. Until a plan has been filed with the council, no funds will be released.

- Regional University Excellence Trust Fund

Enrollment growth and retention funds have been released to the institutions with 100 percent of the funds allotted as of March 31, 2001.

The 1998-2000 interest earnings for the Programs of Distinction funded last biennium have been allocated to the institutions. For institutions involved in the statewide engineering initiative, interest earnings will be released when the statewide engineering memoranda of agreements are signed. Other institutions may request their 1998-2000 interest earnings now.

- Postsecondary Workforce Development Trust Fund

There are three programs in the Postsecondary Workforce Development Trust Fund: Enrollment Growth & Retention; Workforce Training; and Administrative Systems. Allotments to the Kentucky Community and Technical College System are being made quarterly. The 1998-2000 interest earnings are available for allocation.

- Technology Initiative Trust Fund

The council previously received a list of activities funded through this trust fund. We anticipate a balance in the trust fund June 30, 2001, of \$1.5 million. Of the balance, \$500,000 is committed to projects and will be expended from July 1, 2001, through September 30, 2001. The uncommitted balance of \$1.0 million will be retained as a contingency for the Public Communications campaign, as discussed with the council.

- Student Financial Aid and Advancement Trust Fund

There are four programs included in the Student Financial Aid Trust Fund: KEES, KEES Reserve, Contract Spaces, and National Guard Tuition Reimbursement. The 2000-01 current appropriations for these programs have been allotted quarterly. Interest earnings, both for the 1998-2000 biennium and for 2000-01, are \$649,000. These amounts, and any additional interest earnings received in 2000-01, will carry-forward into the 2001-02 fiscal year and will become part of the 2001-02 KEES Reserve.

- Adult Education and Literacy Trust Fund

The 2000-01 current appropriation to the Adult Education and Literacy Trust Fund was \$7.0 million including \$225,000 for administration of these programs. The \$225,000 is shown in Agency Operations—this was reported to the council in February.

Allotments to the Trust Fund are made quarterly. Expenditures through March 31, 2001, are only 8 percent of the budget. Foundation program and innovative grant awards will begin in the fourth quarter. The current year interest earnings of \$141,200 have not been allocated.

- Science and Technology Trust Fund

The Science and Technology Trust Fund includes the 2000-01 current year appropriations for New Economy Initiatives as outlined in House Bill 572. These include the Entrepreneurial Audit and the Rural Innovation Fund. A third program, EPSCoR, is budgeted in the council's Pass-Through programs.

The council has entered into a contract with the Kentucky Science and Technology Corporation (KSTC) to coordinate new economy initiatives. The KSTC will conduct the entrepreneurial audit. The \$1.0 million 2000-01 current year appropriation for the Rural Innovation Fund will be allotted in the fourth quarter of 2000-01 but will be expended in 2001-02. Rural innovation grants are part of the contract with the KSTC—allocations are scheduled to begin November 2001. Funds allocated for the EPSCoR program and for the entrepreneurial audit will be fully spent by June 30, 2001.

Pass-Through Programs

Revenues and expenditures are within budget limits. All Pass-Through program activities will show zero balances June 30, 2001.

Federal Programs

Expenditures for personal services, operating expenses, grants, loans and benefits, and capital expenses are well below the revised budget limits. The GEAR UP Kentucky program was funded last fall; sub-grants to colleges, universities, and local schools will be made from May through September 2001. Funds not spent in 2000-01 will carry forward into 2001-02.

Expenditures for the Eisenhower program, budgeted at \$1,100,000, are within budget limits.

**Council on Postsecondary Education
CPE Summary
2000-01 Third Quarter Budget Report**

Category	Revised Budget 12/31/00	Revised Budget 03/31/01	Actual Through 03/31/01	Percent of Budget
REVENUES				
General Fund				
Carry-Forward	14,855,500	14,855,500	14,855,488	100.00%
Current Appropriation	72,173,800	77,228,800	59,910,800	77.58%
Current Year Interest Earnings	1,863,200	3,201,900	3,201,819	100.00%
Surplus Expenditure Plan	120,000,000	120,000,000	120,000,000	100.00%
Sub Total General Fund	208,892,500	215,286,200	197,968,107	91.96%
Agency Receipts				
Carry-Forward	1,496,500	1,496,600	1,496,545	100.00%
Current Receipts	4,331,600	4,331,600	3,474,008	80.20%
Sub Total Agency Receipts	5,828,100	5,828,200	4,970,553	85.28%
Federal Funds				
Carry-Forward	0	0	0	
Current Receipts	3,104,000	3,104,000	2,161,000	69.62%
Sub Total Federal Funds	3,104,000	3,104,000	2,161,000	69.62%
TOTAL REVENUES	217,824,600	224,218,400	205,099,660	91.47%
Expenditures by Major Object				
Personal Services	7,192,600	7,227,100	3,900,591	53.97%
Operating Expenses	4,471,400	4,472,600	2,832,825	63.34%
Grants, Loans, Benefits	205,939,600	212,267,700	104,843,671	49.39%
Capital Expenses	221,000	251,000	99,558	39.66%
Total Expenditures by Major Object	217,824,600	224,218,400	111,676,644	49.81%
Expenditures by Program				
Agency Operations	4,217,000	4,217,000	3,011,664	71.42%
KYVU/KYVL	8,184,500	8,184,500	4,312,841	52.70%
Strategic Trust Funds	186,561,400	192,955,200	94,186,767	48.81%
Pass Through Funds	15,757,700	15,757,700	9,473,245	60.12%
Federal Programs	3,104,000	3,104,000	692,128	22.30%
Total Expenditures by Program	217,824,600	224,218,400	111,676,644	49.81%

**Council on Postsecondary Education
Agency Operations
2000-01 Third Quarter Budget Report**

Category	Revised Budget 12/31/00	Revised Budget 03/31/01	Actual Through 03/31/01	Percent of Budget
REVENUES				
General Fund				
Carry-Forward	0	0	0	
Current Appropriation	4,217,000	4,217,000	3,219,300	76.34%
Current Year Interest Earnings	0	0	0	
Surplus Expenditure Plan	0	0	0	
Sub Total General Fund	4,217,000	4,217,000	3,219,300	76.34%
Agency Receipts				
Carry-Forward	0	0	0	
Current Receipts	0	0	0	
Sub Total Agency Receipts	0	0	0	
Federal Funds				
Carry-Forward	0	0	0	
Current Receipts	0	0	0	
Sub Total Federal Funds	0	0	0	
TOTAL REVENUES	4,217,000	4,217,000	3,219,300	76.34%
Expenditures by Major Object				
Personal Services	3,259,200	3,259,200	2,296,820	70.47%
Operating Expenses	903,300	873,300	650,248	74.46%
Grants, Loans, Benefits	0	0	0	
Capital Expenses	54,500	84,500	64,595	76.44%
Total Expenditures by Major Object	4,217,000	4,217,000	3,011,664	71.42%
Expenditures by Program				
Agency Operations	4,217,000	4,217,000	3,011,664	71.42%
Total Expenditures by Program	4,217,000	4,217,000	3,011,664	71.42%

**Council on Postsecondary Education
KYVU/KYVL
2000-01 Third Quarter Budget Report**

Category	Revised Budget 12/31/00	Revised Budget 03/31/01	Actual Through 03/31/01	Percent of Budget
REVENUES				
General Fund				
Carry-Forward	0	0	0	
Current Appropriation	6,255,000	6,255,000	4,758,600	76.08%
Current Year Interest Earnings	0	0	0	
Surplus Expenditure Plan	0	0	0	
Sub Total General Fund	6,255,000	6,255,000	4,758,600	76.08%
Agency Receipts				
Carry-Forward	536,800	536,800	536,800	100.00%
Current Receipts	1,392,700	1,392,700	899,708	64.60%
Sub Total Agency Receipts	1,929,500	1,929,500	1,436,508	74.45%
Federal Funds				
Carry-Forward	0	0	0	
Current Receipts	0	0	0	
Sub Total Federal Funds	0	0	0	
TOTAL REVENUES	8,184,500	8,184,500	6,195,108	75.69%
Expenditures by Major Object				
Personal Services	3,657,400	3,657,400	1,553,552	42.48%
Operating Expenses	3,533,100	3,533,100	2,156,325	61.03%
Grants, Loans, Benefits	827,500	827,500	568,001	68.64%
Capital Expenses	166,500	166,500	34,963	21.00%
Total Expenditures by Major Object	8,184,500	8,184,500	4,312,841	52.70%
Expenditures by Program				
KYVU/KYVL	8,184,500	8,184,500	4,312,841	52.70%
Total Expenditures by Program	8,184,500	8,184,500	4,312,841	52.70%

**Council on Postsecondary Education
Federal Funds
2000-01 Third Quarter Budget Report**

Category	Revised Budget 12/31/00	Revised Budget 03/31/01	Actual Through 03/31/01	Percent of Budget
REVENUES				
General Fund				
Carry-Forward	0	0	0	
Current Appropriation	0	0	0	
Current Year Interest Earnings	0	0	0	
Surplus Expenditure Plan	0	0	0	
Sub Total General Fund	0	0	0	
Agency Receipts				
Carry-Forward	0	0	0	
Current Receipts	0	0	0	
Sub Total Agency Receipts	0	0	0	
Federal Funds				
Carry-Forward	0	0	0	
Current Receipts	3,104,000	3,104,000	2,161,000	69.62%
Sub Total Federal Funds	3,104,000	3,104,000	2,161,000	69.62%
TOTAL REVENUES	3,104,000	3,104,000	2,161,000	69.62%
Expenditures by Major Object				
Personal Services	276,000	310,500	50,219	16.17%
Operating Expenses	35,000	66,200	26,251	39.65%
Grants, Loans, Benefits	2,793,000	2,727,300	615,658	22.57%
Capital Expenses	0	0	0	
Total Expenditures by Major Object	3,104,000	3,104,000	692,128	22.30%
Expenditures by Program				
Eisenhower Math and Science	1,100,000	1,100,000	634,328	57.67%
GEAR UP Kentucky	2,004,000	2,004,000	57,800	2.88%
Total Expenditures by Program	3,104,000	3,104,000	692,128	22.30%

**Council on Postsecondary Education
Pass Through Funds
2000-01 Third Quarter Budget Report**

Category	Revised Budget 12/31/00	Revised Budget 03/31/01	Actual Through 03/31/01	Percent of Budget
REVENUES				
General Fund				
Carry-Forward	0	0	0	
Current Appropriation	13,326,800	13,326,800	8,552,500	64.18%
Current Year Interest Earnings	0	0	0	
Surplus Expenditure Plan	0	0	0	
Sub Total General Fund	13,326,800	13,326,800	8,552,500	64.18%
Agency Receipts				
Carry-Forward	0	0	0	
Current Receipts	2,430,900	2,430,900	2,066,300	85.00%
Sub Total Agency Receipts	2,430,900	2,430,900	2,066,300	85.00%
Federal Funds				
Carry-Forward	0	0	0	
Current Receipts	0	0	0	
Sub Total Federal Funds	0	0	0	
TOTAL REVENUES	15,757,700	15,757,700	10,618,800	67.39%
Expenditures by Major Object				
Personal Services	0	0	0	
Operating Expenses	0	0	0	
Grants, Loans, Benefits	15,757,700	15,757,700	9,473,245	60.12%
Capital Expenses	0	0	0	
Total Expenditures by Major Object	15,757,700	15,757,700	9,473,245	60.12%
Expenditures by Program				
Contract Spaces - Restricted Agency	2,430,900	2,430,900	1,672,090	68.78%
Professional Education Prep. Program	437,400	437,400	268,700	61.43%
Telecommunication Consortium (ETV)	191,500	191,500	143,625	75.00%
Metroversity Consortium	60,500	60,500	45,400	75.04%
Minority Student College Prep. Program	226,300	226,300	164,000	72.47%
EPSCoR	6,564,600	6,564,600	2,754,430	41.96%
State Autism Training Center	228,500	228,500	228,500	100.00%
Kentucky Rural Development Center	750,000	750,000	562,500	75.00%
Early Reading Incentive Grant	4,200,000	4,200,000	3,150,000	75.00%
Collaborative Center for Literacy - Exp.	600,000	600,000	450,000	75.00%
SREB Doctoral Scholars Program	68,000	68,000	34,000	50.00%
Total Expenditures by Program	15,757,700	15,757,700	9,473,245	60.12%

**Council on Postsecondary Education
Eisenhower Math and Science Program
2000-01 Third Quarter Budget Report**

Category	Revised Budget 12/31/00	Revised Budget 03/31/01	Actual Through 03/31/01	Percent of Budget
REVENUES				
General Fund				
Carry-Forward	0	0	0	
Current Appropriation	0	0	0	
Current Year Interest Earnings	0	0	0	
Surplus Expenditure Plan	0	0	0	
Sub Total General Fund	0	0	0	
Agency Receipts				
Carry-Forward	0	0	0	
Current Receipts	0	0	0	
Sub Total Agency Receipts	0	0	0	
Federal Funds				
Carry-Forward	0	0	0	
Current Receipts	1,100,000	1,100,000	825,000	75.00%
Sub Total Federal Funds	1,100,000	1,100,000	825,000	75.00%
TOTAL REVENUES	1,100,000	1,100,000	825,000	75.00%
Expenditures by Major Object				
Personal Services	0	0	13,355	
Operating Expenses	0	0	5,316	
Grants, Loans, Benefits	1,100,000	1,100,000	615,658	55.97%
Capital Expenses				
Total Expenditures by Major Object	1,100,000	1,100,000	634,328	57.67%
Expenditures by Program				
Eisenhower Math and Science	1,100,000	1,100,000	634,328	57.67%
Total Expenditures by Program	1,100,000	1,100,000	634,328	57.67%

**Council on Postsecondary Education
Kentucky GEAR UP Program
2000-01 Third Quarter Budget Report**

Category	Revised Budget 12/31/00	Revised Budget 03/31/01	Actual Through 03/31/01	Percent of Budget
REVENUES				
General Fund				
Carry-Forward	0	0	0	
Current Appropriation	0	0	0	
Current Year Interest Earnings	0	0	0	
Surplus Expenditure Plan	0	0	0	
Sub Total General Fund	0	0	0	
Agency Receipts				
Carry-Forward	0	0	0	
Current Receipts	0	0	0	
Sub Total Agency Receipts	0	0	0	
Federal Funds				
Carry-Forward	0	0	0	
Current Receipts	2,004,000	2,004,000	1,336,000	66.67%
Sub Total Federal Funds	2,004,000	2,004,000	1,336,000	66.67%
TOTAL REVENUES	2,004,000	2,004,000	1,336,000	66.67%
Expenditures by Major Object				
Personal Services	276,000	310,500	36,864	11.87%
Operating Expenses	35,000	66,200	20,936	31.62%
Grants, Loans, Benefits	1,693,000	1,627,300	0	0.00%
Capital Expenses	0	0	0	
Total Expenditures by Major Object	2,004,000	2,004,000	57,800	2.88%
Expenditures by Program				
GEAR UP Kentucky	2,004,000	2,004,000	57,800	2.88%
Total Expenditures by Program	2,004,000	2,004,000	57,800	2.88%

**Council on Postsecondary Education
Strategic Trust Funds
2000-01 Third Quarter Budget Report**

Category	Revised Budget 12/31/00	Revised Budget 03/31/01	Actual Through 03/31/01	Percent of Budget
REVENUES				
General Fund				
Carry-Forward	14,855,500	14,855,500	14,855,488	100.00%
Current Appropriation	48,375,000	53,430,000	43,380,400	81.19%
Current Year Interest Earnings	1,863,200	3,201,900	3,201,819	100.00%
Surplus Expenditure Plan	120,000,000	120,000,000	120,000,000	100.00%
Sub Total General Fund	185,093,700	191,487,400	181,437,707	94.75%
Agency Receipts				
Carry-Forward	959,700	959,800	959,745	100.00%
Current Receipts	508,000	508,000	508,000	100.00%
Sub Total Agency Receipts	1,467,700	1,467,800	1,467,745	100.00%
Federal Funds				
Carry-Forward	0	0	0	
Current Receipts	0	0	0	
Sub Total Federal Funds	0	0	0	
TOTAL REVENUES	186,561,400	192,955,200	182,905,452	94.79%
Expenditures by Major Object				
Personal Services	0	0	0	
Operating Expenses	0	0	0	
Grants, Loans, Benefits	186,561,400	192,955,200	94,186,767	48.81%
Capital Expenses				
Total Expenditures by Major Object	186,561,400	192,955,200	94,186,767	48.81%
Expenditures by Program				
Endowment Match Program	127,459,300	128,568,000	57,248,396	44.53%
Research Challenge Trust Fund	1,992,000	7,051,700	1,650,000	23.40%
Regional Univ. Excellence Trust Fund	4,279,400	4,299,600	2,850,000	66.29%
Postsecondary Workforce Dev. TF	14,023,200	14,039,400	10,125,000	72.12%
Technology Initiative Trust Fund	6,779,100	6,862,400	860,590	12.54%
Student Financial Aid & Advancement TF	22,963,000	22,999,400	20,485,400	89.07%
Adult Education & Literacy Trust Fund	7,809,700	7,876,000	624,881	7.93%
Science and Technology Trust Fund	1,255,700	1,258,700	342,500	27.21%
Total Expenditures by Program	186,561,400	192,955,200	94,186,767	48.81%

**Council on Postsecondary Education
Endowment Match Program
2000-01 Third Quarter Budget Report**

Category	Revised Budget 12/31/00	Revised Budget 03/31/01	Actual Through 03/31/01	Percent of Budget
REVENUES				
General Fund				
Carry-Forward	6,081,500	6,081,500	6,081,474	100.00%
Current Appropriation	0	0	0	
Current Year Interest Earnings	1,377,800	2,486,500	2,486,455	100.00%
Surplus Expenditure Plan	120,000,000	120,000,000	120,000,000	100.00%
Sub Total General Fund	127,459,300	128,568,000	128,567,929	100.00%
Agency Receipts				
Carry-Forward	0	0	0	
Current Receipts	0	0	0	
Sub Total Agency Receipts	0	0	0	
Federal Funds				
Carry-Forward	0	0	0	
Current Receipts	0	0	0	
Sub Total Federal Funds	0	0	0	
TOTAL REVENUES	127,459,300	128,568,000	128,567,929	100.00%
Expenditures by Major Object				
Personal Services	0	0	0	
Operating Expenses	0	0	0	
Grants, Loans, Benefits	127,459,300	128,568,000	57,248,396	44.53%
Capital Expenses	0	0	0	
Total Expenditures by Major Object	127,459,300	128,568,000	57,248,396	44.53%
Expenditures by Program				
Eastern Kentucky University	5,085,000	5,163,000	2,081,419	40.31%
Kentucky State University	2,274,900	2,308,800	0	0.00%
Morehead State University	3,293,700	3,342,700	1,317,751	39.42%
Murray State University	4,497,900	4,538,100	2,935,750	64.69%
Northern Kentucky University	2,763,100	2,806,700	2,004,357	71.41%
Western Kentucky University	4,713,400	4,727,000	4,625,000	97.84%
Subtotal	22,628,000	22,886,300	12,964,277	56.65%
University of Kentucky	69,600,100	70,045,600	41,034,119	58.58%
University of Louisville	35,231,200	35,636,100	3,250,000	9.12%
Subtotal	104,831,300	105,681,700	44,284,119	41.90%
Total Expenditures by Program	127,459,300	128,568,000	57,248,396	44.53%

**Council on Postsecondary Education
Research Challenge Trust Fund
2000-01 Third Quarter Budget Report**

Category	Revised Budget 12/31/00	Revised Budget 03/31/01	Actual Through 03/31/01	Percent of Budget
REVENUES				
General Fund				
Carry-Forward	339,500	339,500	339,511	100.00%
Current Appropriation	1,650,000	6,705,000	3,765,000	56.15%
Current Year Interest Earnings	2,500	7,200	7,189	100.00%
Surplus Expenditure Plan	0	0	0	
Sub Total General Fund	1,992,000	7,051,700	4,111,700	58.31%
Agency Receipts				
Carry-Forward	0	0	0	
Current Receipts	0	0	0	
Sub Total Agency Receipts	0	0	0	
Federal Funds				
Carry-Forward	0	0	0	
Current Receipts	0	0	0	
Sub Total Federal Funds	0	0	0	
TOTAL REVENUES	1,992,000	7,051,700	4,111,700	58.31%
Expenditures by Major Object				
Personal Services	0	0	0	
Operating Expenses	0	0	0	
Grants, Loans, Benefits	1,992,000	7,051,700	1,650,000	23.40%
Capital Expenses	0	0	0	
Total Expenditures by Major Object	1,992,000	7,051,700	1,650,000	23.40%
Expenditures by Program				
Enrollment Growth & Retention				
University of Kentucky	950,000	950,000	950,000	100.00%
Lexington Community College	250,000	250,000	250,000	100.00%
University of Louisville	450,000	450,000	450,000	100.00%
Subtotal	1,650,000	1,650,000	1,650,000	100.00%
Research Challenge				
University of Kentucky	226,800	230,000	0	0.00%
University of Louisville	115,200	116,700	0	0.00%
Subtotal	342,000	346,700	0	0.00%
Lung Cancer Research	0	5,055,000	0	0.00%
Total Expenditures by Program	1,992,000	7,051,700	1,650,000	23.40%

**Council on Postsecondary Education
Regional University Excellence Trust Fund
2000-01 Third Quarter Budget Report**

Category	Revised Budget 12/31/00	Revised Budget 03/31/01	Actual Through 03/31/01	Percent of Budget
REVENUES				
General Fund				
Carry-Forward	1,389,800	1,389,800	1,389,769	100.00%
Current Appropriation	2,850,000	2,850,000	2,137,500	75.00%
Current Year Interest Earnings	39,600	59,800	59,848	100.00%
Surplus Expenditure Plan	0	0	0	
Sub Total General Fund	4,279,400	4,299,600	3,587,117	83.43%
Agency Receipts				
Carry-Forward	0	0	0	
Current Receipts	0	0	0	
Sub Total Agency Receipts	0	0	0	
Federal Funds				
Carry-Forward	0	0	0	
Current Receipts	0	0	0	
Sub Total Federal Funds	0	0	0	
TOTAL REVENUES	4,279,400	4,299,600	3,587,117	83.43%
Expenditures by Major Object				
Personal Services	0	0	0	
Operating Expenses	0	0	0	
Grants, Loans, Benefits	4,279,400	4,299,600	2,850,000	66.29%
Capital Expenses	0	0	0	
Total Expenditures by Major Object	4,279,400	4,299,600	2,850,000	66.29%
Expenditures by Program				
Enrollment Growth & Retention				
Eastern Kentucky University	850,000	850,000	850,000	100.00%
Kentucky State University	400,000	400,000	400,000	100.00%
Morehead State University	350,000	350,000	350,000	100.00%
Murray State University	200,000	200,000	200,000	100.00%
Northern Kentucky University	350,000	350,000	350,000	100.00%
Western Kentucky University	<u>700,000</u>	<u>700,000</u>	<u>700,000</u>	100.00%
Subtotal	2,850,000	2,850,000	2,850,000	100.00%
Programs of Distinction				
Eastern Kentucky University	360,900	366,100	0	0.00%
Kentucky State University	261,700	265,400	0	0.00%
Morehead State University	86,500	87,800	0	0.00%
Murray State University	59,800	60,500	0	0.00%
Northern Kentucky University	78,800	80,000	0	0.00%
Western Kentucky University	<u>581,700</u>	<u>589,800</u>	<u>0</u>	0.00%
Subtotal	1,429,400	1,449,600	0	0.00%
Total Expenditures by Program	4,279,400	4,299,600	2,850,000	66.29%

**Council on Postsecondary Education
Postsecondary Workforce Development Trust Fund
2000-01 Third Quarter Budget Report**

Category	Revised Budget 12/31/00	Revised Budget 03/31/01	Actual Through 03/31/01	Percent of Budget
REVENUES				
General Fund				
Carry-Forward	460,500	460,500	460,529	100.00%
Current Appropriation	13,500,000	13,500,000	10,125,000	75.00%
Current Year Interest Earnings	62,700	78,900	78,902	100.00%
Surplus Expenditure Plan	0	0	0	
Sub Total General Fund	14,023,200	14,039,400	10,664,431	75.96%
Agency Receipts				
Carry-Forward	0	0	0	
Current Receipts	0	0	0	
Sub Total Agency Receipts	0	0	0	
Federal Funds				
Carry-Forward	0	0	0	
Current Receipts	0	0	0	
Sub Total Federal Funds	0	0	0	
TOTAL REVENUES	14,023,200	14,039,400	10,664,431	75.96%
Expenditures by Major Object				
Personal Services	0	0	0	
Operating Expenses	0	0	0	
Grants, Loans, Benefits	14,023,200	14,039,400	10,125,000	72.12%
Capital Expenses	0	0	0	
Total Expenditures by Major Object	14,023,200	14,039,400	10,125,000	72.12%
Expenditures by Program				
KCTCS				
Enrollment Growth & Retention	3,500,000	3,500,000	2,625,000	75.00%
Workforce Training	6,504,600	6,516,000	4,500,000	69.06%
Administrative Systems	4,018,600	4,023,400	3,000,000	74.56%
Total Expenditures by Program	14,023,200	14,039,400	10,125,000	72.12%

**Council on Postsecondary Education
Technology Initiative Trust Fund
2000-01 Third Quarter Budget Report**

Category	Revised Budget 12/31/00	Revised Budget 03/31/01	Actual Through 03/31/01	Percent of Budget
REVENUES				
General Fund				
Carry-Forward	6,083,800	6,083,800	6,083,800	100.00%
Current Appropriation	0	0	0	
Current Year Interest Earnings	187,300	270,600	270,565	100.00%
Surplus Expenditure Plan	0	0	0	
Sub Total General Fund	6,271,100	6,354,400	6,354,365	100.00%
Agency Receipts				
Carry-Forward	0	0	0	
Current Receipts	508,000	508,000	508,000	100.00%
Sub Total Agency Receipts	508,000	508,000	508,000	100.00%
Federal Funds				
Carry-Forward	0	0	0	
Current Receipts	0	0	0	
Sub Total Federal Funds	0	0	0	
TOTAL REVENUES	6,779,100	6,862,400	6,862,365	100.00%
Expenditures by Major Object				
Personal Services	0	0	0	
Operating Expenses	0	0	0	
Grants, Loans, Benefits	6,779,100	6,862,400	860,590	12.54%
Capital Expenses	0	0	0	
Total Expenditures by Major Object	6,779,100	6,862,400	860,590	12.54%
Expenditures by Program				
Technology Initiative Trust Fund	6,779,100	6,862,400	860,590	12.54%
Total Expenditures by Program	6,779,100	6,862,400	860,590	12.54%

**Council on Postsecondary Education
Student Financial Aid & Advancement Trust Fund
2000-01 Third Quarter Budget Report**

Category	Revised Budget 12/31/00	Revised Budget 03/31/01	Actual Through 03/31/01	Percent of Budget
REVENUES				
General Fund				
Carry-Forward	500,400	500,400	500,405	100.00%
Current Appropriation	22,350,000	22,350,000	21,985,400	98.37%
Current Year Interest Earnings	112,600	149,000	148,957	100.00%
Surplus Expenditure Plan	0	0	0	
Sub Total General Fund	22,963,000	22,999,400	22,634,762	98.41%
Agency Receipts				
Carry-Forward	0	0	0	
Current Receipts	0	0	0	
Sub Total Agency Receipts	0	0	0	
Federal Funds				
Carry-Forward	0	0	0	
Current Receipts	0	0	0	
Sub Total Federal Funds	0	0	0	
TOTAL REVENUES	22,963,000	22,999,400	22,634,762	98.41%
Expenditures by Major Object				
Personal Services	0	0	0	
Operating Expenses	0	0	0	
Grants, Loans, Benefits	22,963,000	22,999,400	20,485,400	89.07%
Capital Expenses				
Total Expenditures by Major Object	22,963,000	22,999,400	20,485,400	89.07%
Expenditures by Program				
KEES Program	16,806,500	16,842,900	15,821,900	93.94%
KEES Reserve	1,989,600	1,989,600	1,989,600	100.00%
Contract Spaces	2,430,900	2,430,900	2,066,300	85.00%
National Guard	1,736,000	1,736,000	607,600	35.00%
Total Expenditures by Program	22,963,000	22,999,400	20,485,400	89.07%

**Council on Postsecondary Education
Adult Education and Literacy Trust Fund
2000-01 Third Quarter Budget Report**

Category	Revised Budget 12/31/00	Revised Budget 03/31/01	Actual Through 03/31/01	Percent of Budget
REVENUES				
General Fund				
Carry-Forward	0	0	0	
Current Appropriation	6,775,000	6,775,000	5,025,000	74.17%
Current Year Interest Earnings	75,000	141,200	141,224	100.00%
Surplus Expenditure Plan	0	0	0	
Sub Total General Fund	6,850,000	6,916,200	5,166,224	74.70%
Agency Receipts				
Carry-Forward	959,700	959,800	959,745	100.00%
Current Receipts	0	0	0	
Sub Total Agency Receipts	959,700	959,800	959,745	100.00%
Federal Funds				
Carry-Forward	0	0	0	
Current Receipts	0	0	0	
Sub Total Federal Funds	0	0	0	
TOTAL REVENUES	7,809,700	7,876,000	6,125,969	77.78%
Expenditures by Major Object				
Personal Services	0	0	0	
Operating Expenses	0	0	0	
Grants, Loans, Benefits	7,809,700	7,876,000	624,881	7.93%
Capital Expenses	0	0	0	
Total Expenditures by Major Object	7,809,700	7,876,000	624,881	7.93%
Expenditures by Program				
Adult Education & Literacy Trust Fund	7,809,700	7,876,000	624,881	7.93%
Total Expenditures by Program	7,809,700	7,876,000	624,881	7.93%

**Council on Postsecondary Education
Science and Technology Trust Fund
2000-01 Third Quarter Budget Report**

Category	Revised Budget 12/31/00	Revised Budget 03/31/01	Actual Through 03/31/01	Percent of Budget
REVENUES				
General Fund				
Carry-Forward	0	0	0	
Current Appropriation	1,250,000	1,250,000	342,500	27.40%
Current Year Interest Earnings	5,700	8,700	8,679	100.00%
Surplus Expenditure Plan	0	0	0	
Sub Total General Fund	1,255,700	1,258,700	351,179	27.90%
Agency Receipts				
Carry-Forward	0	0	0	
Current Receipts	0	0	0	
Sub Total Agency Receipts	0	0	0	
Federal Funds				
Carry-Forward	0	0	0	
Current Receipts	0	0	0	
Sub Total Federal Funds	0	0	0	
TOTAL REVENUES	1,255,700	1,258,700	351,179	27.90%
Expenditures by Major Object				
Personal Services	0	0	0	
Operating Expenses	0	0	0	
Grants, Loans, Benefits	1,255,700	1,258,700	342,500	27.21%
Capital Expenses	0	0	0	
Total Expenditures by Major Object	1,255,700	1,258,700	342,500	27.21%
Expenditures by Program				
Entrepreneurial Audit	255,700	258,700	250,000	96.64%
Rural Innovation Fund	1,000,000	1,000,000	92,500	9.25%
Total Expenditures by Program	1,255,700	1,258,700	342,500	27.21%

2001-02 AGENCY OPERATING BUDGET

Recommendation

The staff recommends that the council approve the 2001-02 agency operating budget of \$140,901,000 as presented in the attached document.

