

AGENDA

Council on Postsecondary Education

November 3, 2003

9:30 a.m. (ET)

Room 006, Hartford Building, Jefferson Community College

649 South First Street, Louisville, KY

**8:30 a.m. – Tour of the Ahrens Adult Learning Center and Jefferson Community College
(see maps and directions in back of agenda book)**

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MINUTES
Council on Postsecondary Education
September 22, 2003

The Council on Postsecondary Education met September 22, 2003, at 12:30 p.m. at the Cincinnati Airport Marriott in Hebron, Kentucky. Chair Barger presided.

ROLL CALL

The following members were present: Walter Baker, Steve Barger, Bart Darrell, J. P. Davis, Richard Freed, Ronald Greenberg, John Hall, Esther Jansing, Charlie Owen, Joan Taylor, Lois Combs Weinberg, Charles Whitehead, and Gene Wilhoit. Norma Adams, Peggy Bertelsman, and Susan Guess did not attend.

A moment of silence was observed in remembrance of Otis Singletary, former president of the University of Kentucky.

**APPROVAL OF
MINUTES
FOCUS ON REFORM:
ANNUAL REPORT
FROM AIKCU**

The minutes of the July 28 meeting were approved as distributed.

As part of the Council's focus on reform, Gary Cox, president of the Association of Independent Kentucky Colleges and Universities, gave an annual report on independent higher education in Kentucky. He said that the association represents 19 non-profit institutions across the state, educating about 25,000 students, offering 125 degree programs, and awarding about 4,800 annual degrees. The institutions are diverse, ranging from open admissions to highly selective institutions with a published tuition range of \$0 to \$20,400. Dr. Cox said that there is a misconception about the financial condition of students who attend independent colleges. He said that 43 percent of enrolled students receive a federal grant for low-income students. Nearly 100 percent of the full-time freshmen receive some form of financial aid, with more than half the financial aid funds coming from the independent institutions. He noted that Berea College and Alice Lloyd College are both work colleges (two of six such colleges around the country) and do not charge tuition. The independent institutions provide an array of programs and partnerships to strengthen economic development of their regions and are working to broaden partnerships with the Council and the state colleges and universities, including expansion of opportunities in Owensboro and transfer agreements with KCTCS and other institutions. Dr. Cox said that the independent institutions face many of the same challenges of the public institutions, such as rising costs and growing tuition discount rate, and are working together to improve service and reduce costs.

Dr. Cox concluded with three recommendations to the Council: to maintain a strong commitment to state student aid programs; to evaluate the impact of postsecondary policies and initiatives on independent institutions; and to include independent institutions in state initiatives aimed at reducing costs, increasing enrollment, improving access, and

enhancing quality.

Dr. Cox invited the Council to hold a meeting annually on an independent college campus.

Mr. Greenberg said that the independent colleges and universities provide a great service to Kentucky in providing a significant amount of training in the allied health fields. He suggested involving independent institutions in a state-funded pilot project to further develop this opportunity.

Dr. Freed asked Dr. Cox to provide additional information on the diversity of the independent institutions and how this diversity affects the information provided in the annual report.

2004-06 OPERATING
AND CAPITAL BUDGET
DEVELOPMENT
UPDATE

Sherron Jackson of the Council staff gave a report on the development of the 2004-06 operating and capital budget. The agenda book included updates on the status of recommendations from working committees related to budget development, 2004-06 capital budget, tuition rates and revenues, central tendency calculation, benchmark funding model technical updates, and submitted special initiatives funding requests. Final recommendations will be presented at the November Council meeting.

ENDOWMENT MATCH
PROGRAM GUIDELINE
REVISIONS

RECOMMENDATION: The staff recommends that the Council approve the recommended revisions to the 2002-04 Endowment Match Program Guidelines.

Mr. Jackson said that the report on postsecondary education reform in Kentucky released by the Program Review and Investigation Committee in July 2003 contained several recommendations concerning the Council's administration of the Endowment Match Program. In response to these recommendations, an Endowment Match Program working committee comprised of Council staff and institutional officials developed revisions to the 2002-04 guidelines.

MOTION: Mr. Whitehead moved that the recommendation be approved. Ms. Weinberg seconded the motion.

VOTE: The motion passed.

KEY INDICATORS OF
PROGRESS REVISIONS

Mr. Layzell said that the Council staff has begun the process of revising the key indicators of progress toward postsecondary reform. A draft version of the revised indicators was in the agenda book. A revised list of key indicators and goals and a detailed accountability reporting scheme will be brought to the Council for consideration at the November meeting.

COUNCIL
POLICY GROUPS

The Council has identified three important areas of policy as the focus of its work this year. Policy groups have been created to address each of these areas – affordability, seamlessness, and workforce/economic development. The policy groups will develop proposals for Council approval based on review of background materials provided by the

Council staff and meetings with representatives from other local, state, and national groups addressing these issues. Detailed descriptions of the issues these groups will address over the coming year were included in the agenda book.

Chair Barger has appointed Council members to serve as follows: affordability – J. P. Davis, Charlie Owen, Joan Taylor, Lois Weinberg; seamlessness – Walter Baker, Peggy Bertelsman, Bart Darrell, Richard Freed, Susan Guess, Gene Wilhoit; workforce/economic development – Norma Adams, Ron Greenberg, John Hall, Esther Jansing, Charles Whitehead. Chair Barger will serve as an ex officio member on all three groups.

FALL 2003 KENTUCKY ADULT EDUCATION ENROLLMENT

Cheryl King, vice president for Kentucky Adult Education, reported that a record 109,880 Kentuckians enrolled in adult education programs in fiscal year 2003, representing an increase of 23,467 students. Adult education programs in 75 counties met their enrollment and performance goals and will share \$879,555 in reward funds to be distributed in fiscal year 2004.

Dr. King said that the number of non-high school completers earning a GED has significantly decreased since 2001. She said that the annual report is not yet available from the GED Testing Service so it is impossible to compare what has occurred in Kentucky with other states. But she suggested investigating the GED test waiver to determine its impact on enrollment. Another factor that possibly affected enrollment was the discontinuance of the Go GED campaign that was part of the Go Higher campaign. During the campaign, Kentucky increased its number of test-takers and passers to an extent of almost no other state. Since the discontinuance of the campaign, there has been a significant decrease in the number of test-takers. She said that some method of promotion needs to be developed to sustain awareness of the GED program.

ADULT EDUCATION TECHNOLOGY AWARD

The adult education web portal, kyvae.org, received the 2003 Recognition Award for Outstanding Achievement in the Field of Information Technology at the National Association of State Chief Information Officers annual meeting in Scottsdale, Arizona, September 9, 2003. Kentucky's entry, "Helping Kentuckians Participate in the New Economy: Kentucky Virtual Adult Education Portal," won the category of Innovative Use of Technology. The web portal is a partnership between Kentucky Adult Education and the Kentucky Virtual University/Library aimed to reach more undereducated adults with improved access to basic reading, writing, math, and employability skills. On behalf of NASCIO, Aldona Valicenti, Chief Information Officer for the Commonwealth of Kentucky, presented the award to the Council and thanked Cheryl King and Daniel Rabuzzi for their work.

ACT SCORES FOR 2003 HIGH SCHOOL GRADUATES

Information was included in the agenda book on ACT scores for 2003 high school graduates. Results released in August show Kentucky's average ACT score rose from 20.0 in 2002 to 20.2 in 2003. The percentage of high school students taking the ACT and the percentage of test-takers taking the

ACT's core curriculum also increased slightly in 2003. Despite these statewide gains, there is evidence of an achievement gap in Kentucky. Average scores rose for African American, Asian, and Caucasian students but dropped for Hispanic students.

P-16 COUNCIL UPDATE

The agenda book included an update on activities of the P-16 Council. The state P-16 Council is continuing to consider ways to increase the level of preparation of high school and GED graduates for postsecondary education and the skilled workplace. The September meeting focused on the national and state data supporting the role of a rigorous high school curriculum in meeting Kentucky's educational and economic goals, including reducing the achievement gap among various populations.

COMMISSIONER OF
EDUCATION REPORT

Commissioner Wilhoit gave a brief report on Kentucky Department of Education activities. He said that elementary and secondary enrollments are up due to several factors: enrollment shifts from private to public schools; an increase in the number of pre-school children coming into the system, a direct response to the early childhood initiative; and the increase in the number of immigrants in the state. He noted that the Council for Better Education recently filed a lawsuit for adequate funding. His staff continues to deal with the No Child Left Behind Act, is developing its 2004-06 budget recommendation, and, like postsecondary education, will face a number of harsh realities due to inadequate funding.

FALL 2003
PRELIMINARY
ENROLLMENT
INFORMATION

Mr. Layzell reported that, based on preliminary figures, enrollment in Kentucky's postsecondary education institutions reached a record high of 226,910 students this fall, an increase of 5,728 students, or 2.6 percent over 2002 enrollment. Of these students, 197,615 are enrolled in public colleges and universities, an increase of 3.3 percent from 2002.

TRANSFER

Information was included in the agenda book on student transfer from institution to institution, a vital part of Kentucky's effort to build a seamless postsecondary system and increase the number of Kentuckians holding a baccalaureate degree.

ACADEMIC PROGRAM
COLLABORATION

Using funds from the Technology Trust Fund and the Kentucky Virtual University Resolving Loan Fund, the Council staff is developing a request for proposals to stimulate collaborative approaches to address state workforce needs and increase the capacity of high demand academic programs. If Kentucky's postsecondary system substantially increases enrollment by 2015 with limited new resources, institutions must work together to develop new, more efficient ways to deliver academic programs. If the system is to fulfill its commitments to create a workforce that supports a knowledge economy, it must partner with private and public sector organizations to develop the right academic programs with the right content that are accessible to those who need them. The RFP will provide incentive funds to encourage postsecondary institutions to address these two challenges. More information was included in the agenda book.

RESPONSIVE PH.D.
INITIATIVE

The University of Kentucky and the University of Louisville have been selected as partners in the Woodrow Wilson

National Fellowship Foundation's Responsive Ph.D. initiative to reform doctoral education in the U.S.

2004 MEETING
CALENDAR

RECOMMENDATION: The staff recommends that the Council approve the 2004 meeting calendar.

MOTION: Dr. Freed moved that the calendar be approved. Ms. Weinberg seconded the motion.

VOTE: The motion passed.

GOVERNANCE BOARD
LUNG CANCER
RESEARCH PROJECT
PRAXIS SCORES

Mr. Barger reported that Governor Patton has appointed Susan Guess as a member of the Governance Board of the Lung Cancer Research Project.

Mr. Layzell said that the Education Professional Standards Board soon will release the most recent scores on teacher PRAXIS exams. The pass rate for students at public postsecondary institutions range from 99 to 52 percent. He noted that Kentucky State University has made some progress over the last year with pass rates increasing from 36 to 52 percent but remains significantly below that of the other public and independent institutions.

PRESIDENTS

Mr. Layzell complimented the presidents on an initiative to show their compliance and concern about accountability and reporting of financial information. Even though they are not required to do so, the presidents all have stated that they will file annual financial disclosure statements with their boards.

RABUZZI RESOLUTION

Mr. Barger announced that Daniel Rabuzzi has resigned as chief executive officer of the Kentucky Virtual University and vice president for outreach for the Council. He will become the CEO of the Leader to Leader Institute, formerly the Peter Drucker Foundation, headquartered in New York City. Mr. Layzell has appointed Norma Northern to serve as interim CEO of the virtual university. Ms. Northern is currently the chief operating officer and has been on the Council staff for six years.

Mr. Barger read a resolution honoring and commending Mr. Rabuzzi for his service to the Council.

MOTION: Ms. Weinberg moved that the resolution be adopted. Mr. Hall seconded the motion.

VOTE: The motion passed.

Mr. Rabuzzi said it has been an honor and a privilege to serve this Council, the institutions, and the learners of the Commonwealth. He said he is going home to New York but said that a piece of the Bluegrass will

remain with him. He said that Kentucky and its postsecondary education reform will have an advocate, an ally, and a friend in New York City.

GOVERNOR'S
CONFERENCE ON
POSTSECONDARY ED
TRUSTEESHIP
NEXT MEETING

Mr. Barger said that this meeting is being held in conjunction with the 2003 Governor's Conference on Postsecondary Education Trusteeship. He encouraged everyone to attend.

The next meeting is November 3 in Louisville.

ADJOURNMENT

The meeting adjourned at 2 p.m.

Thomas D. Layzell
President

Phyllis L. Bailey
Associate, Executive Relations

Council on Postsecondary Education
November 3, 2003

Focus on Reform: Seamless Transitions

Kentucky's postsecondary reform cannot succeed unless reform partners collaborate to create easy access and seamless transitions for adult and traditional learners across education levels. At the November Council meeting, Julie Scoskie (director of Jefferson County Public Schools Adult Education), Tony Newberry (president of the Jefferson Community and Technical Colleges), and David Howarth (University of Louisville associate provost) will describe model programs developed to share resources and promote the successful transition of students from adult education programs to college and from lower- to upper-division college work.

Staff preparation by Jim Applegate and Cheryl King

2004-06 Operating and Capital Budget Request

This funding recommendation reflects the success of the first six years of postsecondary education reform and the need to maintain Kentucky's momentum. The Council staff recommends, among other things, increases to the bases of the institutions to help pay for the over 42,000 additional students on Kentucky's campuses and provide the institutions with the resources they need to help their students be successful and graduate. The Council staff also recommends funds to expand adult education programs for Kentuckians who need more education and better work skills and to help the colleges and universities absorb the tens of thousands of Kentuckians who need postsecondary education but are not yet on campus. The recommendation also reflects the necessity of building an even better workforce and constructing the economic infrastructure necessary for Kentucky to compete in a knowledge economy driven by ideas and technological advances.

The Council staff's recommendation is an acknowledgement of Kentucky's success so far and a recognition of the significant challenges that lie ahead.

Council Action:

- Approve the 2004-06 Operating and Capital Budget Recommendation as presented herein which totals \$1,094,154,419 for 2004-05 and \$1,207,267,421 for 2005-06 in recurring funding for the universities, the Kentucky Community and Technical College System, Lexington Community College, the Strategic Investment and Incentive Trust Funds, and the Council on Postsecondary Education, including the KYVU and KYVL, Adult Education, and pass-through programs, and in addition, \$61 million in non-recurring funding for the Endowment Match Program.

SUMMARY OF BUDGET RECOMMENDATIONS:

The details of the request are summarized on the Purple Card (inserted) and are further explained in attachments A-D. The increases in General Funds requested are summarized in the following table:

<i>Description</i>	<i>FY 2004-05</i>	<i>FY 2005-06</i>
Benchmark Funding	\$60,969,119	\$49,468,402

Special Initiatives (See Attachment A and A1 for the details.)	213,300	2,713,300
Strategic Trust Funds (See Attachment B for details.)	3,038,500	23,400,000
Physical Facilities Trust Fund (See Attachment C for the details.)	569,100	36,085,000
Council on Postsecondary Education (Including pass-through, see Attachment D for the details.)	\$985,100	1,446,300
Endowment Match Program (Non-recurring funds - details are included in Attachment B.)		\$61,000,000

The total operating request represents a net increase of \$65,775,119 or 6.4 percent, in 2004-05 and \$113,113,002 or 10.3 percent, in 2005-06 for recurring state General Funds (excluding Lung Cancer/Ovarian Cancer Research, which is funded by Tobacco Settlement Funds; need-based financial aid, which is administered by KHEAA; and Student Financial Aid and Advancement Trust Fund-KEES, which is funded by lottery proceeds); and the UofL Off Campus Teaching Center at the Trover Clinic Foundation, which is funded by coal severance tax revenues. In addition, the request represents a \$61 million increase (Endowment Match Program) in non-recurring state General Funds in FY 2005-06.

THE LINK BETWEEN FUNDING AND REFORM:

The above described budget request recommends funding needed to address postsecondary education reform for the next biennium. There is a necessary link between funding and reform; reform efforts will stall without adequate funding. Highlights of the major components of the Council’s funding recommendation that directly promote continued progress as measured by the five reform questions are as follows:

- (Q1) Are more Kentuckians ready for postsecondary education?
- (Q2) Are more students enrolling?
- (Q3) Are more students advancing through the system?
- (Q4) Are we preparing Kentuckians for life and work?
- (Q5) Are Kentucky’s communities and economy benefiting?