Background

The 2001-02 agency operating budget is displayed in five program areas with additional financial information provided for the Trust Funds and for Federal Programs:

- Agency Operations
- Kentucky Virtual University and Kentucky Virtual Library
- Strategic Investment and Incentive Trust Funds
- Pass-Through Programs
- Federal Programs

The 2000-01 Revised Budget 3/31/01 information is provided for comparison to the 2001-02 Operating Budget. The Percent Change column shows the difference between the 2000-01 Revised Budget 3/31/01 and the 2001-02 Operating Budget.

The total 2001-02 general fund appropriation declines by 39 percent when compared to 2000-01 because the 2000-01 appropriation includes \$14.9 million of non-recurring revenue that is 1998-2000 interest earnings; \$3.2 million in current year interest earnings; and \$120 million for the Endowment Match program.

The current appropriation line in the 2001-02 agency operating budget increases by 69 percent over 2000-01 because a number of trust fund activities were funded for the first time in the second year of the biennium. These include: \$12.9 million, Action Agenda—Regional University Excellence Trust Fund; \$6.0 million, equipment Replacement Pool, Network Infrastructure, and Faculty Development—Technology Initiative Trust Fund; \$13.5 million, the Public Communications Campaign and the KEES program—Student Financial Aid and Advancement Trust Fund; \$3.0 million, the New Economy Initiatives—Science and Technology Trust Fund; and, \$5.0 million, adult education and literacy—Adult Education and Literacy Trust Fund.

An end-of-year carry-forward balance was not projected. The actual end-of-year balance will be reported to the council in the June 30, 2001, final quarterly report and will be incorporated into the

2001-02 operating budget in the 2001-02 first quarterly report. The amount reported will include appropriations to institutions not matched or released, 1998-2000 interest earnings not released, and 2000-01 interest earnings.

The 2001-02 operating budget does not include a projection of 2001-02 current year interest earnings. The 2001-02 current year interest earnings will be reported to the council quarterly.

Agency receipts are revenues received by the agency from sources other than state appropriations. For the KYVU/KYVL, agency receipts include payments by public and private institutions to support electronic databases, a new grant to the KYVU/KYVL from the Workforce Development Cabinet for support of adult education Web-based activities, and transfers from the Student Financial Aid and Advancement Trust Fund to the contract spaces and public communications campaign. Current receipts under the agency receipts revenue category increase by 41 percent due to expansion in the trust funds, the \$1.5 million for the Public Communications Campaign, growth in KYVU/KYVL receipts, and inflationary growth in the Contract Spaces program.

A Budget Reduction Reserve of \$204,800 is shown as a separate expenditure category representing 2 percent of the 2001-02 general fund appropriation for Agency Operations and the KYVU/KYVL. Although the actual amount of the 2001-02 budget reduction is not known, state agencies, including the council, have been asked to reserve 2 percent.

University and KCTCS appropriations and council Trust Fund and Pass-Through appropriations were exempt from the 2000-01 budget reductions. But, the 2001-02 budget reductions may extend to programs beyond Agency Operations and the KYVU/KYVL.

“Allocated” refers to an action taken by the council to award funds to institutions. The term is used in this budget to refer to Trust Fund program allocations.

“Allotment” or “allotted” refers to an action by the state to place an appropriation amount in an account. An appropriation typically is allotted to the agency quarterly.

“Appropriation” or “appropriated” refers to a legislative action that provides funding to a program or activity. The terms are used in this budget to refer to appropriations to the council.

“Released” refers to the actual transfer of allocated funds to an institution. The council allocates Trust Fund program dollars to an institution but they are released only when the institution meets the established criteria.

Agency Operations

The 2001-02 state appropriation is \$4.3 million including a \$232,000 allocation for administration of adult education and literacy programs. The 2001-02 state appropriation increased 2.4 percent – this was a standard increase received by state agencies during the 2000-02 biennial budget process. Agencies were required to absorb 5 percent salary increases and inflationary adjustments in health insurance and other benefits, as well as operating budget increases for rent, utilities, travel, and supplies within the 2.4 percent general fund appropriation increase. The limitation on the increase in state appropriation coupled with the inflationary expenditure adjustments required internal reallocation during the biennial budget process.

A budget reduction reserve of \$79,800, approximately 2 percent of the general fund appropriation for Agency Operations, has been created. Personal services, specifically contracts, were the source of the reduction. If actual state-mandated budget reductions are larger than 2 percent, the council will reduce personal service contracts further and reduce out-of-state travel and conference budgets.

The Agency Operations budget includes 45 full-time positions and three part-time positions. Two of the 45 positions are associated with the GEAR UP Kentucky grant and one position is for adult education and literacy. That position is funded through the Workforce Development Cabinet, 40 percent, and the Adult Education and Literacy Trust Fund appropriation, 60 percent.

KYVU/KYVL

The general fund, current appropriation is \$6.4 million, a 2.4 percent increase. Agency current receipts increase to \$1.4 million, a 3.5 percent increase.

Agency receipts include: payments for electronic databases - \$125,000, private institutions, \$300,000 from the Kentucky Department of Education, \$400,000 from the Kentucky Department of Libraries and Archives, and \$23,200 from the KCTCS; a transfer from the Technology Initiative Trust Fund, \$425,000; a \$158,000 grant from the Workforce Development Cabinet; and \$10,000 in miscellaneous receipts.

The total expenditure budget declines 4 percent compared to 2000-01. If the 2000-01 carry-forward amount is excluded, the 2001-02 budget increases by 2.7 percent. Budgeted expenditures for personal services show a 35 percent decline; budgeted operating expenses show a 26 percent increase. These two changes partially reflect a change in the account coding for the Eduprise learning platform contract. Originally, the contract was budgeted as a personal services contract (personal services); the contract actually was awarded as a price contract (operating expenses). The 2000-01 personal services budget also includes \$536,800 in carry-forward that is associated with a personal contract—this is a one-time cost. The capital expenses budget declines by 65 percent – the 2000-01 Revised Operating Budget 3/31/01 includes non-recurring expenditures.

A budget reduction reserve of \$125,000, approximately 2 percent of the 2001-02 current general fund appropriation, is created. Personal services, specifically contracts, have been reduced to accommodate the budget reduction. If actual state-mandated budget reductions are larger than 2 percent, the contract budget will be reduced further and out-of-state travel and other operating expense categories will be reduced.

There are 27 positions budgeted in the KYVU/KYVL. This is an increase of three positions from 2000-01 and is associated with the Workforce Development Cabinet grant of \$158,000. The Workforce Development Cabinet has contracted with the KYVU/KYVL to manage the adult education Web-site and to provide Web-based instructional services to adult education.

Strategic Investment and Incentive Trust Funds

Interest earnings on trust funds, from the 1998-2000 biennium, are shown as general fund, carry-forward. For most trust funds, the council has allocated 1998-2000 interest earnings to the institutions. Restrictions on access to these funds are reported in the narrative for each Trust Fund. The interest earnings for 2000-01 are shown as general fund, current year interest earnings. These funds are unallocated at the request of the Governor's Office for Policy and Management. Action on these funds will be taken in 2001-02.

- **Endowment Trust Fund**

The Endowment Trust Fund appropriation for 2000-01 was \$120 million—there is no appropriation in 2001-02. Of the 2000-01 appropriation, \$57.2 million has been allocated through March 31, 2001. Only Western Kentucky University has fully matched its 2000-01 allocation. A final report on all 2000-01 allocations will be made in the 2000-01 final quarterly report—activity during 2001-02 will be reported in the 2001-02 quarterly reports.

- **Research Challenge Trust Fund**

There are three programs in the Research Challenge Trust Fund: Enrollment Growth and Retention, Research Challenge, and Lung Cancer Research. The Research Challenge program did not receive an appropriation for 2000-01 or 2001-02—it is listed because interest earnings from 1998-2000 and 2000-01 remain in institutional accounts. The 1998-2000 interest earnings are available to the University of Kentucky and the University of Louisville upon completion of the statewide engineering agreement. A full report on the interest earnings and expenditures through 2000-01 will be made at the July 30, 2001, council meeting.

Enrollment Growth and Retention funds, \$1,650,000, have been allocated and will be released quarterly.

House Bill 608 requires that a plan for the expenditure of the Lung Cancer Research funds be filed with the council. Neither the 2000-01 nor the 2001-02 appropriation for Lung Cancer Research will be released until the plan is filed.

- Regional University Excellence Trust Fund

There are three programs in the Regional University Excellence Trust Fund: Enrollment Growth and Retention, Programs of Distinction, and Action Agenda.

Enrollment Growth and Retention funds, \$2,850,000, will be released quarterly.

Programs of Distinction did not receive an appropriation in 2000-02. The amounts shown in the Revised Budget 3/31/01 column represent 1998-2000 interest earnings and 2000-01 current year interest earnings.

The process for awarding 2001-02 Action Agenda funds is before the council at this meeting. We anticipate allocations to occur into the 2001-02 fiscal year.

- Technology Initiative Trust Fund

There are five programs included in the Technology Initiative Trust Fund for 2001-02: Strategic Initiatives, Equipment Replacement, Network Infrastructure, Public Communications Campaign, and Faculty Development.

The Equipment Replacement program supports instructional and research equipment acquisitions at the institutions. The appropriation for 2001-02, \$3.8 million, has been allocated and will be released in the first quarter.

The council financially supports postsecondary education's Network Infrastructure through the Kentucky Postsecondary Education Network (KPEN) which is part of the larger Kentucky Information Highway (KIH). KPEN is a high-speed ATM backbone reaching to each institution and campus in the postsecondary education system. The 2001-02 \$1.2 million appropriation will allow for expansion of the network, i.e., greater bandwidth to the technical and community colleges and to selected universities who already exceed capacity of existing lines. The appropriation also will offset greater than anticipated costs of the Internet Services contract.

The Public Communications Campaign is funded at \$1.5 million from lottery proceeds with funding available only after KEES scholarship commitments are met. At this time, we do not know whether a portion or any of the \$1.5 million will be available. We reserved \$1.0 million in the Strategic Initiatives program for the Public Communications Campaign should the lottery proceeds not be available.

Faculty Development funds will be available to the institutions in 2001-02. A separate agenda item will be presented to the council for allocation of these funds.

Strategic Initiatives represent the balance of the Technology Initiative Trust Fund. Of the \$1.6 million budgeted for 2001-02, \$500,000 is committed to the KYVU/KYVL and \$1.0 million is reserved for the Public Communications Campaign should lottery proceeds not be available.

- Physical Facilities Trust Fund

There are three programs in the Physical Facilities Trust Fund: Capital Renewal/Maintenance—Debt Service; Renovation, Replacement, and Infrastructure; and New Construction—Debt Service. The appropriation for 2001-02 is \$20.9 million; there was no appropriation for 2000-01. The 2001-02 appropriation for each program has been allocated and will be available for distribution July 1, 2001. The distribution scheme for capital renewal and renovations was presented to the council on September 18, 2000, and for equipment replacement on November 13, 2000.

- Postsecondary Workforce Development Trust Fund

There are three programs in the Postsecondary Workforce Development Trust Fund: Enrollment Growth and Retention, Workforce Training, and, Administrative Systems. The KCTCS is the only recipient of funds. Enrollment Growth and Retention funds have been allocated and will be released quarterly. The 2001-02 Workforce Training program funds will be released when program proposals are received and accepted by the council.

The Administrative Systems appropriation was for 2000-01 and was non-recurring.

- Student Financial Aid and Advancement Trust Fund

There are six activities included in the Student Financial Aid and Advancement Trust Fund: KEES, KEES Reserve, Contract Spaces, National Guard Tuition Reimbursement, Public Communications Campaign, and the Collaborative Center for Literacy Development.

Senate Bill 21, which created the KEES program, requires the percentage of funds allocated from the Kentucky Lottery to increase each of five years until the program is fully implemented. The 2001-02 appropriation for KEES, \$24.6 million, increases by 46 percent. When fully deployed, the KEES program will cost \$120 million.

The KEES Reserve increases from \$2.0 million to \$6.3 million.

The National Guard Tuition Reimbursement, Contract Spaces, the Public Communications Campaign, and the Collaborative Center for Literacy Development programs all are scheduled to receive funding through the Kentucky Lottery. Funding for these programs will be available only after all KEES program expenses are covered.

- Adult Education and Literacy Trust Funds

The 2001-02 appropriation, \$11.8 million, increases by 74 percent. The 2001-02 distribution is being presented to the council and will be considered at the May 2001 meeting.

- Science and Technology Trust Fund

There are five programs included in the Science and Technology Trust Fund: Research and Development, Commercialization, Regional Technology Service, Entrepreneurial Audit, and Rural Innovation Fund. These five programs plus the EPSCoR program, funded as part of Pass-Through Programs, comprise the 2000-02 new economy initiatives.

Research and Development, Commercialization, and the Regional Technology Service are funded in 2001-02; the Entrepreneurial Audit and the Rural Innovation Fund are 2000-01 appropriations. The Kentucky Science and Technology Corporation will manage these programs for the council. Any proposed distribution of funds will be presented to the council.

Pass-Through Programs

Pass-Through Programs are those activities where the council acts as an agent for a general fund appropriation intended for another entity and simply “passes through” the funds to the entity for whom the appropriation is intended. A list of pass-through programs is included in the financial table under Expenditures by Program. The 2001-02 appropriation is 24.2 percent lower than the 2000-01 appropriation. The difference is in the Experimental Program to Stimulate Competitive Research (EPSCoR) where the 2000-01 appropriation included a one-time appropriation of some \$4.0 million. When EPSCoR is excluded from the comparison, the 2001-02 appropriation increases by 1.3 percent.

Federal Programs

The council operates two federal programs: Eisenhower Science and Mathematics and the GEAR UP Kentucky. The Eisenhower program provides grants to colleges and universities for science and mathematics education. The postsecondary education allocation is coordinated with a similar program in the Kentucky Department of Education.

GEAR UP Kentucky is part of Kentucky’s effort to improve the college-going rate in Kentucky. GEAR UP Kentucky is an intervention and enrichment program that tracks middle school students through high school. The grant is \$2.1 million for each of five years beginning with 2000-01. The federal grant must be matched 50/50 through a combination of state, local, and private funds. Grants will be made to colleges, universities, and local schools to develop special programs for targeted students in high-risk school districts.

The amounts shown for 2001-02 are the same as those in the 2000-01 operating budget.

Staff Preparation by Dennis L. Taulbee and Ed Sergent

**Council on Postsecondary Education
CPE Summary
2001-02 Budget Report**

Category	2000-01 Revised Budget 3/31/2001	2001-02 Operating Budget	Percent Change
REVENUES			
General Fund			
Carry-Forward	14,855,500	0	
Current Appropriation	77,228,800	130,638,400	69.16%
Current Year Interest Earnings	3,201,900	0	
Surplus Expenditure Plan	120,000,000	0	-100.00%
Sub Total General Fund	215,286,200	130,638,400	-39.32%
Agency Receipts			
Carry-Forward	1,496,600	1,000,000	-33.18%
Current Receipts	4,331,600	6,101,400	40.86%
Sub Total Agency Receipts	5,828,200	7,101,400	21.85%
Federal Funds			
Carry-Forward	0	0	0.00%
Current Receipts	3,104,000	3,161,200	1.84%
Sub Total Federal Funds	3,104,000	3,161,200	1.84%
TOTAL REVENUES	224,218,400	140,901,000	-37.16%
Expenditures by Major Object			
Personal Services	7,227,100	6,055,900	-16.21%
Operating Expenses	4,472,600	5,321,400	18.98%
Grants, Loans, Benefits	212,267,700	129,173,900	-39.15%
Capital Expenses	251,000	145,000	-42.23%
Budget Reduction Reserve	0	204,800	
Total Expenditures by Major Object	224,218,400	140,901,000	-37.16%
Expenditures by Program			
Agency Operations	4,217,000	4,240,200	0.55%
KYVU/KYVL	8,184,500	7,721,300	-5.66%
Strategic Trust Funds	192,955,200	113,633,000	-41.11%
Pass Through Funds	15,757,700	11,940,500	-24.22%
Federal Programs	3,104,000	3,161,200	1.84%
Budget Reduction Reserve	0	204,800	
Total Expenditures by Program	224,218,400	140,901,000	-37.16%

**Council on Postsecondary Education
Agency Operations
2001-02 Budget Report**

Category	2000-01 Revised Budget 3/31/2001	2001-02 Operating Budget	Percent Change
REVENUES			
General Fund			
Carry-Forward	0	0	
Current Appropriation	4,217,000	4,320,000	2.44%
Current Year Interest Earnings	0	0	
Surplus Expenditure Plan	0	0	
Sub Total General Fund	4,217,000	4,320,000	2.44%
Agency Receipts			
Carry-Forward	0	0	
Current Receipts	0	0	
Sub Total Agency Receipts	0	0	0.00%
Federal Funds			
Carry-Forward	0	0	
Current Receipts	0	0	
Sub Total Federal Funds	0	0	0.00%
TOTAL REVENUES	4,217,000	4,320,000	2.44%
Expenditures by Major Object			
Personal Services	3,259,200	3,411,300	4.67%
Operating Expenses	873,300	741,900	-15.05%
Grants, Loans, Benefits	0	0	0.00%
Capital Expenses	84,500	87,000	2.96%
Budget Reduction Reserve	0	79,800	100.00%
Total Expenditures by Major Object	4,217,000	4,320,000	2.44%
Expenditures by Program			
Agency Operations	4,217,000	4,240,200	0.55%
Budget Reduction Reserve	0	79,800	100.00%
Total Expenditures by Program	4,217,000	4,320,000	2.44%

**Council on Postsecondary Education
KYVU/KYVL
2001-02 Budget Report**

Category	2000-01 Revised Budget 3/31/2001	2001-02 Operating Budget	Percent Change
REVENUES			
General Fund			
Carry-Forward	0	0	
Current Appropriation	6,255,000	6,405,000	2.40%
Current Year Interest Earnings	0	0	
Surplus Expenditure Plan	0	0	
Sub Total General Fund	6,255,000	6,405,000	2.40%
Agency Receipts			
Carry-Forward	536,800	0	-100.00%
Current Receipts	1,392,700	1,441,300	3.49%
Sub Total Agency Receipts	1,929,500	1,441,300	-25.30%
Federal Funds			
Carry-Forward	0	0	
Current Receipts	0	0	
Sub Total Federal Funds	0	0	0.00%
TOTAL REVENUES	8,184,500	7,846,300	-4.13%
Expenditures by Major Object			
Personal Services	3,657,400	2,367,000	-35.28%
Operating Expenses	3,533,100	4,446,300	25.85%
Grants, Loans, Benefits	827,500	850,000	2.72%
Capital Expenses	166,500	58,000	-65.17%
Budget Reduction Reserve	0	125,000	
Total Expenditures by Major Object	8,184,500	7,846,300	-4.13%
Expenditures by Program			
KYVU/KYVL	8,184,500	7,721,300	-5.66%
Budget Reduction Reserve	0	125,000	
Total Expenditures by Program	8,184,500	7,846,300	-4.13%

**Council on Postsecondary Education
Pass Through Funds
2001-02 Budget Report**

Category	2000-01 Revised Budget 3/31/2001	2001-02 Operating Budget	Percent Change
REVENUES			
General Fund			
Carry-Forward	0	0	
Current Appropriation	13,326,800	9,415,400	-29.35%
Current Year Interest Earnings	0	0	
Surplus Expenditure Plan	0	0	
Sub Total General Fund	13,326,800	9,415,400	-29.35%
Agency Receipts			
Carry-Forward	0	0	
Current Receipts	2,430,900	2,525,100	3.88%
Sub Total Agency Receipts	2,430,900	2,525,100	3.88%
Federal Funds			
Carry-Forward	0	0	
Current Receipts	0	0	
Sub Total Federal Funds	0	0	0.00%
TOTAL REVENUES	15,757,700	11,940,500	-24.22%
Expenditures by Major Object			
Personal Services	0	0	
Operating Expenses	0	0	
Grants, Loans, Benefits	15,757,700	11,940,500	-24.22%
Capital Expenses	0	0	
Total Expenditures by Major Object	15,757,700	11,940,500	-24.22%
Expenditures by Program			
Contract Spaces - Restricted Agency	2,430,900	2,525,100	3.88%
Metroversity Consortium	60,500	61,800	2.15%
Professional Education Prep. Program	437,400	447,600	2.33%
Telecommunication Consortium (ETV)	191,500	196,100	2.40%
Minority Student College Prep. Program	226,300	231,700	2.39%
EPSCoR	6,564,600	2,626,200	-59.99%
State Autism Training Center	228,500	234,000	2.41%
Kentucky Rural Development Center	750,000	750,000	0.00%
Early Reading Incentive Grant	4,200,000	4,200,000	0.00%
SREB Doctoral Scholars Program	68,000	68,000	0.00%
Collaborative Center for Literacy - Exp.	600,000	600,000	0.00%
Total Expenditures by Program	15,757,700	11,940,500	-24.22%

**Council on Postsecondary Education
Federal Funds
2001-02 Budget Report**

Category	2000-01 Revised Budget 3/31/2001	2001-02 Operating Budget	Percent Change
REVENUES			
General Fund			
Carry-Forward	0	0	0.00%
Current Appropriation	0	0	0.00%
Current Year Interest Earnings	0	0	0.00%
Surplus Expenditure Plan	0	0	0.00%
Sub Total General Fund	0	0	0.00%
Agency Receipts			
Carry-Forward	0	0	0.00%
Current Receipts	0	0	0.00%
Sub Total Agency Receipts	0	0	0.00%
Federal Funds			
Carry-Forward	0	0	0.00%
Current Receipts	3,104,000	3,161,200	1.84%
Sub Total Federal Funds	3,104,000	3,161,200	1.84%
TOTAL REVENUES	3,104,000	3,161,200	1.84%
Expenditures by Major Object			
Personal Services	310,500	277,600	-10.60%
Operating Expenses	66,200	133,200	101.21%
Grants, Loans, Benefits	2,727,300	2,750,400	0.85%
Capital Expenses	0	0	0.00%
Total Expenditures by Major Object	3,104,000	3,161,200	1.84%
Expenditures by Program			
Eisenhower Math and Science	1,100,000	1,100,000	0.00%
GEAR UP Kentucky	2,004,000	2,061,200	2.85%
Total Expenditures by Program	3,104,000	3,161,200	1.84%

**Council on Postsecondary Education
Eisenhower Math and Science Program
2001-02 Budget Report**

Category	2000-01 Revised Budget 3/31/2001	2001-02 Operating Budget	Percent Change
REVENUES			
General Fund			
Carry-Forward	0	0	
Current Appropriation	0	0	
Current Year Interest Earnings	0		
Surplus Expenditure Plan	0	0	
Sub Total General Fund	0	0	0.00%
Agency Receipts			
Carry-Forward	0	0	
Current Receipts	0	0	
Sub Total Agency Receipts	0	0	0.00%
Federal Funds			
Carry-Forward	0	0	
Current Receipts	1,100,000	1,100,000	0.00%
Sub Total Federal Funds	1,100,000	1,100,000	0.00%
TOTAL REVENUES	1,100,000	1,100,000	0.00%
Expenditures by Major Object			
Personal Services	0	34,000	
Operating Expenses	0	13,500	
Grants, Loans, Benefits	1,100,000	1,052,500	-4.32%
Capital Expenses	0	0	100.00%
Total Expenditures by Major Object	1,100,000	1,100,000	0.00%
Expenditures by Program			
Eisenhower Math and Science	1,100,000	1,100,000	0.00%
Total Expenditures by Program	1,100,000	1,100,000	0.00%

**Council on Postsecondary Education
Kentucky GEAR UP Program
2001-02 Budget Report**

Category	2000-01 Revised Budget 3/31/2001	2001-02 Operating Budget	Percent Change
REVENUES			
General Fund			
Carry-Forward	0	0	
Current Appropriation	0	0	
Current Year Interest Earnings	0	0	
Surplus Expenditure Plan	0	0	
Sub Total General Fund	0	0	0.00%
Agency Receipts	0	0	
Carry-Forward	0	0	
Current Receipts	0	0	
Sub Total Agency Receipts	0	0	0.00%
Federal Funds			
Carry-Forward	0	0	
Current Receipts	2,004,000	2,061,200	2.85%
Sub Total Federal Funds	2,004,000	2,061,200	2.85%
TOTAL REVENUES	2,004,000	2,061,200	2.85%
Expenditures by Major Object			
Personal Services	310,500	243,600	-21.55%
Operating Expenses	66,200	119,700	80.82%
Grants, Loans, Benefits	1,627,300	1,697,900	4.34%
Capital Expenses	0	0	0.00%
Total Expenditures by Major Object	2,004,000	2,061,200	2.85%
Expenditures by Program			
GEAR UP Kentucky	2,004,000	2,061,200	2.85%
Total Expenditures by Program	2,004,000	2,061,200	2.85%

**Council on Postsecondary Education
Strategic Trust Funds
2001-02 Budget Report**

Category	2000-01 Revised Budget 3/31/2001	2001-02 Operating Budget	Percent Change
REVENUES			
General Fund			
Carry-Forward	14,855,500	0	
Current Appropriation	53,430,000	110,498,000	106.81%
Current Year Interest Earnings	3,201,900	0	
Surplus Expenditure Plan	120,000,000	0	-100.00%
Sub Total General Fund	191,487,400	110,498,000	-42.29%
Agency Receipts			
Carry-Forward	959,800	1,000,000	4.19%
Current Receipts	508,000	2,135,000	320.28%
Sub Total Agency Receipts	1,467,800	3,135,000	113.58%
Federal Funds			
Carry-Forward	0	0	0.00%
Current Receipts	0	0	0.00%
Sub Total Federal Funds	0	0	0.00%
TOTAL REVENUES	192,955,200	113,633,000	-41.11%
Expenditures by Major Object			
Personal Services	0	0	0.00%
Operating Expenses	0	0	0.00%
Grants, Loans, Benefits	192,955,200	113,633,000	-41.11%
Capital Expenses	0	0	0.00%
Total Expenditures by Major Object	192,955,200	113,633,000	-41.11%
Expenditures by Program			
Endowment Match Program	128,568,000	0	-100.00%
Research Challenge Trust Fund	7,051,700	7,730,000	9.62%
Regional Univ. Excellence Trust Fund	4,299,600	12,850,000	198.87%
Technology Initiative Trust Fund	6,862,400	9,135,000	33.12%
Physical Facilities Trust Fund	0	20,900,000	100.00%
Postsecondary Workforce Dev. TF	14,039,400	9,500,000	-32.33%
Student Financial Aid & Advancement TF	22,999,400	37,500,000	63.05%
Adult Education & Literacy Trust Fund	7,876,000	11,768,000	49.42%
Science and Technology Trust Fund	1,258,700	4,250,000	237.65%
Total Expenditures by Program	192,955,200	113,633,000	-41.11%

**Council on Postsecondary Education
Endowment Match Program
2000-01 Third Quarter Budget Report**

Category	2000-01 Revised Budget 3/31/2001	2001-02 Operating Budget	Percent Change
REVENUES			
General Fund			
Carry-Forward	6,081,500	0	-100.00%
Current Appropriation	0	0	0.00%
Current Year Interest Earnings	2,486,500	0	-100.00%
Surplus Expenditure Plan	120,000,000	0	-100.00%
Sub Total General Fund	128,568,000	0	-100.00%
Agency Receipts			
Carry-Forward	0	0	
Current Receipts	0	0	
Sub Total Agency Receipts	0	0	0.00%
Federal Funds			
Carry-Forward	0	0	
Current Receipts	0	0	
Sub Total Federal Funds	0	0	0.00%
TOTAL REVENUES	128,568,000	0	-100.00%
Expenditures by Major Object			
Personal Services	0	0	
Operating Expenses	0	0	
Grants, Loans, Benefits	128,568,000	0	-100.00%
Capital Expenses	0	0	
Total Expenditures by Major Object	128,568,000	0	-100.00%
Expenditures by Program			
Eastern Kentucky University	5,163,000	0	-100.00%
Kentucky State University	2,308,800	0	-100.00%
Morehead State University	3,342,700	0	-100.00%
Murray State University	4,538,100	0	-100.00%
Northern Kentucky University	2,806,700	0	-100.00%
Western Kentucky University	4,727,000	0	-100.00%
Subtotal	22,886,300	0	-100.00%
University of Kentucky	70,045,600	0	-100.00%
University of Louisville	35,636,100	0	-100.00%
Subtotal	105,681,700	0	-100.00%
Total Expenditures by Program	128,568,000	0	-100.00%