Major Components	(Q1)	(Q2)	(Q3)	(Q4)	(Q5)
Adult Education operations – fieldwork	X	X			
Academy of Math & Science – special initiative	X	X			
Benchmark funding for institutions	X	X	X	X	X
Collaborative Research UK and UofL (Bioinformatics/Pharmacogenomics)					X
Early Math Testing Program	X				
Endowment Match Program				X	X
Enrollment growth and productivity	X	X	X		
Enrollment stability (KSU) – special initiative		X	X		
Homeland Security special initiative				X	X
Minority Student College Preparation Program	X	X			
P-16 Councils	X				
Regional stewardship (RUETF)					X
Research agenda (UK and UofL research space/capital request/research support)					X
Statewide engineering and rural innovation					X
SREB Doctoral Scholars Program		X	X	X	
Technology infrastructure (KPEN)	X	X	X	X	X
Workforce Development Trust Fund				X	X

Staff preparation by Sandra Woodley, Sherron Jackson, Bill Payne, Dennis Taulbee, and Linda Jacobs

CHANGES IN DEBT SERVICE

<u>Institutions</u>	FY 2004-05			FY 2005-06	
	<u>FY 2003-04 Debt Service</u>	<u>Debt Service Requirement</u>	<u>Change</u>	<u>Debt Service Requirement</u>	<u>Change</u>
EKU	\$ 3,712,100	\$ 3,311,200	\$ (400,900)	\$ 3,848,000	\$ 536,800
KCTCS	10,765,800	10,443,200	(322,600)	10,694,800	251,600
KSU	2,252,000	2,026,000	(226,000)	-	(2,026,000)
Morehead	1,452,600	1,519,300	66,700	1,430,000	(89,300)
Murray	1,884,500	1,908,400	23,900	1,909,600	1,200
NKU	5,033,300	4,974,500	(58,800)	4,731,700	(242,800)
UK	5,848,900	7,263,565	1,414,665	7,342,100	78,535
LCC	732,700	738,800	6,100	742,500	3,700
UofL	9,504,900	11,104,900	1,600,000	10,977,500	(127,400)
WKU	3,114,500	3,181,400	66,900	3,202,200	20,800
Total	\$44,301,300	\$ 46,471,265	\$ 2,169,965	\$ 44,878,400	\$ (1,592,865)

2004-06 BASE ADJUSTMENTS

<u>Institutions</u>	<u>Fiscal Year 2004-05</u>						<u>Fiscal Year 2005-06</u>				
	<u>Change in Debt Service</u>		<u>2003-04 2004-05 M&O</u>	<u>Transfers to Base ¹</u>	<u>Change in UofL Hospital Contract</u>	<u>Total 2004-05 Base Adjustments</u>	<u>Change in Debt Service</u>	<u>2005-06 M&O</u>	<u>Transfer to Base ¹</u>	<u>Change in UofL Hospital Contract</u>	<u>Total 2005-06 Base Adjustments</u>
EKU	\$ (400,900)	\$ -	\$ 918,445	\$ -	\$ -	\$ 517,545	\$ 536,800	\$ 385,863	\$ -	\$ -	\$ 922,663
KCTCS	(322,600)	-	1,291,707	-	-	969,107	\$ 251,600	55,062	-	-	306,663
KSU	(226,000)	-	172,776	1,715,445	-	1,662,221	\$ (2,026,000)	17,742	481,966	-	(1,526,292)
Morehead	66,700	-	246,831	-	-	313,531	\$ (89,300)	2,024	-	-	(87,276)
Murray	23,900	-	808,446	-	-	832,346	\$ 1,200	421,624	-	-	422,824
NKU	(58,800)	-	997,885	-	-	939,085	\$ (242,800)	-	-	-	(242,800)
UK	1,414,665	-	2,416,993	234,800	-	4,066,458	\$ 78,535	470,920	-	-	549,455
LCC	6,100	-	-	-	-	6,100	\$ 3,700	-	-	-	3,700
UofL	1,600,000	-	775,838	-	369,300	2,745,138	\$ (127,400)	732,563	-	377,000	982,163
WKU	66,900	-	1,095,971	-	-	1,162,871	\$ 20,800	353,685	-	-	374,485
Total	\$ 2,169,965	\$ -	\$ 8,724,892	\$ 1,950,245	\$ 369,300	\$ 13,214,402	\$ (1,592,865)	\$ 2,439,484	\$ 481,966	\$ 377,000	\$ 1,705,585

1. KSU funds for the Land Grant Match.

UK earned enrollment growth and retention funds restoration

Total-University of Kentucky					349,980		1,530,248		886,745	\$ 2,416,993			1,778,253		1,109,660	\$ 2,887,913	470,920
Lexington Community College																	
No New Facilities Coming On-Line in 2004-06																	
University of Louisville																	
Planetarium	1996-98	May, 2001	12	100.00%	7,985	4.45	35,533	10,600	10,600	46,133	12	100.00%	4.45	35,533	10,600	10,600	46,133
HSC Research Bldg. #2 (Baxter II) - Additional Sp	1998-99	July, 2001	12	100.00%	10,949	4.45	48,723	80,256	80,256	128,979	12	100.00%	4.45	48,723	80,256	80,256	128,979
HSC Exercise Facilities	2000-02	October, 2001	12	100.00%	7,899	4.45	35,151	10,500	10,500	45,651	12	100.00%	4.45	35,151	10,500	10,500	45,651
Kent School Addition	Pending	July, 2003	12	100.00%	28,631	4.45	127,408	40,100	40,100	167,508	12	100.00%	4.45	127,408	40,100	40,100	167,508
Belknap Research Space-I	2000-02	March, 2005	4	33.33%	105,700	4.58	161,369	678,595	226,198	387,567	12	100.00%	4.72	161,369	678,595	678,595	839,964
Cardiovascular Research Institute**	2002-04	January, 2006	0	0.00%	46,500		-		-		6	50.00%	7.00	162,750	234,832	117,416	280,166
					207,664		408,183		367,655	\$ 775,838			570,933		937,467	\$ 1,508,401	732,563
Western Kentucky University																	
The CENTER (South Campus Bldg)	2000-02	July, 2003	12	100.00%	85,930	4.45	382,389	150,600	150,600	532,989	12	100.00%	4.45	382,389	150,600	150,600	532,989
Media/Technology Building	2000-02	October, 2002															
Original Space			4	33.33%	85,621	4.45	127,004	116,588	38,863	165,867	12	100.00%	4.45	381,013	116,588	38,863	419,876
- 8 months funded in FY 2002																	
Additional Space			12	100.00%	26,179	4.45	116,497	74,348	74,348	190,845	12	100.00%	4.45	116,497	78,809	78,809	195,306
Science Replacement Building	2000-02	April, 2004	12	100.00%	39,000	4.58	178,620	110,600	27,650	206,270	12	100.00%	4.72	184,080	117,406	117,406	301,486
Total Western Kentucky University					236,730		804,510		291,461	\$ 1,095,971			1,063,979		385,678	\$ 1,449,656	353,685
TOTAL M&O for New Facilities Coming On-Line					1,638,447					\$ 8,552,116					\$ 10,973,858		2,421,742

2004-2006 BENCHMARK FUNDING - FINANCIAL ANALYSIS

3 BIENNIA PHASE-IN/10 PERCENT CAP/2 PERCENT FLOOR

		<u>EKU</u>	<u>KCTCS</u>	<u>KSU</u>	<u>MoSU</u>	<u>MuSU</u>	<u>NKU</u>	<u>UK</u>	<u>LCC</u>	<u>UofL</u>	<u>WKU</u>
A	2004-2006 Benchmark Objective (1)	\$ 10,948	\$ 7,453	\$ 11,125	\$ 11,232	\$ 11,347	\$ 10,811	\$ 16,632	\$ 6,528	\$ 17,960	\$ 10,948
B	2003-04 Estimated Objective (2)	\$ 11,652	\$ 7,932	\$ 11,841	\$ 11,954	\$ 12,077	\$ 11,507	\$ 17,702	\$ 6,948	\$ 19,115	\$ 11,652
C	Less Tuition and Fees (Standard or Budgeted) (3)	4,311	2,380	3,552	4,423	4,469	4,258	5,771	2,085	7,072	4,311
D	Net Funding Need Per FTE	\$ 7,341	\$ 5,552	\$ 8,289	\$ 7,531	\$ 7,608	\$ 7,249	\$ 11,931	\$ 4,864	\$ 12,042	\$ 7,341
E	2003-04 State General Fund Appropriations	\$ 73,515,900	\$ 189,097,700	\$ 22,631,500	\$ 42,738,200	\$ 51,472,900	\$ 47,092,700	\$ 299,074,500	\$ 9,444,700	\$ 174,950,000	\$ 72,040,100
	Less:										
F	Public Service	-	-	966,400	-	2,383,800	-	42,793,800	-	18,732,500	-
G	Research	-	-	-	-	-	-	31,313,179	-	-	-
H	Debt Service	3,712,100	10,765,800	2,252,000	1,452,600	1,884,500	5,033,300	5,848,900	732,700	9,504,900	3,114,500
I	Total State General Fund Appropriations	\$ 69,803,800	\$ 178,331,900	\$ 19,413,100	\$ 41,285,600	\$ 47,204,600	\$ 42,059,400	\$ 219,118,621	\$ 8,712,000	\$ 146,712,600	\$ 68,925,600
J	Estimated Fall 2003 FTE (4)	12,591	42,230	1,922	7,737	8,240	10,857	22,602	6,497	16,385	15,243
K (I/J)	Estimated General Fund Per FTE	\$ 5,544	\$ 4,223	\$ 10,100	\$ 5,336	\$ 5,729	\$ 3,874	\$ 9,695	\$ 1,341	\$ 8,954	\$ 4,522
L (D-K)	Difference (Need less estimated)	\$ 1,797	\$ 1,327	\$ (1,812)	\$ 2,195	\$ 1,880	\$ 3,375	\$ 2,236	\$ 3,523	\$ 3,088	\$ 2,819
M (L*J)	General Fund Appropriation Need (Difference X Enrollment Fall 2003 FTE)	\$ 22,626,743	\$ 56,024,300	\$ -	\$ 16,982,635	\$ 15,490,619	\$ 36,648,598	\$ 50,538,796	\$ 22,886,818	\$ 50,601,410	\$ 42,972,762
N (M/6)	3 Biennia Phase-In/Annual Increase 10% Cap	\$ 3,771,124	\$ 9,337,383	\$ -	\$ 2,830,439	\$ 2,581,770	\$ 4,205,940	\$ 8,423,133	\$ 871,200	\$ 8,433,568	\$ 6,892,560
	Executive Budget Inflationary Increase										
O	2003-04 Net Base Appropriation (Net of Debt Service and UofL Hospital)	\$ 69,803,800	\$ 178,451,800	\$ 20,379,500	\$ 41,285,600	\$ 49,588,400	\$ 42,059,400	\$ 293,225,600	\$ 8,712,000	\$ 147,944,800	\$ 68,925,600
P (O*2%)	2004-05 Increase - 2.0%	\$ 1,396,100	\$ 3,569,000	\$ 407,600	\$ 825,700	\$ 991,800	\$ 841,200	\$ 5,864,500	\$ 174,200	\$ 2,958,900	\$ 1,378,500
Q ((O+P)*2%)	2005-06 Increase - 2.0%	\$ 1,424,000	\$ 3,640,400	\$ 415,700	\$ 842,200	\$ 1,011,600	\$ 858,000	\$ 5,981,800	\$ 177,700	\$ 3,018,100	\$ 1,406,100
	Total 2004-06 Increase	\$ 2,820,100	\$ 7,209,400	\$ 823,300	\$ 1,667,900	\$ 2,003,400	\$ 1,699,200	\$ 11,846,300	\$ 351,900	\$ 5,977,000	\$ 2,784,600

<i>Funding Need</i>	<u>Total</u> <u>Need</u>	<u>3 Biennia</u> <u>Phase In</u> <u>10% Cap</u>
2004-05	\$ 315,180,281	\$ 47,754,717
2005-06	\$ 315,188,381	\$ 47,762,817

1. The average of the 50th, 55th, and 60th percentiles.
 2. The benchmark funding objective increased by inflation.
 3. The tuition and fees deduction is based on 2003-04 budgeted tuition and fees as a percent of total public funds or the standard deduction approved by the council (37% for universities; 30% for KSU, KCTCS, and LCC).
 4. FTE = total full-time headcount + 1/3 part-time headcount.
 5. The shaded areas represent the greater funding need (benchmark funding as compared to the inflationary increase). The council staff recommends limiting the annual percentage increase to 8 percent.
- Note: NKU's, LCC's, and WKU's annual increases are held to 10 percent of net base.**

COMMONWEALTH OF KENTUCKY POSTSECONDARY EDUCATION
2004-06 FUNDING RECOMMENDATION - STATE GENERAL FUND APPROPRIATIONS

REVISED 10/31/2003

PRIORITIES		FY 2004-05			FY 2005-06	
		FY 2003-04	Council Recommendation	Dollar Increase	Council Recommendation	Dollar Increase
Postsecondary Education Institutions - 3 Biennia Phase-In - 10 Percent Cap - 2 Percent Floor						
	Eastern Kentucky University	\$ 73,515,900	\$ 77,804,568	\$ 4,288,668	\$ 82,498,356	\$ 4,693,787
	Kentucky Community & Technical College System	189,097,700	199,404,191	10,306,491	209,048,237	9,644,046
	Kentucky State University	22,631,500	24,701,321	2,069,821	23,590,729	(1,110,592) *
	Morehead State University	42,738,200	45,882,170	3,143,970	48,625,333	2,743,163
	Murray State University	51,472,900	54,887,016	3,414,116	57,891,610	3,004,594
	Northern Kentucky University	47,092,700	52,237,725	5,145,025	56,200,865	3,963,140
	University of Kentucky	299,074,500	311,564,091	12,489,591	320,536,678	8,972,588
	Lexington Community College	9,444,700	10,322,000	877,300	11,196,900	874,900
	University of Louisville	174,950,000	186,128,706	11,178,706	195,544,437	9,415,731
	Western Kentucky University	72,040,100	80,095,531	8,055,431	87,362,576	7,267,045
	Special Initiatives Funding Program	-	213,300	213,300	2,926,600	2,713,300
1	Total Postsecondary Education Institutions	\$ 982,058,200	\$ 1,043,240,619	\$ 61,182,419	1,095,422,321	\$ 52,181,702
Council on Postsecondary Education						
	Agency Operations	\$ 5,422,200	\$ 5,765,100	\$ 342,900	\$ 6,256,900	\$ 491,800
	Adult Education Operations	1,983,400	2,154,300	170,900	2,287,300	133,000
	KYVU/VL Operations	3,612,600	3,862,600	250,000	3,862,600	-
5	Total CPE Operations	\$ 11,018,200	\$ 11,782,000	\$ 763,800	12,406,800	\$ 624,800
	Pass-Through Programs	\$ 4,864,000	\$ 5,085,300	\$ 221,300 (1)	\$ 5,906,800	\$ 821,500 (2)
	Total Pass-Through	\$ 4,864,000	\$ 5,085,300	\$ 221,300	5,906,800	\$ 821,500
Regional University Excellence Trust Fund--Regional Stewardship Initiative						
					6,000,000	6,000,000
Research Challenge Trust Fund---Programs of National Prominence						
					6,000,000	6,000,000
2	Technology Initiative Trust Fund					
	Network Infrastructure (Includes KPEN)	\$ 2,065,000	\$ 2,065,000	\$ -	\$ 3,415,000	\$ 1,350,000
	Faculty Development	50,000	50,000	-	100,000	50,000
	Total Technology Initiative Trust Fund	\$ 2,115,000	\$ 2,115,000	\$ -	3,515,000	\$ 1,400,000 (3)
	Adult Education and Literacy Funding Program	\$ 19,552,300	\$ 20,590,800	\$ 1,038,500	20,590,800	\$ -
	Total Science and Technology Funding Program	\$ 8,771,600	\$ 10,771,600	\$ 2,000,000 (4)	10,771,600	\$ -
	Enrollment Growth and Productivity Funding Program	\$ -	\$ -	\$ -	10,000,000	\$ 10,000,000
3	Physical Facilities Trust Fund					
	Capital Renewal & Maintenance (debt service)	\$ -	\$ -	\$ -	1,431,000	1,431,000
	Renovation, Replacement, Infrastructure & New Construction (debt service)	-	-	-	34,654,000	34,654,000
	KSU - Young Hall - one-half debt service (OCR)	-	569,100	569,100	569,100	-
	Total Physical Facilities Trust Fund	\$ -	\$ 569,100	\$ 569,100	36,654,100	\$ 36,085,000
	Total Strategic Investment and Incentive Trust Funds (recurring funds)	\$ 30,438,900	\$ 34,046,500	\$ 3,607,600	93,531,500	\$ 59,485,000
	Total Postsecondary Education (Recurring General Funds)	\$ 1,028,379,300	\$ 1,094,154,419	\$ 65,775,119	1,207,267,421	\$ 113,113,002

Annual Percent Increase

6.4%

10.3%

* KSU's funding decreases in the FY 2005-06 due to reduced debt service needed (debt retirement).

1 Reflects increase for contract spaces.

2 Includes increases for contract spaces (\$367,600), SREB Doctoral Scholars Program (\$188,400), Minority Student College Prep Program (\$105,500), Early Math Testing Program (\$100,000), and P-16 Councils (\$100,000).

3 Funds for the expansion network contract and faculty development.

4 Funding for the statewide engineering programs and rural innovation program.

COMMONWEALTH OF KENTUCKY POSTSECONDARY EDUCATION
2004-06 FUNDING RECOMMENDATION - STATE GENERAL FUND APPROPRIATIONS

REVISED 10/31/2003

PRIORITIES		FY 2003-04	FY 2004-05		FY 2005-06	
			Council Recommendation	Dollar Increase	Council Recommendation	Dollar Increase
<u>Programs Funded Through Non-recurring Funds</u>						
Strategic Investment and Incentive Funding Program						
	Research Challenge Trust Fund					
	Endowment Match Program	\$ 9,871,000 (5)	\$ -	\$ -	\$ 50,000,000	\$ 50,000,000
	Total Research Challenge Trust Fund	\$ 9,871,000	\$ -	\$ -	\$ 50,000,000	\$ 50,000,000
	Regional University Excellence Trust Fund					
4	Endowment Match Program	\$ 1,975,000 (5)	\$ -	\$ -	\$ 10,000,000	\$ 10,000,000
	Total Regional University Excellence Trust Fund	\$ 1,975,000	\$ -	\$ -	\$ 10,000,000	\$ 10,000,000
	Workforce Development Trust Fund					
	Endowment Match Program	\$ -	\$ -	\$ -	\$ 1,000,000	\$ 1,000,000
	Total Workforce Development Trust Fund	\$ -	\$ -	\$ -	\$ 1,000,000	\$ 1,000,000

Programs Funded Through Other Fund Sources

	Lung Cancer/Ovarian Cancer Research [Tobacco Settlement Funds]	\$ 5,455,000	\$ 5,681,200	\$ 226,200	\$ 5,736,200	\$ 55,000
*	KHEAA-Need-Based Financial Aid Programs (CAP & KTG) [Lottery Proceeds]	\$ 65,720,600	\$ 66,600,000	\$ 879,400	\$ 79,915,000	\$ 13,315,000
	Student Financial Aid and Advancement Trust Fund-KEES [Lottery Proceeds]	\$ 64,320,000	\$ 66,600,000	\$ 2,280,000	\$ 65,385,000	\$ (1,215,000)
	Off Campus Teaching Center - Trover Clinic Foundation [Coal Severance Tax]	\$ 1,000,000	\$ 1,050,000	\$ 50,000	\$ 1,102,500	\$ 52,500

5 This is debt service to fund total project scope (\$100 million for Research Challenge and \$20 million for Regional Universities Excellence)--2005-06 request is General Fund non-recurring increase instead of debt service request for bonds.

* The Council considers student financial aid to be a high priority; especially KHEAA-need based aid and even though KHEAA's funding request is not part of CPE's budget recommendation responsibilities funding for need based aid is a priority for the Council

Council on Postsecondary Education
November 3, 2003

2004-06 Operating Budget Recommendation

Table A-1 details each institution's funding recommendation. The total amount of General Funds requested for the institutions for base funding in FY 2004-05 is \$1.043 million and \$1.092 million in FY 2005-06. A summary of the recommended institutional operating increases is detailed in the following table:

<i>Description</i>	<i>FY 2004-05</i>	<i>FY 2005-06</i>
Benchmark funding and Inflationary increases	\$47,754,717	\$47,762,817
Special Initiatives	213,300	2,713,300
Estimated base adjustments (These are expected to change and will be updated to reflect revisions.)	13,214,402	1,705,585
TOTAL distribution to institutions for Base Funding	\$61,182,419	\$52,181,702

Benchmark Funding

The current benchmark funding model used to develop the recommendation was first used by the Council in the 2000-02 biennium. The model was developed in cooperation with the institutions and the executive and legislative branches; it calculates funding need based on General Funds per FTE student relative to a set of peer institutions. The peer institutions are selected for each Kentucky institution based on a statistical analysis of similarity using agreed upon criteria, as well as consultation with the institutions. Each institution was allowed to request minor modifications to their benchmark list and some of those changes were approved at the July Council meeting. In addition, institutional distribution was held to a 10 percent increase on the General Fund base appropriation (minus research, public service, and debt service) and a three-biennia phase-in; this calculation was 8 percent with a two biennia phase-in for 2002-04. For institutions with a negative funding need (KSU), a minimum of 2 percent increase was recommended, the same as was used last biennium.

Special Initiative Funding Program

The staff recommends five special programs to advance statewide reform, totaling \$213,300 in FY 2004-05 and an additional \$2,713,300 in FY 2005-06. These programs are as follows (Attachment A-1 provides more details):

<i>Special Initiative</i>	<i>FY 2004-05</i>	<i>FY2005-06</i>
Cancer Research Using Pharmacogenomics (UK,		\$500,000

collaborative with UofL)		
Multidisciplinary Approach in Bioinformatics (UofL, collaborative with UK)		\$500,000
Homeland Security (KCTCS in collaboration with public universities)		\$1,000,000
Kentucky Academy of Math and Science (WKU, statewide effort)		\$500,000
KSU Enrollment Stabilization Program (based on Baker-Hostetler report)	\$213,300	\$213,300
TOTAL	\$213,300	\$2,713,300

Debt Service and Mandated Programs

State funds for debt service and mandated public service and research programs having no student enrollment or instructional function have been deducted from the state support amounts at the benchmark and Kentucky institutions.

Tuition and Fees Revenue Standard Deduction

In May 2003, the Council established a standard tuition and fees revenue deduction of 37 percent for the public universities, excluding Kentucky State University. For the KCTCS, KSU, and Lexington Community College the standard deduction is 30 percent. The standard or budgeted tuition and fees revenue, whichever was lower, was deducted from the public funds amount to determine the 2004-06 state appropriation objective. A summary of the 2004-06 tuition and fees revenue deduction is provided in Table A-2.

Enrollment

Estimated fall 2003 full-time equivalent student enrollment was used to calculate the 2004-06 funding needs. A summary of each institution's estimated fall 2003 enrollment is shown in Table A-3.

Phase-In

The funding recommendation for each institution is based on either a three biennia phase-in of the benchmark funding need or an inflationary increase of 2 percent each year, whichever is greater. A summary of the annual funding recommendation is included in Table A-4.

Base Adjustments

- Maintenance and operation (M&O) funding is provided for new educational and general facilities that have come into use during the 2002-04 biennium or will come into use during the 2004-06 biennium.
- Changes in debt service obligations for state supported facilities.
- Base adjustment for KSU necessary to meet percentage state match requirements due to changes in federal guidelines on Federal Land Grant match requirements. The match requirements are increasing from 70 percent to 100 percent state match over the next several years for all 1890 land grant colleges and universities in the nation (Agricultural Research, Extension, and Reform Act of 2002 (FSRIA)). The state match requirement will be 80 percent in FY 2004-05 and 90 percent in 2005-06 and will be fully phased-in at 100 percent by 2006-07.
- Base adjustment for UK necessary to restore earned enrollment growth and retention funding.
- Increases for the state's contractual obligation related to indigent care provided through the quality and charity care trust agreement at the University of Louisville hospital.

Special Initiative Funding Program

Special Initiative	Modification/description of funding request	2004-05	2005-06
Cancer Research Using Pharmacogenomics	<p>Description: Pharmacogenetics is the study of how genes affect the way people respond to medicines, including cancer treatment. Funds will be used to recruit faculty members with expertise in this area to assist clinical cancer investigators in the design and genetic analysis of clinical research protocols and enhance extramural funding in cancer research through the National Institutes of Health and to support goal of achieving NCI-designated Comprehensive Cancer Center status.</p> <p>Modification: Initially submitted by UK, this initiative has been modified to provide collaboration between UK and UofL. The request amount was reduced and moved to the second year of the biennium.</p>		\$500,000
Multidisciplinary Approach in Bioinformatics	<p>Description: To integrate formal bioinformatics training with the design and the use of basic computer science tools and applications of bioinformatics methods in ongoing biomedical research. To utilize the existing Kentucky Biomedical Research Information Network (KBRIN) to enhance the capacity, capability, and resourcefulness of biomedical researchers and educators. It will build on the evolving collaborative bioinformatics model that encompasses many disciplines and departments such as bioinformatics, biostatistics, computer engineering and computer science, anatomical science and neurobiology and molecular biology in the school of medicine; and the department of molecular, cellular, and craniofacial biology in the school of dentistry.</p> <p>Modification: Initially submitted by UofL, this initiative has been modified to provide collaboration between UofL and UK. The request amount was reduced and moved to the second year of the biennium.</p>		\$500,000
Homeland Security	<p>Description: To obtain matching funds from the Department of Homeland Security and other federal grants to assist Kentucky expediently attain and deploy improved public security, health and safety, and emergency response measures.</p> <p>Modification: Initially submitted by KCTCS, this initiative has been modified to provide collaboration with other postsecondary institutions. The request amount was reduced and moved to the second year of the biennium.</p>		\$1,000,000

Attachment A-1

<p>Kentucky Academy of Mathematics and Science</p>	<p>Description: Collaboration between postsecondary and secondary education as well as businesses, industries, and other entities with research components to advance the P-16 statewide goals. Funds will be used to assist in renovation of a hall to be used to provide high school juniors and seniors with opportunities to study at the postsecondary level in math, science, and engineering.</p> <p>Modification: This request was submitted by WKU and will serve students on a statewide basis. The request amount was reduced and moved to the second year of the biennium.</p>		<p>\$500,000</p>
<p>Enrollment Stabilization Program-KSU</p>	<p>Description: Based on Baker Hostetler, this initiative would provide funds to develop the necessary infrastructure and planning strategies, secure consulting to implement strategies to increase enrollment, and establish a summer transition program for new freshmen.</p> <p>Modification: CPE will implement based on performance contract to be developed with KSU - reduced funding and split the request to both years of the biennium to continue consistent growth.</p>	<p>\$213,300</p>	<p>\$213,300</p>
<p>TOTAL</p>		<p>\$213,300</p>	<p>\$2,713,300</p>

DISTRIBUTION OF FUNDING INCREASES

FISCAL YEAR 2004-05

<u>Institution</u>	FY 2003-04	2004-05 Increases			2004-05	Annual
	State General Fund	Benchmark	Estimated Base			
	<u>Appropriation</u>	<u>Funding</u>	<u>Adjustments*</u>			<u>Increase</u>
EKU	\$ 73,515,900	\$ 3,771,100	\$ 517,545	\$	77,804,545	5.8%
KCTCS	189,097,700	9,337,400	969,107		199,404,207	5.5%
KSU	22,631,500	407,600	1,662,221		24,701,321	9.1%
MoSU	42,738,200	2,830,400	313,531		45,882,131	7.4%
MuSU	51,472,900	2,581,800	832,346		54,887,046	6.6%
NKU	47,092,700	4,205,900	939,085		52,237,685	10.9%
UK	299,074,500	8,423,100	4,066,458		311,564,058	4.2%
LCC	9,444,700	871,200	6,100		10,322,000	9.3%
UofL	174,950,000	8,433,600	2,745,138		186,128,738	6.4%
WKU	72,040,100	6,892,600	1,162,871		80,095,571	11.2%
Total	\$ 982,058,200	\$ 47,754,700	\$ 13,214,402	\$	1,043,027,302	6.2%

FISCAL YEAR 2005-06

<u>Institution</u>	2005-06 Increases			Annual	Total	Biennial
	Benchmark	Estimated Base	2005-06			
	<u>Funding</u>	<u>Adjustments*</u>	<u>Approp</u>	<u>Increase</u>	<u>Increase</u>	<u>Increase</u>
EKU	\$ 3,771,100	\$ 922,663	\$ 82,498,308	6.0%	\$ 8,982,408	12.2%
KCTCS	9,337,400	306,663	209,048,270	4.8%	19,950,570	10.6%
KSU**	415,700	(1,526,292)	23,590,729	-4.5%	959,229	4.2%
MoSU	2,830,400	(87,276)	48,625,255	6.0%	5,887,055	13.8%
MuSU	2,581,800	422,824	57,891,670	5.5%	6,418,770	12.5%
NKU	4,205,900	(242,800)	56,200,785	7.6%	9,108,085	19.3%
UK	8,423,100	549,455	320,536,613	2.9%	21,462,113	7.2%
LCC	871,200	3,700	11,196,900	8.5%	1,752,200	18.6%
UofL	8,433,600	982,163	195,544,501	5.1%	20,594,501	11.8%
WKU	6,892,600	374,485	87,362,656	9.1%	15,322,556	21.3%
Total	\$ 47,762,800	\$ 1,705,585	\$ 1,092,495,687	4.7%	\$ 110,437,487	11.2%

** Estimated annual reduction reflects decreased need for state supported debt services due to debt retirement.

2004-06 BENCHMARK FUNDING MODEL - TUITION DEDUCTION

<u>Institution</u>	<u>2003-04 Budgeted Tuition and Fees Revenue</u>	<u>2003-04 Net State General Fund Appropriation</u>	<u>Total Public Funds</u>	<u>Tuition and Fees Revenue as a % of Total Public Funds</u>	<u>Benchmark Funding Model Standard</u>	<u>Benchmark Funding Model Deduction</u>
EKU	\$ 48,583,600	\$ 69,803,800	\$ 118,387,400	41.0%	37.0%	37.0%
MoSU	31,880,900	41,285,600	73,166,500	43.6%	37.0%	37.0%
MuSU	44,454,000	49,588,400	94,042,400	47.3%	37.0%	37.0%
NKU	64,969,600	42,059,400	107,029,000	60.7%	37.0%	37.0%
UK	142,305,700	293,958,300	436,264,000	32.6%	37.0%	32.6%
UofL	105,036,400	165,445,100	270,481,500	38.8%	37.0%	37.0%
WKU	64,444,000	68,925,600	133,369,600	48.3%	37.0%	37.0%
<i>Subtotal</i>	<i>501,674,200</i>	<i>731,066,200</i>	<i>1,232,740,400</i>	<i>40.7%</i>		
KSU	11,425,900	20,379,500	31,805,400	35.9%	30.0%	30.0%
KCTCS	97,078,200	178,451,800	275,530,000	35.2%	30.0%	30.0%
LCC	14,950,500	8,712,000	23,662,500	63.2%	30.0%	30.0%
<i>Subtotal</i>	<i>123,454,600</i>	<i>207,543,300</i>	<i>330,997,900</i>	<i>37.3%</i>		
Total	\$ 625,128,800	\$ 938,609,500	\$ 1,563,738,300	40.0%		

Table A-3

ESTIMATED FALL 2003 HEADCOUNT ENROLLMENT AND FULL-TIME EQUIVALENT*

	<u>EKU</u>	<u>KCTCS</u>	<u>KSU</u>	<u>MoSU</u>	<u>MuSU</u>	<u>NKU</u>	<u>UK</u>	<u>LCC</u>	<u>UofL</u>	<u>WKU</u>	<u>Total</u>
Undergraduate											
Full-Time	10,405	27,815	1,656	6,622	6,850	8,850	16,455	5,395	10,688	12,945	107,681
Part-Time	3,226	43,246	481	1,119	1,400	3,358	1,885	3,305	4,018	2,875	64,913
Total Undergraduate	13,631	71,061	2,137	7,741	8,250	12,208	18,340	8,700	14,706	15,820	172,594
Graduate											
Full-Time	493	-	74	312	500	160	3,215	-	2,258	745	7,757
Part-Time	1,854	-	95	1,290	1,270	1,036	2,725	-	2,537	1,785	12,592
Total Graduate	2,347	-	169	1,602	1,770	1,196	5,940	-	4,795	2,530	20,349
Professional											
Full-Time	-	-	-	-	-	310	1,385	-	1,228	-	2,923
Part-Time	-	-	-	-	-	218	30	-	78	-	326
Total Professional	-	-	-	-	-	528	1,415	-	1,306	-	3,249
Total											
Full-Time	10,898	27,815	1,730	6,934	7,350	9,320	21,055	5,395	14,174	13,690	118,361
Part-Time	5,080	43,246	576	2,409	2,670	4,612	4,640	3,305	6,633	4,660	77,831
Total	15,978	71,061	2,306	9,343	10,020	13,932	25,695	8,700	20,807	18,350	196,192
Estimated Fall 2003											
Full Time Equivalent (FTE)*	12,591	42,230	1,922	7,737	8,240	10,857	22,602	6,497	16,385	15,243	144,305
Fall 2001 FTE	11,840	36,734	1,924	7,203	8,018	9,964	20,745	5,985	15,267	13,467	131,147
(as used in 2000-02 benchmark calculations)											
Percent Change	6.3%	15.0%	-0.1%	7.4%	2.8%	9.0%	8.9%	8.5%	7.3%	13.2%	10.0%

* FTE = Total full-time headcount + 1/3 part-time headcount. Excludes post doctoral students and house staff.

2004-2006 BENCHMARK FUNDING - FINANCIAL ANALYSIS

Table A-4

		<u>EKU</u>	<u>KCTCS</u>	<u>KSU</u>	<u>MoSU</u>	<u>MuSU</u>	<u>NKU</u>	<u>UK</u>	<u>LCC</u>	<u>UofL</u>	<u>WKU</u>
A	2004-2006 Benchmark Objective (1)	\$ 10,948	\$ 7,453	\$ 11,125	\$ 11,232	\$ 11,347	\$ 10,811	\$ 16,632	\$ 6,528	\$ 17,960	\$ 10,948
B	2003-04 Estimated Objective (2)	\$ 11,652	\$ 7,932	\$ 11,841	\$ 11,954	\$ 12,077	\$ 11,507	\$ 17,702	\$ 6,948	\$ 19,115	\$ 11,652
C	Less Tuition and Fees (Standard or Budgeted) (3)	4,311	2,380	3,552	4,423	4,469	4,258	5,771	2,085	7,072	4,311
D	Net Funding Need Per FTE	\$ 7,341	\$ 5,552	\$ 8,289	\$ 7,531	\$ 7,608	\$ 7,249	\$ 11,931	\$ 4,864	\$ 12,042	\$ 7,341
E	2003-04 State General Fund Appropriations	\$ 73,515,900	\$ 189,097,700	\$ 22,631,500	\$ 42,738,200	\$ 51,472,900	\$ 47,092,700	\$ 299,074,500	\$ 9,444,700	\$ 174,950,000	\$ 72,040,100
	Less:										
F	Public Service	-	-	966,400	-	2,383,800	-	42,793,800	-	18,732,500	-
G	Research	-	-	-	-	-	-	31,313,179	-	-	-
H	Debt Service	3,712,100	10,765,800	2,252,000	1,452,600	1,884,500	5,033,300	5,848,900	732,700	9,504,900	3,114,500
I	Total State General Fund Appropriations	\$ 69,803,800	\$ 178,331,900	\$ 19,413,100	\$ 41,285,600	\$ 47,204,600	\$ 42,059,400	\$ 219,118,621	\$ 8,712,000	\$ 146,712,600	\$ 68,925,600
J	Estimated Fall 2003 FTE (4)	12,591	42,230	1,922	7,737	8,240	10,857	22,602	6,497	16,385	15,243
K (I/J)	Estimated General Fund Per FTE	\$ 5,544	\$ 4,223	\$ 10,100	\$ 5,336	\$ 5,729	\$ 3,874	\$ 9,695	\$ 1,341	\$ 8,954	\$ 4,522
L (D-K)	Difference (Need less estimated)	\$ 1,797	\$ 1,327	\$ (1,812)	\$ 2,195	\$ 1,880	\$ 3,375	\$ 2,236	\$ 3,523	\$ 3,088	\$ 2,819
M (L*J)	General Fund Appropriation Need (Difference X Enrollment Fall 2003 FTE)	\$ 22,626,743	\$ 56,024,300	\$ -	\$ 16,982,635	\$ 15,490,619	\$ 36,648,598	\$ 50,538,796	\$ 22,886,818	\$ 50,601,410	\$ 42,972,762
N (M/6)	3 Biennia Phase-In/Annual Increase 10% Cap	\$ 3,771,124	\$ 9,337,383	\$ -	\$ 2,830,439	\$ 2,581,770	\$ 4,205,940	\$ 8,423,133	\$ 871,200	\$ 8,433,568	\$ 6,892,560
	Executive Budget Inflationary Increase										
O	2003-04 Net Base Appropriation (Net of Debt Service and UofL Hospital)	\$ 69,803,800	\$ 178,451,800	\$ 20,379,500	\$ 41,285,600	\$ 49,588,400	\$ 42,059,400	\$ 293,225,600	\$ 8,712,000	\$ 147,944,800	\$ 68,925,600
P (O*2%)	2004-05 Increase - 2.0%	\$ 1,396,100	\$ 3,569,000	\$ 407,600	\$ 825,700	\$ 991,800	\$ 841,200	\$ 5,864,500	\$ 174,200	\$ 2,958,900	\$ 1,378,500
Q ((O+P)*2%)	2005-06 Increase - 2.0%	\$ 1,424,000	\$ 3,640,400	\$ 415,700	\$ 842,200	\$ 1,011,600	\$ 858,000	\$ 5,981,800	\$ 177,700	\$ 3,018,100	\$ 1,406,100
	Total 2004-06 Increase	\$ 2,820,100	\$ 7,209,400	\$ 823,300	\$ 1,667,900	\$ 2,003,400	\$ 1,699,200	\$ 11,846,300	\$ 351,900	\$ 5,977,000	\$ 2,784,600

<i>Funding Need</i>	<u>Total Need</u>	<u>3 Biennia Phase In 10% Cap</u>
2004-05	\$ 315,180,281	\$ 47,754,717
2005-06	\$ 315,188,381	\$ 47,762,817

1. The average of the 50th, 55th, and 60th percentiles.
2. The benchmark funding objective increased by inflation.
3. The tuition and fees deduction is based on 2003-04 budgeted tuition and fees as a percent of total public funds or the standard deduction approved by the Council (37% for universities; 30% for KSU, KCTCS, and LCC).
4. FTE = total full-time headcount + 1/3 part-time headcount.
5. The shaded areas represent the greater funding need (benchmark funding as compared to the inflationary increase). The Council staff recommends limiting the annual percentage increase to 8 percent.

Note: NKU's, LCC's, and WKU's annual increases are held to 10 percent of net base.