**Council on Postsecondary Education
Research Challenge Trust Fund
2001-02 Budget Report**

Category	2000-01 Revised Budget 3/31/2001	2001-02 Operating Budget	Percent Change
REVENUES			
General Fund			
Carry-Forward	339,500	0	
Current Appropriation	6,705,000	7,730,000	15.29%
Current Year Interest Earnings	7,200	0	
Surplus Expenditure Plan			
Sub Total General Fund	7,051,700	7,730,000	9.62%
Agency Receipts			
Carry-Forward	0	0	
Current Receipts	0	0	
Sub Total Agency Receipts	0	0	0.00%
Federal Funds			
Carry-Forward	0	0	
Current Receipts	0	0	
Sub Total Federal Funds	0	0	0.00%
TOTAL REVENUES	7,051,700	7,730,000	9.62%
Expenditures by Major Object			
Personal Services	0	0	0.00%
Operating Expenses	0	0	0.00%
Grants, Loans, Benefits	7,051,700	7,730,000	9.62%
Capital Expenses	0	0	0.00%
Total Expenditures by Major Object	7,051,700	7,730,000	9.62%
Expenditures by Program			
Enrollment Growth & Retention	0	0	
University of Kentucky	950,000	826,000	-13.05%
Lexington Community College	250,000	315,200	26.08%
University of Louisville	450,000	508,800	13.07%
Subtotal	1,650,000	1,650,000	0.00%
Research Challenge			
University of Kentucky	230,000	0	-100.00%
University of Louisville	116,700	0	-100.00%
Subtotal	346,700	0	-100.00%
Lung Cancer Research	5,055,000	6,080,000	20.28%
Subtotal	5,055,000	6,080,000	20.28%
Total Expenditures by Program	7,051,700	7,730,000	9.62%

**Council on Postsecondary Education
Regional University Excellence Trust Fund
2001-02 Budget Report**

Category	2000-01 Revised Budget 3/31/2001	2001-02 Operating Budget	Percent Change
REVENUES			
General Fund			
Carry-Forward	1,389,800	0	
Current Appropriation	2,850,000	12,850,000	350.88%
Current Year Interest Earnings	59,800	0	
Surplus Expenditure Plan	0	0	
Sub Total General Fund	4,299,600	12,850,000	198.87%
Agency Receipts			
Carry-Forward	0	0	
Current Receipts	0	0	
Sub Total Agency Receipts	0	0	0.00%
Federal Funds			
Carry-Forward	0	0	
Current Receipts	0	0	
Sub Total Federal Funds	0	0	0.00%
TOTAL REVENUES	4,299,600	12,850,000	198.87%
Expenditures by Major Object			
Personal Services	0	0	
Operating Expenses	0	0	
Grants, Loans, Benefits	4,299,600	12,850,000	198.87%
Capital Expenses	0	0	
Total Expenditures by Major Object	4,299,600	12,850,000	198.87%
Expenditures by Program			
Enrollment Growth & Retention			
Eastern Kentucky University	850,000	755,500	-11.12%
Kentucky State University	400,000	324,900	-18.78%
Morehead State University	350,000	320,500	-8.43%
Murray State University	200,000	349,000	74.50%
Northern Kentucky University	350,000	436,600	24.74%
Western Kentucky University	<u>700,000</u>	<u>663,500</u>	-5.21%
Subtotal	2,850,000	2,850,000	0.00%
Programs of Distinction			
Eastern Kentucky University	366,100	0	-100.00%
Kentucky State University	265,400	0	-100.00%
Morehead State University	87,800	0	-100.00%
Murray State University	60,500	0	-100.00%
Northern Kentucky University	80,000	0	-100.00%
Western Kentucky University	<u>589,800</u>	<u>0</u>	-100.00%
Subtotal	1,449,600	0	-100.00%

**Council on Postsecondary Education
Regional University Excellence Trust Fund
2001-02 Budget Report**

Category	2000-01 Revised Budget 3/31/2001
Eastern Kentucky University	0
Kentucky State University	0
Morehead State University	0
Murray State University	0
Northern Kentucky University	0
Western Kentucky University	<u>0</u>
Subtotal	0
Total Expenditures by Program	4,299,600

2001-02 Operating Budget	Percent Change
2,433,000	100.00%
732,000	100.00%
1,435,000	100.00%
1,659,000	100.00%
1,414,000	100.00%
<u>2,327,000</u>	100.00%
10,000,000	100.00%
12,850,000	198.87%

**Council on Postsecondary Education
Technology Initiative Trust Fund
2001-02 Budget Report**

Category	2000-01 Revised Budget 3/31/2001	2001-02 Operating Budget	Percent Change
REVENUES			
General Fund			
Carry-Forward	6,083,800	0	
Current Appropriation	0	6,000,000	100.00%
Current Year Interest Earnings	270,600	0	
Surplus Expenditure Plan	0	0	
Sub Total General Fund	6,354,400	6,000,000	-5.58%
Agency Receipts			
Carry-Forward	0	1,000,000	100.00%
Current Receipts	508,000	2,135,000	320.28%
Sub Total Agency Receipts	508,000	3,135,000	517.13%
Federal Funds			
Carry-Forward	0	0	
Current Receipts	0	0	
Sub Total Federal Funds	0	0	0.00%
TOTAL REVENUES	6,862,400	9,135,000	33.12%
Expenditures by Major Object			
Personal Services	0	0	
Operating Expenses	0	0	
Grants, Loans, Benefits	6,862,400	9,135,000	33.12%
Capital Expenses	0	0	
Total Expenditures by Major Object	6,862,400	9,135,000	33.12%
Expenditures by Program			
Strategic Initiatives	6,862,400	1,635,000	-76.17%
Equipment Replacement -- Debt Service	0	3,800,000	100.00%
Network Infrastructure	0	1,200,000	100.00%
Public Communications Campaign	0	1,500,000	100.00%
Faculty Development	0	1,000,000	100.00%
Total Expenditures by Program	6,862,400	9,135,000	33.12%

**Council on Postsecondary Education
Physical Facilities Trust Fund
2001-02 Budget Report**

Category	2000-01 Revised Budget 3/31/2001	2001-02 Operating Budget	Percent Change
REVENUES			
General Fund			
Carry-Forward	0	0	
Current Appropriation	0	20,900,000	100.00%
Current Year Interest Earnings	0	0	
Surplus Expenditure Plan	0	0	
Sub Total General Fund	0	20,900,000	100.00%
Agency Receipts			
Carry-Forward	0	0	
Current Receipts	0	0	
Sub Total Agency Receipts	0	0	0.00%
Federal Funds			
Carry-Forward	0	0	
Current Receipts	0	0	
Sub Total Federal Funds	0	0	0.00%
TOTAL REVENUES	0	20,900,000	100.00%
Expenditures by Major Object			
Personal Services	0	0	
Operating Expenses	0	0	
Grants, Loans, Benefits	0	20,900,000	100.00%
Capital Expenses	0	0	
Total Expenditures by Major Object	0	20,900,000	100.00%
Expenditures by Program			
Capital Renewal/Maintenance -- DS	0	3,018,000	100.00%
Renovation, Replace. & Infrastructure	0	10,436,000	100.00%
New Construction -- DS	0	7,446,000	100.00%
Total Expenditures by Program	0	20,900,000	100.00%

**Council on Postsecondary Education
Postsecondary Workforce Development Trust Fund
2001-02 Budget Report**

Category	2000-01 Revised Budget 3/31/2001	2001-02 Operating Budget	Percent Change
REVENUES			
General Fund			
Carry-Forward	460,500	0	
Current Appropriation	13,500,000	9,500,000	-29.63%
Current Year Interest Earnings	78,900	0	
Surplus Expenditure Plan	0	0	
Sub Total General Fund	14,039,400	9,500,000	-32.33%
Agency Receipts			
Carry-Forward	0	0	
Current Receipts	0	0	
Sub Total Agency Receipts	0	0	0.00%
Federal Funds			
Carry-Forward	0	0	
Current Receipts	0	0	
Sub Total Federal Funds	0	0	0.00%
TOTAL REVENUES	14,039,400	9,500,000	-32.33%
Expenditures by Major Object			
Personal Services	0	0	
Operating Expenses	0	0	
Grants, Loans, Benefits	14,039,400	9,500,000	-32.33%
Capital Expenses			
Total Expenditures by Major Object	14,039,400	9,500,000	-32.33%
Expenditures by Program			
KCTCS			
Enrollment Growth & Retention	3,500,000	3,500,000	0.00%
Workforce Training	6,516,000	6,000,000	-7.92%
Administrative Systems	4,023,400	0	-100.00%
Total Expenditures by Program	14,039,400	9,500,000	-32.33%

**Council on Postsecondary Education
Student Financial Aid & Advancement Trust Fund
2001-02 Budget Report**

Category	2000-01 Revised Budget 3/31/2001	2001-02 Operating Budget	Percent Change
REVENUES			
General Fund			
Carry-Forward	500,400	0	
Current Appropriation	22,350,000	37,500,000	67.79%
Current Year Interest Earnings	149,000	0	
Surplus Expenditure Plan	0	0	
Sub Total General Fund	22,999,400	37,500,000	63.05%
Agency Receipts			
Carry-Forward	0	0	
Current Receipts	0	0	
Sub Total Agency Receipts	0	0	0.00%
Federal Funds			
Carry-Forward	0	0	
Current Receipts	0	0	
Sub Total Federal Funds	0	0	0.00%
TOTAL REVENUES	22,999,400	37,500,000	63.05%
Expenditures by Major Object			
Personal Services	0	0	
Operating Expenses	0	0	
Grants, Loans, Benefits	22,999,400	37,500,000	63.05%
Capital Expenses	0	0	
Total Expenditures by Major Object	22,999,400	37,500,000	63.05%
Expenditures by Program			
KEES Program	16,842,900	24,556,900	45.80%
KEES Reserve	1,989,600	6,345,100	218.91%
Contract Spaces	2,430,900	2,525,100	3.88%
National Guard	1,736,000	1,972,900	13.65%
Public Communications Campaign	0	1,500,000	100.00%
Collaborative Center for Literacy - Exp.	0	600,000	100.00%
Total Expenditures by Program	22,999,400	37,500,000	63.05%

**Council on Postsecondary Education
Adult Education and Literacy Trust Fund
2001-02 Budget Report**

Category	2000-01 Revised Budget 3/31/2001	2001-02 Operating Budget	Percent Change
REVENUES			
General Fund			
Carry-Forward	0	0	
Current Appropriation	6,775,000	11,768,000	73.70%
Current Year Interest Earnings	141,200	0	-100.00%
Surplus Expenditure Plan	0	0	
Sub Total General Fund	6,916,200	11,768,000	70.15%
Agency Receipts			
Carry-Forward	959,800	0	-100.00%
Current Receipts	0	0	
Sub Total Agency Receipts	959,800	0	-100.00%
Federal Funds			
Carry-Forward	0	0	
Current Receipts	0	0	
Sub Total Federal Funds	0	0	0.00%
TOTAL REVENUES	7,876,000	11,768,000	49.42%
Expenditures by Major Object			
Personal Services	0	0	
Operating Expenses	0	0	
Grants, Loans, Benefits	7,876,000	11,768,000	49.42%
Capital Expenses	0	0	
Total Expenditures by Major Object	7,876,000	11,768,000	49.42%
Expenditures by Program			
Adult Education & Literacy Trust Fund	7,876,000	11,768,000	49.42%
Total Expenditures by Program	7,876,000	11,768,000	49.42%

**Council on Postsecondary Education
Science and Technology Trust Fund
2001-02 Budget Report**

Category	2000-01 Revised Budget 3/31/2001	2001-02 Operating Budget	Percent Change
REVENUES			
General Fund			
Carry-Forward	0	0	
Current Appropriation	1,250,000	4,250,000	240.00%
Current Year Interest Earnings	8,700	0	
Surplus Expenditure Plan	0	0	
Sub Total General Fund	1,258,700	4,250,000	237.65%
Agency Receipts			
Carry-Forward	0	0	
Current Receipts	0	0	
Sub Total Agency Receipts	0	0	0.00%
Federal Funds			
Carry-Forward	0	0	
Current Receipts	0	0	
Sub Total Federal Funds	0	0	0.00%
TOTAL REVENUES	1,258,700	4,250,000	237.65%
Expenditures by Major Object			
Personal Services	0	0	
Operating Expenses	0	0	
Grants, Loans, Benefits	1,258,700	4,250,000	237.65%
Capital Expenses	0	0	
Total Expenditures by Major Object	1,258,700	4,250,000	237.65%
Expenditures by Program			
Research & Development	0	3,000,000	100.00%
Commercialization	0	750,000	100.00%
Regional Technology Service	0	500,000	100.00%
Entrepreneurial Audit	258,700	0	-100.00%
Rural Innovation Fund	1,000,000	0	-100.00%
Total Expenditures by Program	1,258,700	4,250,000	237.65%

DISTRIBUTION OF FACULTY DEVELOPMENT PROGRAM FUNDS

ACTION
Agenda Item C-3
May 21, 2001

Recommendation

- The staff recommends that the council approve the distribution of \$874,000 of the \$1 million in Faculty Development Program funds available in 2001-02 from the Technology Initiative Trust Fund.
- The staff recommends that the council request a report on joint faculty development efforts, due from the chief academic officers at the July meeting.

Background

The council approved guidelines to distribute the faculty development incentive funds at the November 13, 2000, meeting. Of the original \$1 million, the council reserved \$100,000 for statewide faculty development initiatives (see attachment). Institutions' proposals total \$874,000. Kentucky State University will submit a supplementary proposal for the remaining \$26,000, which will complete its allocation.

The program supports faculty development across the state. The guidelines require institutions to provide plans outlining the use of the funds as well as the assessment of the effectiveness of funded programs. Institutional proposals are summarized below. The council staff will work with institutions to develop annual performance reports.

At their April 30, 2001, meeting, the chief academic officers agreed to develop statewide collaborative opportunities through the trust fund. Although the proposals submitted are institutionally focused, outcomes of successful programs will be communicated through the statewide faculty development work group and the Kentucky faculty development conference. Effective programs will be shared statewide. In addition, the campus teaching resource center directors will meet to review the success of these plans collectively in spring 2002 and to identify programs that increase faculty contributions to the five questions of reform.

Eastern Kentucky University

The staff recommends that ECU receive \$90,600, of which \$67,950 will be dedicated to its Teaching and Learning Center and \$22,650 allocated to the office of the provost. ECU has invested \$125,000 in base budget funds to establish the center, which opened this year. Center programs supported by the faculty development funds will include organizing teaching and learning conferences and workshops, providing individualized technology instruction for course design, and coordinating satellite and video programs related to teaching and learning. With the opening of the center, ECU has reallocated an additional \$150,000 in institutional funds to encourage faculty development activities, such as a grant writing workshop and an on-line teaching institute.

Projects funded through the provost's office include travel assistance for faculty participation at national professional conferences and for approximately 30 faculty and administrators to participate in the annual statewide faculty development conference. Other activities include funding faculty participation in an institute entitled "Excellence in Teaching with Technology." These funds will be matched with funds from departments and colleges.

Kentucky Community and Technical College System

The staff recommends that KCTCS receive \$126,800 to support five initiatives.

- Participation in the annual National Institute for Staff and Organization Development. One faculty member from each of the 16 KCTCS districts will receive funding for the conference.
- Participation in the Annual Teaching and Learning Conference. Two faculty members per district will be supported to attend the conference in Ashland, Kentucky, November 9 and 10, 2001.
- Aid for the KCTCS-UK Future Faculty for On-line Learning Collaborative Project. This new collaboration will enable KCTCS to address online course demands while providing UK graduate students the experience of online teaching.
- Assistance for six faculty members participating in the "British Academic Experience." These sabbaticals have been arranged among KCTCS, Georgetown College, and Regent's Park College of Oxford University. Faculty will be required to develop a plan for their sabbatical.
- Funding for discipline-specific faculty development conferences and workshops that will assemble faculty from the 28 colleges into discipline-specific areas. The focus will be on the KCTCS strategic plan as well as incorporating the goals of the *Action Agenda* and *2020 Vision*.

Kentucky State University

The staff recommends that KSU receive \$30,000 of its \$56,000 allocation. These funds will be used toward the mathematics and science faculty's revision of their curricula to include a teaching model developed by well-known mathematician, Uri Treisman. The model builds students' confidence in mathematics through extra class sessions led by specially trained graduate students. The students are challenged with complex mathematical problems and encouraged to work together to solve problems. Faculty workshops will implement the proposed changes in content and pedagogy. The program has increased student success in mathematics throughout the country. KSU will submit a supplementary proposal for the remaining \$26,000.

Morehead State University

The staff recommends that MoSU receive \$70,300. These funds will be used in the Center for Teaching and Learning to support the following initiatives. MoSU will voluntarily match with \$83,950.

- Arranging workshops, presentations, and consultations to share effective teaching approaches.
- Orienting new and adjunct faculty.
- Coordinating mentoring activities for first-year faculty.
- Networking with regional P-16 institutions.
- Assembling published and electronic resources supporting effective teaching and research.
- Promoting research on teaching and learning to improve practice.
- Providing competitive grants for innovative faculty development proposals.

Murray State University

The staff recommends that MuSU receive \$69,200 to support two initiatives. MuSU will voluntarily match with \$53,300. The first initiative is the reorganization and expansion of Academic Computing and Technical Services into the Center for Teaching, Learning, and Technology. Funds will provide additional staff, including an instructional development specialist.

The second initiative is the Institutional Teaching Enhancement Fund. This \$30,000 fund will provide mini-grants ranging from \$200 to \$1,000 to support innovative teaching initiatives. This new program will parallel an existing mini-grant program for faculty research. The program will be administered through the Center for Teaching, Learning, and Technology.

Northern Kentucky University

The staff recommends that NKU receive \$85,900 to fund five initiatives of its new Faculty Development Center, which includes an Instructional Technology Development Center, that is being created with institutional funds.

- Teaching improvement grants. These grants will focus on new initiatives from faculty that require an investment of time and resources beyond that currently provided by individual colleges and departments. The grants will emphasize interdisciplinary approaches to teaching.
- Faculty orientation and retention. The center will offer workshops to new faculty, provide a training resource for existing faculty, and help faculty experiencing difficulties in the classroom.

- Teaching workshops. The center will sponsor events, seminars, and workshops that provide faculty the opportunity to learn from visiting experts.
- Technology in support of teaching. Mini-grants will be offered to support innovative instructional technology efforts in the classroom.
- Building service learning into coursework. The center will work closely with the planned NKU Center for Civic Engagement to assist faculty in building service learning experiences into the curriculum that improve learning and serve the community.

University of Kentucky

The staff recommends that UK receive \$173,100 to fund three proposed initiatives. The first will address campuswide faculty needs. An allocation of \$50,000 (with an additional \$50,000 internal match) will fund two faculty development positions. A course management software trainer and coordinator will work with campus online coordinators to support faculty development of instructional technology skills. The second position, instructional designer, will implement new course management software and support online course development.

The second initiative will target specific groups of faculty or disciplines. An allocation of \$83,100 will be reserved for mini-grants to support innovative teaching practices. These nonrecurring awards will encourage faculty to develop new course content and pedagogical approaches, meeting specific disciplinary needs (for example, in math education).

The third initiative dedicates \$40,000 to efforts to secure faculty membership in highly prestigious national academies, such as the Institute of Medicine, the National Academy of Sciences, and the National Academy of Engineering. Funds would be used to support activities that lead to national academy membership, such as national and international presentations, leadership positions in major scholarly organizations, activities involving officers of the academies, and conferences or projects related to academy goals. Only one or two faculty members per college at most will qualify for this initiative.

University of Louisville

The staff recommends that UofL receive \$135,500 to fund three new initiatives of its Delphi Center: Enhancing Teaching and Learning. Since opening in July 2000, the center has led the university in projects that integrate technology and instruction. The first initiative extends the center's presence by establishing a site at the health sciences center campus.

The second initiative creates a digital and video recording studio on the Belknap campus. The studio is intended to increase faculty use of Web enhancements and distance learning in courses. The third initiative supports assessment and research on effective learning strategies in Web environments. This research initiative will develop teaching and learning models for Web environments. The project will be coordinated by the faculty of the Human Resources Education

program, who specialize in educational effectiveness in mediated and nontraditional learning environments.

Western Kentucky University

The staff recommends that WKU receive \$92,600 to support two projects. The first provides funds to each academic department focusing on faculty development needs. Each department will receive an allocation based on the number of faculty. This allocation will allow departments to meet their internal professional development needs. Funded projects will support:

- Extending appropriate uses of technology to enhance learning activities.
- Incorporating current learning models in course planning and execution.
- Enhancing mentoring program for new faculty.
- Supporting faculty involved in distance learning and the KYVU.
- Providing professional development for part-time instructors.
- Funding faculty participation in conferences on retention, teaching and learning, instructional technology, and service.
- Establishing faculty involvement in external partnerships with business, industry, government, and agencies to advance economic and community interests.

The second initiative establishes a competitive grant fund for individual faculty development. An interdisciplinary committee will review applications with recommendations to the provost. A total of \$37,600 will be reserved for this initiative. Funds will support:

- Developing new initiatives in effective and innovative instruction.
- Increasing international/intercultural awareness among faculty and students.
- Improving the use of campus learning resources, including instructional technology.
- Improving instruction in the universitywide freshman seminar course.
- Collaborating with regional P-12 schools to improve teaching and prepare students for college.
- Supporting research to improve teaching in postsecondary education.
- Participating in local, state, regional, and national workshops on instructional development.

INCENTIVE TRUST FUND GUIDELINES: FACULTY DEVELOPMENT PROGRAM 2001-2002

Approved by the Council at the November 13, 2000, Meeting

Introduction

The Faculty Development Program in the Technology Initiative Trust Fund supports statewide initiatives and programs developed by postsecondary educational institutions to provide professional development opportunities to Kentucky faculty that contribute to the goals of the Kentucky Postsecondary Education Improvement Act of 1997, 2020 Vision, and the council's 1999-2004 Action Agenda.

The program has a \$1 million appropriation in 2001-2002. The council will use \$100,000 to support statewide faculty development initiatives. The remaining \$900,000 will be distributed to the institutions. Allocations reflect a \$50,000 base allocation to each institution. The remaining \$450,000 is distributed based on number of full and part-time faculty at each institution. The council recommends that funds be recurring in institutions' 2003 base budgets.

<u>Institution</u>	<u>Funds</u>
Eastern Kentucky University	\$ 90,600
Kentucky Community and Technical College System	\$126,800
Kentucky State University	\$ 56,000
Morehead State University	\$ 70,300
Murray State University	\$ 69,200
Northern Kentucky University	\$ 85,900
University of Kentucky	\$173,100
University of Louisville	\$135,500
Western Kentucky University	\$ 92,600

A. Eligible Institutions

All public four-year postsecondary institutions and the Kentucky Community and Technical College System are eligible.

B. Distribution of Faculty Development Funds

Institutions should submit a brief proposal saying how it will use its allocated money. Proposals received by March 5, 2001, and meeting the specifications in the guidelines will be recommended for council approval at its May 2001 meeting. Funds will be available to institutions in July 2001. The council recommends that these funds be recurring in institutions' 2003 base budgets.

C. Uses of the Faculty Development Program Funds

Initiatives sponsored by the program funds are of two types:

1. Statewide initiatives (\$100,000). Sponsored by the Council on Postsecondary Education in collaboration with one or more institutions, statewide initiatives serve an agenda setting function, drawing attention to important dimensions of faculty development linked to system goals.
2. Institutional initiatives (\$900,000). Funds are intended to support innovative faculty development efforts. Projects are encouraged that provide models that are scalable and replicable. Collaborative projects involving two or more institutions also are encouraged, as are projects with independent institutions. Institutions are also encouraged to secure non-school partners where appropriate (foundations, community groups, government agencies).

Proposals should demonstrate relevance to institutional needs and accomplishment of the goals of the Action Agenda, 2020 Vision, and the Kentucky Postsecondary Education Improvement Act of 1997. Proposals for use of funds should address issues such as:

- Developing teaching strategies that increase learning for an increasingly diverse pool of students (adult students, students of color, students with different learning styles, poorly prepared students), and increase faculty involvement in the scholarship of teaching and learning.
- Using technology to improve learning on-campus and in distance learning.
- Encouraging faculty involvement in teaching and research that engages campuses in community life.
- Assisting faculty in developing networks and finding funding sources that increase the scope and impact of research at state, national, and international levels.

D. Matching Requirements

The Council on Postsecondary Education strongly encourages plans for use of program funds that incorporate additional resources (from external sources or from internal reallocation) to support the proposed initiatives. The Faculty Development Program is designed to increase institutional commitment to faculty development generally.

E. Annual Reporting for 2001-2002

Proposals should include evaluation criteria to be reported annually to the Council on Postsecondary Education based on the criteria listed in section C.

DISTRIBUTION OF ACTION AGENDA PROGRAM FUNDS

**ACTION
Agenda Item C-4
May 21, 2001**

Recommendation

The staff recommends that the council approve the distribution of \$8,465,945 of the \$10 million in Action Agenda Program funds available in 2001-02 from the Regional University Excellence Trust Fund.

Background

The Action Agenda Program funds initiatives that advance the goals outlined in House Bill 1, 2020 Vision, and the Action Agenda, 1999-2004 (see attached). These goals include more Kentuckians seeking and obtaining postsecondary education, smoothing the transition from high school to college, and improving the quality of life for children and adults.

Institutions were encouraged to spend 40 percent of Action Agenda money on teacher quality. Thirty-six percent of the \$8,465,945 allocated supports teacher quality. KSU and NKU did not request teacher quality funds. Instead, they reallocated money they had; KSU, \$465,000 over the last three years and NKU, \$575,000 in 2001.

Elements of some proposals did not fall clearly within the Action Agenda Program guidelines. The staff will work with institutions to develop proposals for the remaining funds. Supplemental proposals will be presented at the July council meeting or in the fall.

The attached table shows institutional allocations and the distribution of funds supporting specific Action Agenda goals.

A summary of the institutions' proposals follows. The staff will work with the institutions to develop annual reviews based on the five questions of reform.

Eastern Kentucky University

The staff recommends that ECU receive \$1,898,940 of its \$2,433,000 allocation at this time. ECU is focusing its allocation on teacher preparation and providing access to underserved and nontraditional students.

ECU will implement its Model Teacher Preparation Program to recruit students, including minorities, as well as teachers and other professionals into graduate programs. ECU will expand outreach with P-12 programs, create a center for teacher development, and adopt alternative routes to certification. It will increase training in teachers' use of technology. It will work with other institutions to deliver MAT and other teacher certification programs through the Kentucky Virtual University and the Kentucky TeleLinking Network. It will add KTLN classrooms and a mobile

computing lab for extended campus sites. EKV's laboratory school, demonstration classrooms, and studio laboratories will serve as sites for programs to improve practice for model program teachers. (\$973,200)

EKV will provide increased access to underserved and nontraditional students with alternative delivery models for its general education program and more general education courses at its extended campus centers. It is collaborating with Hazard Community College to offer degrees on the Hazard campus, providing graduate courses in public health through the KYVU, and expanding student access to its interpreter-training program. Support networks for adult students will be improved through the student development center. (\$925,740)

Kentucky State University

The staff recommends that KSU receive \$562,400 of its \$732,000 allocation at this time. KSU will use its allocation for student retention and to increase enrollment in online courses.

It will improve student retention and success through an Institute for Professional and Career Preparation. The institute will expand service learning to connect students' classroom activities with business and community groups. It will bring visiting professionals to campus to provide interdisciplinary programs and workshops that link students to career opportunities. It will expand academic support programs, teach basic skills to underprepared students, and provide additional services to special needs students. (\$337,400)

KSU will expand student access by raising enrollment in online courses. It will hire a director of distance and continuing education to work directly with the KYVU in developing course and program offerings. It will offer incentives to faculty for development of online courses and increase on-campus support for innovative uses of technology in the classroom. (\$225,000)

Morehead State University

The staff recommends that MoSU receive \$1,135,000 of its \$1,435,000 allocation at this time. MoSU will concentrate on improving teacher quality, increasing student retention, and promoting economic development.

It will improve teacher quality by increasing field experiences for prospective teachers, using distinguished educators from the P-12 system to work in partnership with the teacher education program, and expanding P-16 regional initiatives. (\$473,000)

MoSU will increase student retention and success by developing and expanding programs for underprepared students. It will target recruiting within its service region and improve Web-based student access to courses and services. Counseling for at-risk students will be expanded and campus activities for resident, nontraditional, and commuting students will be offered. Expanding the office of multi-cultural student services, fully funding the Whitney Young Scholar Program, and supporting African American alumni activities will increase campus diversity. (\$622,000)
MoSU will strengthen economic development, community engagement, and tourism in the region through partnership with the Kentucky Center for Traditional Music. (\$40,000)

Murray State University

The staff recommends that MuSU receive \$1,443,505 of its \$1,659,000 allocation at this time. MuSU will concentrate on improving teacher quality, increasing enrollment, improving student retention, and serving underserved areas through extended campuses.