Council on Postsecondary Education
November 3, 2003

2004-06 Budget Recommendation: Trust Funds and Incentive Funding Programs

The staff recommends that the Council request \$3,607,600 in FY 2004-05 and \$120,485,000 in FY 2005-06 (\$61,000,000 of the 2005-06 total is non-recurring) for five trust funds and three incentive funding programs. A summary of the recommended increases by trust fund or funding program is provided in the following table:

<i>Trust Fund or Funding Program</i>	<i>FY 2004-05</i>	<i>FY 2005-06</i>
Research Challenge Trust Fund <ul style="list-style-type: none"> • Endowment Match Program (non-recurring) • Research Support-Programs of National Prominence 		\$50,000,000 6,000,000
Regional University Excellence Trust Fund <ul style="list-style-type: none"> • Endowment Match Program (non-recurring) • Regional Stewardship Program 		10,000,000 6,000,000
Technology Initiative Trust Fund		1,400,000
Workforce Development Trust Fund <ul style="list-style-type: none"> • Endowment Match Program (non-recurring) 		1,000,000
Physical Facilities Trust Fund	\$569,100	36,085,000
Adult Education Incentive Funding Program	1,038,500	
Science and Technology Incentive Funding Program	2,000,000	
Enrollment Growth and Productivity Incentive Funding Program		10,000,000
TOTAL		
Recurring	\$3,607,600	\$59,485,000
Non-recurring		\$61,000,000

I. Research Challenge Trust Fund

The Council staff recommends that \$50 million in non-recurring funds be appropriated in FY 2005-06 for the Endowment Match Program at the research universities (see Endowment Match Program in Section II below).

In addition, \$6 million in recurring funds is recommended to address the research mission at UK and UofL to enhance programs of national prominence. These funds will be allocated two-thirds to UK and one-third to UofL. The guidelines are included in Attachment B-1.

II. Regional University Excellence Trust Fund

The Council staff recommends that \$10 million in non-recurring funds be appropriated in FY 2005-06 to fund the Endowment Match Program at the comprehensive universities.

Endowment Match Program. The Endowment Match Program is funded through the Research Challenge Trust Fund (RCTF) and the Regional University Excellence Trust Fund (RUETF). The program received surplus state General Funds of \$110 million in 1998-99 and \$120 million in 2000-01 and was bond funded at \$120 million in FY 2003-04. The staff recommends that the state provide a fourth round of funding for the program in FY 2005-06 by appropriating \$61 million in non-recurring funds (\$50 million to the RCTF, \$10 million to the RUETF, and \$1.0 million to the Workforce Development Trust Fund).

The appropriation will be matched dollar-for-dollar by the institutions. The recommended allocation of the proceeds is as follows:

- \$33.35 million to the University of Kentucky.
- \$16.65 million to the University of Louisville.
- \$10 million allocated among the comprehensive universities based on each institution's share of 2003-04 net General Fund appropriations.

<u>University</u>	<u>Allocation</u>
EKU	\$ 2,390,195
KSU	697,827
MoSU	1,413,685
MuSU	1,697,987
NKU	1,440,182
WKU	<u>2,360,124</u>
	\$10,000,000

- \$1.0 million to the Kentucky Community and Technical College System.
- Funds will be distributed based on guidelines approved by the Council in September 2003, unless subsequent revisions are recommended and approved by the Council.

Regional Stewardship Program. The staff recommends \$6 million in recurring funds for public engagement programs, targeting the needs of public schools, employers, grant agencies, small businesses, and non-profit organizations. This model will stimulate reallocation of university resources to encourage comprehensive universities to expand efforts to support their mission as regional stewards and create partnerships that address regional needs. Program funds will be allocated and distributed to comprehensive universities based on proposed 2004-06 Regional Stewardship Program Guidelines included in Attachment B-2.

III. Technology Initiative Trust Fund

Two programs were funded through this trust fund in 2002-04: operating expenses for the Kentucky Postsecondary Education Network (KPEN) and Faculty Development. There are three expansion requests being advanced for FY 2004-06 through the Technology Trust Fund: (a) KPEN - replacement of budget reductions; (b) KPEN - network expansion; and (c) Faculty Development - replacement of budget reductions.

Postsecondary education is dependent on high-speed, high bandwidth networks for the transmission of information. Students access classes through high-speed networks and access electronic library databases through the Web; and faculty communicate with colleagues at other institutions throughout the United States and the world using the Internet. Research efforts at all of the postsecondary education institutions, including new economy initiatives, require high-speed lines capable of moving data and voice across distances reliably.

In FY 2003-04, the KPEN allocation was reduced by \$750,000. The first expansion request restores this program to its original funding level in FY 2005-06 in order to avoid having to eliminate Internet services from the network. If the KPEN is not able to provide Internet services, each institution will have to develop separate contracts for Internet services or will have to contribute funds from their budget in order to pay these costs.

The second expansion request recognizes the need to replace the existing KPEN network with a new network capable of supporting the information and data exchanges required by the institutions. The current contracts expire on December 31, 2003, and June 30, 2004. The KPEN network currently is under bid; the best estimate is that the new network will cost an additional \$600,000 over the FY 2002-03 level of funding. If the contract for the new network costs as much as is estimated, and if additional funding is not provided, institutions will be required to make up the \$600,000 or services will be eliminated.

The faculty development program is used to bring faculty from across the system together to address such diverse issues as student retention, developmental education, the use of technology in the classroom, and distance learning. The faculty development initiative is a critical part of the postsecondary education reform effort. In FY 2003-04, the faculty development allocation was reduced by \$50,000. The expansion request for FY 2005-06 will enable the Council to continue to conduct additional seminars and faculty exchanges.

IV. Workforce Development Trust Fund

The Council staff recommends that \$1.0 million in non-recurring funds be appropriated in FY 2005-06 for the Endowment Match Program at the Kentucky Community and Technical College System (see Endowment Match Program in Section II above). The guidelines for this trust fund are included in Attachment B-3.

V. Physical Facilities Trust Fund

The staff recommends \$569,100 in debt service for FY 2004-05 and \$36,085,000 in debt service for FY 2005-06 to provide funding for capital and renewal needs as follows:

<i>Category</i>	<i>FY 2004-05</i>	<i>FY 2005-06</i>
Capital Renewal & Maintenance (debt service)		\$1,431,000
Renovation, Replacement, Infrastructure & New Construction (debt service)		34,654,000
KSU - Young Hall (one-half of debt service)	\$569,100	
Total Debt Service	\$569,100	\$36,085,000

Additional details regarding the Physical Facilities Trust Fund are included in Attachment B-4, B-4a, and Attachment C.

VI. Adult Education Incentive Funding Program

In November 2000, the Council approved *An Agenda for Adult Education in Kentucky* that established a vision for increasing the literacy and economic viability of Kentucky's adult population through life-long learning, a focus on family literacy, and workplace learning. To accomplish that vision, the Council adopted a nine-point action plan supporting initiatives such as a public communications campaign, grants for model adult education programs, workforce education and training services, a distance learning program that provides Web-based access to adult literacy programs, and tuition discounts that support the continuing education of full-time employed GED completers. These initiatives and others were funded through the Adult Education and Literacy Trust Fund.

The General Assembly appropriated \$7.0 million to this trust fund in FY 2000-01 and \$12.0 million in 2001-02. During the 2003 legislative session, \$750,000 was removed from the trust fund, reducing funding for the communications campaign, and an additional \$288,500 was cut from the Adult Education agency budget that was part of the Workforce Cabinet. The 2002-04 Executive Operating Budget eliminated the Adult Education and Literacy Trust Fund and replaced it with the Adult Education Incentive Funding Program.

Since the passage of SB 1 in 2000, record enrollment growth has placed Kentucky's adult education program in the national spotlight. Significant enrollment growth has led to a decline in the amount appropriated per student served from \$382 in FY 2002 to \$282 in FY 2003. The reduction of \$1,038,500 in fiscal 2002-03, if not restored in 2004-06, could prevent Kentucky Adult Education from being able to sustain the momentum of adult education reform and build the capacity to meet established goals.

The staff recommends that the Council request \$1,038,500 for the Adult Education Trust Fund in 2004-05.

VII. Science and Technology Incentive Funding Program

This incentive funding program provides a mechanism for funding the state's knowledge-based economy innovation programs. The Council is assigned oversight for six initiatives to stimulate research and development, university-business collaboration, and rural involvement in high-technology growth: the Research and Development Voucher Program, Commercialization Program, Rural Innovation Program, Kentucky Science and Engineering Foundation, knowledge-based academic program and Kentucky Experimental Program to Stimulate Competitive Research. The staff recommends expansion funding for the Rural Innovation Program and the Knowledge-based Academic Program.

The *Rural Innovation Program* assists small, rural, Kentucky-based firms to undertake research and development. Funds must be used in partnership with a university or an appropriate third party. Investments are made in proof of concept development and early stage prototyping. The 2000 General Assembly appropriated \$1.0 million in 2000-01 for the program but did not have funds to appropriate for 2001-02. The Kentucky Innovation Act (KRS 164.6011-6041) clearly contemplates that the Rural Innovation Fund is an ongoing, recurring program. In 2002-04, the General Assembly authorized \$1.0 million in each year of the biennium for the Rural Innovation program using non-recurring interest earnings reallocated from various strategic trust funds. The staff recommends that the Council request \$1.0 million in recurring funds for this program beginning in FY 2004-05.

Knowledge-based Academic Program. Since the Council approved the “Strategy for Statewide Engineering” in July 2000, joint undergraduate engineering programs have been established in mechanical engineering, civil engineering, electrical engineering, and electrical and telecommunications engineering. The participating institutions share the joint programs’ cost. In 2002-04, the legislature authorized the Council to reallocate \$1.0 million in interest earnings from various trust funds to support the statewide engineering program. These funds were non-recurring. The staff recommends that the Council request \$1.0 million in recurring funds to support the programs beginning in 2004-05.

VIII. Enrollment Growth and Productivity Incentive Funding Program

The precursor to this funding program, the Enrollment Growth and Retention Program, supported increased enrollment and retention at Kentucky’s public postsecondary institutions with the aim of reaching or exceeding national averages of educational attainment by the year 2020.

In 2000-02, the legislature appropriated \$16 million to the Enrollment Growth and Retention Program (\$8 million each year). The program was funded through three separate trust funds: the Research Challenge Trust Fund, the Regional University Excellence Trust Fund, and the Postsecondary Education Workforce Development Trust Fund. In FY 2000-01, program funds were distributed among the public institutions according to the provisions of the 2000 Budget Bill (HB 502). The FY 2001-02 appropriation was distributed based on guidelines approved by the Council.

In 2002-04, the Council recommended that the General Assembly create a new Enrollment Growth and Retention Trust Fund, containing both an enrollment growth and retention program and a P-16 challenge grant program. The Council requested a total of \$22.3 million for the two programs in 2002-04, but proposed funding was not authorized.

The *2004-06 Points of Consensus* urge the Council to recommend trust funds that meet the priorities of *The Kentucky Postsecondary Education Improvement Act of 1997* and the Strategic Agenda. The Enrollment Growth and Retention Trust Fund is one of two trust funds identified as meeting those criteria. In keeping with the *Points of Consensus*, the staff recommends that the Council request creation of a new Enrollment Growth and Productivity Incentive Funding Program. The new program will continue to support enrollment growth and retention, and will also encourage increased productivity and systemwide improvement at Kentucky’s public postsecondary institutions by rewarding increased degree production and cooperative efforts to increase college preparation and participation.

The staff recommends that the Council request \$10,000,000 in funding for the Enrollment Growth and Productivity Incentive Funding Program in 2005-06. These funds will be divided into three pools pending allocation and distribution: (a) an enrollment growth pool; (b) a productivity pool; and (c) a systemwide improvement pool. The methods for determining the pools can be found in the proposed 2004-06 Enrollment Growth and Productivity Program Guidelines included in Attachment B-5. If the Council's request were fully funded, the distribution of funds for the three pools would be as follows:

<u>Category</u>	<u>Amount</u>
Enrollment Growth	\$8,700,000
Productivity	870,000
Systemwide Award	<u>430,000</u>
Trust Fund Total	\$10,000,000

IX. Student Financial Aid and Advancement Trust Fund

The Student Financial Aid and Advancement Trust Fund is funded from net lottery revenues in support of the Kentucky Educational Excellence Scholarship program (KEES). In FY 2003-04, the General Assembly gave KEES immediate access to an additional \$5.0 million in the unclaimed prize fund of the lottery with the promise that additional funds, up to the limit of the amount contained in the unclaimed prize fund, also could be committed to the KEES program.

The KEES program is scheduled to receive 40 percent of the lottery proceeds in FY 2003-04 and 45 percent in each of FY 2004-05 and FY 2005-06. In FY 2003-04, that amount is estimated to be \$64.32 million; in FY 2004-05 that amount is \$66.6 million, and \$65.385 million in FY 2005-06.

Based on the most recent estimates, the KEES program should be able to maintain current benefits within estimated revenue for FY 2004-05 but may experience a shortfall of \$3.3 million in FY 2005-06 that could result in reductions in benefits to high school students.

2004-06 Research Challenge Trust Fund Programs of National Prominence Guidelines

Background

The Kentucky Postsecondary Education Improvement Act of 1997 (HB 1) identified aggressive research agendas for the University of Kentucky and the University of Louisville. HB 1 gives the Council responsibility to develop criteria and process by which institutions can apply for funds appropriated to individual Strategic Incentive and Investment Trust Funds. The Council recognizes the importance of continuing to advance two of the goals of HB 1 to achieve: 1) a major comprehensive research institution ranked nationally in the top 20 public universities at the University of Kentucky and 2) a premier, nationally recognized metropolitan university at the University of Louisville.

Subsequently, with the Council and the Office of the New Economy, UofL and UK developed a collective goal of reaching \$500 million in extramural academic research and development expenditures as defined by the National Science Foundation by the year 2010. To attain this goal, both institutions need to expand faculty and facilities as they each strive to grow their existing extramural research expenditures. To enable this expansion, the Council recommends a \$6 million pool of recurring funds, in the 2004-06 biennium, to support research and associated academic programs in areas of strategic priority to each university, including the five new economy clusters: human health and development; biosciences; materials science and advanced manufacturing; information technologies and communications; and environmental and energy technologies. These areas are of strategic benefit to Kentucky and are core components of the knowledge-based economy.

The Endowment Match Program has been extremely successful in recruiting senior faculty and the strategy has proved, in only a short time, to be a well-placed investment. Both institutions now need resources to recruit and support additional faculty so that Kentucky can “grow its own stars.” In addition, productive research faculties are highly mobile and retaining early RCTF and other outstanding faculty is critical.

Policy

Six million dollars (\$6 million) in new state General Funds is recommended in the 2004-06 biennium to the University of Kentucky (\$4 million) and the University of Louisville (\$2 million) to enable the institutions to meet each institution’s HB 1 goal.

1. Programs of National Prominence Funds are to be invested in areas identified by each university as strategic priorities including research in the new economy clusters so that the universities contribute to research and scholarship excellence as well as to the economic vitality of the Commonwealth.

2. The universities may use the Programs of National Prominence Funds for faculty salary support, faculty start-up packages, support of graduate students, laboratory or other research space renovations, capital projects, and faculty retention packages.
3. The universities will be accountable for all program expenditures and will prepare annual programmatic and financial reports.
4. Program funds should be invested so as to have a positive impact on the institution as a whole, bring benefit to students, and promote the interests of the Commonwealth and the nation. It is also desirable that the new investments should be made in areas where the doctoral degree or appropriate terminal professional degrees are awarded.

Funding Criteria

To be eligible for program funds, the institution:

1. Must provide a 1:1 match. The Council shall determine the matching funds or internal reallocation requirements to qualify for funding.
2. Must establish an identifiable budget and expenditure account for each program.
3. Must include outcomes-based performance indicators.
4. Must supplement, rather than supplant, current program funds.

The Council staff will work with the research universities to develop procedures and evaluation criteria for administering the funds for consideration at the February 2004 meeting.

2004-06 Regional Stewardship Program Guidelines

Introduction

As part of the Regional University Excellence Trust Fund, the Regional Stewardship Program will support comprehensive universities' efforts to focus their missions on improving the quality of life in their regions and to achieve the aspirations set forth in *The Kentucky Postsecondary Education Improvement Act of 1997* and *2020 Vision*. In Kentucky, and across the nation, discussions of the mission of comprehensive universities have focused on their responsibility for meeting the education, health, economic, and civic needs of the regions they serve. Effective public engagement with P-12 schools, P-16 councils, employers, local governments, and non-profit agencies requires alignment of institutional missions, reward systems, and resources with a commitment to regional stewardship. This trust fund provides seed money to stimulate that work.

Public engagement programs, like basic research, are cost centers for universities. Some programs may generate limited funds through contracts with employers and local governments, but most programs that target the needs of public schools, small businesses, government agencies, and non-profit agencies require the support of public funds. Recognizing the costs of basic research, the federal government has allocated billions of dollars through agencies like the National Science Foundation to successfully stimulate reallocation of university resources to address a national research agenda. The Regional Stewardship Program adopts this successful model to encourage comprehensive universities to expand their efforts to engage regional needs.

Models across the country demonstrate that a fully engaged comprehensive university is a powerful force that serves as a center for regional improvement: greater economic vitality, better government services, improved public health, and citizens who are more engaged with democratic processes. In addition, students and faculty at engaged universities are a part of a more vital educational process that improves teaching and learning and links teaching, learning, and research to public needs. Students graduate understanding their obligation to use what they have learned to contribute to a common good.

Institutions are expected to design, develop, and implement programs that align university resources and infrastructure to support their missions as regional stewards and create partnerships that address regional needs.

The program will make \$6 million available to the comprehensive universities to achieve this goal. Initially up to \$1 million will be available to each university based on responses to a Council request for proposals. If a university's proposal does not justify use of its allocation, unearned funds will be made available to the other comprehensive universities through a supplemental proposal process.

Attachment B-2
REVISED November 17, 2003

Uses of Regional Stewardship Program Funds

1. Activities should be directed toward initiatives that will help achieve the goals of *The Kentucky Postsecondary Education Improvement Act of 1997* and *2020 Vision* through creation of regional partnerships that improve economic prosperity and the quality of life in the region.
2. A percentage of the funds will be allowed as indirect costs to support university efforts to fulfill the mission of regional stewardship.
3. Proposals must focus on partnerships and contracts with P-12 organizations, employers, entrepreneurs, local governments, and non-profit agencies. Outcomes must be clearly linked to documented regional needs, such as raising educational attainment levels, improving public health or environmental conditions, improving economic indicators, supporting small business development, or increasing civic engagement.
4. Examples of initiatives that may be funded include efforts to:
 - Address issues of teacher quality, pre-service training, in-service professional development, or eliminating teacher shortages.
 - Conduct research that identifies causes and solutions for student achievement gaps.
 - Develop community-based research programs that address public problems, such as improving the environment, public health, and transportation.
 - Meet the needs of current employers and create new economic opportunities for the region.
 - Increase citizen participation in democratic processes.
 - Help the region address the challenges and opportunities posed by an increasingly diverse population.

Deleted: with schools

Implementation

The Council staff will work with the comprehensive universities to develop procedures and evaluation criteria for administering these funds for consideration at the February 2004 meeting. Criteria for evaluating proposals might include:

- Addressing significant regional problems as evidenced by both community and university assessment.
- Involving community partners who will contribute financial or in-kind support.
- Drawing on faculty expertise that is aligned with project needs.
- Involving students where appropriate.
- Partnering with other public and independent postsecondary institutions in the region to increase impact.
- Holding promise for significant and sustainable regional improvement.

2004-06 Endowment Match Program Guidelines for the Workforce Development Trust Fund

Background

Kentucky recognizes the importance of workforce education and training to the economic well being of its citizens. The Endowment Match Program encourages private investment in public postsecondary education workforce education and training initiatives to stimulate business development, create better jobs and a higher standard of living, and facilitate Kentucky's transition to a knowledge-based economy. The program matches public money with private gifts to fund endowed chairs, professorships, scholarships, workforce education infrastructure, and mission support.

State funds for the program are appropriated to the Workforce Development Trust Fund (WDTF) for the Kentucky Community and Technical College System. The WDTF was created with the passage of *The Kentucky Postsecondary Education Improvement Act of 1997* (HB 1).

Program Administration

The Council on Postsecondary Education oversees the Endowment Match Program. The Council establishes the areas of concentration within which program funds are used, develops guidelines for the distribution of program funds, and reviews reports from the institutions on the use of funds and the results achieved.

Role of the KCTCS Board of Regents

The KCTCS Board of Regents is responsible for the implementation of the Endowment Match Program at community and technical colleges in Kentucky. The board shall review and approve all donations, gifts, and pledges that will be used to establish new endowments or expand existing endowments for which matching state funds will be requested. The board shall ensure that the purpose of the endowment and the source of funds comply with the Council's guidelines and serve the public good. Documentation of board approval must be submitted with each endowment request. In addition, the board shall review and approve the Endowment Match Program reports that are submitted annually to the Council.

Allocation of Program Funds

The Council has requested \$1.0 million for the WDTF Endowment Match Program in 2005-06. All of that amount will be allocated to the WDTF, where it will remain until matched by KCTCS institutions.

Matching Requirements

The Endowment Match Program is conceived as a way to bring new money from external sources into the Commonwealth's system of postsecondary education. In order to receive state funds, KCTCS institutions must provide dollar-for-dollar matching funds that satisfy the following requirements:

- Gifts and pledges must be newly generated to be eligible for state match. Newly generated contributions are those received by KCTCS after June 1, 2003.
- Gifts and pledges must be from external sources to be eligible for state match. External source contributions are those that originate outside KCTCS or one of its recognized foundations. Eligible sources of funding include, but are not limited to, businesses, non-governmental foundations, hospitals, corporations, and alumni or other individuals. Funds received from federal, state, and local government sources are not eligible for state match.
- General Fund appropriations and student-derived revenues (for example, tuition and fees revenue) are not eligible for state match.
- The minimum institutional request amount is \$50,000. KCTCS may combine smaller donations from businesses, non-governmental foundations, hospitals, corporations, and alumni or other individuals to meet the \$50,000 minimum.
- All funds, both state and private, must be endowed. "Endowed" means only the investment earnings are eligible for expenditure, not the principal.
- Requests for state funds must identify the matching funds that are cash and the matching funds that are pledges.
- Pledges, or promises of future payment, are eligible for state match provided they are based on a written contract or agreement and include a payment schedule, which does not exceed five years from the initial pledge date. Pledge payment schedules showing receipts to date and scheduled future payments are to be included in the audited financial statements of either the institution or the foundation.
- If pledged funds are not received within five years of the initial pledge date, KCTCS must replace the portion of private funds not received with another eligible cash gift or the unmatched portion of the state funds plus an allowance for accrued interest will revert to the trust fund for reallocation. In such cases, a time frame for the replacement or return of state funds will be negotiated between Council staff and institutional representatives.
- KCTCS officials must notify the Council staff of unpaid pledges six months before the end of the five-year deadline, or immediately when a gift has been revoked.

Uses of Program Funds

Investment earnings from the endowments can be used to support various activities including chairs, professorships, undergraduate scholarships, workforce education and training infrastructure, and mission support as described below.

Chairs: New faculty positions, salary supplements to existing faculty positions, and associated expenses for those positions, including start-up costs, salaries, benefits, travel, and other professional expenses as permitted by KCTCS policy.

Professorships: New faculty positions, salary supplements to existing faculty positions, and associated expenses for those positions, including start-up costs, salaries, benefits, travel, and other professional expenses as permitted by KCTCS policy.

Undergraduate Scholarships: Program funds can be used to support scholarships for outstanding undergraduate students, which may include travel and other expenses as permitted by KCTCS policy.

Workforce Education and Training Infrastructure: Start-up and operating expenses that are directly linked to the workforce education and training activities of an endowed chair or professor, including equipment, materials and supplies, deployment of technology, and other related expenses as permitted by KCTCS policy.

Mission Support: Program funds can be used to support the KCTCS workforce development mission. Consideration will be given to mission support activities such as: (1) expenditures that enhance the KCTCS capability in workforce education and training (for example, books, manuals, workforce education and training materials, media, and equipment); (2) start-up costs, equipment, and supplies that support faculty or student education and training that enhance workforce development; (3) funding for visiting professors and instructors, lecture series, demonstration projects, and faculty exchange; and (4) expenditures for the dissemination of information and best practices (for example, nationally prominent publications and presentations at conferences, symposiums, seminars, or workshops). However, priority will be given to mission support expenditures that encourage the workforce education and training activities of faculty and students. Expenditures for general personnel expenses that are not directly linked to an endowed chair or professor do not qualify as mission support activities.

Use of Funds Requirements

- At least 50 percent of program funds must be endowed for the purpose of supporting chairs, professorships, infrastructure, or scholarships that are directly linked to the workforce education and training activities of an endowed chair or professor. No more than 50 percent of program funds may be endowed for the purpose of supporting mission support activities or scholarships that are not directly linked to the applied workforce education and training activities of an endowed chair or professor.

Areas of Concentration

- The Council expects state and private matching funds to be substantially directed toward supporting workforce education and training that leads to the creation, preservation, or attraction of businesses that will increase the number of good jobs in Kentucky. For these purposes, “good jobs” are defined as jobs that yield income at or above the national per capita income.
- The Council recognizes the importance of cooperation between KCTCS and corporations and encourages partnerships in the technologies, engineering, and applied sciences.
- The Council recognizes the importance of the KCTCS transfer mission and supports initiatives that enhance the transition of students from KCTCS colleges to four-year institutions.
- The Council also recognizes the contribution of arts and humanities to quality of life and to economic development in the Commonwealth and is receptive to limited use of endowment funds in this area.
- Program funds cannot be used for positions which are primarily administrative. However, professors in workforce education and training programs who may have an appointment such as department chair, center director, or dean are eligible.
- Program funds cannot be used to fund capital construction projects.

Annual Reporting

Institutions will provide detailed annual reports describing how the state and matching funds are used by October 15 each year. These reports will include such items as the number of endowed chairs and professorships by name and incumbent, the specific support services attached to the chairs and professorships, and the benefits of the program to the Commonwealth of Kentucky in terms of jobs, revenue growth, creation of wealth, and improved standards of living. The reports should also identify program outcomes, such as increases in sponsored workforce education and training directly attributable to the program and improvement in related student outcome measures (for example, increased enrollment, retention, graduation, transfer, and employment).

The Council staff, working with KCTCS, will devise and maintain reporting procedures that specify the content and format of Endowment Match Program annual reports.

**Physical Facilities Trust Fund
Capital Renewal and Maintenance
Program Guidelines
2004-06**

Introduction

The Council on Postsecondary Education recommends a \$15 million bond issuance for the Capital Renewal and Maintenance Program in the Physical Facilities Trust Fund. The bond proceeds and required matched by the institutions will be used to reduce deferred maintenance backlogs and address long-range facility renewal needs. As in previous biennia, the Council staff will work with the Finance and Administration Cabinet to provide the necessary documentation so that the bonds may be issued in January 2005.

The bond proceeds will be distributed to the institutions based on their educational and general square footage. These are the same guidelines and allocation method used in the 2000-02 Capital Renewal and Maintenance Program.

Use and Distribution of Capital Renewal and Maintenance Program Funds

1. Bond proceeds will be matched at varying rates by the institutions based on their efforts to maintain existing facilities. As shown on Tables B-4a and B-4b, the matching rates are based on the average useful life of capital renewal and maintenance projects completed from 1992 to 2002. Including the required institutional match, \$26.7 million in capital renewal and deferred maintenance projects will be funded. Eligible matching funds can include agency, private, or federal funds. Capital renewal projects that are completed as part of an energy performance contract will not qualify as matching funds.
2. The institution, prior to the release of the capital renewal program funds, must certify the availability of matching funds.
3. By August 1, 2004, each institution will submit a list of requested projects to be funded with the state bonds and the required institutional match. Requested projects must be included in the institution's 2004-10 capital plan submitted to the Capital Planning Advisory Board and the Council. Any project costing \$400,000 or more must be listed in the enacted 2004-06 Budget of the Commonwealth.

The Council will act on the institutions' proposals and report that action to the secretary of the Finance and Administration Cabinet for approval.

**Capital Renewal and Deferred Maintenance Program
Useful Life Summary for Projects Completed Between 1992-2002
September 30, 2003**

Institution Name	Summary Building System Baseline Information 1992 - 2002					Average Percentage Useful Life
	Site Improve Infrastructure	Exterior Closure Systems	Interior Constr and Finishes	Mechanical Sys.	Electrical Sys.	
EKU	-	133.48%	146.67%	134.45%	228.00%	160.65%
KCTCS	128.89%	154.41%	81.25%	134.00%	123.72%	123.35%
KSU	127.78%	128.24%	124.00%	97.91%	103.08%	116.20%
MoSU	188.00%	126.71%	153.77%	151.85%	178.18%	152.63%
MuSU	160.83%	151.89%	145.24%	157.24%	147.69%	152.58%
NKU	63.45%	116.62%	128.88%	120.16%	93.00%	104.42%
UK (MC, LCC & Medical Center)	200.76%	163.11%	108.78%	151.38%	188.85%	162.58%
UofL	134.29%	148.28%	145.40%	137.08%	124.75%	137.96%
WKU	115.03%	133.95%	136.33%	154.97%	136.43%	135.34%

<u>Average Useful Life</u>	<u>Match Rate</u>
1. Useful Life History: Less Than 90% of expected useful life	\$1 for \$1
2. Useful Life History: Greater than 90% but less than 105% of expected useful life	\$0.90 for \$1
3. Useful Life History: Greater than 105% but less than 120% of expected useful life	\$0.85 for \$1
4. Useful Life History: Greater than 120% but less than 136% of expected useful life	\$0.80 for \$1
5. Useful Life History: Greater than 136% of expected useful life	\$0.75 for \$1

Table B-4b

**Capital Renewal and Deferred Maintenance Program
Useful Life Summary for Projects Completed Between 1992 and 2002
September 30, 2003**

Institution Name	Actual Useful Life of Building Systems Projects Completed Between 1992 and 2002 Compared to the Expected Useful Life					Average Percentage Useful Life	Allocation of Bond Proceeds 2002-04			
	Site Improvement Infrastructure	Exterior Closure Systems	Interior Construction and Finishes	Mechanical Systems	Electrical Systems		Total E & G Square Footage	Percent of Total Space	\$10 Million Bond Pool	Required Institutional Match
EKU	-	133.48%	146.67%	134.45%	228.00%	160.65%	1,622,904	8.9%	\$ 1,342,500	\$ 1,006,900
KCTCS	128.89%	154.41%	81.25%	134.00%	123.72%	123.35%	3,519,106	19.4%	2,911,000	2,328,800
KSU	127.78%	128.24%	124.00%	97.91%	103.08%	116.20%	505,449	2.8%	418,100	355,400
MoSU	188.00%	126.71%	153.77%	151.85%	178.18%	152.63%	963,903	5.3%	797,300	598,000
MuSU	160.83%	151.89%	145.24%	157.24%	147.69%	152.58%	1,372,181	7.6%	1,135,100	851,300
NKU	63.45%	116.62%	128.88%	120.16%	93.00%	104.42%	1,043,724	5.8%	863,400	777,100
UK (MC, LCC & Med. Center)	200.76%	163.11%	108.78%	151.38%	188.85%	162.58%	4,408,822	24.3%	3,647,000	2,735,300
UofL	134.29%	148.28%	145.40%	137.08%	124.75%	137.96%	2,501,870	13.8%	2,069,500	1,552,100
WKU	115.03%	133.95%	136.33%	154.97%	136.43%	135.34%	2,195,618	12.1%	1,816,200	1,453,000
Total							18,133,577	100.0%	\$ 15,000,100	\$ 11,657,900
Total Capital Renewal and Deferred Maintenance Funds									\$ 26,658,000	

<u>Average Useful Life</u>	<u>Match Rate</u>
1. Useful Life History: Less Than 90% of expected useful life	\$1 for \$1
2. Useful Life History: Greater than 90% but less than 105% of expected useful life	\$0.90 for \$1
3. Useful Life History: Greater than 105% but less than 120% of expected useful life	\$0.85 for \$1
4. Useful Life History: Greater than 120% but less than 136% of expected useful life	\$0.80 for \$1

5. Useful Life History: Greater than 136% of expected useful life

\$0.75 for \$1

**Physical Facilities Trust Fund
Agency Bond Authority Allocation Guidelines
2004-06**

Introduction

The Council on Postsecondary Education recommends that the General Assembly authorize bonded debt authority to allow institutions to complete capital projects. The debt service will be paid from institutional funds. As in previous biennia, the Council staff will allocate the bond authority to the institutions, and will also work with the Finance and Administration Cabinet to provide the necessary documentation so that, if needed, the bonds may be issued in the first year of the biennium.

The bond authority will be distributed to the institutions based on their share of fall 2003 headcount enrollment. In March 2003, the Council staff and the institutions agreed on a method for distributing agency bond authority among institutions in a manner that is both equitable to the institutions and supportive of statewide priorities. These guidelines and the allocation method were used to allocate the 2002-04 Agency Bond Pool in May 2003.

Distribution of Agency Bond Pool Authority

1. The first step is to ask institutions to clarify their requests and priorities and to identify the specific revenue stream to be used for debt service.
2. Each institution must: 1) eliminate projects that have been completed or are no longer necessary to meet the previously identified need; 2) list each remaining project in specific order of priority; 3) list the date bonds will be issued; and 4) identify the specific revenues stream to be used for debt service. Any project costing \$400,000 or more must be listed in the enacted 2004-06 Budget of the Commonwealth.
3. By November 15, 2004, the Council will allocate the agency bond authority to the institutions and report that action to the secretary of the Finance and Administration Cabinet and to the Capital Projects and Bond Oversight Committee.

2004-06 Enrollment Growth and Productivity Program Guidelines

Introduction

The purpose of the Enrollment Growth and Productivity Program is to support increases in enrollment and productivity at Kentucky's postsecondary education institutions. The Council, in conjunction with the institutions, will establish enrollment and productivity goals as part of the *Key Indicators of Progress toward Postsecondary Reform in Kentucky*. These goals will reflect *2001-2006 Action Agenda* and House Bill 1 initiatives for Kentucky to reach national averages in educational attainment by the year 2020. The program also encourages systemwide improvement by rewarding cooperative efforts (for example, partnerships among public and independent colleges, P-12 schools, and communities) to better prepare high school students and adult learners for postsecondary education.

Objectives

- To provide a comprehensive framework to substantively support enrollment growth and to reward several dimensions of productivity and systemwide improvements in education preparation and participation.
- To provide support for undergraduate and graduate enrollment growth during the biennium as a supplement to institutional base funding provided by the benchmark funding model and to reward increases in minority student enrollment.
- To reward institutions for increased productivity by retaining and graduating more students and to reduce achievement gaps for underprepared students, students from disadvantaged counties, and minority students.
- To provide rewards for systemwide improvements in preparation and participation, reaching high school students and adult learners.

Allocation and Distribution Procedures

Program funds will be divided into three pools pending allocation and distribution to the institutions: (a) an enrollment growth pool; (b) a productivity pool; and (c) a systemwide award pool.

I. Enrollment Growth Pool

The enrollment growth pool supports increases in undergraduate and graduate enrollment, as well as increases in minority student enrollment at both levels. It provides funding for enrollment growth over the biennium not included in the benchmark funding

process and differentiates the costs of undergraduate and graduate instruction as called for by the *Points of Consensus*.

- The size of the enrollment growth pool will be determined by adding undergraduate and graduate benchmark funding need for new enrollments, adjusted proportionately depending on the actual appropriation level.
- The enrollment growth pool will be divided into three sub-pools: (a) an undergraduate growth sub-pool; (b) a graduate growth sub-pool; and (c) a diversity sub-pool.

A. Undergraduate Growth Sub-Pool

The undergraduate growth sub-pool supports increases in undergraduate enrollment during the first year of the biennium that are not funded through the benchmark funding process.

- The size of the undergraduate growth sub-pool will be determined by subtracting the diversity sub-pool from the enrollment growth pool, and multiplying the result by undergraduate funding need as a percentage of total need, rounded to the nearest thousand. Undergraduate funding need is a function of anticipated undergraduate enrollment growth (based on 2004 goals) and institutional benchmark funding objectives.
- The undergraduate growth sub-pool will be allocated based on each institution's proportion of total estimated undergraduate need and will be distributed based on the attainment of 2004 undergraduate headcount goals.
- Undergraduate enrollment measures will be based on the goals set for Key Indicator 2A, Number of Undergraduates.

B. Graduate Growth Sub-Pool

The graduate growth sub-pool supports increases in graduate enrollment during the first year of the biennium that are not funded through the benchmark funding process.

- The size of the graduate growth sub-pool will be determined by subtracting the diversity sub-pool from the enrollment growth pool, and multiplying the result by graduate need as a percentage of total need, rounded to the nearest thousand. Graduate funding need is a function of anticipated graduate enrollment growth (based on 2004 goals) and institutional benchmark funding objectives.
- The graduate growth sub-pool will be allocated based on each institution's proportion of total estimated graduate need and will be distributed based on the attainment of 2004 graduate headcount goals.
- Graduate enrollment includes graduate and first professional students and is measured as Key Indicator 2B, Number of Graduate/Professional Students.

C. Diversity Sub-Pool

The diversity sub-pool rewards institutions for increases in undergraduate and graduate minority student enrollment during the first year of the biennium.