It will establish a Teacher Quality Institute to develop alternative certification routes and programs that increase teachers' content knowledge through partnerships with education and other university programs. The institute will use MuSU's Roads Scholars Program to promote teaching as a career among high school students. It will support local P-16 partnerships and conduct summer workshops and outreach programs for practicing teachers' professional development. Programs to recruit outstanding students to teaching will be expanded and scholarships will be designed to encourage students to choose a teaching career. (\$689,520)

MuSU will increase enrollment through expansion of its Roads Scholars Program, Middle School Expansion Project, Commonwealth Honors Academy, Academic Excellence Weekend, and a scholarship incentive fund. It will develop outreach programs that promote college-going in its region. (\$386,533)

MuSU will improve student retention and success by expanding its academic advising center and supporting underprepared students. It will establish an incentive system to reward faculty who work with students in their resident colleges. Faculty and graduate students will be recruited to help first year students with scheduling and exam preparation and to identify students who are experiencing difficulty in class, not attending class, or exhibiting adjustment problems. (\$197,637)

MuSU will serve the community and underserved areas by offering additional courses at its extended campuses. It will create a joint faculty position between the College of Education and the School of Agriculture to provide intensive clinical experiences that integrate technology into the curriculum and improve outreach into local schools and communities. (\$169,815)

Northern Kentucky University

The staff recommends that NKU receive its \$1,414,000 allocation. NKU's allocation will be used to improve instructional technology, improve program quality, support off campus learning sites for nontraditional students, and participate in community partnerships.

It will create an Instructional Technology Development Center to support integration of technology into teaching and to increase faculty involvement in the KYVU. (\$300,000)

NKU will establish an Instructional Quality and Innovation Fund available, competitively, for proposals that create new credit and noncredit courses in formats especially accessible to adult learners and nontraditional students. Programs will be delivered in several formats, including use of the KYVU. (\$264,000)

Funds will support 11 off-campus learning sites to meet the needs of adult learners and non-traditional students. (\$200,000)

NKU will create a Center for Civic Engagement to raise the level of student and community participation in civic life. It will expand service learning programs and provide support for faculty and students who use their skills to promote civic engagement. A Community Partnership Fund will support faculty and student participation in community partnerships that address economic needs and social problems in the community. NKU's Metropolitan Education Training Center will receive additional support to match employers with education providers for targeted workforce development. (\$650,000)

Western Kentucky University

The staff recommends that WKU receive \$2,012,100 of its \$2,327,000 allocation at this time. WKU will use its allocation to improve teacher quality, increase student enrollment, improve academic program quality, and develop online programs for the KYVU.

It will recruit high-quality teachers through the Minority Teacher Recruitment Center, the Teacher Bridge summer program, and the Teacher Recruitment Center for Hispanic middle grade and high school students. It will establish programs with P-12 schools and community colleges to promote alternative certification options that recruit and prepare nontraditional adult learners to teach. It will increase access to underserved areas through distance learning teacher education courses and incentives for faculty who spend time in schools. (\$931,200)

WKU will increase student enrollment through programs for rising ninth grade students and their parents to encourage postsecondary education. It will hold summer college experience sessions for high school juniors and seniors and promote careers in engineering, technology, and the sciences in the high schools. To improve student retention and success, it will expand a computer-based testing center for assessment, placement, and developmental support for students deficient in English, reading, and math. New initiatives will focus on the first year experience and expand counseling support, disabled student support, and student advising services. Grants will be awarded to academic departments that build student retention efforts and internships within disciplines. (\$621,800)

WKU will promote student success through programs that measure core competence in reading, writing, mathematics, problem solving, and critical thinking. It will increase student engagement through expanded extracurricular activities in community settings, study and internship-abroad opportunities, and a cross-discipline student leadership program. Faculty will receive small grants for programs that increase student engagement in learning and campus life and develop teaching, outreach, and research programs that implement Action Agenda goals. (\$353,100)

WKU is committed to developing online programs for the KYVU by 2002. It is creating a program in public health with ECU, UK, and UofL and will work with the KYVU to develop other online programs such as communication disorders, early childhood education, and applied technology. (\$106,000)

**ACTION AGENDA PROGRAM - DISTRIBUTION OF FUNDS
FISCAL YEAR 2001-2002**

<u>University</u>	<u>Enrollment</u>	<u>Retention</u>	<u>Teacher Quality</u>	<u>Program Enhancement</u>	<u>KYVU/ Instructional Technology</u>	<u>Community Partnerships/ Economic Development</u>	<u>Action Agenda Awarded</u>	<u>Action Agenda Unallocated</u>	<u>Total Action Agenda</u>
EKU	\$ --	\$ 345,000	\$ 973,200	\$ 280,740	\$300,000	\$ --	\$1,898,940	\$ 534,060	\$ 2,433,000
KSU	--	82,000	--	255,400	225,000	--	562,400	169,600	732,000
MoSU	165,000	457,000	473,000	--	--	40,000	1,135,000	300,000	1,435,000
MuSU	386,533	197,637	689,520	--	--	169,815	1,443,505	215,495	1,659,000
NKU	--	200,000	--	264,000	300,000	650,000	1,414,000	--	1,414,000
WKU	<u>97,500</u>	<u>524,300</u>	<u>931,200</u>	<u>353,100</u>	<u>106,000</u>	<u>--</u>	<u>2,012,100</u>	<u>314,900</u>	<u>2,327,000</u>
Total Funds	<u>\$649,033</u>	<u>\$1,805,937</u>	<u>\$3,066,920</u>	<u>\$1,153,240</u>	<u>\$931,000</u>	<u>\$859,815</u>	<u>\$8,465,945</u>	<u>\$1,534,055</u>	<u>\$10,000,000</u>

2000-02 ACTION AGENDA PROGRAM GUIDELINES

Introduction

The Action Agenda Program in the Regional University Excellence Trust Fund will support specific efforts by the comprehensive universities to achieve the aspirations set forth in the *Kentucky Postsecondary Education Improvement Act of 1997, 2020 Vision*, and the Council's *1999-2004 Action Agenda*. Institutions are expected to design, develop, and implement distinctive approaches to achieving the goals of postsecondary education including leading more Kentuckians to seek and obtain postsecondary education, smoothing the transition from high school to postsecondary education, and improving the quality of life for children and the elderly.

This program has a \$10 million appropriation in 2001-02 to be allocated among the comprehensive universities as specified in House Bill 502.

<u>Comprehensive Universities</u>	<u>2001-02</u>
Eastern Kentucky University	\$2,433,000
Kentucky State University	732,000
Morehead State University	1,435,000
Murray State University	1,659,000
Northern Kentucky University	1,414,000
Western Kentucky University	<u>2,327,000</u>
Total	\$10,000,000

A. Uses of Action Agenda Program Funds

1. Activities should be directed toward initiatives that will help achieve the goals of *The Postsecondary Education Reform Act of 1997, 2020 Vision*, and the *Action Agenda*.
2. Each comprehensive university shall submit a single proposal addressing the planned use of these funds. The proposal may include multiple initiatives.
3. Examples of initiatives that may be funded include efforts to:
 - Address issues of teacher quality, pre-service training, and in-service professional development as identified by the Teacher Quality Task Force recommendations. (Note: The 2000-02 Appropriations Bill encourages the Council to allocate \$4 million of the Action Agenda Program funds to initiatives addressing teacher quality issues. Senate Bill 77 stipulates conditions that postsecondary education institutions

must meet in order to qualify for funds for the purposes of teacher education or model programs of teaching and learning.)

- Collaborate with other education entities.
- Aid in the recruitment and retention of students by increasing the awareness of an institution and its academic offerings among populations within its region.
- Increase the cultural and racial diversity among students, faculty, and staff.
- Provide services for persons with disabilities.
- Implement projects that address community problems and quality of life issues.
- Increase the effective use of information technology for instructional purposes only.
- Determine the level of student satisfaction with their learning and employer satisfaction with their college-educated workforce.

4. Proposals will be reviewed by the Council based on the criteria listed above.

B. Annual Reporting for 2000-02

Proposals will include outcomes-based performance indicators, benchmarks, and evaluation criteria.

**ACTION AGENDA PROGRAM - DISTRIBUTION OF FUNDS
FISCAL YEAR 2001-02**

	<u>EKU</u>	<u>KSU</u>	<u>Morehead</u>	<u>Murray</u>	<u>NKU</u>	<u>WKU</u>	<u>Total</u>
Enrollment	\$ -	\$ -	\$ 165,000	\$ 386,533	\$ -	\$ 97,500	\$ 649,033
Retention	345,000	82,000	457,000	197,637	200,000	524,300	1,805,937
Teacher Quality	973,200	-	473,000	689,520	-	931,200	3,066,920
Program Enhancement	280,740	255,400	-	-	264,000	353,100	1,153,240
KYVU Instructional Technology	300,000	225,000	-	-	300,000	106,000	931,000
Community Partnerships/ Economic Development	-	-	40,000	169,815	650,000	-	859,815
Action Agenda - Allocated	1,898,940	562,400	1,135,000	1,443,505	1,414,000	2,012,100	8,465,945
Action Agenda - Unallocated	<u>534,060</u>	<u>169,600</u>	<u>300,000</u>	<u>215,495</u>	<u>-</u>	<u>314,900</u>	<u>1,534,055</u>
Total Action Agenda	<u>\$ 2,433,000</u>	<u>\$ 732,000</u>	<u>\$ 1,435,000</u>	<u>\$ 1,659,000</u>	<u>\$ 1,414,000</u>	<u>\$ 2,327,000</u>	<u>\$ 10,000,000</u>

UPDATE: PARTNERSHIP AGREEMENT AND THE KY PLAN FOR EQUAL OPPORTUNITIES

**Agenda Item C-5
May 21, 2001**

Kentucky and its colleges are slowly moving toward achieving the commitments outlined in the Partnership Agreement with the U. S. Department of Education's Office for Civil Rights and The Kentucky Plan. The following summarizes recent activities.

Waiver Requests

At its April 16 meeting, the Committee on Equal Opportunities voted to recommend to the Council on Postsecondary Education that the Morehead State University request for a qualitative waiver not be granted. The committee may reconsider the request at its August 20 meeting and has invited MoSU representatives to attend.

The committee strongly encouraged the university to implement its proposed actions and special programs of emphasis for academic units that need additional efforts to achieve the objectives (student retention, six-year graduation rate, enrollment of graduate students, and employment of faculty). If the university asks for reconsideration at the August meeting, it should be prepared to present clear and convincing data to show that performance is improving, especially on the five objectives that fell below expectations.

Partnership Agreement

The agreement requires the council to provide reports on the progress of institutions to implement their commitments. The council staff has completed a second status report. The Commonwealth and the OCR monitor the results. The partnership will be effective until December 31, 2002. A summary of the second report follows.

- **Enhancement of Kentucky State University**

State funds were authorized to renovate Carver and Hathaway Halls. The university is coordinating the project planning, which is underway. At its September 2000 meeting the council approved Kentucky State's request to postpone the renovation of Young Hall dormitory. As part of its approval, the council agreed to monitor the living conditions of students in Young Hall. In February 2001, the students' living conditions in Young Hall were reviewed and found to be unchanged since September 2000, when the renovation was postponed. The university is continuing its communication and diversity training to narrow the division between minority and non-minority faculty and staff.

The council and the Strategic Committee on Postsecondary Education reviewed benchmark funding, agreeing to allow institutions to select up to five new benchmark institutions. Analysis by the council staff suggested that KSU is not disadvantaged by benchmark funding.

The KSU teacher education program received full accreditation from the Kentucky Education Professional Standards Board. All standards are fully met except two:

Standard II.C. Monitoring Progress and Advising Candidates. The unit systematically monitors and assesses the progress of candidates and ensures that they receive appropriate academic and professional advisement from admission through completion of their professional education program. *Review Team Decision:* Met with weakness. *Weakness Cited:* Assessment data are not consistently used to advise students and inform program improvement decisions. *KSU Rejoinder:* The unit respectfully disagrees with this assessment by the team.

Standard III.C. Professional Assignments of Faculty. The unit ensures that policies and assignments allow faculty to be involved effectively in teaching, scholarship, and service. *Review Team Decision:* Not met. *Weakness Cited:* Faculty teaching and advising assignments are excessive. *KSU Rejoinder:* The unit concurs that some faculty had teaching and advising assignments beyond the normal faculty load. However, there are justifications for the minimal number of deviations and the unit feels that the team may have missed, overlooked, or misinterpreted some of the evidence provided.

Compared with the performance of other Kentucky institutions, KSU students taking the most recent PRAXIS II teacher certification exam did not fare well. Only 20 of the 37 KSU students (54 percent) passed the exam. The next lowest was Alice Lloyd College with 26 of 32 or 81 percent passing.

The Agricultural Research, Extension, and Education Reform Act of 1998 (PL 105-185) directed that beginning with fiscal year 2000, federal formula funds provided to 1890 landgrant colleges and universities for cooperative agricultural research and extension programs would require a 30 percent non-federal match. The fiscal year 2001 match requirement increases to 45 percent and to 50 percent in fiscal year 2002. A new Section 1449 of the National Agricultural Research, Extension, and Teaching Policy Act requires matching funds from non-federal sources for formula funds authorized under sections 1444 and 1445 of NARETPA for research and extension activities at the 1890 land-grant institutions and Tuskegee University. A review of the state funding for agricultural cooperative extension and research programs is underway.

- **General Commitments of the Partnership Agreement**

1. Access and Equal Opportunity Programs. The council provides grants to support 20 programs for middle-school students. A statewide conference for participants of the Governor's Minority Student College Preparation Program will be June 13-14, 2001, at the University of Kentucky. The 14th Annual Academically Proficient African American High School Senior Conference will be hosted by the University of Louisville June 22-23. Kentucky's postsecondary institutions will participate in the 2001 Louisville Defender Minority Expo in Louisville, November 9-11. Recurring funds supported six scholars in the Southern Regional Education Board Compact for Faculty Diversity Program in fall 2000. The Commonwealth

will support nine additional SREB scholars in fall 2001. Selection of new scholars will be complete by July.

2. **Strategies to Increase Student Retention and Graduation.** The University of Louisville's Pathways to Success Program is part of its enrollment management program to increase academic achievement of students admitted to the university. The program allows students to enroll at Jefferson Community College or Jefferson Technical College to eliminate academic deficiencies and eventually transfer to the University of Louisville. Twenty students participated in the Pathways program in fall 2000, and 51 are participating in spring 2001. Eighteen of the 20 Pathways students (90 percent) remained enrolled in spring 2001. UofL implemented a freshman summer transition program in fiscal year 2000; 44 students entered, with 39 students completing it. Thirty-four of the 39 summer transition program participants enrolled at UofL in the fall; 28 are still enrolled in spring 2001.
3. **Enrollment of African Americans in Professional and Graduate Schools.** Six of eight universities submitted updated reports that summarize programs and activities to increase African American enrollment in Kentucky's professional and graduate schools. Kentucky State University and Murray State University did not submit additional information to supplement the report on the status of the Partnership Agreement submitted to the OCR in August 2000.
4. **Campus Environment Teams.** A campus environment team addresses campus, and campus and community issues to improve the climate for minority students. Of the eight campus environment teams or other committees assigned this function, four have completed an annual report to be shared with the university president and the board of regents or trustees. The remaining four campus environment teams have not completed or submitted reports. At the time of the campus visit by the CEO and OCR, the teams at ECU, MuSU, and NKU did not fully understand their function and relationship to the president. The KSU and MoSU campus environment teams lacked proper organization and instruction regarding their purpose and duties. More than half of the campus environment teams were meeting, but not at times or locations that invited participation by the public. Meeting agendas, times, and locations were not publicized.
5. **Employment of Faculty, Staff, and President's Cabinet.** From fall 1999 to fall 2000, the number of African American faculty with tenure declined. Non-tenured faculty increased. The number of executive, administrative, and managerial staff also increased. (See attached.)
6. **OCR Commitments under the Partnership.** The OCR has invited Kentucky institutions to participate in a conference in July 2001 to discuss diversity issues, admissions, student scholarships, and strategies for implementation of partnership agreements. During the reporting period, no institutions requested technical assistance from the OCR. The OCR co-sponsored a campus diversity conference with the council in Louisville September 25-26, 2000. The OCR has completed visits to eight universities. Final reports have not been completed for three campuses.

7. OCR Monitoring. The first round of campus visits to universities is complete. Reports for all institutions, except UofL and NKU, were final May 7. The universities will use the reports to adjust their strategies to comply with the Partnership Agreement. The second round of campus visits (fiscal year 2001) has been postponed, with the exception of KSU, to allow time for institutions to seek new strategies and implement recommendations from the report. The OCR and CPE will visit the campus of Kentucky State University in September 2001.

The committee will meet June 25 to begin discussing development of the next equal opportunities plan. Institutions were asked to provide additional information to the committee about implementing their commitments in The Kentucky Plan and the Partnership Agreement.

Employment in Executive, Administrative, or Managerial Positions

Institution	African Americans		Total		% African American		Net Change in Number of AA
	Fall 1999	Fall 2000	Fall 1999	Fall 2000	Fall 1999	Fall 2000	
Eastern Kentucky University	10	10	662	610	1.51	1.64	-
Morehead State University	2	2	307	307	0.65	0.65	-
Murray State University	6	7	383	381	1.57	1.84	1
Northern Kentucky University	4	4	396	417	1.01	0.96	-
University of Kentucky	15	15	1,740	1,686	0.86	0.89	-
University of Louisville	19	23	1,083	1,092	1.75	2.11	4
Western Kentucky University	5	6	536	540	0.93	1.11	1
Subtotal TWI's	61	67	5,107	5,033	1.19	1.33	6
Kentucky State University	31	29	101	96	30.69	30.21	(2)
University System	92	96	5,208	5,129	1.77	1.87	4

TWI - Traditionally White Institution

AA - African American

Employment of Faculty

Tenured Faculty Institution	African Americans		Total Faculty		% African American		Net Change in Number of AA
	Fall 1999	Fall 2000	Fall 1999	Fall 2000	Fall 1999	Fall 2000	
Eastern Kentucky University	12	8	388	350	3.1	2.3	(4)
Morehead State University	2	3	167	173	1.2	1.7	1
Murray State University	5	4	208	197	2.4	2.0	(1)
Northern Kentucky University	7	7	225	211	3.1	3.3	-
University of Kentucky	33	36	1,143	1,131	2.9	3.2	3
University of Louisville	32	37	668	686	4.8	5.4	5
Western Kentucky University	8	9	329	315	2.4	2.9	1
Subtotal - TWI's	99	104	3,128	3,063	3.2	3.4	5
Kentucky State University	19	12	64	42	29.7	28.6	(7)
University System	118	116	3,192	3,105	3.7	3.7	(2)

Non-Tenured Faculty Institution	African Americans		Total Faculty		% African American		Net Change in Number of AA
	Fall 1999	Fall 2000	Fall 1999	Fall 2000	Fall 1999	Fall 2000	
Eastern Kentucky University	22	12	274	260	8.0	4.6	(10)
Morehead State University	7	6	140	134	5.0	4.5	(1)
Murray State University	8	7	175	184	4.6	3.8	(1)
Northern Kentucky University	12	12	171	206	7.0	5.8	-
University of Kentucky	29	22	597	555	4.9	4.0	(7)
University of Louisville	25	24	415	406	6.0	5.9	(1)
Western Kentucky University	20	23	207	225	9.7	10.2	3
Subtotal - TWI's	123	106	1,979	1,970	6.2	5.4	(17)
Kentucky State University	16	24	37	54	43.2	44.4	8
University System	139	130	2,016	2,024	6.9	6.4	(9)

Total Faculty Institution	African Americans		Total Faculty		% African American		Net Change in Number of AA
	Fall 1999	Fall 2000	Fall 1999	Fall 2000	Fall 1999	Fall 2000	
Eastern Kentucky University	34	20	662	610	5.1	3.3	(14)
Morehead State University	9	9	307	307	2.9	2.9	-
Murray State University	13	11	383	381	3.4	2.9	(2)
Northern Kentucky University	19	19	396	417	4.8	4.6	-
University of Kentucky	62	58	1,740	1,686	3.6	3.4	(4)
University of Louisville	57	61	1,083	1,092	5.3	5.6	4
Western Kentucky University	28	32	536	540	5.2	5.9	4
Subtotal - TWI's	222	210	5,107	5,033	4.3	4.2	(12)
Kentucky State University	35	36	101	96	34.7	37.5	1
University System	257	246	5,208	5,129	4.9	4.8	(11)

TWI - Traditionally White Institution

AA - African American

P-16 COUNCIL REPORT

The March meeting of the P-16 Council began with a visit to Elkhorn Middle School, Frankfort, Kentucky, where University of Kentucky professor Jane Lindle serves as interim principal during a cooperative agreement between UK and the Franklin County public schools. Dr. Lindle described recent research on brain development of middle school children and its implications for class size, instructional practices, and the education of middle school teachers and administrators. Council members also learned of obstacles to active participation of postsecondary educators in the P-12 system, including inflexible retirement and health plans, university faculty evaluation policies, and P-12 certification regulations.

The P-16 Council endorsed the literacy and mathematics alignment teams' recommendations. The recommendations define what students need to know and be able to do in high school to be prepared for college. (See agenda item C-7.)

The P-16 Council also considered the relationship between high school graduation requirements and minimum postsecondary admissions requirements. The P-16 Council reviewed research suggesting a strengthened high school curriculum for all students—because all will need some postsecondary education in order to flourish. They reviewed the effect of a more rigorous curriculum for all students on high school graduation rates and on teachers. The P-16 Council will continue these discussions over its next few meetings. Members asked that Kati Haycock, executive director of the Education Trust, be invited to present national data on the effect of a rigorous high school curriculum on all students' achievement levels and the economic implications of tracking only some students into a pre-college curriculum. The Education Trust, located in Washington, DC, is one of the best known national organizations promoting P-16 issues.

The Department of Education identified funding issues that discouraged collaboration between high schools and colleges. Efforts by schools and postsecondary institutions to create new learning opportunities for high school students (including dual enrollment options) will require flexibility in funding formulas to reward cooperation rather than penalize it. Dual enrollment in high school and postsecondary courses is discouraged because high schools sometimes lose funding when students take courses for college credit.

Jon Akers, executive director of the Center for School Safety located at Eastern Kentucky University, and Sherron Jackson, a member of the center's board, presented information on the work of the center. The center promotes policies at the state level that combat violence in schools. The council supported inclusion of the issue of school safety in the teacher education curriculum.

The P-16 Council previously endorsed funding local P-16 councils. In March, the Council on Postsecondary Education approved allocating \$100,000 for the formation of local P-16 councils. Requests for proposals were mailed throughout the state. The council staff is assisting in the planning of local P-16 councils.

RECOMMENDATIONS OF THE P-16 LITERACY AND MATHEMATICS ALIGNMENT TEAMS

ACTION
Agenda Item C-7
May 21, 2001

Recommendation

The P-16 Council recommends that the council approve the recommendations of the P-16 literacy and mathematics alignment teams in an effort to improve the transition from high school to postsecondary education and to reduce the need for postsecondary remediation in English and mathematics.

Background

The P-16 literacy and mathematics teams were formed to align competency standards, curricula, and assessment measures so students graduating from high school will not need remedial training at the postsecondary level. Composed of P-12 and postsecondary educators, the teams met for the last year to align what is taught in the high school curriculum and what is required by postsecondary admissions and placement standards. Parents, employers, labor leaders, students, and the chief academic officers of the public institutions reviewed preliminary recommendations. The P-16 Council endorsed these recommendations at its March meeting. Each team's recommendations are included as Attachments A and B. The full reports of both alignment teams accompany this agenda book and are available on the council's Web site. Included as Attachment C is a list of each team roster.

Implementing these recommendations will require policy changes at state, institutional, and local levels. The staffs of the Department of Education and Council on Postsecondary Education will develop specific plans.

Because of this work, Kentucky has been invited to join four other states in a national effort to develop guidelines for other states pursuing P-16 alignment.

How to Reduce the Need for Postsecondary Remediation in English

Recommendations of the P-16 Literacy Alignment Team

For P-12 Educators

1. Expect students to demonstrate competence in several kinds of writing. By graduation, high school students should be prepared to write for a variety of audiences and purposes. Before beginning postsecondary study, students should practice using source materials to pose and support an argument in expository form.
2. Include performance scores for writing portfolio on student transcripts.
3. Teach reading, writing, oral communication, active listening, and media and technology literacy at all levels of the P-12 system.

For Postsecondary Institutions

4. Use the Kentucky Department of Education Holistic Scoring Guide to assess college-level writing competency. The literacy team does not unanimously recommend using KDE writing portfolio evaluations for postsecondary placement, but it views the KDE's criteria for proficient writing (defined audience and purpose, idea development, organization, sentence structure, language, and correct use of language in college) useful for evaluating writing at all levels, including college.
5. Publish and make easily available college placement criteria and policies. Each postsecondary institution should identify and publish criteria and policies for entry-level and remedial course placement in their catalogues and on their Web sites. The Council on Postsecondary Education should post this information on its Web site.
6. Review the effectiveness of placement mechanisms.
 - Postsecondary institutions should regularly evaluate the effectiveness of their placement tests and policies, including use of the ACT.
 - The Council on Postsecondary Education should regularly review the effectiveness of its Mandatory Placement Policy.
7. Train P-12 teachers in all content fields to teach reading, writing, oral communication, active listening, media literacy, and use of technology. The literacy team recognizes that all are connected. To reduce the need for remediation, teacher preparation programs should include training in five areas:
 - Reading: Prepare P-12 teachers to teach reading skills in all fields, be sensitive to reading disabilities, make referrals appropriately, and teach critical reading skills necessary to their disciplines. Reading should be a concern of teachers and faculty at all levels (not just through third grade) and in all disciplines.

- **Writing:** Students need frequent writing assignments in all content areas, not only English composition and literature. Students learn the importance of writing for a variety of purposes only if writing is taught throughout a curriculum.
 - **Oral communication:** The ability to communicate orally affects a student's ability to write and to succeed at the postsecondary level. Though postsecondary institutions do not require remedial work in oral communication, it should be included in the curriculum and teacher preparation programs.
 - **Active listening:** Listening is related to reading critically and communicating clearly. Active listening contributes directly to success in postsecondary study and in the work world. Though most postsecondary institutions do not offer separate courses in listening, postsecondary educators should teach the skill of active listening in their programs, including those preparing P-12 teachers.
 - **Media literacy and use of technology:** Postsecondary institutions in Kentucky do not require remedial study either in computer use or in media literacy. The literacy team recognizes the need, in learning and in life, to be able to interpret an array of visual media, including advertisements and political propaganda. Technology commands ever-greater importance in our institutions and in the workplace. Students entering postsecondary study or work without computer skills and media literacy are unprepared.
8. Train postsecondary faculty in all disciplines how to teach writing, critical reading, effective oral communication, active listening, and media and technological literacy. Good teachers demonstrate literacy skills through effective reading and writing assignments and discussion. Include the skill of demonstrating literacy in graduate school training.

For Classroom Teachers at All Levels

9. Form local alliances among P-12 teachers and postsecondary faculty focusing on reading, writing, oral communication, active listening, and media and technological literacy across content areas at all levels.

How to Reduce the Need for Postsecondary Remediation in Mathematics

Recommendations of the Mathematics Alignment Team

The Mathematics Alignment Team endorses the competencies outlined in the Kentucky Department of Education Program of Studies in mathematics, the KDE Grade 11 Mathematics Core Content, and the recommendations of the KDE Algebra II Task Force as an initial list of required competencies.

For P-12 Educators

1. Prepare all students to begin studying Algebra I no later than ninth grade.
2. Require all students to take a rigorous mathematics course every year they are in high school. Taking mathematics every year of high school reinforces and helps students remember what they have learned. For many students, it is better to spread the current three years of mathematics over four years to learn concepts more thoroughly. New courses are needed.
3. Distribute the description of Algebra II, part of the Pre-College Curriculum, prepared by the KDE Algebra II Task Force to high school teachers. Include it in the KDE Program of Studies. High school teachers need to know what they are expected to teach, high school students need to know what they are expected to learn, and postsecondary faculty need to know what competencies courses listed on a high school transcript indicate.
4. Use the Kentucky Early Mathematics Testing Program before grade twelve (and ideally before grade eleven) to identify and remedy deficiencies before college entrance.
5. Provide ongoing mathematics-based professional development for teachers. Support it through the Teachers' Professional Growth Fund.
6. Teach mathematics using a variety of techniques to reach students with different learning styles and to develop a deep level of understanding. Use real problems to highlight the relevance of mathematics.

For Postsecondary Institutions

7. Offer a range of general education mathematics courses, including alternatives to the calculus preparatory sequence, to address the needs of all students, regardless of majors.

8. Teach mathematics using a variety of techniques to reach students with different learning styles and to develop a deep level of understanding. Use real problems to highlight the relevance of mathematics.
9. Provide courses and other ongoing mathematics-based professional development opportunities for P-12 teachers, at times and in places and ways that ensure access.
10. Provide incentives to mathematics faculty and faculty in mathematics-related fields to encourage an active role in P-12 teacher preparation and professional development.
11. Provide incentives and recognition to mathematics faculty for professional development that includes content and teaching. Mathematics faculty should participate in professional development that teaches multiple methods for teaching mathematics to diverse learners.

For Teachers of Mathematics at All Levels

12. Form local alliances within disciplines. Mathematics faculty at two-year and four-year institutions and P-12 mathematics teachers should work together to address diverse student learning needs. Increased disciplinary collegiality can improve developmental learning opportunities for students. Local disciplinary alliances can raise awareness among students of study and career opportunities requiring mathematics. They can also improve P-12 and postsecondary teaching.
13. Form groups as needed to implement these recommendations. The P-16 Council should continue to call on mathematics faculty, faculty in mathematics-related fields, and K-12 educators to improve the teaching and learning of mathematics.
14. Establish a mathematics alignment Web site for instructors and students. The P-16 Council should form a task force to develop a mathematics Web site, available through both the Council on Postsecondary Education and the Department of Education Web sites. A teacher link could provide course offerings at K-12 and postsecondary levels, lesson plans, and teaching modules for addressing a variety of student needs. The student link would offer sample problems, information on careers requiring mathematics, and postsecondary placement policies.

**P-16 Council
Literacy Alignment Team**

Peggy Bertelsman, Chair
Steve Kay, Convenor

Members	Institution	Department
Ted Brown	Murray State University	English
Linda Calendrillo ¹	Western Kentucky University	Chair, English
Wallace Campbell	Pikeville College	Vice President for Academic Affairs Dean of the College
Gail Cummins	University of Kentucky	English; Director, Writing Center
Paul Ellis	Northern Kentucky University	Director, Learning Assistance Program
Alyce Grover	Somerset Community College	Communications
Dewey Hensley	Oldham High School	English
Brian Huot	University of Louisville	English; Director, Writing Center
Robert Lockhart	Morehead State University	English, Foreign Language, Philosophy
Nedra Lundberg	Kentucky State University	Literature, Language, Philosophy
Sonia Milrod	Campbell County Schools	Curriculum Supervisor
Crystal Neal	Powell County Middle School	English
Angela Reed	Jefferson County Public School	English
Arlie Smith	Morgan County Schools	Assessment Coordinator
Paul Upchurch	Elizabethtown Independent Schools	Superintendent
Frank Williams	Eastern Kentucky University	Philosophy

Staff:

James L. Applegate
Acting Vice President for Academic Affairs, Council on Postsecondary Education

Dianne M. Bazell
Senior Associate, Academic Affairs, Council on Postsecondary Education

Starr Lewis
Associate Commissioner, Office of Academic and Professional Development,
Department of Education

¹ Replaced Barbara Burch, Provost and Vice President of Academic Affairs.

**P-16 Council
Mathematics Alignment Team**

Lydia Carol Gabbard, Chair
Steve Kay, Convenor

<u>Members:</u>	<u>Institution</u>	<u>Department</u>
Ann Booth	Lincoln County High School	Mathematics; Past President, Kentucky Council of Teachers of Mathematics
William Bush	University of Kentucky	Mathematics Education
Jayne Carter	Hazard Community College	Mathematics Developmental Education
Frank Cheatham	Campbellsville University	Mathematics; Vice President; Dean, Academic Affairs
Betsy Donahew	Camden Station Elementary School Oldham County Schools	
Kenoye Eke ²	Kentucky State University	Political Science; Associate Vice President for Academic Affairs; Acting Dean, Academic Affairs
Ann Evans	Hancock County Schools	Assistant Superintendent
Blaine Ferrell	Western Kentucky University	Biology
Scott Firkins	Daviess County Schools	Secondary Curriculum Supervisor
Jo Ann Fortney	Laurel County Schools	Assessment Coordinator
Rodger Hammons	Morehead State University	Mathematics
Thomas Kearns ³	Northern Kentucky University	Mathematics and Computer Science
Robert Pilgrim	Murray State University	Computer Science and Information Systems (Business and Public Affairs)
Don Ryoti	Eastern Kentucky University	Mathematics
Debbie Waggoner	Fayette County Middle Schools	Resource Teacher
Wylie Williams	University of Louisville	Mathematics

Staff:

James L. Applegate

Acting Vice President for Academic Affairs, Council on Postsecondary Education

Dianne M. Bazell

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Associate Commissioner, Office of Academic and Professional Development,
Department of Education

Sheila Vice, Principal Assistant, Office of Academic and Program Development,
Department of Education

² Proxied by Fariba Bigdeli-Jahed, Mathematics

³ Replaced Gail Wells, Dean, College of Arts and Sciences

**PRESENTATION BY Red7e:
PUBLIC COMMUNICATION CAMPAIGN**

**Agenda Item E
May 21, 2001**

In January, the council issued a request for proposals for an experienced vendor to develop and implement a public communication campaign to promote life-long learning in Kentucky. A panel of communication experts, educators, and staff reviewed 10 proposals. The field was narrowed to four finalists, who delivered oral presentations. The review panel selected the Louisville-based advertising firm, Red7e. Red7e submitted a joint proposal with its public relations partner, Guthrie/Mayes. A contract between the council, Red7e, and Guthrie/Mayes has been submitted to the state government contract review committee for approval.

Both Red7e and Guthrie/Mayes have excellent records serving government and education clients throughout the Southeast. Notably, Red7e developed two successful campaigns for the Kentucky Cabinet for Health Services—the KCHIP (Kentucky Children’s Health Insurance Program) promotion and a teen pregnancy prevention campaign (“Get a Life First. Wait to Have Sex.”). KCHIP set an enrollment goal of 27,000 eligible children in two years. Following a nine-month publicity blitz, nearly 45,000 of Kentucky’s eligible children (about 80 percent) were enrolled. Other education clients include KET (for its *Workplace Essential Skills* program), Jefferson County Public Schools, Christian Appalachian Project, Bellarmine University, and Indiana University Southeast.

Red7e will make a brief presentation to the council to introduce its staff and the general approach of the campaign, including media and public-relations strategies.

- **Distance Learning Advisory Committee Meeting, March 7, 2001**

The meeting was devoted to learning about future technologies available for distance delivery. Aldona Valicenti, chief information officer, Governor's Office of Technology, presented information about networking technologies and the future of statewide networking. Virginia Fox, chief executive officer, Kentucky Educational Television, discussed the coming digital television delivery of both video and Web content. Representatives of Databeam Inc. demonstrated Internet-based software that allows users to interact in courses and meetings using both video and audio as well as document sharing.

- **Education Professional Standards Board**

The Kentucky Virtual University and the Education Professional Standards Board have agreed to provide a Web site for training and assessment of educators. Tentatively called *ProEdWeb*, it will accept online registration, including payment of fees. *ProEdWeb* initially will contain two applications: one directed at teachers who are new to Kentucky classrooms and one to provide online assessments and surveys. The applications will allow users to test out of certain modules and allow them to take part in task groups or discussion sessions at a distance. In addition, it will include specific EPSB tests such as the "Kentucky Specialty Test for Administrators" and the "Interdisciplinary Early Childhood Examination." The Web site will provide for reasonable security and variability of test items as well as online results. As with all KYVU customers, the users of these applications will have full access to the Kentucky Virtual Library's electronic databases, the KYVU Write Place, and 24/7 Tutorial Services.

- **The KYVU Write Place (online writing center)**

The University of Kentucky and the KYVU have agreed to develop an online writing center. Beginning in June, the Write Place will provide editing as well as writing advice, and courses ranging from semester-long classes to short lessons. The Write Place will be staffed by directors and tutors from writing centers at Kentucky postsecondary institutions. The Write Place received money from the KYVU revolving loan fund to develop its offerings.

- **The Kentucky National Guard and KYVU**

At an April 26 news conference, the Kentucky Virtual University and the Kentucky National Guard announced they will provide work stations, Internet access, and educational opportunities to residents in three pilot communities: Tompkinsville in Monroe County, Jackson in Breathitt County, and Marion in Crittenden County.

Workstations will be installed at three armory sites selected for their regions' lack of Internet access and distance from a university network. KYVU provided the funding for six workstations, including peripheral equipment, for a total of \$23,900.

- **Kentucky Virtual Library Receives SOLINET Award**

The Kentucky Virtual Library has been selected by the Southeastern Library Network for the "Multi-type Library Cooperation Award" for SOLINET's 2001 outstanding library programs. The selection is based on "initiatives and programs that foster multi-type cooperation among libraries; that foster cooperation among libraries and the community or industry; or that promote the value of libraries."

- **KYVL Kentucky Statistical Abstract Site**

The KYVL Web site for the Kentucky Statistical Abstract will open May 18. This one-stop site provides links to Web-based Kentucky statistics from local, state, federal and non-governmental sources.

- **OpenMind**

The Kentucky Virtual University has become a partner in the OpenText Project with OpenMind Publishing Group (www.ompg.com), which invites educators to share online textbooks, research, and interactive learning projects. If content is not offered for free, its creator can use the content marketplace where materials are protected under intellectual property laws and are available for a small fee. Educators can also share their thoughts on content contributions, research, and teaching tips.

Instructors can use this content to personalize CourseBooks that match a syllabus. Instructors can ask students to purchase the final materials from OpenMind in the medium of choice, be it online, CD-ROM, or print. The price is often considerably less than traditional textbooks.

- **Media Coverage**

The Kentucky Virtual University continues to generate coverage for both the KYVU and the KYVL and participating institutions. During January and February, nearly 75 state newspapers ran KYVU news releases or made mention of the KYVU and KYVL or their institutions in related articles – nearly 1,300 column inches.

The KYVU made headlines elsewhere. These included Kentucky state government's "Commonwealth Communique" newsletter, a TV news segment on Lexington's Channel 18, and an electronic newsletter, "Distance Education Daily News." KYVU CEO Mary Beth Susman participated in Monterrey Bay's Ready 2 Net "Roundtable Discussion on the Future of Distance Education," which drew a global audience. More recently, Harcourt e-learning's first issue of "E-Learning Solutions" featured the KYVU.

Staff Preparation by Mary Beth Susman, Miko Pattie,
Randolph Hollingsworth, and Sue Patrick

JOINT ENGINEERING PROGRAMS

Recommendation

The council staff recommends:

- That proposed joint baccalaureate engineering programs involving the University of Kentucky or the University of Louisville be considered within the band of existing baccalaureate engineering programs at UK and UofL. This means that joint baccalaureate engineering programs involving UK or UofL could be established with review by the boards of all universities involved in the joint program without further council review. No joint engineering program can be established without board review from all partner universities.
- That the council recognize the following four proposed joint baccalaureate engineering programs as the first such programs to be covered by the review process recommended above: Western Kentucky University and UofL in electrical engineering, WKU and UK in mechanical engineering, WKU and UK in civil engineering, and Murray State University and UofL in electrical and telecommunications engineering. All four programs are scheduled to begin fall 2001.
- That the council consider the extensive statewide discussion of these four programs in 2001-02 as fulfilling the required 45-day Kentucky Postsecondary Program Proposal System commentary period. Future joint engineering proposals will be posted to the KPPPS Web-system for statewide review.
- That the council commend Western Kentucky University, Murray State University, the University of Kentucky, and the University of Louisville for progress made toward creating the four joint baccalaureate engineering degree programs.
- That the council request reports from the four universities at its July, September, and November 2001 and January 2002 meetings on the status of the four joint programs.
- That the council affirm its commitment to the July 17, 2000, "Strategy for Statewide Engineering Education in Kentucky." The strategy includes the principle of an accelerated review process for joint baccalaureate engineering programs and the principle of cost-sharing between the commonwealth and the universities for the long-term funding of the proposed joint engineering programs.

Background

Western Kentucky University, Murray State University, the University of Louisville, and the University of Kentucky continue to work closely with council staff to create the first joint baccalaureate engineering programs as envisioned in the July 17, 2000, "Strategy for Statewide Engineering Education in Kentucky." WKU, UofL and UK have made substantial progress to implement their January 12, 2001, "Framework of Agreement" on joint engineering programs. The WKU-UofL-UK Joint Engineering Program Steering Committee expects to agree soon on remaining items, such as admission standards and tuition rates. It is preparing a common letter of welcome to all joint program students. Departmental faculty are working across institutional boundaries to create the curriculum. The WKU Board of Regents has approved the joint programs with UK and UofL; UK senior administrators expect the UK Board of Trustees to vote on the joint program with WKU in November; UofL senior administrators expect the UofL board to review the joint program with WKU by summer 2001. MuSU and UofL have likewise made progress to implement their January 22, 2001, "Framework of Agreement" on joint engineering programs. The MuSU Board of Regents has approved the joint program with UofL; UofL senior administrators anticipate that the UofL board will review the joint program with MuSU by summer 2002.

At its March 19, 2001, meeting, the council approved the means for funding estimated joint engineering program start-up costs in 2001-02 (March 19 agenda items I-1 and I-2). The council staff expects the four universities to sign memoranda of understanding about funding for the program start-up costs before the May 21 council meeting.

Sources for long-term funding of joint engineering programs are under discussion and will require cost-sharing between the state and the universities. The July 17, 2000, engineering strategy refers to a possible council recommendation of appropriate funding for equipment and facilities. The council and the universities should consider such a recommendation as the council develops its 2002-04 budget recommendations. The council should consider how long-term funding for joint engineering programs might be linked to "new economy" proposals.

2001-02 ADULT EDUCATION PLAN

Recommendation

The staff recommends that the council approve the adult education plan for 2001-02, authorizing the allocation of the Adult Education and Literacy Trust Fund and continued implementation of the adult education agenda.

Background

The council approved an agenda for adult education in Kentucky, the 20-year statewide effort to improve and expand adult education, at its November 2000 meeting. The 2001-02 plan continues that agenda and focuses on workforce training, statewide technology, family literacy, and continued improvements in base funding efforts. The council's action will release \$9,362,000 of the \$12 million available in the Adult Education and Literacy Trust Fund for 2001-02. Plans for additional expenditures will be brought to the council at the July 2001 meeting.

The fund shall be allocated according to the chart.

Plan Components	2001-02 Allocation Requested
1. Public Communication Plan	Funded 2000-01
2. New Opportunity Grants	Funded 2000-01
3. Economic Development and Workforce Training Matching Program	\$ 1,500,000
4. Local Needs Assessment and Community Development	
5. Professional Development	To be presented at May or July meeting.
6. Statewide Information Technology and Distance Learning	\$ 522,000
7. Tuition Discounts and Employer Tax Credits	\$ 100,000
8. Statewide Competency-Based Certification for Workplace Skills	\$ 300,000
9. Base Funding, Performance, Rewards, Family Literacy, Audits, and Research and Evaluations	\$ 6,940,000
Total Allocation Requested	\$ 9,362,000

1. Public Communication Plan

In January 2001, the council issued a request for proposal to develop and implement a public communication campaign to promote life-long learning in Kentucky. The council received 10 proposals that were reviewed by a panel of communication experts, educators, and council staff. After narrowing the field to four finalists who made presentations, the review panel selected the Louisville-based advertising firm Red7e, which submitted a joint proposal with its public relations partner Guthrie/Mayes. A contract between the council and Red7e awaits approval by the state government contract review committee.

Red7e and Guthrie/Mayes have excellent records serving government and education clients throughout the southeast. Notably, Red7e developed two successful campaigns for the Kentucky Cabinet for Health Services – the KCHIP (Kentucky Children’s Health Insurance Program) promotion and teen pregnancy prevention campaign. Other education clients include KET (for its *Workplace Essential Skills* program), Jefferson

County Public Schools, Christian Appalachian Project, Bellarmine University, and Indiana University Southeast.

Red7e and Guthrie/Mayes will make a presentation to the council at the May meeting. They will summarize their approach to the campaign and media and public relations strategies. Statewide inauguration of the campaign is scheduled in June.

One million dollars were allocated for this campaign in 2000-01 and no further funding is requested at this time.

2. New Opportunity Grants

The council reviewed the New Opportunity Grants at its March 2001 meeting. Nine recipients were chosen from 62 applications. Funds supporting the grants were provided in 2000-01.

3. Economic Development and Workforce Training Matching Program

\$ 1,500,000

The purpose of the Economic Development and Workforce Training Matching Program is to stimulate workforce partnerships with industry. The program is guided by the Workforce Alliance, a committee whose members are the Council on Postsecondary Education, the Department for Adult Education and Literacy, the Department for Technical Education, the Department for Training and Re-employment, the Cabinet for Workforce Development, the KCTCS, and the Economic Development Cabinet.

The Workforce Alliance facilitates the workforce education and training services provided by Kentucky's public agencies. The alliance provides a responsive service that avoids duplication and leverages resources to increase the number of adults and employers served. The alliance's responsibilities include distance learning in the workplace, skill standards, and assessment.

At its April 2001 meeting, the alliance approved an application process for Economic Development and Workforce Training Matching Fund grants. Successful proposals will meet the following criteria:

- Demonstrate collaboration between state and local agencies and Kentucky employers.
- Include review of local workforce needs and the resources required to meet them.
- Include an assessment plan to determine success.

During 1999-2000, the Department for Adult Education and Literacy's Division of Workforce Investment served 8,000 adult workers in 100 counties. With this collaborative matching fund program, we project that 24,000 adults will participate in workplace education during 2001-02.

4. Local Needs Assessment and Community Development

Funding is not requested for this component at this time.

5. Professional Development

For the goals of adult education to be met, adult education personnel need to be as well trained as possible. Statewide professional development standards need to be developed and implemented efficiently and effectively. A task force consisting of representatives of the council, the Department for Adult Education and Literacy, county providers, KCTCS, KET, the Kentucky Institute for Family Literacy, KYVU and KYVL staff, and Morehead State University has met over the past several months to recommend a new approach to professional development.

The task force has proposed a professional development system that will prepare 800 current full and part-time educators to serve a diverse population of 300,000 adult learners by 2010. More instructors may be necessary. This proposed system employs the resources of all segments of Kentucky postsecondary education, KET, and the Department for Adult Education and Literacy.

The plan will provide a credentialing system for adult education professionals. This will be done by the Kentucky Academy of Adult Education under the guidance of Morehead State University, involving faculty and programs from other state universities and KCTCS. Credentials will include an adult education certificate and endorsement, with online opportunities to earn associate, baccalaureate, and master's degrees. The academy also will provide a Professional Development Center to share adult education "best practices," demonstration sites, and practitioner research. The center will help county providers develop the skills and resources to meet their local needs. The academy will have an advisory board representing the participating organizations of the original task force.

The proposed plan includes creation of a resource database hosted by the Kentucky Virtual Library. This database will allow providers, instructors, assistant instructors, and students to find material about adult education.

Negotiations among the sponsoring institutions are near conclusion. A presentation to the council is expected to occur at the May meeting.

6. Statewide Information Technology and Distance Learning \$ 522,000

The Kentucky Virtual University and Kentucky Virtual Library have undertaken a number of adult education initiatives. Three initiatives are to be completed shortly:

- "Invest Destinations," a curriculum that provides Web-based basic skill instruction, is expected to be online by June 1, 2001.
- An adult education Web site will be developed by August 31, 2001.
- A resource database for adult education instructors will be online by August 31, 2001.

To further the development of these initiatives, \$522,000 will be allocated to the KYVU for the following purposes:

- Prepare resource database records for searchability.
- Provide adult education journals for instructors and learners.
- Provide access to tutorial assistance for writing, math, and sciences.
- Sell adult education on the KYVU network.
- Maintain digitized videos of Basic Math, Writing, Workplace Essential Skills, and GED Connections.
- Track learners who are using pre-GED curriculum.
- Update current Kentucky competency-based curriculum and provide Web access.

7. Tuition Discounts and Employer Tax Credits **\$ 100,000**

Senate Bill 1 requires that tuition discounts be provided to full-time employees who complete a high school equivalency diploma program within one year, and tax credits be given to businesses that assist their employees with this goal. The Cabinet for Workforce Development is submitting the regulations for the tuition discounts and employer tax credits to the Administrative Regulation Review Subcommittee for approval. An allocation of \$100,000 is requested for tuition discounts sought in 2001-02. Tuition discounts will be available starting July 1, 2001, to be applied toward the academic semester beginning in January 2002.

8. Statewide Competency-Based Certification for Workplace Skills **\$ 300,000**

Senate Bill 1 requires a statewide competency assessment of skills and competencies of adult learners. Two skills-assessment instruments are available. The Kentucky Manufacturing Skills Standards, which applies to the manufacturing sector exclusively, were developed by representatives of the Workforce Development Cabinet, the Economic Development Cabinet, and the Kentucky Department of Education, with the endorsement of 26 manufacturing companies and the Associated Industries of Kentucky. The KCTCS coordinates administration of the Manufacturing Skills Assessment in Kentucky.

The ACT WorkKeys assessment is a national workforce development system that compares the skills needed to perform a job with the skills an individual possesses in three categories:

- Applied mathematics
- Locating information
- Reading for information

The categories are scored according to the skills needed in occupations contained in ACT's WorkKeys database. The ACT job database contains over 6,000 job profiles.

9. Base Funding, Performance, Rewards, Family Literacy, Audits, Research/Evaluations and Publications **\$ 6,940,000**

A. Base Funding \$ 3.1 Million

Base funding will continue as outlined in the November 2000 plan with \$1.8 million. The addition of \$ 1.3 million into the base will further close the gap between better funded and less-well funded providers leading to more equity. Funding will be done by formula, focusing on counties with high numbers of citizens at low literacy levels.

B. Performance Measures

No funding is requested for this activity.

C. Program Performance

No funding is requested for this activity.

D. Rewards \$ 600,000

To qualify for a reward, adult education programs must meet or exceed annual enrollment goals and a percentage of the key indicators of performance. If enrollment goals are met, programs are eligible for a reward based on achieving a percentage of performance goals as illustrated below.

Percentage (%) of Key Indicators Achieved	Reward (% of Foundation Fund Level)
50% - 59%	5%
60% - 69%	6%
70% - 79%	7%
80% - 89%	8%
90% - 99%	9%
100%	10%

As of April 2001, 43,365 learners were enrolled in adult education programs. This represents 72 percent of the 2000-01 goal. With three months remaining in this program year, previous final quarter trends indicate that the goal will be achieved.

E. Family Literacy \$ 2,000,000

Effective family literacy initiatives focus on breaking the cycle of under-education and poverty, with the intent of moving families to self-sufficiency. Family literacy offers intensive services to both parents and children based on four components: child education; parenting; parent literacy; and parent with child education.

At its November 2000 meeting, the council approved a Vision for Adult Education. The vision states that a culture of learning is valued in the family and in the workplace; children are successful in school and advance through the system; the workforce is well trained, knowledgeable, and confident; and citizens are knowledgeable about their health

and well being. Family literacy focuses on helping families that are most difficult to serve achieve these goals.

Family literacy programs in Kentucky are funded in two ways. The Kentucky Department of Education administers federally funded “Even Start” programs. Even Start has \$2.1 million to support approximately 600 families in 20 programs. Even Start funding will increase by \$1 million in 2001-02, and is expected to serve an additional 300 families. Even Start was modeled on the Parent and Child Education Program created in Kentucky in 1985.

This year the Department for Adult Education and Literacy funds 48 programs with \$2 million in state funds. We expect that 1,100 families will participate in family literacy programs this year.

The goals for the family literacy expansion plan are to improve family literacy services across the Commonwealth, to improve the coordination between the Even Start and adult education family literacy programs, and to serve more families at a lower cost per family. The Kentucky Institute for Family Literacy advisory committee that includes the Cabinet for Families and Children, Kentucky Head Start, the Kentucky Department of Education, the Tapestry Foundation, and Verizon Communications reviewed these recommendations.

- Expand family literacy services to Kentucky counties that choose to participate.
- Increase participation in family literacy programs from 1000 families in 2000-01 to 5,000 families in 2003-04.
- Institute a funding formula by county based on the number of people at low levels of literacy with a minimum funding level of \$20,000.
- Set funding at \$1,000 per family.
- Show evidence of collaboration with Head Start, the local board of education preschool program, or other service providers for the child-education, parenting, and the parent-with-child components.
- Require family literacy programs to meet quality indicators and performance measures as a condition for funding.
- Track results of family literacy programs using a shared data collection system with Even Start programs based on a common set of performance indicators.
- Conduct professional development in partnership with the Kentucky Institute for Family Literacy.

F. Audits

\$ 240,000

The staff recommends that 20 percent of the adult education programs be audited each year. The amount is based on 24 audits at \$10,000 each.

G. Research and Evaluations

\$ 750,000

Kentucky's component of the national literacy survey will be developed in 2002 at a cost of \$350,000. In addition, \$200,000 is included to conduct the statewide evaluation of adult education initiatives such as family literacy and workplace education. Research initiatives are necessary to build upon previous studies that have guided our planning. The cost of this research is expected to be \$200,000.

H. Publications

\$ 250,000

Annual reports and other briefing materials are necessary to document our progress to the Governor, General Assembly, and other constituencies.

**NEW PROGRAM PROPOSAL:
MASTER OF ARTS IN TEACHING
EASTERN KENTUCKY UNIVERSITY**

**ACTION
Agenda Item G-3
May 21, 2001**

Recommendation

The staff recommends that the council approve the master of arts in teaching proposed by Eastern Kentucky University. The program would be registered in CIP 13.0101 (Education, General).

Background

Eastern Kentucky University designed the master of arts in teaching to prepare teachers for secondary and P-12 academic fields with initial emphasis in teacher-shortage subject areas. Some of the greatest shortages are in family and consumer sciences, Spanish, mathematics, and science. Arts, business, and health also are experiencing shortages. School administrators throughout EKU's service area strongly support the proposed program.

The MAT would allow adults who have completed degrees in certifiable fields to complete certification requirements, a master's degree, and Rank II classification in 13 months. Depending on demand, classes and required non-classroom work could be scheduled to accommodate employed students. Also, an alternative route to certification would offer students an intensive summer program followed by two years of salaried teaching while completing the program. Existing undergraduate secondary and P-12 teacher preparation programs will continue.

EKU is seeking a variety of ways to provide the MAT program, including on-line delivery. EKU has requested funding through the Action Agenda Trust Fund to develop coursework to be offered through the Kentucky Virtual University. EKU also plans to explore collaboration with other institutions offering an MAT.

Using the Kentucky Postsecondary Program Proposal System, EKU posted the proposed program to the council's Web site. It was reviewed without objection by the other Kentucky public and independent institutions. The EKU Board of Regents approved the program at its January 27, 2001, meeting.

An overview of the program, prepared by EKU, is attached.

Eastern Kentucky University – Master of Arts in Teaching

Executive Summary

To have qualified individuals in all education positions in Kentucky schools, Eastern Kentucky University supports the admission of students originally trained outside the field of education in their pursuit of education-related degrees and certification programs. The proposed Master of Arts in Teaching degree program offers special opportunities to adults with degrees in secondary and all-level certification fields who desire a career or second career in teaching. The degree will be offered in multiple formats to allow experienced and qualified individuals an opportunity to prepare for teaching careers while working and supporting families. The MAT program includes significant content area coursework to assure enhanced competency in subject expertise. As we gain more experience with the degree and student population, we will expand access to courses by offering them via distance technologies (KTLN and KYVU). We also plan to explore cooperative course offerings and transfer agreements with other institutions in the state.

The MAT is specifically designed for the adult student and will require more concentrated coursework and significantly more self-directed learning. Students will be expected to take their understanding of topics studied to an advanced level and link the content with real-life experiences. At the present time we are requesting authority for offering the MAT in secondary teaching field as well as all-level art, music, health and physical education. In the near future we plan to offer degrees in special education, middle school and finally elementary school areas.

The MAT will be offered with three delivery options: 1) a 13 MONTH OPTION for students who can attend full time, 2) a FULLY EMPLOYED option to accommodate individuals who need to remain employed while returning to college that involves alternate scheduling of classes, and 3) an ALTERNATIVE ROUTE TO CERTIFICATION option for students with exceptional life/work experience that will involve an intensive summer program followed by two years of employment in schools as teachers. Students completing the program, regardless of the delivery mode, will meet all outcome measures in the Kentucky New Teacher Standards.

The MAT program is comprised of 39 semester hours in the following areas: Literacy (3 hours), Special Populations (3 hours), Practicum (8 hours), Education (13 hours), and Subject Matter/Content (12 hours). Courses will be taught by qualified faculty already at the University and by selected practitioners from schools.

Pending approval, the first courses will be offered in the summer of 2001. A waiting list already exists for students interested in entering the program.

KEES ADMINISTRATIVE REGULATION AMENDMENT

ACTION
Agenda Item G-4
May 21, 2001

Recommendation

The staff recommends that the council approve the proposed amendment to the administrative regulation entitled *13 KAR 2:090. Kentucky Educational Excellence Scholarship* (copy attached) and file the administrative regulation with the Legislative Research Commission according to statutory requirements in KRS Chapter 13A.

Background

Senate Bill 71 of the 2001 General Assembly requires the council to amend the administrative regulation allowing Kentucky residents who participate in approved foreign exchange high school programs or attend the United States Congressional Page School to apply those credits to their KEES base calculation. The proposed amendment addresses that issue in Section 3 of the regulation.

A public hearing on the proposed amendment is scheduled for May 23 at 10 a.m. at the council office in Frankfort, conference room A. The legislator who sponsored the amendment, the Legislative Research Commission, and other interested parties have been notified of the proposed amendment and the scheduled hearing.

13 KAR 2:090. Kentucky Educational Excellence Scholarship (KEES) Program.

RELATES TO: KRS 154A.130(4), 156.070, 164.7871, 164.7874, 164.7877, 164.7879, 164.7881, 164.7885, 164.7889

STATUTORY AUTHORITY: KRS 164.020(28), 164.7874, 164.7877(3), 164.7879(1), (3), 164.7881(4)(a), (6)

NECESSITY, FUNCTION, AND CONFORMITY: KRS 164.7877(3) requires the council to administer the Kentucky Educational Excellence Scholarship (KEES) Program. KRS 164.7877(3) requires the council to administer the funds appropriated to the trust fund for the program. KRS 164.7874(13) requires the council to develop and implement standards for high school curriculum as they relate to eligibility for participation in the program. KRS 164.7879(3)(c) requires the council to determine the eligibility of a noncertified, nonpublic high school graduate and for a GED recipient for a supplemental award. KRS 164.7874(3) requires the council to establish a table to convert an SAT score to an ACT standard. KRS 164.7881(6) requires the council to establish a five (5) year postsecondary education program standard. KRS 164.7881(4)(a) requires the council to establish overall award levels for the program. This administrative regulation establishes those requirements relating to the Kentucky Educational Excellence Scholarship (KEES) Program.