- The size of the diversity sub-pool will be 5 percent of the enrollment growth pool up to a maximum of \$1.0 million.
- The diversity sub-pool will be allocated proportionately based on each institution's increase in undergraduate and graduate/first professional minority FTE enrollment (between 2003 and 2004) multiplied by a \$150 diversity premium. Each institution will receive its allocation, unless total diversity awards for all institutions exceed the sub-pool total, then distribution amounts will be reduced proportionately.
- Minority students include the IPEDS race/ethnic categories of African American, Asian or Pacific Islander, American Indian or Alaskan Native, and Hispanic.

II. Productivity Pool

The productivity pool encourages increases in educational attainment in Kentucky by rewarding institutions for increasing retention rates and the number of degrees conferred, and for reducing achievement gaps in underprepared students, students from target (disadvantaged) counties, and minority students.

- The size of the productivity pool will be ten percent of the enrollment growth pool, up to a maximum of \$2.0 million dollars.
- The productivity pool will be divided into three sub-pools: (a) a retention sub-pool; (b) a degrees conferred sub-pool; and (c) an achievement gap sub-pool.

A. Retention Sub-Pool

The retention sub-pool rewards institutions for increasing retention rates of first-time freshmen during the first year of the biennium.

- The size of the retention sub-pool will be 45 percent of the total productivity pool.
- The retention sub-pool will be allocated based on each institution's proportion of total undergraduate and graduate 2003 FTE enrollment and will be distributed based on the attainment of 2004 retention rate goals.
- Retention measures will be based on the goals set for Key Indicator 3A, One-Year Retention Rate of First-time Freshmen.

B. Degrees Conferred Sub-Pool

The degrees conferred sub-pool rewards institutions for increased degree production during the first year of the biennium.

- The size of the degrees conferred sub-pool will be 45 percent of the total productivity pool.
- The degrees conferred sub-pool will be allocated based on each institution's proportion of total undergraduate and graduate 2003 FTE enrollment and will be distributed based on the attainment of 2004-05 degrees conferred goals.
- The degrees conferred measure will correspond to Key Indicator 4C, Degrees Conferred.

C. Achievement Gap Sub-Pool

The achievement gap sub-pool rewards institutions for productivity gains in one of three institutionally selected student subpopulations during the first year of the biennium.

- The size of the achievement gap sub-pool will be 10 percent of the total productivity pool.
- The achievement gap sub-pool will be allocated based on each institution's proportion of total undergraduate and graduate 2003 FTE enrollment and will be distributed based on the attainment of 2004-05 achievement gap goals.
- Each institution will select one of three student subpopulations (i.e., minority students, students from target counties, or underprepared students), combined with one of two productivity measures (i.e., retention or degrees conferred), as its Achievement Gap measure. Underprepared students are defined as undergraduates scoring below 18 on the ACT. The performance of the subpopulation in the selected productivity area compared to the established goal will be the basis for distributing the funds.

III. Systemwide Award Pool

The systemwide award pool encourages cooperative efforts to increase college preparation and participation. These funds will provide incentives for institutions to more effectively assist in preparing high school students and adult learners to participate in postsecondary education.

- The size of the systemwide award pool will be 5 percent of the enrollment growth pool, up to a maximum of \$1.0 million dollars.
- The systemwide award pool will be divided into three sub-pools: (a) an ACT score sub-pool; (b) a high school to college sub-pool; and (c) a GED to college sub-pool.

A. ACT Score Sub-Pool

The ACT score sub-pool rewards institutions for helping Kentucky's high school seniors to meet or exceed the statewide goal for average ACT score during the second year of the biennium.

- The size of the ACT score sub-pool will be 33.3 percent of the total systemwide award pool.
- The ACT score sub-pool will be allocated based on each institution's proportion of total undergraduate and graduate 2003 FTE enrollment and will be distributed based on the attainment of the 2005 mean ACT score of high school seniors systemwide goal.
- The performance measure for this sub-pool is the average ACT score of Kentucky's high school seniors, or Key Indicator 1B. The systemwide goal for 2005 is a mean ACT score of 20.4 for high school seniors.

B. High School to College Sub-Pool

The high school to college sub-pool rewards institutions for helping to increase the proportion of Kentucky high school students who enroll in college within four years of their ninth grade year.

- The size of the high school to college sub-pool will be 33.3 percent of the total systemwide award pool.
- The high school to college sub-pool will be allocated based on each institution's proportion of total undergraduate and graduate 2003 FTE enrollment and will be distributed based on the attainment of the 2004 high school to college systemwide goal.
- The performance measure for this sub-pool will be based on the goal set for Key Indicator 2C, the proportion of Kentucky ninth graders who enroll in college within four years. The systemwide goal for 2004 is 40 percent of ninth graders enrolling in college within four years.

C. GED to College Sub-Pool

The GED to college sub-pool rewards institutions for helping to increase the proportion of Kentucky GED completers who enroll in college within two years of earning their credential.

- The size of the GED to college sub-pool will be 33.4 percent of the total systemwide award pool.
- The GED to college sub-pool will be allocated based on each institution's proportion of total undergraduate and graduate 2003 FTE enrollment and will be distributed based on the attainment of the 2004 GED to college systemwide goal.

- The performance measure for this sub-pool is the proportion of GED completers who enroll in any Kentucky postsecondary institution within two years, or Key Indicator 2D. The systemwide goal for 2004 is 21.2 percent of GED completers attending college within two years.

Unearned Funds

- Any unearned funds from the three pools may be distributed to institutions that exceed their undergraduate or graduate enrollment goals.
- The amount of unearned funds per FTE distributed to an institution shall not exceed the per FTE amount used to calculate that institution's original enrollment growth allocation.
- Any balances that still remain following the distribution of unearned funds will be carried forward in the funding program to the next biennium.

Timing of Fund Distributions

- Funds from the enrollment growth pool (including undergraduate growth, graduate growth, and diversity sub-pools) and from the retention rate sub-pool will be disbursed after July 1, 2005.
- Funds from the systemwide award pool (including ACT score, high school to college, and GED to college sub-pools) and from the degrees conferred funds and achievement gap sub-pools, as well as any unearned funds awarded to institutions that exceed their enrollment goals, will be distributed after January 1, 2006, to allow time for the necessary data to be collected and verified.
- The distributed funds will be recurring to the institutions.

Council on Postsecondary Education
November 3, 2003

2004-06 Capital Budget Recommendation

The Council staff recommends \$15 million in state bonds to fund the capital renewal and maintenance pool. Including a required match from the institutions, \$26.7 million in capital projects would be funded through this program. Debt service for the bonds is included in the Physical Facilities Trust Fund. Only projects involving educational and general facilities are eligible for funding from the pool. The projects would be authorized in 2004-05. Projects eligible for funding from the pool are included in Table C-1. The \$15 million will be allocated among the institutions based on their proportionate share of educational and general space as of fall 2002. See Table B-4a.

The Council staff also recommends \$378,362,200 of state bonds to construct new space and to renovate existing facilities (Table C-2). Included among the projects identified for renovation is \$11,200,000 for Hathaway Hall at Kentucky State University. The project is needed to fulfill the commitment of the Commonwealth in its Partnership Agreement with the U.S. Department of Education, Office for Civil Rights. The Council staff's recommendations for state funded capital projects are based on evaluation using the space need model, the Council's consulting architect's report, and institutional project priorities. (The consultant's report and the space needs model results are available on the Council's Web site.)

The Council staff also recommends institutionally funded capital projects that support the objectives of *The Kentucky Postsecondary Education Improvement Act of 1997* and the *2001-06 Action Agenda*. The Council staff recommends the following 2004-06 agency-funded projects:

- A \$432.7 million agency bond pool in 2004-05. This allows authorization and completion of each institution's priorities for agency bond funded capital projects. Projects eligible for funding from this pool are listed in Table C-3. The specific projects to be funded would be approved by the Council during the biennium and recommended to the secretary of the Finance and Administration Cabinet. (Attachment B-4a.)
- 2004-05 authorization for 591 agency-funded projects totaling \$1.6 billion to address life safety, major maintenance, equipment acquisitions, infrastructure repair and upgrades, and new construction. These projects would be funded using agency, federal, private, or other non-state funds. These projects are shown in Table C-4.
- 2004-05 authorization for nine agency-funded projects totaling \$80 million to improve energy efficiency in campus buildings including energy equipment acquisitions and infrastructure repair and upgrades. These projects would be funded using third party financing techniques available through the Finance and Administration Cabinet and private contractors or other non-state funds. These projects are shown in Table C-5.

- The Council and Kentucky State University request reauthorization of the current allocation of agency bond authority (\$9.9 million) and current year authorization of \$569,160 state debt service and \$484,840 agency debt service to issue bonds for the renovation of the Young Hall Dormitory. This partnership is explained in Attachment C-6.

2004-06 CAPITAL BUDGET REPORT

SECTION I: EXECUTIVE SUMMARY

At the beginning of the report in Section II is a discussion of the primary recommendations as a result of discussions with institutional representatives and a review of the capital projects submitted by each of the institutions. The services requested by the Council on Postsecondary Education did not include an on-campus inspection of existing facilities to assess the overall condition of the physical plant. There are a large number of requests for new construction rather than renovation of existing space. If the highest institutional priorities are funded, the needed renovations are likely to suffer and will continue to grow in number for future biennia. This recommendation is for renovation or renewal to be considered in a separate category from one for new construction projects.

Maysville Community College Academic Building and Hazard Community College Lees Campus Library and Science Building are two facilities with similar problems of deterioration and possible structural damage from water forces. They were given special consideration in the 2003-2004 Capital Budget Report with the result that they were at least addressed in an emergency manner with most of the more serious deficiencies corrected. Work is complete or nearing completion.

Another recommendation is for the review of major renovations as a category separate from new construction to make a distinction for funding between projects for new construction and those that are for major renewal of existing facilities. The legislature can then distinguish between the two, providing funding as suits its purpose.

Recommendations of specific projects as a first and second priority at each institution are included in this section of the report. These recommendations were made following the campus site visits and ITV interviews with institutional representatives but without a look at existing facilities to be affected. In the case of new construction proposals, a look at the proposed site and review of the space program was not done. The value of each new construction project is dependent on institutional goals, potential service to the Commonwealth, and funding priorities of the legislature and cannot be included as a part of this report.

Section III of the report covers the methodology for conducting this review. As in the previous report, only the top few (four to six) projects of a budget request were considered for this process in recognition of the state funding limitations. Criteria used in this process are discussed and include: project scope, institutional priorities, project status, condition of facility, feasibility or suitability, budget adequacy, site of project, parking and utilities, location of facility on the site, budget breakdown comparisons, historical value, environmental issues, and unique qualifications.

The next part of the report covers a discussion of the projects considered on each campus and some general comments on institutional goals for the project(s). It also includes discussion of

points considered and reasoning of the consultant in arriving at the projects to be recommended for first and second priority.

At the end of the report are some general comments, one of which includes consideration of a long overdue and comprehensive review of the various campuses status and condition of facilities. Discussions were held on the campuses of KSU, UofL and UK and at the central administrative offices of the KCTCS. The remaining discussions were conducted through the interactive television network (ITV). Therefore the report does not include comments on general condition of the campus environment. Some concern is raised regarding the number of facilities and campuses being acquired in the state system and caution should be taken in investigating the condition and potential expense for renovation or maintenance that comes with these facilities. Water related problems on some campuses are also mentioned in this section.

SECTION II: RECOMMENDATIONS

1. As a result of interviews with institutional representatives during August of this year, it became apparent that most have made new construction the highest priority for capital funds from the state. In view of the slow growth in revenue the State is experiencing, funding for some major repair or renewal projects may be pushed into a future biennium once again. Previous biennial capital reports have identified this problem and advised that deteriorated facilities, especially those with water related damage, will only become worse and cost more to correct. It is recommended that certain projects be funded by a maintenance and renewal fund or a special direct appropriation. Funding of special or emergency projects should also be a permanent part of the budget process to alleviate this type of conflict in future biennia or require institutions to assure adequate maintenance budgeting to prevent facilities from deteriorating to a point that special funding is necessary.
2. It is recommended that major renovation and capital renewal projects be considered for funding under a separate category than for new construction. In past reports, this has been the procedure. Because of continued placing of new construction in the highest priorities by the institutions, many times existing facilities do not receive funding at a level sufficient to maintain them in quality condition. In many years of limited institutional budgets, maintenance is reduced to a level where needed attention to maintenance of facilities cannot be accomplished. Budgets are certain to be tight in 2004-06 and major repairs or renovations may further be delayed resulting in a corresponding reduction in the quality and usability of space. Placing existing building projects in separate categories from proposed new construction will allow the Council, the Governor, and the legislature to differentiate between the two and place emphasis where they believe it should be.
3. As seen in the capital requests for the 2004-06 biennium, the scope of many projects has increased significantly with the increasing likelihood of budget over or under estimating. With many capital requests exceeding \$25,000,000 and some \$120,000,000, the miscalculation of the budget can result in significant errors unless there is a detailed facility space program. As suggested in previous reports, projects expected to cost more than \$8,000,000 or

\$10,000,000 should first be funded for architectural space programming to determine if all project desires can be met within a proposed project scope. If not, the proposed budget or space program can be adjusted and the budget request made more credible before presentation to the CPE and legislature. This has been seen in this current review as projects funded in 2000 or 2002 are now being cut back in scope due to underestimating project cost and/or the discovery of unanticipated correction of previously unknown structural or facility condition problems. Therefore, it is recommended that CPE continue a policy of recommending funding for the cost of space programming in the current biennium with the expectation of additional design and construction funding after completion and identification of the programmed scope.

4. Following is a list of recommended projects by institution. These recommendations were developed following discussions with institutional representatives and include information provided by the SYP-02 Forms. Institutionally established priorities were followed in writing these recommendations with the caveat that maintaining current facilities in good repair should be a higher priority than new construction. This does not reflect negatively on the research emphasis given to institutions or on the Center of Excellence each institution has adopted. State lawmakers must determine ways to meet the goals given our institutions, but at the same time acknowledge the need to maintain current physical plant investments. More detailed information on each institutional request and priorities is included later in this report.

Recommendations

Eastern Kentucky University - First Priority - Business and Technology Center Phase II. This was the first priority in 2002-04 and again in 2004-06, with Phase I almost ready for bids and anticipated construction starting in 2003. The project has many educational and economic benefits for the state. This phase will include 25,000 square feet of space to complete the Business and Technology Center plus construct a new Convention Center/Performing Arts Center. The latter is expected to consume approximately \$28,000,000 of the full budget.

Second Priority -Construct University Activity Center - Phase II. This is another project where Phase I is under construction and the need for the facility will be unmet until completion of Phase II.

Third Priority - Construct Science Building. This new 250,000 square foot facility will provide modern science teaching space for Biological Sciences, Chemistry, Earth Sciences, Physics, and Astronomy and will include many wet labs. The cost to renovate existing Moore and Memorial Science is nearly as much or even more than the cost of new science facilities and the existing facilities can more effectively be converted to other uses. Provision of modern, safe, and accessible science teaching space is primary to the teaching function of the university. In previous biennia, the university requested complete renovation of Moore and Memorial Science, but is now seeking new construction along the lines of facilities at other state universities. Each biennium

without construction authorization dates these laboratories and teaching facilities and hinders the use of current technology in the science fields.

Fourth Priority - The Center for Renewal of Schools and the Education Profession (a renovation of Mattox Hall, Donovan and Donovan Annex into offices and classrooms) in order that these well maintained buildings are utilized to the fullest capacity.

Fifth Priority - Construct Extended Campus - Corbin Phase II. This project is recommended to provide additional classroom space in conjunction with Phase I which is now under construction. Currently, space is being leased at another location.

Kentucky Community and Technical College System - First Priority - Ashland Technical College Regional Postsecondary Education Center. Funding of this project will relieve crowding and replacement of outdated facilities at the Robert Drive Technical Center campus and at the same time provide economic development at the new East Industrial Park.

Second Priority - Renovate District Facilities - Big Sandy Community and Technical College District. This project will provide renovation for facilities at Prestonsburg Community College and Mayo Technical College Campuses to improve several of the oldest buildings operated by KCTCS. These facilities are functional, but are in need of modernization and code compliance.

Third Priority - Henderson Community College Tri-County Technical Center. The recommendation is for the program requirements that are housed in leased space in remote and separated locations. The community college and technical college could function more efficiently and better meet these program demands in a new consolidated facility to be located on the community college campus. This project has many benefits that equal those of the First Priority and the only difference is likely to be in the number of students and businesses served.

Fourth Priority - Owensboro Community College Advanced Technology Center. Construction will relieve a shortage of teaching and training space that will be realized as the Owensboro High School and other shared classrooms and class labs become unavailable for current uses. The local school district has previously notified both Owensboro Community and Technical Colleges and Western Kentucky University that space will no longer be available because of conflicting needs of the district.

Fifth Priority - Master Plan Development & Upgrade Pool. This is worthy project and good investment of tax dollars to organize and plan the rapid growth of the community and technical college campuses and their partnering with state universities.

Kentucky State University - First Priority - Hathaway Hall renovation is recommended as the first priority because it was authorized in the 2000-02 biennial budget and

program development and unanticipated structural repairs have shown the funding to be inadequate for renovating the entire building. Because this is a major teaching and faculty office facility on campus, it is being recommended as a first priority for KSU.

Second Priority - Bradford Hall Structural Repairs. A June 2003 report from structural engineers advises repairs be addressed as a high priority due to undermining of the floor slabs and wall supports in part of the building. Based on failure of previous repairs to stabilize this condition, it is important to proceed with these recommended repairs before renovation or new construction in this same location. The structural consultant recommends one area (the stage) be closed due to eminent danger to students and others.

Third Priority - Expansion of the Business Wing & renovation of Bradford hall was ranked as second priority in the 2002-2004 Capital Report. While still considered a high priority, the need to make structural repairs again has moved the renovation to a lower priority.

Fourth Priority - Add new chiller and cooling tower and replace one existing chiller. This will update the central chilled water plant as recommended in a report prepared almost ten years ago.

Morehead State University - First Priority - Construct MoSU - NASA Space Science Center. Construction of the NASA-donated satellite is now underway and this facility is needed for teaching and research to fully utilize this equipment. It also has economic development and outreach opportunities.

Second Priority - Adron Doran University Center Renovation Phase II. This project has long been a priority for MoSU and will complete renovation of the existing facility, but expansion of the Center is now included in Phase III. Phase II will partially relieve space shortages in many student-related services and provide more space for students to interact.

Third Priority – Renovation of Combs Classroom Building has been moved up in priority by MoSU from its position as a Capital Renewal Project to full renovation. The building is now over 40 years old and will house only the College of Business when a project in Breckinridge Hall is occupied.

Fourth Priority - Camden-Carroll Library renovation and expansion due to the need to keep up to date and code compliant learning resource centers on campuses. New technology is required to take advantage of all electronic and media resources available to students, faculty, and the community in today's society.