Section 1. Definitions. (1) "Academic term" means the fall or spring semester or their equivalence under a trimester or quarter system at a postsecondary education institution and shall not include summer sessions.

(2) "Academic year" is defined in KRS 164.7874(2).

(3) "ACT" means the test:

(a) Administered to a student for entrance to a Kentucky postsecondary education institution; and

(b) Owned by the ACT Corporation of Iowa City, Iowa.

(4) "Advanced placement" means a cooperative educational endeavor between secondary schools and colleges and universities administered by the College Board of the Educational Testing Service and recognized by KDE.

(5) "Authority" or "KHEAA" is defined in KRS 164.7874(4).

(6) "Council" or "CPE" is defined in KRS 164.7874(6).

(7) "Eligible high school student" is defined in KRS 164.7874(7).

(8) "Enrolled" means the status of a student who has completed the registration requirements, except for the payment of tuition and fees, at a participating institution that a student is attending.

(9) "GED" means a general educational development diploma awarded to a student.

(10) "High school" is defined in KRS 164.7874(11).

(11) "International baccalaureate course" means a course in a secondary education program sponsored by the International Baccalaureate Organization and recognized by the KDE in 704 KAR 3:340, Section 2(3)(b).

(12) "KDE" means the Kentucky Department of Education authorized and established pursuant to KRS 156.010.

(13) "KEES curriculum" is defined in KRS 164.7874(13).

(14) "Participating institution" is defined in KRS 164.7874(17).

(15) "SAT" means the test:

(a) Administered to a student for entrance to a Kentucky postsecondary education institution; and

(b) Owned by the college board.

Section 2. High School Grade Point Average Calculation and Reporting. (1) An eligible student's grade point average, as defined in KRS 164.7874(10), for an academic year shall be calculated using each grade awarded for all courses taken during an academic year.

(2)(a) Except as provided in paragraph (b) of this subsection, an eligible student's grade point average shall be calculated by:

1. Taking the number of units in a course multiplied by the course grade as expressed on a 4.0 point grading scale where 4.0 is an "A" and 0.0 is an "F;"

2. Adding the total number of points accumulated for an academic year; and

3. Dividing the total number of points accumulated in subparagraph 2 of this paragraph by the total number of units for the academic year.

(b) Notwithstanding the provisions of paragraph (a)1 of this subsection, for an eligible

high school student taking an advanced placement or international baccalaureate course during the academic year, the grade assigned shall be calculated using a 5.0 point scale where 5.0 is an "A" and 1.0 is an "F."

(3) The grade point average reported for an eligible high school student for each academic year shall include all information as set forth in KRS 164.7885(1) and in the manner as the KDE or the KHEAA shall require.

Section 3. KEES. (1) A student shall complete the KEES curriculum established in this section to qualify for the base scholarship award.

(a) Except as provided in paragraphs (b) and (c) of this subsection, the KEES curriculum shall consist of the courses and electives required by this paragraph.

1. For a student enrolled in high school during the 1998-1999 academic year, the curriculum required in 704 KAR 3:305, Section 1 or 2, as appropriate without restriction on the type of electives taken.

2. For a student enrolled in high school during the 1999-2000 and 2000-01 academic years and who is required to meet the curriculum standards in 704 KAR 3:305, Section 1, the eight (8) electives required by 704 KAR 3:305, Section 1, shall be taken in the areas and according to the standards established in subparagraph 4 of this paragraph.

3. For a student enrolled in high school during 1999-2000 and for each year thereafter who is required to meet the curriculum standards in 704 KAR 3:305, Section 2, five (5) of the seven (7) electives required by 704 KAR 3:305, Section 2 shall be taken in the areas and according to the standards established in subparagraph 4 of this paragraph.

4. The following subject areas and standards shall be applicable for electives. An elective in:

a. Social studies, science, mathematics, English/language arts, or arts and humanities shall be a course whose academic content is as rigorous as the content established for courses in this area in 703 KAR 4:060.

b. Physical education or health shall be a course whose academic content is as rigorous as the content established for courses in this area in 703 KAR 4:060, and shall be limited to one-half (1/2) academic unit of credit for each area.

c. Foreign languages shall be a course whose academic content includes teaching the

spoken and written aspects of the language.

d. Agriculture, industrial technology education, business education, marketing education, family and consumer sciences, health sciences, technology education or career pathways shall be a course whose academic content is beyond the introductory level in the vocational education areas of study as established by 703 KAR 4:060.

(b) A high school may substitute an integrated, applied, interdisciplinary or higher level course for a required course or required elective if:

1. The course provides the same or greater academic rigor and the course covers the minimum required content areas or exceeds the minimum required content areas established in 703 KAR 4:060, and the document "Academic Expectations"; or

2. The course is an honors course, cooperative education course, advanced placement course, international baccalaureate course, dual credit course, or a course taken at a postsecondary education institution.

(c) The grade point average of a high school student who maintains Kentucky residency and completes the academic courses required for a Kentucky educational excellence scholarship while participating in an approved educational high school foreign exchange program or while participating in the United States Congressional Page School shall be included in the base calculation for that academic year. The grade point average shall be reported by the student's Kentucky home high school, based on an official transcript from the school that the student attended during the out-of-state educational experience. This provision shall apply to any Kentucky high school student who participated in an approved educational exchange program or in a Congressional Page School since the 1998-99 school year and maintained his or her Kentucky residency throughout.

(2) A high school annually shall provide written documentation to a student on whether the student's schedule of coursework meets the requirements of the KEES curriculum.

Section 4. Eligible Postsecondary Education Programs. (1) An eligible program shall be a certificate or degree program offered by a participating institution and recognized by the council.

(2) An eligible program at an out-of-state participating institution shall be limited to those programs that qualify through the Academic Common Market administered by the

Southern Regional Education Board.

(3) Pursuant to KRS 164.7881(6), the following academic programs shall be approved as five (5) year baccalaureate degree programs:

(a) Architecture (04.0201);

(b) Landscape architecture (04.0601); and

(c) Engineering (14.0101, 14.0301, 14.0701, 14.0801, 14.0901, 14.1001, 14.1201, 14.1701, 14.1801, 14.1901, 14.2101, 14.9999.01).

Section 5. Base Scholarship Award. A Kentucky resident enrolled in a Kentucky high school who is eligible for a base scholarship award shall be limited to a maximum of four (4) base scholarship awards.

Section 6. SAT Conversion Table. Pursuant to KRS 164.7874(3), the following SAT to ACT Conversion Table shall be used:

SAT I V+M	ACT Compo- site	SAT I V+M	ACT Compo- site	SAT I V+M	ACT Composite	SAT I V+M	ACT Compo- site	SAT I V+M	ACT Compo- site
1600	35-36	1370	31	1140	25	910	19	680	14
1590	35	1360	31	1130	25	900	19	670	14
1580	35	1350	30	1120	24	890	18	660	14
1570	35	1340	30	1110	24	880	18	650	13
1560	35	1330	30	1100	24	870	18	640	13
1550	34	1320	30	1090	24	860	18	630	13
1540	34	1310	29	1080	23	850	17	620	13
1530	34	1300	29	1070	23	840	17	610	13
1520	34	1290	29	1060	23	830	17	600	13
1510	34	1280	29	1050	22	820	17	590	13
1500	33	1270	28	1040	22	810	17	580	12
1490	33	1260	28	1030	22	800	16	570	12
1480	33	1250	28	1020	22	790	16	560	12
1470	33	1240	28	1010	21	780	16	550	12
1460	33	1230	27	1000	21	770	16	540	12
1450	32	1220	27	990	21	760	16	530	12
1440	32	1210	27	980	21	750	15	520	12
1430	32	1200	26	970	20	740	15	510	11

1420	32	1190	26	960	20	730	15	500	11
1410	32	1180	26	950	20	720	15		
1400	31	1170	26	940	20	710	15		
1390	31	1160	25	930	19	700	14		
1380	31	1150	25	920	19	690	14		

This table can be used to relate SAT I V+M scores to ACT Composite scores. The estimates are based on the test scores of 103,525 students from fourteen (14) universities and two (2) states who took both the ACT and the SAT I between October 1994 and December 1996. Because the ACT and the SAT I have different content, students' actual scores on the ACT could differ significantly from the concordance estimates in the table. Source: ACT, Inc. Questions about the concordance study may be directed to ACT's Research Division (319/337-1471).
January 1998

Section 7. Criteria for Supplemental Award to Noncertified, Nonpublic High School Students and to GED Students. (1) A Kentucky resident who is a citizen, national or permanent resident of the United States and who graduates from a nonpublic Kentucky high school not certified by the Kentucky Board of Education shall be eligible for a supplemental award if:

- (a) The student is not a convicted felon;
- (b) The date of the student's graduation is May 1999 or thereafter;
- (c) The student takes the ACT or SAT and has at least a minimum score as established by KRS 164.7879(3); and
- (d) The student enrolls in a participating institution within five (5) years after graduation from high school.

(2) A Kentucky resident who is a citizen, national or permanent resident of the United States and who has not graduated from either a certified Kentucky high school or a nonpublic Kentucky high school that is not certified by the Kentucky Board of Education shall be eligible for a supplemental award if:

- (a) The student is not a convicted felon;
- (b) The student's eighteenth (18) birthday occurs on or after January 1, 1999;
- (c) The student takes and receives a GED diploma in Kentucky within five (5) years of attaining eighteen (18) years of age;
- (d) The student takes the ACT or SAT and achieves a minimum score for eligibility as established by KRS 164.7879(3); and
- (e) The student enrolls in a participating institution after July 1, 1999, and within five (5) years of receiving the GED diploma.

(3) A student requesting a supplemental award under this section shall notify the participating institution where the student has or intends to enroll.

(4)(a) Residency shall be determined by a participating institution in accordance with 13 KAR 2:045.

(b) A participating institution shall determine a student's eligibility for a supplemental award under this section and shall notify KHEAA of the student's eligibility.

Section 8. Supplemental Award. An eligible high school student who receives a supplemental award as a result of taking and receiving a GED within five (5) years of obtaining eighteen (18) years of age shall have a maximum of five (5) years eligibility beyond the date the GED is received.

Section 9. Administrative Responsibilities and Expenses of Program. (1) The CPE annually shall determine the level of funding for expenses associated with the program and shall allocate funds from the "Wallace G. Wilkinson Kentucky Educational Excellence Scholarship Trust Fund" described in KRS 164.7877(1) and (3).

(2) The KDE and the KHEAA annually, by June 15, shall provide to the CPE a budget proposal indicating the amount of funds requested and a detailed listing of the expenditures necessary to operate the program.

(3) The CPE shall notify the KDE and the KHEAA of the amount of funds available for the next fiscal year no later than April 30 of the fiscal year preceding the fiscal year that funds are to be made available.

(4) The CPE shall develop an allotment schedule for the release of the administrative funds and shall notify the KDE and the KHEAA of that schedule. (25 Ky.R. 1479; Am. 1903; 2122; eff. 3-1-99; 27 Ky.R. 1321; 2422; eff. 3-19-2001.)

STATEWIDE STUDENT TRANSFER SYSTEM: COURSE APPLICABILITY SYSTEM (CAS)

**Agenda Item G-5
May 21, 2001**

The council is joining with Kentucky's public colleges and universities to implement a statewide Web-based system that will help students easily transfer to other institutions. At its February 2001 meeting, the council approved \$400,000 from the Technology Initiative Trust Fund to implement the transfer system.

The Kentucky Postsecondary Education Improvement Act of 1997 stresses the importance of easy student transfer throughout the state system. Despite the general-education transfer agreement and the transfer frameworks of the mid 1990's, the number of students transferring remains low. The council has consistently emphasized the importance of easy student transfer across the system in accomplishing reform goals.

The council staff has met with university and KCTCS senior administrators of the academic and technology sectors for over a year to determine the best approach to improving the transfer process. Earlier this year, the chief academic officers initiated a work group comprising representatives of the public institutions and the Kentucky Community and Technical College System. This group recommended that transfer information be available electronically to students. The council staff investigated the implementation of an electronic transfer advising system known as the Course Applicability System. CAS provides Web-based advising and transfer information to students from participating institutions.

Miami University, with the support of the Ohio Board of Regents and the Arizona Board of Regents, developed this system. With CAS, students can use the Internet to view degree programs at participating institutions, select the courses taken at their current institutions, and see how those courses fulfill degree requirements at other institutions. The system also can show a student what additional courses can be taken at their current institution to fulfill additional requirements. CAS electronically stores students' academic records, allowing them to check transfer possibilities multiple times through a secure point without having to reenter the information.

Ohio, Arizona, Minnesota, and Wisconsin are implementing statewide CAS systems. Indiana, Illinois, Nevada, and Washington plan to do so. Discussions are under way in Missouri, Oklahoma, Oregon, Texas, Tennessee, and Virginia. Individual institutions in California, Oregon, and Washington use CAS.

The council will include in its budget the cost of licensing the system, initial training for institutional staffs, and centralized technical operating support. The institutions will provide staff and local technical support to implement and maintain the system. The key to effective use of CAS is data entry; the institutions will be responsible for entering transfer rules and degree-program requirements into the system and keeping them up to date.

Attached is a sample memorandum of agreement sent to presidents April 16, 2001. They have until May 10 to indicate their timeline for participation. Some institutions may not fully implement CAS by 2003. They are currently engaged in large-scale changes in basic software systems on their campuses, which they want to complete before bringing CAS online. The council staff will give a progress report at the May council meeting.

COUNCIL ON POSTSECONDARY EDUCATION
FRANKFORT, KENTUCKY 40601

MEMORANDUM OF AGREEMENT

_____ (university name)
Project Number CPE-CAS-_____

This Memorandum of Agreement between the Council on Postsecondary Education, Frankfort, Kentucky 40601, hereinafter referred to as the "First Party", and (university name), (city), Kentucky (zip) hereinafter referred to as the "Second Party" is entered into as of _____, 2001.

Whereas, the Kentucky Postsecondary Education Improvement Act of 1997 gives the First Party responsibility for "promoting transferability of credits and easy access of information among institutions." [KRS 164.020(5)]; and

Whereas, the First Party, in the exercise of its lawful duties, has determined that a course transfer system is necessary to enhance student transfer within the Kentucky system of postsecondary education; and

Whereas, the First Party is prepared to enter into an exclusive statewide license agreement with Miami University at Oxford, Ohio for the acquisition and implementation of the Course Applicability System (CAS); and

Whereas, the Second Party has agreed to implement the Kentucky Course Applicability System on its campus;

Now, therefore, it is mutually agreed by and between the parties:

Section 1: The First Party agrees to:

- a. acquire the CAS application under a statewide license agreement;
- b. provide funding for the annual license maintenance fee;
- c. host the CAS application on a central server;
- d. purchase a server and pay for the cost of operating and maintaining the server;
- e. provide staff training for university and KCTCS employees in the amount and subject to the limitations contained in Section 3 of this agreement; and
- f. support advertising for the Kentucky CAS.

Section 2: The Second Party agrees to:

- a. implement and provide necessary support for an electronic degree audit system that will support the Kentucky CAS;
- b. implement, on an agreed schedule, and provide necessary support for Kentucky CAS;
- c. provide technical support necessary to implement the Kentucky CAS;
- d. assign a minimum of two (2) full-time staff members to Kentucky CAS during the implementation period;
- e. maintain current course information and make this information available to the Kentucky CAS in a manner prescribed by the First Party and at times specified by the First Party;
- f. complete the implementation and testing phase by June 30, 2002; and
- g. cover the cost of Kentucky CAS implementation, maintenance, and support on its campus.
- h. The Second Party commits to implementing, maintaining, supporting, and advertising Kentucky CAS to the greatest extent possible on its campus

Section 3: General Conditions

- a. For institutions implementing Kentucky CAS by June 30, 2003, the First Party agrees to pay for up to five (5) training sessions each for two institutional employees.
- b. For institutions implementing Kentucky CAS later than June 30, 2003, the training costs shall be the responsibility of the Second Party.
- c. An institution electing not to sign this agreement at this time will be permitted to participate in Kentucky CAS upon payment of a share of the license fee.

Gordon K. Davies
President
Council on Postsecondary Education

(name)
President
(university name)

Date: _____

Date: _____

Name

Title
(university name)

Date: _____

Examined as to Form and Legality:

Dennis L. Taulbee
General Counsel
Council on Postsecondary Education

Date: _____

At the March 2001 meeting, the Academic Affairs Committee requested information on public institutions' use of the Kentucky Virtual University to offer new academic programs. The staffs of the council and virtual university asked the universities and the Kentucky Community and Technical College System about use of the KYVU and other distance delivery technologies. A full report is planned for the July council meeting.

The Academic Affairs Committee also asked the staff to ensure that institutions include their plans for using the KYVU and other distance learning options when submitting new program proposals on the Kentucky Postsecondary Program Proposal System. Modifications in KPPPS are being made. Specifically, institutions will be required to indicate their plans for using the KYVU or other distance learning technologies before the proposal can be posted for the 45-day review.

In addition, detailed information about plans for distance delivery will be required when an institution submits a program proposal for council review or when an institution notifies the council staff that a program not requiring full council review has been approved by its board and is ready for implementation. The chief academic officers will review these modifications to the existing program proposal formats.

At the committee's request, a report by Northern Kentucky University about use of distance learning in its master of arts in teaching program is attached. A representative from NKU will be present to respond to questions.

Also at the committee's request, a report on the use of the KYVU and distance learning technologies by the collaborative masters in education administration programs will be given. Dr. John Strobe from the University of Louisville's School of Education will present the report and respond to questions.

Other KPPPS Changes

At the request of the Committee on Equal Opportunities, KPPPS is being modified to include an institution's Equal Educational Opportunities status when the institution initiates a new proposal for submission for the 45-day review. When appropriate, the KPPPS system will display information notifying an institution that a waiver is required for approval of the proposed program.

NORTHERN KENTUCKY UNIVERSITY
Masters of Arts in Teaching and the Kentucky Virtual University

The Masters of Arts in Teaching program features a variety of instructional formats. Students in the program will become knowledgeable about theory and practical applications in classroom settings. They will be learning in on-site activities as much as possible, being taught and mentored by practitioners in their fields, teaching in P-12 classrooms, and as well as gaining an understanding of theory. In addition to this on-site activity, a great deal of the course work for this program will be more appropriately presented face-to-face between instructor and student.

There are good opportunities for features of this program to be delivered through collaboration with other institutions. As similar programs emerge across the commonwealth, we will work with our other universities to develop appropriate collaborative efforts.

In addition to these modes of instruction, there are a number of courses that are appropriate in electronic format and that we will develop for presentation on KYVU as Web-based courses. In particular, we cite the following:

- EDMT 610 Foundations of American Schooling
- EDMT 622 Cultural Identity
- EDMT 632 Curriculum Design and Assessment
- EDMT 641 Technology in Middle/Secondary Classrooms

**2002-04
SPECIAL FUNDING REQUESTS**

**Agenda Item H-1
May 21, 2001**

At the February 2001 meeting, the council approved the “Points of Consensus Among the University Presidents, KCTCS President, and the Council President Concerning the 2002-04 Funding Methodology.” This document evolved over several months through meetings of the presidents, the chief budget officers, the chief academic officers, and the Operating Budget Review Subcommittee of the Strategic Committee on Postsecondary Education. The “Points of Consensus” is a framework to guide the development of the council’s 2002-04 operating and capital budget recommendation.

The agreement stipulates that the institutions be given an opportunity to request state general funds for special and meritorious initiatives for the 2002-04 biennium. In addition, the agreement stipulates that the request and evaluation guidelines be established in a timely manner. Within the framework of the “Points of Consensus,” the staff has developed the attached draft 2002-04 Special Funding Request Guidelines and Evaluation Criteria. The draft guidelines were discussed with the chief budget officers at their April 30 meeting. The attached guidelines reflect the changes suggested at that meeting.

The staff seeks council guidance on the special funding request guidelines and evaluation criteria. After discussion by the Finance Committee and additional discussions with the presidents and chief budget officers, the council staff will bring a recommendation on the 2002-04 Special Funding Request Guidelines and Evaluation Criteria to the July 30 council meeting.

DRAFT

2002-04 SPECIAL FUNDING REQUESTS GUIDELINES AND EVALUATION CRITERIA

Introduction

Special funding requests should represent unique opportunities to advance postsecondary education beyond the means allowed by other state funding mechanisms. Generally, the council will not consider institutional requests that can be funded through base budgets or trust funds. Special funding requests should further the Action Agenda, help achieve Kentucky's 2020 goals, and relate to the five questions that are used to measure progress. Special funding is not guaranteed. Institutions should bear in mind that economic conditions could sharply limit available dollars.

Guidelines

- Institutions should submit no more than two special funding requests for the 2002-04 biennium.
- Special funding requests should not include personnel or operating-cost increases normally funded in base budgets such as utilities and health insurance, even if increases are unusually high.
- Funding sought for capital construction projects that cost \$400,000 or more or major equipment purchases of \$100,000 or more should be included in an institution's capital request.

Evaluation Criteria

- Unique nature of the request and the strategic opportunity represented.
- Collaboration, where feasible.
- Impracticality of paying for the request out of base funding or trust funds.
- Relationship of the proposal to furthering the Action Agenda, achieving Kentucky's 2020 goals, and the five questions measuring progress.

Process

Special funding requests must be submitted on or before September 1. Each request should include the following:

- Detailed description of the proposal, including how the funds will be used.
- Description of how the proposal would further the Action Agenda, help achieve Kentucky's 2020 goals, and relation to the five questions measuring progress.
- A summary of financial information using the attached format.

TUITION-SETTING GUIDELINES

Recommendation

The staff recommends that the council approve the tuition-setting guidelines as shown in Attachment A.

Background

The Finance Committee discussed draft tuition-setting guidelines at its March 19 and April 30, 2001, meetings. Student representatives were invited to participate in the April 30 discussion. In addition, the guidelines were discussed again at the chief budget officers' meeting also held April 30. The attached guidelines, which would be effective beginning fall 2002, reflect these discussions.

Institutions would continue to set tuition rates for 2002-04 within the guidelines approved by the council. The institutions would report their tuition rates and projected tuition and fee revenue to the council by September 1, 2001. The major changes to the 2000-02 guidelines that have been discussed include 1) encouraging institutions to consider charging per credit hour (no flat tuition rate for full-time students), 2) requiring undergraduate tuition to be higher for non-Kentuckians than for Kentuckians, and 3) establishing a standard deduction for tuition and fees for benchmark funding.

Per-Credit-Hour Pricing

More than half of the Kentucky Community and Technical College students and a third of total undergraduate enrollments are part time. A majority of the new students who enroll in postsecondary education are expected to be part time. Among part-time students, those who take fewer than six credit hours in a term generally are not eligible for financial aid. They do not receive KEES or any need-based aid from either the state or federal government.

Under Kentucky's existing pricing structure, part-time students effectively pay more per credit hour than full-time students because their total tuition is spread over fewer credit hours. Besides achieving equity among students, pricing per-credit-hour would provide incentives to use instructional resources more efficiently as students often register for more credits than they intend to complete.

Non-Resident Tuition

Institutions were given complete flexibility in setting tuition rates for this biennium. Several institutions have greatly reduced, and in one instance, even eliminated, the difference between

resident and nonresident rates for undergraduate students from selected areas in bordering states. A survey of the benchmark institutions reveals that nonresident undergraduate rates vary from 1.5 times to more than five times the resident rates, with a median between two and three times the resident rate.

Under the proposed guidelines, undergraduate tuition would be lower for Kentucky residents – who support institutions with taxes – than for nonresidents. Institutions can continue to attract academically gifted nonresident students with institutional scholarships, since, for the most part, neither the council nor the Commonwealth dictate how funds are spent.

The proposed differentiation in tuition would not apply to nonresident students enrolled under reciprocity agreements with other states. These agreements improve the educational opportunities available to students and minimize the cost for the taxpayers of the states involved through cooperative educational efforts.

Both the Kentucky Board of Student Body Presidents and the Association of Independent Kentucky Colleges and Universities support a lower undergraduate tuition rate for Kentucky residents. Gary Cox, President of AIKCU, argues that if a differentiation is not required, taxpayers will bear the brunt of educating non resident, non taxpaying students through the provision of highly subsidized educational services.

Tuition and Fees Revenue Standard Deduction

The 2002-04 budget recommendation will continue to be based on benchmark funding. A key consideration is the amount of public funds that should be generated by tuition and fees. Public funds include tuition and fees revenue, as well as state and local appropriations.

The 2000-02 budget recommendation was based on each institution's budgeted tuition and fees revenue. Thus, the 2000-02 tuition and fees deduction varied from 24 percent to 60 percent. At the institutions' request, a set percentage for tuition and fees revenue, or budgeted tuition and fees revenue, whichever is lower, would be deducted from the public funding amount to determine the 2002-04 state appropriation objective for each institution.

Based on a review of public funding at the benchmark institutions, the council staff proposes that the standard tuition deduction for the public universities, excluding Kentucky State University, be set at 37 percent. The staff recommends that a lower percentage is appropriate for the Kentucky Community and Technical College System, the Lexington Community College, and Kentucky State University. The lower percentage for KCTCS and LCC would reflect the state's commitment to access to postsecondary education for all Kentuckians. The lower percentage for Kentucky State University is appropriate given KSU's status as the state's historically black institution and to provide greater access for the student population it serves. Based on a review of about 850 community colleges, the staff proposes that the standard tuition deduction be 30 percent for KCTCS, LCC, and KSU.

Institutions with tuition and fee revenue below the set percentage should act to increase their percentage over the next biennium, and are expected to at least maintain the current ratio of tuition and fees revenue to total public funds. A schedule of tuition and fees revenue as a percent of public funds, by institution, is presented in Attachment B.

Under the proposed guidelines, six of the ten institutions (including KCTCS) would see no change in how the tuition and fees revenue deduction is computed for 2002-04 as compared to 2000-02. The recommended guidelines were discussed again with the chief budget officers at their April 30 meeting. The chief budget officers support the proposed guidelines.

**Tuition-Setting Guidelines
Effective Fall 2002**

May 21, 2001

Each institution will establish its own tuition rates consistent with the following guidelines. The council's biennial budget request for state general operating funds will consider tuition and fees revenue based on these guidelines.

- Undergraduate rates must be higher for non-Kentuckians than Kentuckians, excluding reciprocity agreements.
- As part of the key indicators of progress toward postsecondary reform, the staff will continue to monitor and report to the Council on an annual basis the percentage of income (per capita personal income) needed to pay for college expenses to ensure that postsecondary education remains affordable to Kentuckians.
- The rates should move institutions toward producing tuition and fees revenue at consistent levels across institutions. KCTCS, LCC, and KSU's tuition and fees policies should move the institutions toward producing revenue that is at least 30 percent of the total public funding for each institution. The tuition and fees policies for the remaining institutions should move these institutions toward producing revenue that is at least 37 percent of the total public funding for each institution. Institutions with tuition and fees revenue below these recommended standards should act to increase that percentage over the biennium. These institutions must at least maintain the current percentage of tuition and fees revenue in public funding during the 2002-04 biennium.
- Each institution will submit planned biennial tuition rates and projected tuition and fees revenue for 2002-03 and 2003-04 to the council by September 1, 2001, for developing the council's 2002-04 biennial budget request.

**TUITION AND FEES REVENUE
AS A PERCENT OF PUBLIC FUNDS**

2000-01

	Total Adjusted General Fund Appropriation*	Budgeted Tuition and Fees Revenue**	Total Public Funds	Tuition and Fees Revenue As a % of Public Funds
EKU	\$ 68,242,100	\$ 37,217,000	\$ 105,459,100	35.3%
MoSU	40,676,200	21,798,200	62,474,400	34.9%
MuSU	47,914,400	30,955,800	78,870,200	39.2%
NKU	40,171,300	40,941,500	81,112,800	50.5%
UK (excluding LCC)	300,948,100	114,698,500	415,646,600	27.6%
UL	172,603,200	79,082,500	251,685,700	31.4%
WKU	65,028,400	38,917,000	103,945,400	37.4%
KCTCS	\$ 183,601,400	\$ 50,436,400	\$ 234,037,800	21.6%
LCC	8,082,000	11,211,700	19,293,700	58.1%
KSU	22,264,700	8,128,100	30,392,800	26.7%

* Includes funds for the Enrollment Growth and Retention Program, Postsecondary Workforce Training and KCTCS Administrative Systems.

** As reported to the CPE Comprehensive Data Base (form FD-1B).

OHIO AND INDIANA RECIPROCITY AGREEMENTS

ACTION
Agenda Item H-3
May 21, 2001

Recommendation

- The staff recommends that the council approve reciprocity agreements between Kentucky and Ohio as presented in Attachment A.
- The staff also recommends that the council approve the addition of Washington County, Indiana, and Jefferson Technical College and Owensboro Technical College to the existing Kentucky and Indiana reciprocity agreement (see Attachment B).

Background

Kentucky and Ohio Reciprocity Agreement

Reciprocity agreements between Kentucky and Ohio, which expire June 30, 2001, expand education opportunities in the Cincinnati area. Participating institutions include Northern Kentucky University and the University of Cincinnati, Cincinnati State Technical and Community College, Southern State Community College in Ohio. (Northern Kentucky Community and Technical College, to open fall 2002, may be added.)

NKU representatives met with representatives from the Ohio institutions April 30. The institutions submitted the revised, one-year undergraduate and graduate agreements for approval. (Proposed changes are in bold in Attachment A.)

Fall 2000 enrollment shows that 655 Kentucky students attended the Ohio institutions while 600 Ohio students attended Northern Kentucky University. Fall 1996 through fall 2000 enrollment data for the participating institutions are shown in Appendix A-1. Fall 2000 enrollment data by county for each participating institution are included in Appendix A-2.

Indiana and Kentucky Reciprocity Agreement

The council staff has received a request from the Indiana Commission for Higher Education to add Washington County to the counties served by the University of Louisville and Jefferson Community College. The staff also recommends that Jefferson Technical College and Owensboro Technical College be included. Jefferson Community College and Owensboro Community College already are. The Kentucky Community and Technical College System allows students from eligible Indiana counties to attend the two technical colleges at in-state rates. This action would recognize that practice. (Proposed changes are in bold in Attachment B.)

In fall 2000, 1,881 Kentucky students attended the participating Indiana institutions and 1,401 Indiana students went to those in Kentucky. Washington County should increase the number of Indiana students attending Kentucky institutions. Fall 1996 through fall 2000 enrollment data for the participating institutions are shown in Appendix B-1. Fall 2000 enrollment data by county for each participating institution are included in Appendix B-2.

UNDERGRADUATE TUITION RECIPROCITY AGREEMENT
Cincinnati State Technical and Community College
Southern State Community College
Northern Kentucky University
and
University of Cincinnati

This Tuition Reciprocity Agreement is entered into between the Kentucky Council on Postsecondary Education and the Ohio Board of Regents, and the Cincinnati State Technical and Community College Board of Trustees, the Northern Kentucky University Board of Regents, the Southern State Community College Board of Trustees, and University of Cincinnati Board of Trustees, pursuant to provision of Section 3333.17 of the Ohio Revised Code and in compliance with rules and procedures of the aforementioned parties.

I. Purpose

The purposes of this Tuition Reciprocity Agreement are to continue to improve the educational opportunities available in the Greater Cincinnati Area and to minimize the cost of such improvements for the taxpayers and legislative bodies of both states by cooperative planning and joint educational effort. In addition to increasing student choice and enhancing the academic quality of the four participating institutions, this Tuition Reciprocity Agreement aims to minimize costly duplication of education programs, promote the maximum use of existing educational facilities, and address the increasing problems of enrollment fluctuation and fiscal constraints in the Greater Cincinnati Area.

II. Terms

1. Duration and Termination

The provisions of this Agreement shall be effective beginning July 1, 2001, and shall continue until June 30, 2002.

A review of this Agreement may occur from time to time at the request of any party hereto, provided, all parties to this Agreement are served with written notice of such request at least ninety (90) days prior to said review.

This Agreement may be terminated by any of the four participating institutions, the Ohio Board of Regents, or the Kentucky Council on Postsecondary Education on June 30 of any year, with at least ninety (90) days prior written notice to each of the parties to this agreement.

2. Kentucky Residents Eligibility/Excluded Ohio Programs

The University of Cincinnati agrees to accept at Ohio resident tuition rates at its two-year colleges (Clermont College, College of Evening and Continuing Education, Ohio College of Applied Science, Raymond Walters College, and University College), and Cincinnati State Technical and Community College and Southern State Community College agree to accept at Ohio resident tuition rates, any resident of Bracken, Boone, Campbell, Carroll, Gallatin, Grant, Kenton, and Pendleton Counties of Kentucky who enrolls and who satisfies all regular admission requirements (including those requirements of the specific program in which admission is sought) at the University of Cincinnati or at Cincinnati State Technical and Community College or at Southern State Community College in the associate-level programs not specifically excluded from this agreement.

Majors and/or programs at the University of Cincinnati and Cincinnati State Technical and Community College, and Southern State Community College which are excluded from this Agreement are the following two-year programs otherwise offered at Northern Kentucky University:

- (1) Clermont College: Aviation Technology, Human/Social Services Technology, and Criminal Justice Technology
- (2) College of Evening and Continuing Education: no exclusions
- (3) College of Applied Science: no exclusions
- (4) Raymond Walters: Nursing-RN Technology and Radiological Technology
- (5) University College: Social Services Technology and Criminal Justice Technology
- (6) Cincinnati State Technical and Community College: Nursing and Respiratory Therapy
- (7) Southern State Community College: Nursing

Any program listed above as excluded may, by the joint written consent of the presidents of all four institutions, be included in this Agreement.

In conformance with the limitations set forth in the bullet below, the baccalaureate degree program of the University of Cincinnati subject to provisions of this Agreement is the Honors PLUS program in the College of Business.

- **Reciprocity for the Honors PLUS program at the University of Cincinnati is limited to residents of the eligible northern Kentucky counties with a cap of twenty-five (25) students in courses at any one time.**

3. Ohio Residents Eligibility/Excluded Kentucky Programs

Northern Kentucky University agrees to accept at Kentucky resident tuition rates any resident of Brown, Butler, Clermont, Hamilton, and Warren Counties of Ohio with an associate degree from the University of Cincinnati or from Cincinnati State Technical and Community College or from Southern State Community College, who enrolls and who satisfies all regular transfer admissions requirements (including those requirements of the specific program in which admission is sought) in University baccalaureate degree programs not specifically excluded from this agreement. The majors at Northern Kentucky University excluded from this agreement are Early Childhood Education, **Environmental Science**, Nursing, Social Work, and Justice Studies.

Any program listed above as excluded may, by the joint written consent of the presidents of all four institutions, be included in this agreement.

In conformance with the limitations set forth in the bullet below, the baccalaureate degree program of Northern Kentucky University subject to provisions of this Agreement is the Business Administration program in the College of Business.

- **Reciprocity for the Business Administration program at Northern Kentucky University is limited to residents of the eligible Ohio counties with a cap of twenty-five (25) students in courses at any one time.**

4. Any undergraduate program may, by the joint written consent of the presidents of all four institutions, be included in this agreement. In this context, the word “program” may mean an associate degree program or a baccalaureate degree program.

5. New Programs

a. If any of University of Cincinnati or Cincinnati State Technical and Community College or Southern State Community College initiates a new associate degree program during the period of this agreement, the initiating institution must notify the President of Northern Kentucky University within thirty (30) days of approval of the associate degree program by the Ohio Board of Regents. Northern Kentucky will then have thirty (30) days to notify the Presidents of the University of Cincinnati and Cincinnati State Technical and Community College, and Southern State Community College of whether to exclude that program from those available at Ohio resident tuition rates to residents of Bracken, Boone, Campbell, Carroll, Gallatin, Grant, Kenton, and Pendleton Counties.

If no exclusion is exercised by Northern Kentucky University within thirty (30) days of the receipt of notification, then the new program will be included.

b. If Northern Kentucky University initiates a new baccalaureate program during the period of this agreement, Northern Kentucky University must notify the Presidents of the University of Cincinnati and Cincinnati State Technical and Community College, and Southern State Community College within thirty (30) days of approval of the Baccalaureate Program by the Kentucky Council on Postsecondary Education. The University of Cincinnati and Cincinnati State Technical and Community College, and Southern State Community College will then have thirty (30) days to notify the President of Northern Kentucky University of whether to exclude that program from those available at Kentucky resident tuition rates to residents of Brown, Butler, Clermont, Hamilton, and Warren Counties. If no exclusion is exercised by any of the University of Cincinnati, Cincinnati State Technical and Community College and Southern State Community College within thirty (30) days of the receipt of

notification, then the new program will be included.

- c. In order to timely provide information to students about the applicability of this reciprocity agreement to new degree programs, written permission to include or exclude new programs in this agreement may be granted by the institutions as in Provisions 4a and 4b above, prior to, but contingent upon, approval of the new programs by the Kentucky Council on Postsecondary Education or the Ohio Board of Regents, as appropriate.

6. Resident Status

- a. During the period of this agreement, the Ohio Board of Regents will consider residents of Bracken, Boone, Campbell, Carroll, Gallatin, Grant, Kenton, and Pendleton Counties, who attend the University of Cincinnati or Cincinnati State Technical and Community College, or Southern State Community College under this agreement as qualifying for resident Ohio tuition, and as Ohio residents for the purpose of allocating funds to the University of Cincinnati and Cincinnati State Technical and Community College, and Southern State Community College.
- b. During the period of this agreement, the Kentucky Council on Postsecondary Education will consider residents of Brown, Butler, Clermont, Hamilton, and Warren Counties, who attend Northern Kentucky University under this agreement as qualifying for resident Kentucky tuition, and as Kentucky residents for the purpose of allocating funds to Northern Kentucky University.

7. Continued Eligibility

Once enrolled as a reciprocity student, each student demonstrating satisfactory academic performance under already existing standards and criteria of their institution, will continue to receive reciprocity benefits under this agreement through graduation for the degree in which enrolled, as long as a reciprocity agreement exists. Student participation is subject to the terms and conditions of the reciprocity agreement in effect at the time of initial enrollment, and, in the event of termination, each student will be informed by the enrolling institution of his/her future status and will be permitted, so long as attendance is

continuous, to attend at resident rates for a period of three years beyond the termination date.

8. Notice, Application and Waiver

The availability of resident tuition rates under this agreement shall be advertised to applicants and/or to students of Northern Kentucky University, Cincinnati State Technical and Community College, Southern State Community College or the University of Cincinnati by any means deemed appropriate by those institutions.

All students who want to receive resident tuition rates under this agreement must apply for such rates at the institution where they plan to enroll.

Failure to so apply in the manner required by each institution and in advance of enrollment will constitute a waiver of all rights under the terms of this agreement for the quarter or semester of enrollment and any preceding quarter or semester of enrollment for which no application was made. Each institution will develop a process for applicants to use in order to apply for resident tuition rates under this agreement.

These processes will be written and shared with each institution as well as with the Ohio Board of Regents and the Kentucky Council on Postsecondary Education. The process will also be made available to all potential applicants upon request.

9. Annual Report

By June 30 of each year, Cincinnati State Technical and Community College, Northern Kentucky University, Southern State Community College and the University of Cincinnati agree to provide annual reports to the Kentucky Council on Postsecondary Education and the Ohio Board of Regents on the enrollment and fiscal implications of the Agreement on forms prescribed for the purpose by those state agencies.

III. Ohio Controlling Board Approval

This agreement is not effective unless and until approved by the State of Ohio Controlling Board pursuant to Section 3333.17 of the Ohio Revised Code.

Gordon K. Davies, President
Kentucky Council on Postsecondary Education

Roderick G.W. Chu, Chancellor
Ohio Board of Regents

Date

Date

James C. Votruba, President
Northern Kentucky University

Ron D. Wright, President
Cincinnati State Technical and
Community College

Date

Date

Joseph A. Steger, President
University of Cincinnati

Lawrence M. Dukes
Southern State Community College

Date

Date

GRADUATE TUITION RECIPROCITY AGREEMENT
University of Cincinnati
and
Northern Kentucky University

This tuition reciprocity agreement is entered into between the Kentucky Council on Postsecondary Education and the Ohio Board of Regents, and by Northern Kentucky University Board of Trustees and the University of Cincinnati Board of Trustees pursuant to provisions of Section 3333.17 of the Ohio Revised Code and in compliance with rules and procedures of the aforementioned parties.

I. Purpose

The purposes of this Tuition Reciprocity Agreement are to continue to improve the graduate educational opportunities and to minimize the cost of such improvements for the taxpayers and legislative bodies of both states by cooperative planning and joint educational effort. In addition to increasing graduate student choice and enhancing the academic quality of both participating institutions, this Tuition Reciprocity Agreement aims at minimizing costly duplication of graduate education programs, promoting the maximum use of existing educational facilities, and creatively addressing the increasing problems of enrollment fluctuation and fiscal constraints in the Greater Cincinnati Area.

II. Terms

1. Duration and Termination

The provisions of this Agreement shall be effective beginning July 1, 2001, and shall continue until June 30, 2002.

A review of this Agreement may occur from time to time at the request of any party hereto, provided all parties to this Agreement are served with written notice of such request at least ninety (90) days prior to said review.

Attachment A

This Agreement may be terminated by either of the participating institutions, the Ohio Board of Regents, or the Kentucky Council on Postsecondary Education on June 30 of any year, with at least ninety (90) days prior written notice to each of the parties to this agreement.

2. Kentucky Residents Eligibility/Ohio Program

The University of Cincinnati agrees to accept at Ohio resident tuition rates any resident of Boone, Bracken, Campbell, Carroll, Gallatin, Grant, Kenton, and Pendleton Counties of Kentucky who enrolls and who satisfies all regular graduate admissions requirements (including those requirements of the specific program in which admission is being sought) at the University of Cincinnati in graduate degree programs not specifically excluded from this Agreement.

Degree programs at the University of Cincinnati which are excluded from this Agreement are the Ed.D., M.S.N., M.S.W. and M.D. All certificate programs at the University of Cincinnati are excluded from this agreement.

In conformance with the limitations set forth in the bullet below, degree programs of the University of Cincinnati which are subject to provisions of this Agreement are the Ph.D., D.Sc., D. Mus.Ed., M.Design, D. Musical Arts, M.S., M.B.A., M.Ed., M.M., M.F.A., M.P.A., M.A.T., M.C.P. (Division of Graduate Studies), and J.D. (College of Law).

Reciprocity for the M.Ed. at the University of Cincinnati is limited to residents of the eligible northern Kentucky counties who are employed as full-time K-12 teachers in Ohio, and no more than 25 such individuals may receive reciprocity at one time.

3. Ohio Residents Eligibility/Kentucky Programs

Northern Kentucky University agrees to accept at Kentucky resident tuition rates any resident of Brown, Butler, Clermont, Hamilton, and Warren Counties of Ohio who

Attachment A

enrolls and who satisfies all regular graduate admissions requirements (including those requirements of the specific program in which admission is being sought) at Northern Kentucky University in graduate degree programs not specifically excluded from this Agreement.

The degree programs at Northern Kentucky University which are excluded from this agreement are the **M.S.I.S.**, M.S.N., M.S.W. (Graduate Center), and the Ed.D. in Administration and Supervision (Graduate Center). Except with the joint written consent of the Presidents of the University of Cincinnati and Northern Kentucky University, any program not currently offered through the NKU Graduate Center is also excluded from this Agreement. All certificate programs at Northern Kentucky University are excluded from this agreement.

In conformance with the limitations set forth in the bullets below, degree programs of Northern Kentucky University which are subject to provisions of this Agreement are the M.A. in Education, M.Acc., M.S., M.L.S. (Graduate Center), M.P.A., M.B.A., **M.S.I.S.** and J.D. (Chase College of Law).

N The Chase College of Law will extend tuition reciprocity to at least six (6) new law students each year unless that level of reciprocity would cause the total number of law students receiving reciprocity (including continuing students) to exceed twenty-five (25), in which case the number of new law students receiving reciprocity will be at least the difference between twenty-five (25) and the number of continuing students.

N Reciprocity for the M.A. in Education at Northern Kentucky University is limited to residents of the eligible Ohio counties who are employed as full-time K-12 teachers in Kentucky, and no more than twenty-five (25) such individuals may receive reciprocity at one time.

4. Resident Status

- a. During the period of this agreement, the Ohio Board of Regents will consider residents of Boone, Bracken, Campbell, Carroll, Gallatin, Grant, Kenton, and Pendleton Counties, who attend the University of Cincinnati under this agreement as qualifying for resident Ohio tuition, and as Ohio residents for the purpose of allocating funds to the University of Cincinnati.

- b. During the period of this agreement, the Kentucky Council on Postsecondary Education will consider residents of Brown, Butler, Clermont, Hamilton, and Warren Counties, who attend Northern Kentucky University under this agreement as qualifying for resident Kentucky tuition, and as Kentucky residents for the purpose of allocating funds to Northern Kentucky University.

5. Continued Eligibility

Once enrolled as a reciprocity student, each student demonstrating satisfactory academic performance under already existing graduate standards and criteria of their institution, will continue to receive reciprocity benefits under this agreement through graduation for the degree in which enrolled, as long as a reciprocity agreement exists. Student participation is subject to the terms and conditions of the reciprocity agreement in effect at the time of initial enrollment, and, in the event of termination, each student will be informed by the enrolling institution of his/her future status and will be permitted, so long as attendance is continuous, to attend at resident rates for a period of three years beyond the termination date.

6. Notice, Application, and Waiver

The availability of resident tuition rates under this agreement shall be advertised to applicants and/or to students of Northern Kentucky University and the University of Cincinnati by any means deemed appropriate by those institutions.

All students who want to receive resident tuition rates under this agreement must apply

for such rates at the institution where they plan to enroll.

Failure to so apply in the manner required by each institution and in advance of enrollment will constitute a waiver of all rights under the terms of this agreement for that quarter or semester of enrollment and any preceding quarter or semester of enrollment for which no application was made. Each institution will develop a process for applicants to use in order to apply for resident tuition rates under this agreement.

7. Annual Report

By June 30 of each year, Northern Kentucky University, and the University of Cincinnati agree to provide annual reports to the Kentucky Council on Postsecondary Education and the Ohio Board of Regents on the enrollment and fiscal implications of the Agreement on forms prescribed for the purpose of those state agencies.

III. Ohio Controlling Board Approval

This agreement is not effective unless and until approved by the State of Ohio Controlling Board pursuant to Section 3333.17 of the Ohio Revised Code.

Gordon K. Davies, President
Council on Postsecondary Education

Roderick G.W. Chu, Chancellor
Ohio Board of Regents

Date

Date

James C. Votruba
Northern Kentucky University

Joseph A. Steger, President
University of Cincinnati

Date

Date

**KENTUCKY / OHIO RECIPROCITY AGREEMENT
HEADCOUNT ENROLLMENT
FALL 1996 - 2000**

Appendix A-1

<u>Ohio Students at Kentucky Institutions</u>			<u>Kentucky Students at Ohio Institutions</u>		
	<u>Institution</u>	<u>Enrollment</u>		<u>Institution</u>	<u>Enrollment</u>
Fall 1996	Northern Kentucky University	634		University of Cincinnati	268
				Cincinnati St Tech & Community College	376
				Southern State Community College	
	Total	634		Total	644
Fall 1997	Northern Kentucky University	632		University of Cincinnati	273
				Cincinnati St Tech & Community College	395
				Southern State Community College	
	Total	632		Total	668
Fall 1998	Northern Kentucky University	583		University of Cincinnati	265
				Cincinnati St Tech & Community College	414
				Southern State Community College	-
	Total	583		Total	679
Fall 1999	Northern Kentucky University	537		University of Cincinnati	272
				Cincinnati St Tech & Community College	423
				Southern State Community College	-
	Total	537		Total	695
Fall 2000	Northern Kentucky University	600		University of Cincinnati	234
				Cincinnati St Tech & Community College	421
				Southern State Community College	-
	Total	600		Total	655

KENTUCKY STUDENTS ENROLLED UNDER THE KENTUCKY / OHIO RECIPROCITY AGREEMENT

Appendix A-2

State: Ohio
Term: Fall 2000

Ohio Institution/KY County	Undergraduate				Graduate				Total			
	Full-Time		Part-Time		Full-Time		Part-Time		Full-Time		Part-Time	
	Headcount	Student Credit Hours	Headcount	Student Credit Hours	Headcount	Student Credit Hours	Headcount	Student Credit Hours	Headcount	Student Credit Hours	Headcount	Student Credit Hours
University of Cincinnati												
Boone	12	181	14	67	18	251	2	15	30	432	16	82
Bracken	-	-	-	-	-	-	-	-	-	-	-	-
Campbell	10	143	11	72	18	261	24	94	28	404	35	166
Carroll	-	-	-	-	-	-	-	-	-	-	-	-
Gallatin	-	-	-	-	-	-	-	-	-	-	-	-
Grant	1	12	-	-	-	-	1	6	1	12	1	6
Kenton	28	410	18	107	54	808	21	47	82	1,218	39	154
Pendleton	1	13	-	-	-	-	1	1	1	13	1	1
Total	52	759	43	246	90	1,320	49	163	142	2,079	92	409
Cincinnati State Technical and Community College												
Boone	31	414	51	331	NA	NA	NA	NA	31	414	51	331
Bracken	1	12	-	-	NA	NA	NA	NA	1	12	-	-
Campbell	46	632	71	500	NA	NA	NA	NA	46	632	71	500
Carroll	-	-	1	6	NA	NA	NA	NA	-	-	1	6
Gallatin	-	-	2	13	NA	NA	NA	NA	-	-	2	13
Grant	5	75	6	37	NA	NA	NA	NA	5	75	6	37
Kenton	81	1,092	121	805	NA	NA	NA	NA	81	1,092	121	805
Pendleton	2	24	3	26	NA	NA	NA	NA	2	24	3	26
Total	166	2,249	255	1,718	-	-	-	-	166	2,249	255	1,718
Southern State Community College												
Boone	-	-	-	-	NA	NA	NA	NA	-	-	-	-
Bracken	-	-	-	-	NA	NA	NA	NA	-	-	-	-
Campbell	-	-	-	-	NA	NA	NA	NA	-	-	-	-
Carroll	-	-	-	-	NA	NA	NA	NA	-	-	-	-
Gallatin	-	-	-	-	NA	NA	NA	NA	-	-	-	-
Grant	-	-	-	-	NA	NA	NA	NA	-	-	-	-
Kenton	-	-	-	-	NA	NA	NA	NA	-	-	-	-
Pendleton	-	-	-	-	NA	NA	NA	NA	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-	-
Total	218	3,008	298	1,964	90	1,320	49	163	308	4,328	347	2,127

OHIO STUDENTS ENROLLED UNDER THE KENTUCKY / OHIO RECIPROCITY AGREEMENT

Appendix A-2

State: Kentucky
Term: Fall 2000

<u>KY Institution/Ohio County</u>	<u>Undergraduate</u>				<u>Graduate & First Professional</u>				<u>Total</u>			
	<u>Full-Time</u>		<u>Part-Time</u>		<u>Full-Time</u>		<u>Part-Time</u>		<u>Full-Time</u>		<u>Part-Time</u>	
	<u>Headcount</u>	<u>Student Credit Hours</u>	<u>Headcount</u>	<u>Student Credit Hours</u>	<u>Headcount</u>	<u>Student Credit Hours</u>	<u>Headcount</u>	<u>Student Credit Hours</u>	<u>Headcount</u>	<u>Student Credit Hours</u>	<u>Headcount</u>	<u>Student Credit Hours</u>
Northern Kentucky University												
Brown	23	324	8	61	1	9	1	3	24	333	9	64
Butler	4	54	7	53	1	18	7	39	5	72	14	92
Clermont	95	1,313	39	239	5	57	32	139	100	1,370	71	378
Hamilton	144	1,988	102	625	11	125	99	479	155	2,113	201	1,104
Warren	5	69	6	36	3	33	7	38	8	102	13	74
Total	271	3,748	162	1,014	-	-	146	698	292	3,990	308	1,712

**MEMORANDUM OF UNDERSTANDING
BETWEEN INDIANA AND KENTUCKY
REGARDING TUITION RECIPROCITY
2001-2005**

I. PARTIES

For Indiana: Indiana Commission for Higher Education, University of Southern Indiana, ITSC Regions 11 (Madison/Lawrenceburg), 12 (Evansville/**Community College of Indiana**), and 13 (Sellersburg), Indiana University Southeast, and Purdue Statewide Technology

For Kentucky: Kentucky Council on Postsecondary Education, Henderson Community College, Owensboro Community College, **Owensboro Technical College**, Jefferson Community College, **Jefferson Technical College**, **Northern Kentucky Technical College**, University of Louisville, and Northern Kentucky University

II. PURPOSE

The states of Indiana and Kentucky desire to provide postsecondary opportunities for the residents of designated counties in both states. Under this agreement, eligible students from either state will be able to attend designated institutions in the other state while paying resident tuition rates. This agreement describes how both states will provide such opportunities.

III. PERIOD COVERED BY AGREEMENT

July 1, 2001 – June 30, 2005

IV. ELIGIBLE STUDENTS

- A. To be eligible under the terms of this agreement, students must (1) be legal residents of one of the counties designated by both states as an eligible county, (2) be accepted by the eligible institution, and (3) enroll at that institution.
- B. Eligible students may enroll in any undergraduate or graduate degree program offered by the eligible institution except that eligible students in the southern Indiana and greater Louisville area may enroll only in selected programs at the University of Louisville and Indiana University Southeast. Dental, Medical, and Law programs are not included.
- C. Eligible students may enroll on a full-time or part-time basis.

- D. Eligible students shall be subject to the same general or selective program admission standards as resident students.
- E. Under this agreement, eligible students from one state will be assessed tuition and fees at resident student rates or at rates otherwise specified in this agreement by eligible institutions in the other state.

V. TERMS OF AGREEMENT

A. The states of Indiana and Kentucky

1. Agree that eligible counties shall consist of counties bordering the other state and lying wholly or in part within 30 miles of the county of the eligible institution except that additional counties may be identified elsewhere in the agreement. For the duration of this agreement, eligible counties shall consist of those counties listed in Appendix A.
2. Agree that the public postsecondary institutions that will participate in this agreement are those listed in Appendix A. Each state will publicize the other state's eligible institutions.
3. Agree to treat reciprocity students as resident students when determining appropriations for higher education.
4. Will encourage the University of Louisville and Indiana University Southeast to continue identifying and making available to eligible students selected programs as reciprocity programs. Programs mutually identified by the institutions will be reviewed for recognition by the Indiana Commission for Higher Education and the Kentucky Council on Postsecondary Education. It is the intention of all parties that by 2000-01 all undergraduate and graduate programs offered by the two institutions will be included in the reciprocity agreement.
5. Agree on special terms involving Northern Kentucky University as specified in Appendix B.
6. Will, in the event that this agreement is not renewed, allow enrolled reciprocity students to complete their degree programs with state support at reciprocal rates of tuition or at the then-current rate as otherwise specified in this agreement so long as they maintain continuous enrollment.
7. Will jointly monitor cross-border student flows under this agreement.
8. Will meet periodically to assess the progress of this agreement and to consider changes as might be appropriate.

B. Each participating institution will

1. Treat eligible students as resident students when assessing tuition and fees.
2. Treat eligible students as resident students for admission and placement purposes.
3. Treat eligible students as resident students with respect to registration, refunds, student records, and academic advising.
4. Report eligible student headcount, FTE, and credit hours each academic term to its state agency for higher education.
5. Report eligible students as separately identifiable out-of-state students when reporting enrollment data to its state agency for higher education.
6. Meet periodically with the appropriate state higher education agency to discuss the agreement and its impact, and to recommend changes as might be appropriate.
7. End other financial assistance to nonresident students who under this agreement are eligible students.

VI. RENEWAL OR TERMINATION OF AGREEMENT

- A. This agreement will begin on **July 1, 2001**, and end on June 30, 2005.
- B. The renewal or termination of this reciprocity agreement, effective July 1, 2005, will be announced no later than July 1, 2004.
- C. Prior to July 1, 2004, this agreement may be terminated by any of the participating institutions, by the Indiana Commission for Higher Education, or by the Kentucky Council on Postsecondary Education, on June 30 of any year, provided that each of the parties to the agreement has received written notice of the intention to terminate by the preceding January 1.
- D. In the event of termination, all enrolled reciprocity students will be allowed to complete their degree programs with state support at reciprocal rates of tuition or at the then-current rate as otherwise specified in this agreement so long as they maintain continuous enrollment.

Appendix A

ELIGIBLE INSTITUTIONS AND COUNTIES

**Indiana Institutions and
Kentucky Counties**

University of Southern Indiana
(Evansville)

Daviess County
Hancock County
Henderson County
Union County

Ivy Tech State College
Region 12 (Evansville)

Community College of Indiana

Daviess County
Hancock County
Henderson County
Union County

Indiana University-Southeast
including Purdue Statewide
Technology

Bullitt County
Jefferson County
Oldham County

Ivy Tech State College
Region 13 (Sellersburg)

Bullitt County
Jefferson County
Oldham County

Ivy Tech State College
Region 11 (Madison)

Boone County
Carroll County
Gallatin County
Trimble County

**Kentucky Institutions and
Indiana Counties**

Henderson Community College

Perry County
Posey County
Spencer County
Vanderburgh County
Warrick County

Owensboro Community College

Perry County
Posey County
Spencer County
Vanderburgh County
Warrick County

Owensboro Technical College

Perry County
Posey County
Spencer County
Vanderburgh County
Warrick County

University of Louisville

Clark County
Crawford County
Floyd County
Harrison County
Scott County
Washington County

Jefferson Community College

Clark County
Crawford County
Floyd County
Harrison County
Scott County
Washington County

Attachment B

Jefferson Technical College

Clark County

Crawford County

Floyd County

Harrison County

Scott County

Washington County

**Northern Kentucky Technical
College**

Dearborn County

Franklin County

Jefferson County

Ohio County

Ripley County

Switzerland County

Northern Kentucky University

Dearborn County

Franklin County

Jefferson County

Ohio County

Ripley County

Switzerland County

Appendix B

NORTHERN KENTUCKY UNIVERSITY

1. From 1997-98 through 2000-01, the State of Indiana will pay Northern Kentucky University \$280,000/year in partial reimbursement for the enrollment of students from eligible Indiana counties.
2. Beginning in 1997-98, Northern Kentucky University will admit all students from eligible Indiana counties who meet undergraduate and graduate admission requirements. The University will treat these students as reciprocity students in all respects except tuition charges.
3. From 1997-98 through 2001-02, Northern Kentucky University will reduce the tuition charged undergraduate and graduate students from eligible Indiana counties to these levels: 210% of resident rates in 1997-98, 195% of resident rates in 1998-99, 175% of resident rates in 1999-2000, 155% of resident rates in 2000-01, and 130% of resident rates in 2001-02.
4. Beginning in 2002-03, Northern Kentucky University will charge all students from eligible Indiana counties the same tuition as is charged Kentucky resident students.
5. Beginning in 2001-02, the State of Indiana will reduce its payment to Northern Kentucky to these levels: \$240,000 in 2001-02, \$180,000 in 2002-03, \$100,000 in 2003-04, and \$0 in 2004-05 and subsequent years.
6. At such time as the Kentucky legislature begins to treat reciprocity students from Indiana as resident students when determining Northern Kentucky University's financial needs, the schedule for reducing State of Indiana payments to NKU will be reviewed for possible changes.