Fifth Priority - Renovation of Button Auditorium has been a high priority project at Morehead State University for the past two biennia. The building is currently listed on

the National Register of Historic Places.

Murray State University - First Priority - New Science Building Phase II is recommended because of the need for up to date science teaching facilities as well as faculty offices, research, etc. This project will speed the completion of this needed complex and the eventual demolition of the 1950 vintage outdated facilities.

Second Priority – Renovation of Waterfield Library has been requested in each biennium since 1996 but has not been funded. It should be modernized to better provide services of electronic technology, intra-library transfer of materials, new forms of media and other services requested by students, faculty, and the public.

Third Priority - New Breathitt Veterinary Center is recommended because of the limited facilities now available to meet the demand for animal diagnostic testing and teaching along with the advantages offered by relocation of this facility to the Murray State University extended campus.

Fourth Priority – Construction of the Public Safety Building during the 2002-2004 budget request was listed as MSU's priority number 13, but has now been placed in priority number two for the current request. A new location with new facilities and equipment will result in better delivery of security related services.

Fifth Priority - Upgrade of the Campus Electrical Distribution System was ranked by MSU in the 2002-2004 budget request as number 8 and in 2004-2006 it is priority number 6. It is a part of a long-term upgrade in campus electrical distribution systems. It will provide a more dependable electrical energy supply, and also reduce maintenance costs for the aging systems. Voltage upgrades also provide more energy economy. Delays in upgrading the distribution system will likely add additional load to aging equipment resulting in a likelihood of more outages on campus. As the system is upgraded, such outages can be isolated, thus reducing the impact on campus operations.

Northern Kentucky University - First Priority – The old Science Building renovation is in planning at Phase "C" to prepare this facility for new instructional use now that chemistry, physics and biology have been relocated to the new Natural Sciences Building. Several plumbing, electrical and heating, ventilating and air conditioning problems must be solved as a part of this project and oversized classrooms will be configured for more conventional classroom assignments with movable type partitions.

Second Priority - Landrum Hall Structural Repairs Phase II. The original slab heaving problem in this building has already been corrected, but the problem has now shifted to areas previously unaffected or less affected. Similar problems have surfaced in other buildings and on the plaza. These problems need to be addressed to protect the state investment in facilities.

Third Priority - Renovate/Expand Landrum Hall. This project has increased in scope and institutional priority. If this project is funded, the second priority can be eliminated and structural repairs will be made at the same time as renovation, eliminating two periods of disturbance to building occupancy. The current request is for \$13,000,000 in state general funds.

Fourth Priority – Construction of the Regional Events Center has been requested by NKU since the six-year plan began in 1990. Growth in the university has caused graduation exercises to be moved off campus because of limited capacity of Regents Hall and basketball program attendance is limited. This project is intended to serve community activities as well as those of the university and will greatly enhance the community service role of the institution.

Fifth Priority – Replacement of the Power Distribution Infrastructure is needed as a new power plant is constructed and other new development on campus is realized. Due to a better investigation of the project parameters, The scope has increased from 2002 - 2004 when it was a \$700,000 request to the current request of \$3,700,000. The North Substation could experience an outage with services and long-term power failure to the campus.

University of Kentucky and Lexington Community College - First Priority - The first two institutional priorities from the 2002-2004 Capital Budget request had been combined into one project and it is ranked as the number one priority. It is named "Construct Biological/Pharmaceutical Complex" and will connect the two adjacent buildings located on Rose Street. It will provide support for the research center goal given the university as a N.I.H. Cancer Center. A revised capital budget request is set at \$119,892,000.

Second Priority - Construct of the Gatton Building Complex is needed to accommodate the 25 percent – 30 percent enrollment increase in the College of Business and Economics and expansion of research and service programs. A project of 313,000 gross square feet is requested.

Third Priority - Construct LCC Classroom/Class Lab Building. A Woolpert Facilities Study revealed the enrollment increases are not adequately being served because of limited facilities. The project will provide 100,000 gross square feet of new classroom and class lab space on the Cooper Drive campus. The building has been authorized for programming using restricted funds and has been partially programmed. It is a higher priority because of the number of students to be served.

Fourth Priority - Construction of a New Law School Building is given a high ranking to create a new school meeting current teaching, research, and counseling functions incorporating modern technology, court facilities, and a law library to provide better

service. A new site has been designated and the \$71,496,000 capital budget will be partially underwritten by a capital campaign.

Fifth Priority - Purchase and Renovate Facility for College of Design. This project represents a significant change in project type and priority for UK when compared to previous biennia. The College of Architecture which was the focus of a requested renovation in earlier biennia is now the College of Design and includes the College of Interior Design. The project focus is on purchasing and renovating property to permit all levels of design studios to be housed together rather than in three separate buildings. Pence Hall, the primary location for the College of Architecture would also be renovated to serve as administrative offices. The most recent accreditation report cites the facilities as needing improvement as well as the need for housing students together in one facility to foster better collaboration.

University of Louisville - First Priority - Health Sciences Center Research Facilities Phase III which supports the institutional goal of excellence in research and the increased availability of NIH grants. The first phase has been completed and the second is nearing completion. This additional facility will assist the HSC in recruitment of additional research staff. The Oncology and Cardiology programs will be housed in this facility.

Second Priority - Renovate Student Services Building (Houchens), Phase II. This is a major refurbishing of the 53,615 square foot Houchens Building for student services and student support currently located in the basement of the building. The basement has a history of flooding and student records are kept there.

Third Priority - Renovate Medical Dental Research Building - Phase IV. Due to the age of this existing building and its use as a research facility, a major renovation is warranted, especially since laboratory facility requirements have changed drastically over the years since this building was constructed or last improved.

Fourth Priority - Chemistry Fume Hood Redesign, Phase II. This includes Life/Safety issues with respect to prevention of cross contamination between chemistry fume hood air intakes and exhausts. This is the second phase of this upgrading project. It also includes improvements to the building HVAC, energy recovery, and compliance with newer building codes.

Fifth Priority - Expand Oppenheimer Hall for Social Work. This involves the addition of a new wing to this building so that all staff and faculty of the Kent School of Social Work can be together. They currently operate from five different locations between two campuses.

Sixth Priority - Renovate Natural Science Building. This science building is now 50 years old and has not received a major renovation since construction. It was ranked as

second priority in the 2002-2004 Capital Report even though the university had ranked it as Agency Priority #4. In the Capital Budget for 2004-2006, the university has ranked it #7 behind the above project priorities. It should be funded in the upcoming biennium rather than be delayed for another period of years.

Western Kentucky University - First Priority - Science Campus Renovation Phase II. This project will continue the upgrading of this major teaching facility that was begun several years ago. Science labs, ventilation systems, air conditioning and plumbing systems don't meet current standards and level of technology expected in a university facility.

Second Priority - Repair Mold/Moisture Damage. Several academic buildings are experiencing excessive humidity and/or moisture problems which lead to mold and mildew inside of spaces, walls, chases, and HVAC ductwork. When not corrected within a reasonable time, growth of mold, mildew, and bacteria leads to health problems of the occupants with potential liability to the university. Normal repair and cleanup have not been sufficient to correct these particular problems.

Third Priority - Renovate Electrical Distribution System Phase IV. A request of \$3,747,000 in state funds is requested to continue with the upgrading of underground electrical distribution lines, vaults, and transformers at buildings being served. Two years ago the request was for \$2,449,000. The project is required to avoid major electrical outages such as occurred in the past ten years.

Fourth Priority - Renovate Central Heat Plant Phase I. This has been raised in the agency priority ranking from number 8 two years ago to number 4 for 2004-2006 in recognition of boilers which supply central steam to the campus. There has not been a major equipment upgrade or replacement in the previous 28 years.

Fifth Priority - Owensboro Community College Advanced Technology Center. This is a joint project request along with the Owensboro Community College and Owensboro Technical College and will be shared with both programs to satisfy space requirements now provided through the local school district. This will locate technical programs and postsecondary education classes in the same facility within the community college campus resulting in program flexibility and opportunities for seamless education.

SECTION III: REVIEW METHODOLOGY

The methods for conducting this review were established in recognition of the likelihood that funding for capital projects will be limited, especially for large-scale new construction. Therefore, the consultant was directed to review only the highest project priorities for each institution and the KCTCS. The projects chosen for review were selected from the priorities as submitted by the institutions and were limited to the first ten listed capital projects. Although institutional representatives discussed other projects on their priority list, these projects were not identified as

eligible for review and are not included in this report.

Most of the projects are divided into two major distinctions: renovations and new construction or major expansion of existing facilities. As a result, review procedures were tailored to each type. During each campus interview, renovations or expansion of existing facilities were reviewed by means of conferences with institutional representatives, including actual users of the facility. New construction and major expansions were primarily discussed with institutional representatives since construction has not been started. If design services were previously authorized and drawings were available for review and discussion, additional project justification was gained. Information such as programming enable a better judgement to be made concerning project feasibility, efficiency, and usability.

REVIEW CRITERIA:

Criteria used to review the 2004-06 biennial budget are the same as those employed in previous biennia. A partial list follows:

Project Scope. The Council on Postsecondary Education is charged with the responsibility to review capital projects with a scope of \$400,000 or more.

Institutional priorities. Each biennium, institutions are required to submit a list of funding requests for capital construction, renewal, and equipment in a priority format. Projects selected for review are from these lists, concentrating on those highest institutional priorities with a scope of \$400,000 or more. The consultant was not asked to change institutional priorities. As mentioned above, only the highest priority projects on each list were chosen for review to concentrate on projects with the greatest potential to address institutional mission or postsecondary education reform.

Project status. Current status of the project is another criteria employed in this review. Some projects reflect only a project request (such as new construction) with all available information being included on the capital project request Form SYP-02. Information received during discussions with institutional representatives is also included. Other projects are in some type of planning phase, a few having been authorized in the 2000 or 2002 legislative session for programming or planning. These projects will naturally have a more realistic budget than projects in the request only category. Some projects are proceeding through the design phase using institutional funds. Other requests are for additional funding for projects authorized in earlier biennia.

Condition. Major renovation projects have in past biennia been routinely visited during campus tours. This is important to determine first hand the current condition of a facility for which funding to upgrade is being requested. The building condition is the base line for the update and allows a determination of the effect code compliance will have on the overall project and the extent of other system improvements including mechanical, electrical, safety, communication,

accessibility, and finishes. This inspection also permits the consultant to look for maintenance or repair items that may not be adequately covered by the proposed budget. No such campus tours were conducted in 2001 or 2003.

Feasibility or suitability of the proposed project. Cost of new construction or renovation is determined from general unit cost figures for similar construction. This could include information from services such as those provided by Means Construction Cost Data, recent construction projects for state government in Kentucky, or from Internet cost estimating services. Therefore, the more information given on a project, the better the assessment of potential budget. If plans are in development for a new project, the cost can be reviewed more accurately. If an existing facility is to be renovated, upgraded, or converted to a new use, a walk through of the facility gives a better understanding of the projected costs, the effect of code compliance and upgrades, and how feasible it may be to convert the facility to another use. An example is the conversion of Mattox Hall (a dormitory) to office/classrooms on the Eastern Kentucky University campus. Another example is the Business /Technology Center - Phase II at Eastern which, if funded, will affect the six-year plan development of the Professional Teacher Education Center, changing it from new construction to a renovation of several existing buildings, thus affecting the cost of those projects. In other cases, a project may appear not to be feasible or likely to be underfunded. Those projects may be noted in the report as such with an appropriate recommendation.

Budget considerations/adequacy. Another criteria is the proposed budget breakdown as included on the capital project request Form SYP-02. This breakdown shows the overall project cost and other information such as design fees, equipment and furnishing costs, site acquisition or development prices, utility extensions, contingencies, etc. Inclusion of all these necessary parts of the budget is important to avoid shortfalls later in the project development. Without this information, it would not be possible to determine the feasibility for completion of the project.

Site of project. Existing building sites are assessed for any improvements needed for additional parking, accessibility for the disabled, service or maintenance vehicle access, drainage, etc. If an existing building is to have a major expansion, the site capacity and suitability is reviewed. For new construction, the criteria shifts to whether a site has been selected, and if so, the actual area of the property versus size of the proposed building, availability of utility services, traffic and pedestrian access, drainage, relation to other campus facilities, cost of development, etc.

Parking/utilities. As mentioned in the **Site Criteria**, parking availability or potential development and availability/capacity of site utilities to serve the new facility are important criteria in assessing the capital request for construction. If inadequate, the project budget must reflect the need to provide these improvements. Thus, a first hand look at the site or potential site serves as a check for possible budget problems and is necessary for a complete assessment of each project.

Location on site. As mentioned in the **Site Criteria**, the location of a building or building expansion is another point for consideration. There are many factors to be considered when

locating a new building or major expansion. Sometimes the site is restricted and very few options for location are possible. In other projects, several options may be available with advantages and disadvantages for each. Institutional campus visits are intended to allow a review of these points and to ascertain whether the funding request has adequately addressed them or anticipates that they will be addressed during the project design. Campus visits were not conducted in 2003.

Budget percentages. As mentioned in the **Budget Considerations/Adequacy Criteria**, the budget breakdown is reviewed to determine the amount or percentage devoted to peripheral items such as site development, code compliance, structural inadequacies, repairs, mechanical and electrical upgrades, etc., as compared to the planned usable floor space. Open areas such as atriums also are compared for impact on the usable floor space (and building space efficiency). This comparison allows a judgement to be made about the net gain in usable space with respect to the overall budget cost.

Historical significance. Some buildings that are to be improved have historical significance, placing certain restrictions on the project that have significant budget implications. Major expansions or modifications of these buildings may not be permitted under state or federal regulations. Sites for new construction may have structures with historical significance limiting the availability of portions of the site for new development.

Environmental. Another criteria of review is the environmental implications including both buildings and site. These include asbestos, PCB, lead, underground fuel storage tanks, flooding/retention and cemeteries. The presence of any of these has an impact on successful completion of a project. Flooding, drainage and retention of storm runoff is becoming more of a concern for new development. Several campuses have water problems that need solutions. Failure to address these problems when establishing the project budget will likely result in spending construction funds to correct the problem rather than spending the money to create assignable space.

Unique qualifications. Many requests for capital funding have special or unique qualifications that support the request. Items considered under this criteria include cultural advantages, educational opportunities, research and development, scientific advances, historical preservation and other societal benefits.

Eastern Kentucky University

Highest priority projects remain as supporting education, public services, faculty and staff fitness, maintenance of existing facilities, creation of facilities for an extended campus, and conversion of existing space to new uses. This biennial report again places Phase II of the Business/Technology Center as top priority. Phase I of the original single phase request has been designed and is expected to seek public bids in October 2003. It was funded at \$14,000,000 from restricted funds or fund balances of ECU, a Madison County grant, and an

allocation from the Cabinet for Economic Development. It includes 75,000 square feet of classrooms and offices for the College of Business and Technology and business incubator space. Last biennium it was to include 95,000 square feet in Phase I and 175,000 square feet in Phase II. It also was institutional priority number 2, but is now number 1. The capital request was \$28,000,000 in 2001 and is now \$32,850,000. It remains top priority for this report because of the educational and economic benefits to the state and because the project is approaching beginning construction and becoming a reality. This project also seems to provide opportunity to upgrade several other campus programs by a "domino" effect. It also has the benefits of consolidating resources of the College of Business and Technology in a single location and assisting the business community by the transfer of technology to workplace. It further has economic benefits for the local area by providing convention and performing arts facilities thereby fostering increased interaction between the community and campus. All these benefits together make it a worthy project.

The recommendation for second priority at ECU is to Construct University Activity Center, Phase II. Phase I of this project is under construction with steel framing erected. It has a projected completion date of April 15, 2004. Phase II is expected to include 95,000 square feet of space and \$14,000,000 in state general funds is requested. This is the same request as in 2001 when the project was institutional priority number 1. It was originally proposed to provide 130,000 square feet for Phase I and II. Even though not recommended in the 2001 Capital Budget Report, it is now considered important to complete this project to meet campus needs for these services and for recruiting faculty and students.

Third Priority - Construct Science Building This is construction to replace the existing facilities now located in Moore Building and Memorial Science. It is recommended because of the need to upgrade science teaching space.

Another recommended project (fourth priority) is the Conversion of Mattox Hall to offices/classrooms. Now that the new Criminal Justice Physical Training Complex is occupied, and Mattox Hall is no longer used, the need for housing on campus has changed and this dormitory facility will not be needed for its original purpose, but can reasonably be renovated to meet another need in the form of office and classroom space. The building has been well maintained and should be quickly converted to this new use rather than permitted to remain vacant or deteriorate. It will become a Professional Teacher Education Center.

The fifth priority recommendation is to continue construction of the Extended Campus located at Corbin (Phase II). Enrollment at this center is projected to increase by 25 percent and space is currently leased. When the Phase I facility is completed in spring 2004, the center will be operating at separate locations. To better serve the needs of students in this vicinity, to provide convenience of scheduling classes, and to provide modern well-equipped teaching facilities, this expansion is needed.

Kentucky Community and Technical College System

Many of the proposed projects discussed with KCTCS representatives in the central office and on campuses are requests for new construction. In some cases, the new construction is proposed on new sites, remote from the present campus. The new Ashland Technical College, Henderson Tri-County Technical Center, and the Madisonville Community College Technology Building are examples.

The second priority for the system is to renovate some of the oldest facilities operated by KCTCS at Prestonsburg Community College and Mayo Technical College. Building "A" at Mayo T.C. is now underway and will provide space for services now housed in Buildings "B" & "C". These facilities have served their function well for many years, but now need improvements to HVAC systems, ADA accessibility improvements, and new roofs for Mayo Building "B", Campbell Science Building, Magoffin LRC Building, elevator upgrades, new windows and doors. Some of the projects have been requested for several biennia and conditions continue to deteriorate.

Another notable project is the construction of the Tri-County Technology Center at Henderson Community College. Many of the technology programs offered at Henderson are located in leased space at locations away from the campus. Other programs have been requested by local employers which could be provided if suitable facilities were available. A central location properly equipped would bring more opportunities and educational options to students and reduce operational expenses plus sharing of resources on the HCC campus. 60,000 square feet of new space is proposed at a cost of \$13,066,000.

Community Service and Continuing Education programs will be housed in the new facility as well as business and industry training, classrooms and laboratories for maintenance technology, machine tool and die technology, hydraulics, pneumatics, electricity, electronics and plastics. There will also be additional computer labs, a distance learning classroom to expand special courses, and faculty and administrative offices. The services are key to continued economic growth in this area of the state.