**KENTUCKY/INDIANA RECIPROCITY AGREEMENT
HEADCOUNT ENROLLMENT
FALL 1996 - 2000**

Appendix B-1

	<u>Indiana Students at Kentucky Institutions</u>		<u>Kentucky Students at Indiana Institutions</u>	
	<u>Institution</u>	<u>Enrollment</u>	<u>Institution</u>	<u>Enrollment</u>
Fall 1996	University of Louisville	128	University of Southern Indiana	222
	Henderson Community College	60	Ivy Tech State College-Evansville	110
	Owensboro Community College	91	Indiana University - Southeast	61
	Total	279	Total	393
Fall 1997	University of Louisville	161	University of Southern Indiana	294
	Henderson Community College	47	Ivy Tech State College-Evansville	136
	Owensboro Community College	91	Ivy Tech State College-Sellersburg	93
	Jefferson Community College	14	Ivy Tech State College-Madison	44
	Northern Kentucky University	290	Indiana University - Southeast	165
	Total	603	Total	732
Fall 1998	University of Louisville	486	University of Southern Indiana	392
	Henderson Community College	40	Ivy Tech State College-Evansville	115
	Owensboro Community College	80	Ivy Tech State College-Sellersburg	170
	Jefferson Community College	89	Ivy Tech State College-Madison	44
	Northern Kentucky University	315	Indiana University - Southeast	486
	Total	1,010	Total	1,207
Fall 1999	University of Louisville	731	University of Southern Indiana	396
	Henderson Community College	39	Ivy Tech State College-Evansville	96
	Owensboro Community College	95	Ivy Tech State College-Sellersburg	195
	Jefferson Community College	63	Ivy Tech State College-Madison	58
	Northern Kentucky University	357	Indiana University - Southeast	780
	Total	1,285	Total	1,525
Fall 2000	University of Louisville	732	University of Southern Indiana	390
	Henderson Community College	56	Ivy Tech State College-Evansville	96
	Owensboro Community College	93	Ivy Tech State College-Sellersburg	249
	Jefferson Community College	49	Ivy Tech State College-Madison	73
	Northern Kentucky University	380	Indiana University - Southeast	1,073
	Owensboro Technical College	23		
	Jefferson Technical College	68		
	Total	1,401	Total	1,881

KENTUCKY STUDENTS ENROLLED UNDER THE KENTUCKY / INDIANA RECIPROCITY AGREEMENT

Appendix B-2

State: Indiana
Term: Fall 2000

IN Institution/ KY County	Undergraduate				Graduate				Total			
	Full-Time		Part-Time		Full-Time		Part-Time		Full-Time		Part-Time	
	Headcount	Student Credit Hours	Headcount	Student Credit Hours	Headcount	Student Credit Hours	Headcount	Student Credit Hours	Headcount	Student Credit Hours	Headcount	Student Credit Hours
University of Southern Indiana												
Daviess	50	700	16	102	4	42	4	21	54	742	20	123
Hancock	14	210	2	17	-	-	-	-	14	210	2	17
Henderson	155	2,210	68	416	3	39	19	78	158	2,249	87	494
Union	36	529	14	93	3	30	2	9	39	559	16	102
Total	255	3,649	100	628	10	111	25	108	265	3,760	125	736
Ivy Tech State College - Evansville												
Daviess	5	65	26	198	NA	NA	NA	NA	5	65	26	198
Hancock	2	24	2	6	NA	NA	NA	NA	2	24	2	6
Henderson	20	256	36	220	NA	NA	NA	NA	20	256	36	220
Union	-	-	5	32	NA	NA	NA	NA	-	-	5	32
Total	27	345	69	456	NA	NA	NA	NA	27	345	69	456
Ivy Tech State College - Sellersburg												
Bullitt	5	65	11	43	NA	NA	NA	NA	5	65	11	43
Jefferson	28	362	182	767	NA	NA	NA	NA	28	362	182	767
Oldham	7	88	16	61	NA	NA	NA	NA	7	88	16	61
Total	40	515	209	871	NA	NA	NA	NA	40	515	209	871
Ivy Tech State College - Madison												
Boone	-	-	1	8	NA	NA	NA	NA	-	-	1	8
Carroll	6	75	17	91	NA	NA	NA	NA	6	75	17	91
Gallatin	1	12	-	-	NA	NA	NA	NA	1	12	-	-
Trimble	18	240	30	137	NA	NA	NA	NA	18	240	30	137
Total	25	327	48	236	NA	NA	NA	NA	25	327	48	236
Indiana University - Southeast												
Bullitt	16	209	16	65	-	-	14	56	16	209	30	121
Jefferson	342	4,533	367	1,990	2	25	240	998	344	4,558	607	2,988
Oldham	24	308	24	138	-	-	28	105	24	308	52	243
Total	382	5,050	407	2,193	2	25	282	1,159	384	5,075	689	3,352
Total	729	9,886	833	4,384	12	136	307	1,267	741	10,022	1,140	5,651

INDIANA STUDENTS ENROLLED UNDER THE KENTUCKY / INDIANA RECIPROCITY AGREEMENT

Appendix B-2

State: Kentucky
Term: Fall 2000

KY Institution/IN County	Undergraduate				Graduate				Total			
	Full-Time		Part-Time		Full-Time		Part-Time		Full-Time		Part-Time	
	Headcount	Student Credit Hours	Headcount	Student Credit Hours	Headcount	Student Credit Hours	Headcount	Student Credit Hours	Headcount	Student Credit Hours	Headcount	Student Credit Hours
University of Louisville												
Clark	179	2,478	74	471	24	263	25	94	203	2,741	99	565
Crawford	14	192	5	29	-	-	1	3	14	192	6	32
Floyd	167	2,324	59	357	23	288	29	114	190	2,612	88	471
Harrison	87	1,223	14	80	2	26	2	12	89	1,249	16	92
Scott	16	215	8	58	1	18	2	9	17	233	10	67
Total	463	6,432	160	995	50	595	59	232	513	7,027	219	1,227
Henderson Community College												
Perry	1	16	1	7	NA	NA	NA	NA	1	16	1	7
Posey	1	12	-	-	NA	NA	NA	NA	1	12	-	-
Vanderburgh	13	166	28	125	NA	NA	NA	NA	13	166	28	125
Warrick	5	62	7	44	NA	NA	NA	NA	5	62	7	44
Spencer	-	-	-	-	NA	NA	NA	NA	-	-	-	-
Total	20	256	36	176	NA	NA	NA	NA	20	256	36	176
Owensboro Community College												
Perry	31	411	16	107	NA	NA	NA	NA	31	411	16	107
Posey	-	-	-	-	NA	NA	NA	NA	-	-	-	-
Vanderburgh	2	24	-	-	NA	NA	NA	NA	2	24	-	-
Warrick	1	15	1	1	NA	NA	NA	NA	1	15	1	1
Spencer	24	331	18	112	NA	NA	NA	NA	24	331	18	112
Total	58	781	35	220	NA	NA	NA	NA	58	781	35	220
Jefferson Community College												
Clark	3	39	17	88	NA	NA	NA	NA	3	39	17	88
Crawford	-	-	1	3	NA	NA	NA	NA	-	-	1	3
Floyd	3	37	22	119	NA	NA	NA	NA	3	37	22	119
Harrison	-	-	2	15	NA	NA	NA	NA	-	-	2	15
Jefferson	-	-	1	6	NA	NA	NA	NA	-	-	1	6
Scott	-	-	-	-	NA	NA	NA	NA	-	-	-	-
Total	6	76	43	231	NA	NA	NA	NA	6	76	43	231
Owensboro Technical College												
Perry	3	58	7	43	NA	NA	NA	NA	3	58	7	43
Posey	-	-	-	-	NA	NA	NA	NA	-	-	-	-
Vanderburgh	-	-	2	6	NA	NA	NA	NA	-	-	2	6
Warrick	-	-	-	-	NA	NA	NA	NA	-	-	-	-
Spencer	4	62	7	69	NA	NA	NA	NA	4	62	7	69
Total	7	120	16	118	NA	NA	NA	NA	7	120	16	118

INDIANA STUDENTS ENROLLED UNDER A RECIPROCITY AGREEMENT

State: Kentucky
Term: Fall 2000

<u>KY Institution/IN County</u>	<u>Undergraduate</u>				<u>Graduate</u>				<u>Total</u>			
	<u>Full-Time</u>		<u>Part-Time</u>		<u>Full-Time</u>		<u>Part-Time</u>		<u>Full-Time</u>		<u>Part-Time</u>	
	<u>Headcount</u>	<u>Student Credit Hours</u>	<u>Headcount</u>	<u>Student Credit Hours</u>	<u>Headcount</u>	<u>Student Credit Hours</u>	<u>Headcount</u>	<u>Student Credit Hours</u>	<u>Headcount</u>	<u>Student Credit Hours</u>	<u>Headcount</u>	<u>Student Credit Hours</u>
Jefferson Technical College												
Clark	12	183	17	101	NA	NA	NA	NA	12	183	17	101
Crawford	-	-	-	-	NA	NA	NA	NA	-	-	-	-
Floyd	6	92	21	122	NA	NA	NA	NA	6	92	21	122
Harrison	3	47	5	22	NA	NA	NA	NA	3	47	5	22
Jefferson	-	-	2	13	NA	NA	NA	NA	-	-	2	13
Scott	1	14	1	7	NA	NA	NA	NA	1	14	1	7
Total	22	336	46	265	NA	NA	NA	NA	22	336	46	265
Northern Kentucky University												
Dearborn	226	3,163	43	276	-	-	6	28	226	3,163	49	304
Franklin	20	271	3	18	-	-	-	-	20	271	3	18
Jefferson	4	73	-	-	-	-	-	-	4	73	-	-
Ohio	14	202	3	16	-	-	-	-	14	202	3	16
Ripley	42	575	8	69	1	11	-	-	43	586	8	69
Switzerland	9	127	1	6	-	-	-	-	9	127	1	6
Total	315	4,411	58	385	1	11	6	28	316	4,422	64	413
Total	891	12,412	394	2,390	51	606	65	260	942	13,018	459	2,650

REVIEW OF SPACE PLANNING GUIDELINES

The council used the Kentucky space-planning guidelines to evaluate the need for new or renovated space at the public colleges and universities for the 2000-02 capital projects recommendation. Following the 2000 session of the General Assembly, the council requested the Strategic Committee on Postsecondary Education to review postsecondary education funding processes. The result was a set of points of consensus for the 2002-04 operating and capital requests submitted to SCOPE by the university presidents, the president of the Kentucky Community and Technical College System, and the council president. The council endorsed the points of consensus February 5, 2001.

According to the points of consensus, the space-planning model was to be reviewed in the areas of research space and the quality of space, in general, including fitness for purpose. The council contracted with Paulien and Associates Inc., the firm that did the original work on the guidelines, to revise the guidelines for research space at the doctoral universities.

Daniel K. Paulien and the council staff toured the University of Kentucky and the University of Louisville campuses in April. Mr. Paulien will attend the May Finance Committee meeting and present his proposed revisions to the guidelines for research space.

This item is for discussion only. During the next 60 days, the staff will discuss the proposed revisions to the guidelines for research space with institutional representatives, the executive branch, and the Legislative Research Commission staff. The council staff will recommend revisions to the space-planning guidelines at the July 30 council meeting.



Adjustments to Research Component Of Kentucky Space Needs Model

Presented by

Daniel K. Paulien, President

Paulien & Associates, Inc.

Denver, Colorado

Q What is the current research model?

A The current model uses 700 ASF/\$100,000 of research expenditures as reported in the Integrated Postsecondary Education Data Survey (IPEDS). The same model is used for both the doctoral and comprehensive universities.

Q Can a single model fit a Top 20 flagship university and a metropolitan doctoral university?

A Yes. Their benchmark institutions have similar characteristics based on total sponsored research volume. A sliding-scale model based on amount of total research dollars is appropriate.



Q What dollars should be counted in the model?

A The consultant recommends that the model be based on total non-institutional R & D dollars as reported in the National Science Foundation (NSF) survey. These include federal, state and local government grants, industry and foundation funding.

Q Why not include institutional dollars?

A Recent changes in accounting conventions ask the institutions to allocate dollars to research based on percentage of effort of faculty (self-identified). NSF also allows unreimbursed indirect overhead to be included. These are not reliable indicators of research lab space needs and cannot be compared with as much confidence across institutions.



Q How do UK and UofL compare with their benchmark institutions?



A UK and UofL have more space per \$100,000 of non-institutional research expenditures than any of their benchmark institutions. They also have relatively low total non-institutional research expenditures.



Q Do institutions need less space per \$100,000 as their sponsored research grows?



A Yes. There were substantial differences between benchmark institutions with low sponsored research dollars and those with expenditures above \$100,000,000.

Comparative Data

	1999					
	Existing R & D Space in ASF	Non-Institutional R & D Dollars	Federal R & D Dollars	% Federal of Non-Institutional R & D Dollars	ASF per \$100,000 Non-Institutional R & D	Proposed Model ASF using Non-Institutional R & D Dollars
University of Louisville	317,093	\$28,892	\$15,536	53.8%	1098	260,028
University of Kentucky, All Campuses	742,009	\$95,226	\$66,184	69.5%	779	721,356
0 - 50 Million Non-Institutional R & D Dollars						
University of Nevada-Reno	255,371	\$29,785	\$24,587	82.5%	857	268,065
Sub-group Average	255,371	\$29,785	\$24,587	82.5%	857	268,065
51 - 100 Million Non-Institutional R & D Dollars						
University of South Carolina, All Campuses	356,945	\$58,338	\$48,490	83.1%	612	500,028
University of Missouri, Columbia	564,388	\$81,371	\$53,875	66.2%	694	638,226
Sub-group Average	460,667	\$69,855	\$51,183	73.3%	653	569,127
Over 100 Million Non-Institutional R & D Dollars						
University of Virginia - All Campuses	603,547	\$141,431	\$108,495	76.7%	427	874,293
University of Iowa	790,567	\$159,040	\$122,638	77.1%	497	927,120
North Carolina State University at Raleigh	879,419	\$195,426	\$66,310	33.9%	450	1,036,278
University of Maryland at College Park	660,488	\$200,720	\$145,081	72.3%	329	1,052,160
University of North Carolina at Chapel Hill	627,413	\$203,392	\$182,935	89.9%	308	1,060,176
University of Alabama at Birmingham	623,577	\$213,919	\$165,223	77.2%	292	1,091,757
University of Arizona	883,221	\$215,746	\$178,126	82.6%	409	1,097,238
University of Florida	1,240,305	\$226,728	\$122,296	53.9%	547	1,130,184
University of Texas at Austin	785,434	\$226,902	\$164,913	72.7%	346	1,130,706
University of Pittsburgh, All Campuses	592,029	\$227,074	\$194,618	85.7%	261	1,131,222
University of Illinois at Urbana-Champaign	1,478,277	\$251,399	\$185,767	73.9%	588	1,204,197
Ohio State University, All Campuses	1,298,290	\$263,400	\$135,216	51.3%	493	1,240,200
University of Minnesota - All Campuses	1,507,957	\$309,805	\$207,761	67.1%	487	1,379,415
University of California-Los Angeles	918,843	\$369,531	\$251,999	68.2%	249	1,558,593
University of Michigan - All Campuses	1,536,959	\$405,547	\$334,226	82.4%	379	1,666,641
University of Washington - Seattle	1,217,920	\$440,143	\$368,112	83.6%	277	1,770,429
Sub-group Average	977,765	\$253,138	\$183,357	72.4%	396	1,209,413

Note A: All dollars in thousands, while all non-dollar numbers are Assignable Square Feet (ASF).
 Note B: Non-institutional R & D includes Federal, State, Local, Industry, and other as reported on NSF 1999 survey.
 Note C: Space data from survey conducted by University of North Carolina or Consultant calls to institutional officials.

Proposed Model:
 1st \$50m ratio 900 ASF per \$100,000 of non-institutional R & D
 next \$50m ratio 600 ASF per \$100,000 of non-institutional R & D
 amounts > \$100m ratio 300 ASF per \$100,000 of non-institutional R & D

Proposed Model

Assignable Square Feet per \$100,000 of Non-Institutional R&D

	<u>Benchmark Average</u>	<u>Proposed Model</u>
Up to \$50,000,000	857	900
\$50,000,001 to \$100,000,000	653	600
Over \$100,000,000	396	300

Stair step recommended so all three factors apply to any university above \$100,000,000. Model findings will average more than 600 SF/\$100,000 when above \$50,000,000 and more than 300 SF/\$100,000 when above \$100,000,000.

Q Are UK and UofL likely to substantially increase their research?

A Yes. Both have recruited established researchers (some with functioning centers) from major universities. The Kentucky Innovation Commission and the “Bucks for Brains” endowment match program should help attract other productive researchers.

University of Kentucky

Model Findings

Current Fund Expenditures
For Separately Budgeted Research and Development
By Fund Source and Consistent with NSF Definitions

Institution: University of Kentucky

Source of Funds	FY 1999	FY 2000	Projected R&D Expenditures			
			FY 2001	FY 2002	FY 2004	FY 2006
1. Federal government	\$ 66,184,000	\$ 73,858,000	\$ 80,062,072	\$ 86,787,286	\$ 101,979,921	\$ 119,832,118
2. State and local governments	11,297,000	19,276,000	12,000,000	12,000,000	12,000,000	12,000,000
3. Industry	15,109,000	11,213,000	11,200,000	11,760,000	12,965,400	14,294,354
4. Institution Funds:						
(i) Institutionally financed organized research	41,889,000	44,508,000	47,178,480	50,009,189	56,190,324	63,135,448
(ii) Unreimbursed indirect costs and related sponsored research	36,919,000	41,440,000	43,926,400	46,561,984	52,317,045	58,783,432
5. All other sources	2,636,000	12,097,000	2,500,000	2,500,000	2,500,000	2,500,000
Total R&D - by source of funds	\$ 174,034,000	\$ 202,392,000	\$ 196,866,952	\$ 209,618,459	\$ 237,952,690	\$ 270,545,352
Non-Institutional R & D Funds	\$ 95,226,000	\$ 116,444,000	\$ 105,762,072	\$ 113,047,286	\$ 129,445,321	\$ 148,626,472
Research & Development Assignable Square Footage						
Projected R & D ASF needs based on Model	721,356	799,332	767,286	789,142	838,336	895,879
Existing Research Space	742,009	742,009	742,009	742,009	757,009	846,009
Authorized Additional R & D Space				15,000	89,000	
Revised Existing Research space	742,009	742,009	742,009	757,009	846,009	846,009
Space Need or (Surplus)	(20,653)	57,323	25,277	32,133	(7,673)	49,870

University of Louisville

Model Findings

Current Fund Expenditures
For Separately Budgeted Research and Development
By Fund Source and Consistent with NSF Definitions

Institution: University of Louisville

Source of Funds	FY 1999	FY 2000	Projected R&D Expenditures			
			FY 2001	FY 2002	FY 2004	FY 2006
1. Federal government	\$ 15,536,000	\$ 17,713,000	\$ 19,838,560	\$ 28,800,000	\$ 36,126,720	\$ 45,317,358
2. State and local governments	1,144,000	1,564,000	1,798,600	2,068,390	2,735,446	3,617,627
3. Industry	6,100,000	6,532,000	6,989,240	7,478,487	8,562,120	9,802,771
4. Institution Funds:						
(i) Institutionally financed organized research	21,808,000	27,944,000	30,738,400	33,812,240	40,912,810	49,504,501
(ii) Unreimbursed indirect costs and related sponsored research	6,351,000	5,503,000	5,227,850	5,280,129	5,280,129	5,280,129
5. All other sources	6,112,000	4,806,000	4,565,700	4,611,357	4,611,357	4,611,357
Total R&D - by source of funds	\$ 57,051,000	\$ 64,062,000	\$ 69,158,350	\$ 82,050,603	\$ 98,228,582	\$ 118,133,743
Non-Institutional R & D Funds	\$ 28,892,000	\$ 30,615,000	\$ 33,192,100	\$ 42,958,234	\$ 52,035,643	\$ 63,349,113
Research & Development Assignable Square Footage						
Projected R & D ASF needs based on Model	260,028	275,535	298,729	386,624	462,214	530,095
Existing Research Space	317,093	317,093	317,093	317,093	317,093	363,185
Authorized Additional R & D Space					46,092	
Revised Existing Research space	<u>317,093</u>	<u>317,093</u>	<u>317,093</u>	<u>317,093</u>	<u>363,185</u>	<u>363,185</u>
Space Need or (Surplus)	(57,065)	(41,558)	(18,364)	69,531	99,029	166,910



Q Will UK and UofL need more research space?



A The model will support more research space at UK and UofL if they achieve the productivity ratios of their benchmark institutions which have larger sponsored dollar amounts.



Q What about obsolete research space?



A Both universities showed the consultant research lab space that is 40 or more years old. The space does not function effectively. Research space should be updated every 20 to 25 years.



Q Should this model be applied to the comprehensive universities?



A No. They do not consistently report to NSF. As long as they retain their mission and sponsored research is not pervasive, the current model is appropriate.

State law requires each agency, including the council and the public universities and colleges, to submit a six-year capital plan to the Capital Planning Advisory Board in each odd-numbered year. Any capital project with an estimated cost of \$400,000 or more or any equipment purchase with an estimated cost of \$100,000 or more must be included. The 2002-08 agency plans can be revised until October 2001.

The council's 2002-08 plan should include agency projects as well as any central project pools for the universities and colleges. The projects listed in the first biennium of the 2002-08 plan generally will evolve into the 2002-04 capital requests. The council will approve a 2002-04 capital recommendation in November.

Overview

The Council on Postsecondary Education is responsible for the general planning and oversight of Kentucky's system of public postsecondary education. The council will continue to use space guidelines to evaluate the need for new or renovated space. The council will also contract with a professional to evaluate the physical condition and the functional utility of existing space.

Council: Capital Needs

No capital construction projects or major equipment purchases are expected to exceed spending thresholds. The council, the virtual university, and the virtual library are exploring ways to use space more efficiently to absorb an impending rent increase.

Statewide Capital Priorities: Centralized Pools

The capital plan includes three centralized project pools for the universities and colleges as well as two technology initiative projects. The council staff may recommend that the projects be funded as part of the trust funds, except for the agency bond pool, as follows:

- **Physical Facilities Trust Fund**
Capital Renewal and Maintenance Bond Pool. The capital plan includes a \$30-million pool of state funds for each biennium, to be matched by the institutions, for capital renewal and maintenance. The match may vary depending on an institution's history of maintaining its campus. The specific projects that may be funded will be included in the institutions' 2002-08 six-year capital plans.
- **Technology Initiative Trust Fund**
Instructional and Research Equipment Replacement Pool. The capital plan includes a \$20-million pool for 2002-04 for the institutions to replace classroom instructional and research equipment. For 2002, the council required institutions to match the funds that are used to purchase research equipment.

Kentucky Postsecondary Education Network Enhancement. The capital plan includes a \$20 million project for 2002-04 to enhance and expand the Kentucky Postsecondary Education Network. The KPEN rides on the Kentucky Information Highway, a high-speed ATM network.

Centralized Learning Services Project. The council's capital plan includes \$600,000 for 2002-04 for a centralized learning services project. The project includes two platform servers and 10 video-streaming auxiliary servers. The equipment would provide continual, centralized technical support and a one-password logon for students taking Web-based courses. The equipment would accommodate instructional courses regardless of the learning platform used. The project would bring both KYVU and non-KYVU courses to a series of central servers, reducing cost to institutions and improving delivery. Council staff has had only preliminary discussions with some institutions and will decide this summer whether to recommend including this project in the capital request.

Agency Bond Pool

The General Assembly has consistently supported the issuance of agency bonds by the universities and colleges for non-instructional capital needs. The capital plan includes a \$75-million agency bond pool for each biennium for colleges and universities. The agency bond pool would allow the institutions to fund capital projects related to auxiliary and revenue producing enterprises. Debt service for these bonds would be supported with agency funds. The specific projects that may be funded as part of this bond pool will be included in the institutions' 2002-08 six-year capital plans.

ENDOWMENT MATCH PROGRAM GUIDELINES

Recommendation

The staff recommends that the council revise the 2000-02 Endowment Match Program guidelines as follows:

~~Matching funds may not be from any state-funded trust fund.~~ *Matching funds must be from external sources. General Fund appropriations and student-derived revenues (for example, tuition and fees revenue) are not eligible for matching funds.*

Background

The auditor of public accounts issued a report on the implementation of the Endowment Match Program in October 2000. In the 2001 session of the General Assembly, the House of Representatives passed a resolution regarding the Endowment Match Program (HR1). The council president has formally responded to all the recommendations of the state auditor.

Both the auditor's report and the resolution request the council to exclude state-generated and university-affiliated dollars as matching funds. The council's approved 2000-02 Trust Fund Guidelines state that matching funds may not come from any state-funded trust fund. But the council staff has not approved any matching funds from state-appropriated dollars. The staff recommends that the council amend the guidelines to state clearly that matching funds must be from external sources. This revision would apply to the remaining 2000-02 unmatched appropriation (about \$53 million of the \$120 million appropriated) and to any future appropriations made by the Commonwealth to the Endowment Match Program.

In Mr. Davies' response to the auditor, he said that the council continues to believe that some state-generated or university-affiliated dollars can be used to match the endowment program funds. Some university foundations, whose primary purpose is generally to raise funds for the institution, are affiliated corporations.

**UNIVERSITY OF KENTUCKY
ARBORETUM VISITOR EDUCATION CENTER PHASE I**

ACTION
Agenda Item H-7
May 21, 2001

Recommendation

The staff recommends that the council approve the University of Kentucky's request to construct Phase I of an Arboretum Visitor Education Center with \$563,385 in private money.

Background

The council has the statutory responsibility to review and approve postsecondary education capital construction projects costing \$400,000 or more regardless of fund source. The University of Kentucky proposes that the visitor center be the first of several structures built at the arboretum. The first phase includes constructing one wing of the planned Arboretum Visitor Education Center: 3,000 square feet to house a gift shop, storage, administrative functions, and a multipurpose room. The second phase includes a children's garden, an amphitheater, and completing the visitor education center.

The University of Kentucky has certified that funding for the project will be available from private sources (\$563,385). The institution estimates that, when completed, the center will require \$14,400 in annual operation and maintenance costs. The university may ask for state funds to pay some of these costs in its 2002-04 biennial budget request.

Following council action, the staff will forward the council's recommendation to the secretary of the Finance and Administration Cabinet and to the Capital Projects and Bond Oversight Committee.

**MURRAY STATE UNIVERSITY
AGENCY BOND POOL AUTHORITY
RENOVATION OF HART HALL WATERLINES**

ACTION
Agenda Item H-8
May 21, 2001

Recommendation

The staff recommends that the council authorize \$1,500,000 from the 2000-02 agency bond pool to Murray State University for an emergency waterline project in Hart Hall. The staff also recommends that Eastern Kentucky University be commended for volunteering to reduce its agency bond authorization to assist Murray State University.

Background

Murray State University has requested agency bond authority for an emergency project to replace the waterlines in Hart Hall, a student dormitory. MuSU has requested authorization to issue \$1.5 million in agency bonds for the project. The project would replace all domestic water supply lines, water closets, sinks, and showers in Hart Hall, and the failing heating boiler in Franklin Hall. Connections will be installed for the fire pumps in Hart, White, and Regents halls.

The 2000-02 Appropriations Bill (House Bill 502) enacted by the 2000 General Assembly authorized a \$35-million agency bond pool for postsecondary education institutions. Debt service is to be paid by revenue other than the state General Fund.

The council approved the allocation of the entire \$35-million agency bond pool at its September 18 and November 13, 2000, meetings. The allocations did not include funds for this emergency project. Eastern Kentucky University has volunteered to reduce the scope of its capital project for Fraternity Row housing so MuSU can issue agency bonds for the emergency project. ECU is reducing the scope of its housing project from \$4 million to \$2.5 million (\$2.3 million agency bonds and \$200,000 restricted agency funds). The ECU project includes building the first phase of the fraternity housing.

The reallocation of \$1.5 million of agency bond authority from ECU to MuSU will keep the council recommendation within the total legislatively authorized agency bond amount of \$35 million. MuSU plans to issue the agency bonds in June 2001. The debt service for the Hart Hall waterline project will be funded from housing revenue.

Following council action, the staff will forward the council's recommendation to the secretary of the Finance and Administration Cabinet and to the Capital Projects and Bond Oversight Committee.

2000-2002 CAPITAL PROJECTS
AGENCY BOND POOL PROJECT DESCRIPTION
May 21, 2001, Council Meeting

Eastern Kentucky University

Revised - Greek Housing Development (total agency bond authority \$2.3 million) - This project provides for the development of the first phase of a Fraternity Row. It will install infrastructure for the total housing development. However, the scope of the project will be reduced to accommodate the reduction in available funds. The original project included six structures designed to house 25 students each. Total project scope is \$4 million but is reduced to \$2.5 million (\$2.3 million agency bonds and \$200,000 restricted agency funds).

Murray State University

Renovate Hart Hall Dormitory Waterlines (total agency bond authority \$1.5 million) - This project provides for the renovation of Hart Hall waterlines and is an emergency repair that address three critical needs in the residence hall. The project will replace all domestic water supply lines, water closets, sinks, and showers, as well as allowing for various related repairs. Also, the project will replace the failing heating boiler in Franklin Hall and install the electrical tap connections for the fire pumps in Hart Hall, White Hall, and Regents Hall. Total project scope is \$1.5 million.