New construction is requested for the Owensboro Advanced Technology Center to be built on the Owensboro Community College campus. Western Kentucky University is also requesting a structure on this campus to further the concept of "seamless education." All three will also provide customized and short term training to area business and industry. The Kentucky Virtual University will also utilize the facilities. 87,000 square feet of space is proposed at a project scope of \$24,088,000. The facility was authorized for space programming in 1998 and an architectural firm has been engaged for those services. Classroom space totaling 25,000 square feet is proposed. The current request is for authorization to proceed with design and construction.

With this funding authorization, the master plan for each of the sixteen KCTCS College Districts will be updated for controlling the orderly growth of all the campuses. Phasing out of some older

technological college facilities and relocation to community college campuses or entirely new campuses requires careful planning before making large capital investments in the needed facilities. Traffic, parking, utilities, recreation, drainage, and conservation are all aspects to be studied before committing to new building projects. The request is for \$650,000.

Kentucky State University

Requests for this biennium are primarily renovation of several major buildings with continued renovation of Hathaway Hall as the top priority. It was approved in the 2000-2002 biennium and included partial renovation.

Many other institutional requests were not authorized under previous funding cycles. Bradford Hall renovation and expansion is one of those, while Hathaway Hall renovation was funded at \$3,796,000. Now, a second phase (phase II) is requested with a project cost of \$6,175,000. Both have problems with age, changes in function, program demands that have increased, and original design flaws that are probably related to the construction budgets when they were built. In 2002 and 2003 structural studies were made at both these facilities. Hathaway Hall has deteriorating masonry shelf angles and lack of masonry wall bracing. Bradford Hall has voids under floor slabs, improperly supported walls and settlement problems. Both buildings have undergone repair work for these problems, but they continue to damage the buildings. Much of the funding for Hathaway Hall will likely be utilized to again stabilize the structure. Hathaway Hall Phase I is now reported to be sufficient for renovation of approximately 38 percent of the building, again showing a lack of thorough preparation in the original request. The project budget for this request is \$6,175,000 and \$3,700,000 was originally funded. Assuming enrollment statistics are accurate and program changes reflect the newly established goals of the university, these two facilities should be brought up to standards and modified to accommodate the program revisions. Because it is a critical academic facility, renovation of Hathaway Hall should continue as the first priority and Bradford Hall be placed as the second priority. Bradford Hall renovation and expansion has the advantages of permitting the expansion of the Business Department and the upgrading of the auditorium and theater in the Fine Arts Department in addition to correcting settlement problems.

Young Hall has received some funding to make repairs to showers and bathrooms, corridor carpet, painting, etc., but a major renovation has been needed for several biennium. HVAC, lighting, door and window replacements, interior finishes, etc. are all in need of improvement to provide better student housing on campus. The current budget request is for \$10,280,000.

If funding is available, Bradford Hall Renovation and Structural Repairs should be combined into one project to reduce the time period for disruption due to repairs and renovation. At the same time, Expansion of the Business Wing (new construction) should be completed so that renovated space can be occupied by new services as others are moved into the new building. There may also be economics resulting from one larger project in contrast to three smaller ones. \$750,000 is the request for structural repairs and \$11,232,000 in state general funds for the renovation/expansion.

A new 750 ton chilling capacity chiller and cooling tower is requested for the central chilled water plant. It will not only upgrade old equipment, but will also eliminate the last chiller in service with environmentally hazardous CFC refrigerants. Provision of adequate chilling capacity is necessary as the campus expands, such as the recommended Business Wing expansion. There is also the need to have some back up capacity in case of losing a chiller from a breakdown or required maintenance.

Morehead State University

The MoSU/NASA Space - Science Center is a previous request with some unique opportunities to bring increased scientific research and academic opportunities to eastern parts of the state. Programs to be accommodated include physics, pre-engineering, space technology, and other space-related fields of study. Students will be prepared to work in many new high-tech industries such as satellite telecommunications and will be provided opportunities in astrophysics. It will also bring many communication advantages to the entire campus by enabling greater electronic communication to outside areas via satellites. At 60,000 square feet, however, this new facility seems to be rather large for the intended use unless hard data is available for justification. The proposed site is limited to a hillside currently occupied by married student housing. That housing complex will have to be torn down and the new facility built on this site with potentially expensive site development costs. However, it was explained that line-of-site to the satellite is required and the site for the satellite tracking antenna is atop a hill which is currently being prepared for satellite installation. Due to the economic and educational opportunities for this area of the state, the project should be a first priority, but with close scrutiny of the space program needs. It was moved to first priority by MoSU this biennium and is supported by the fact that satellite installation is now underway and this project will develop the full potential of this investment.

Renovation and expansion of the Student Center remains near the top of the priority list. Giving this project a high priority in consecutive biennia may be a recognition by the administration that student organization offices, public lounging areas, and student services space is not meeting the expectations or needs for the size of the student body. Student usage requirements have changed over the years, but the configuration of the building has limited the ability to meet these changing requirements. This project will also make the center more usable by the community with new meeting spaces and recreational facilities. Included are expanded food services, bookstore, recreation, meeting rooms, offices, overnight accommodations and lobby or lounge areas. Renovation of the existing building is complemented by a proposed (Phase III) 46,000 square foot addition to the rear and one side of the ADUC. Several recent capital projects have been completed at the ADUC including a new roof, a new air conditioning chiller, and a fire alarm system. Completion of these upgrades permits more of the new funds to be used for space improvements. This project is recommended as the second priority because it has many functions which are in need of immediate attention and they are directly related to the students. It will not, however, meet all these goals without an expansion to the current facility because of the need to increase square footage of most of the services and student organizations in relation

to the size of the student body that is now anticipated in a Phase III request. Without expansion in response to demand for space, some functions will remain in inadequate space or have to be moved elsewhere. Space programming of the entire facility as a part of the previously approved Phase I and now Phase II should identify the required total space for this building.

Renovation of Combs Classroom Building has changed from a Capital Renewal funding request of \$175,000 to a full renovation at \$6,000,000. The building houses one of three theaters on campus and the HVAC system is now over 40 years in age, during which time major changes have taken place with respect to energy efficiency, fresh air requirements, system comfort level controls, etc. Also, technology in classrooms and laboratories has advanced beyond the capabilities of this aging structure. When the English, Foreign Language and Philosophy Departments move to Breckinridge Hall, the College of Business will occupy the whole structure and those same renovations and space realignment are justified.

The Camden-Carroll Library Renovation Phase I is needed to upgrade this facility and increase its functionality by more efficient use of space and technology. The original request for this renovation (and an expansion) dates back to the 1990 - 1996 six-year capital plan. Some repair and maintenance projects have been completed during the interim, but no major renovation has been done leaving the facility behind the level of service needed for electronics and media functions. Major portions of the needed expansion space have been moved to Phase II to concentrate on the major renovation of existing space. The addition of 76,000 gross square feet is proposed to accommodate increases in stack space, bound books and periodicals, computer facilities, video and audio tutorial materials. Of that space, some square feet will be dedicated to student study space and/or space to be utilized by the community. While some code compliance issues will be addressed, major maintenance items such as sprinklers, fire alarm system, air conditioning chiller replacement, freight elevator replacement, and exterior masonry repairs have already been completed, assuring that most of the budget can be dedicated to increasing and improving usable space. Book storage space will be improved by a 3,000 square foot addition in this phase that will be 45 feet in height and existing stack space will be realized with the installation of an automatic storage retrieval system (ASRS) so that library buildings can increase without major expansion of floor space. In view of service to students, faculty, and the community this project is considered one of the higher priorities for the university.

Renovation of Button Auditorium is needed for the Military Sciences Department, a 1,267 seat auditorium and an 8,900 square feet drill hall. The building is a part of the Morehead State University historic district and has been a major request since the 2000 - 2002 biennium. Included are a new roof, wall crack repair and stabilization, new auditorium seating (underway), new stage flooring, upgrading HVAC and electrical systems, as well as making the facility more accessible according to ADA. Windows and exterior doors will be replaced and the historical features of the facade will be protected and enhanced and the useful life of the facility will be extended so it can continue to serve many student and community functions.

Murray State University

New construction is proposed by this institution as the top priorities. On the main campus, the Blackburn Science Complex is old and would be very expensive to modernize. Therefore, the current proposal is for Phase II of a new construction project to replace the existing facility followed by demolition of Blackburn when Phase II of the new facility is completed. The cost of demolition is included in the \$22,000,000 requested for this project. A location for the new complex has been set and Phase I construction is underway. Because the Blackburn Science Building was constructed 53 years ago and laboratories and classrooms are very old and expensive to renovate, the construction of new space is a better investment of construction dollars. This project is logically the highest priority for the university because a commitment to this plan has been made with the construction of Phase I. A Phase III is a possibility, depending on cost escalations.

As stated earlier in this report, Renovation of Waterfield Library has been requested dating back to 1996. The building was originally constructed in 1959 to house the Student Union services and was later converted to the main campus library with an addition constructed in 1980. Technology advances in library services are difficult to accommodate without a major upgrade of the facility. The request is for \$6,000,000 in state general funds and will enhance the delivery of services in the manner expected by students and faculty today. With intra-library transfer, Internet, and other forms of knowledge transfer, the availability of information is enhanced.

Replacement of the Breathitt Diagnostic Laboratory located in Hopkinsville was a new proposal in 2002-2004. The services provided by this facility have changed over the years and instructional services along with laboratory testing provided to the public have placed new requirements on it. Construction at the Hopkinsville Industrial Development Park near the bypass would solve the problems with this building, providing updated labs, the ability to share instructional space, ease of access and improved parking. While the occupants can continue to use the facility as it exists, the increase in testing equipment and the space it occupies make it difficult to conduct lab work and a teaching environment. Additionally, the UPS (emergency electrical power for sensitive testing equipment) is at maximum capacity. An electrical outage could destroy tests that are underway. Hopkinsville Community College and the Christian County Vocational School have in the past expressed an interest in the existing facility when vacated. Both agencies are now located across the road from Breathitt and want to expand into this building. The Diagnostic Lab can continue to operate in this facility for the time being, but the time required for planning and constructing a new facility for the specialized functions of animal disease diagnosis as well as training students means that these functions will be restricted in their growth until a new facility is available for occupancy. It has been recommended in this report because of the benefits it offers to this area of the state, the agriculture industry, and the university community.

Construction of a Public Safety Building is an important part of campus security. Law enforcement on campus is now housed in a facility estimated to be 40 years old. It is not in the

most ideal location and stands in the way of implementing parts of the Campus Master Plan. A new facility will also accommodate more up-to-date law enforcement technology and greater security for the MuSU campus. The facility will increase in size from the current 4,500 square feet to 7,800 square feet. Project cost has been established at \$1,500,000.

Electrical system problems have been occurring on most university campuses in the past ten years because of aging equipment and a great increase in electrical power demand as a result of air conditioning, electrical appliances, and electrical technology. MuSU plans to update the voltage for efficiency and reliability, but this requires substation upgrades, cable replacement and extensions, new transformers and switchgear at all major buildings, and HVAC equipment replacement. The new system will also permit isolation of facilities for repairs which is not possible with the present systems. This request is for \$8,453,000 in state general funds.

Northern Kentucky University

Renovation and upgrade of existing buildings including the Old Science Building, Student Center and repairs to Landrum Hall are projects which have been requested in previous biennia. The Science Building has been replaced by a new Natural Science Building and the old facility is vacated except for temporary occupancy by several functions and must be renovated for new functions. Due to plumbing, electrical and HVAC problems within the building and the unusually large size of classrooms compared to the size typically required on campus, it is not deemed feasible to use the building for other purposes without major renovation. The 2000 legislative session authorized design funds for this renovation and consultants have determined the scope of this project will be more extensive than originally envisioned (now at \$18,700,000 project scope). A study by a space planning consultant was completed and will be used to determine how best to renovate the building. In order that the building be ready for new use and be out of service for as little time as possible, renovation of the Old Science Building should be the highest priority for this institution. Completion of the project is a key element in the realignment of space throughout several other major campus buildings and will result in better organization and functioning of departments.

Heaving of concrete slabs in some buildings and on the plaza have long been problems at NKU. Some repairs have been made (east wing of Landrum completed in 2000), but this appears to be an ongoing problem (now worsening in the west wing) which creates safety hazards and detracts from the campus environment. One safety concern is that the uplift on the first floor slab in Landrum could well cause underground water or sewer lines to rupture creating a need to evacuate the building until repairs could be made. Heaving also causes wall cracks, suspended ceilings which could partially collapse (including heavy light fixtures), and potential tripping hazards which are evident inside the building and on the plaza. Repairs have now been made both inside Landrum and on the plaza and NKU representatives now know how to deal with what seemingly is a continuing problem on this campus. Current request is for \$900,000 for repairs only, although another project is requested to renovate the building at the same time as these repairs are made.

A project to completely Renovate/Expand Landrum Hall has been requested at a budget of \$13,000,000 which would include the structural repairs in the previous priority. 30,000 gross square feet would be added to the current 100,500 gross square feet. Costs for the renovation portion have been analyzed more carefully resulting in an increase in square foot cost of \$54 to \$70/s.f. Undersized air handlers have resulted in poor indoor air quality and heavy use of the facility since construction in 1976 has created a need to renovate. Departments to be housed in this building have expanded and some are scheduled to be relocated to other buildings as those are renovated and prepared for changed occupancy. This project is another in the series of renovations and upgrades on campus needed to accommodate growth and overall campus space realignment.

In the 2002-2004 Capital Request, the project to Construct a Regional Special Events Center on campus was ranked as institutional priority number 5. With the budget amount of \$42,900,000 remaining the same for 2004-2006, the project is now institutional priority number 4. That figure is based on a feasibility study conducted by a consultant and has been compared with similar benchmark projects. Efforts have been undertaken for several years to obtain private funds for a portion of the construction cost and those efforts are continuing. It is also the institution's intent to seek economic development funds for a portion of the cost. A new and larger facility will serve major community special events, university commencement, lectures/convocations, athletic events, local high school commencements, and athletic events including regional tournament play, primary and secondary educational meetings and in-service functions, conferences, public performances, and cultural events. These events cannot be accommodated in the current Regents Hall. During the period of 1980 through 1999, university graduation exercises (both spring and winter) were broken into multiple events in order to provide for those wishing to attend. After that, these exercises have been held in Cincinnati rather than on campus. the project also includes extensive site development and extension of the central utility tunnel to the area.

As on many university campuses, the need for upgrading of Campus Power Distribution Infrastructure is a high priority and may become a necessity if power failures are experienced. Currently, the North Electrical Substation, which was built in 1975 and feeds high voltage power from Cinergy's substation, does not have redundancy and could thus be a point of service outage for a large portion of the campus. A consultant has recommended a new and expanded substation so that dependable electrical service can be provided. In addition, new construction on campus and campus population growth continue to place new demands on the present electrical grid. A project budget of \$3,700,000 has been requested for this work.

University of Kentucky

Highest priority project for the University of Kentucky is the expansion of the Biological Sciences (Morgan) Building and Pharmacy Building into a complex that will connect the two existing buildings. The purpose is to increase N.I.H. funding for research in biological sciences and to increase the capacity of the school to enroll double the current number of students along with an increase in research space. These two projects have now been combined into one request by

UK representatives and now have a number one institutional ranking. This complex is proposed to include 235,750 gross square feet, nearly the same as that for both buildings in the 2002-2004 request. The capital budget request has increased from \$73,776,000 in that biennium to \$119,892,000 for the 2004-2006 biennium. This facility is proposed to house wet bench laboratories, lab offices, lab support space, classrooms, general staff and faculty offices, clerical and conference space. In consideration of the mission to become a top research institution in the future, the expansion of the Biological Sciences Building/Pharmacy Building most directly supports that goal and is ranked the highest priority on campus. The consultant supports this conclusion.

New construction is also sought for the Gatton Complex to house the Business-Industry and Conference Center as well as the Martin School and Patterson School, a new Law School and Law Library, renovation for the School of Design, and an expansion of the Lexington Community College.

The Gatton Building Complex is proposed to have three new buildings to accommodate an enrollment increase of 25 percent to 30 percent in the College of Business as well as expansion of research and service programs. The three proposed buildings are: 1) Faculty/Administration Building with office space for faculty, administration, and teaching assistants; 2) Classroom Building housing tiered classrooms with computer and video technology, the Business Information Center, Library, and Undergraduate and Graduate Advising Centers; 3) Business Outreach Building for service units, the Professional Development Center, Von Allmen Center for Entrepreneurship, E-Commerce Lab, Centers for Labor, research labs, and a large auditorium. The College of Business has been experiencing constraints of space affecting enrollment for several biennia.

Another priority request in the amount of \$71,496,000 is to Construct a New Law School Building with \$14,920,000 anticipated from restricted funds and a capital fund campaign. The new structure is necessary to provide more special purpose classrooms fully equipped with computers, video, ITV, etc. New and large courtrooms with electronic devices such as those being implemented in Kentucky Courts are necessary to train legal counsel of the future. Other functions needing expanded facilities include the Law Library, faculty and administrative offices, student activity areas, the legal clinic, and the Continuing Legal Education.

The College of Design consists of the College of Architecture and College of Interior Design. These programs have not been together in the same facility before and the College of Architecture has been split between three buildings for many years. The Architectural Accreditation Board raised concerns about this condition as long ago as 1977. Purchasing and renovating the property would provide 58,500 assignable square feet for open studio spaces where architectural students can mingle, collaborate, interact, and mature in an environment similar to where they may be expected to work after graduation. Creation of new and expanded faculty offices in space currently used for studios in Pence Hall will address another concern mentioned in the accreditation reports. Other freed up space will become available for other designated departments. The construction cost appears rather high in this budget request, but

information was not made available concerning the extent of renovation required for Pence Hall. It is recommended that this request be further reviewed when the programming phase is complete and more specific information is available. The current request is for \$16,528,000 with \$9,246,000 in direct construction cost.

Enrollment increases at Lexington Community College have surpassed the teaching space availability. Approved for programming in 2000 with restricted funds to complete the space program, those funds have not become available and only a part of that phase has been completed. Classes are being provided in space at other Lexington locations, but this request would provide needed space on the Cooper Drive campus. A facility with 213,000 gross square feet is proposed, providing classrooms, offices, study areas, special purpose and general use.

The campus condition was not reviewed, but campus interviews were held at UK and facilities appear to be in excellent condition except for the Administration Building which burned two years ago and is now undergoing a major reconstruction. Projects included in the budget request at a lower priority than new construction and major expansion projects indicate a large number of infrastructure improvement projects, many of which have been on the list for several biennia. The university has now included in each major new construction or expansion request the cost to upgrade, expand, or extend central utility services to the proposed structure. This represents a more realistic planning philosophy.

UK Medical Center

The only Medical Center project reviewed during the current period was the expansion of the Pharmacy Building. A shortage of pharmacists practicing in Kentucky and the number of applicants for this college has led to the desire to increase the student capacity by 50 percent. Additional teaching and lab space will be necessary as all current facilities are heavily utilized. As stated above, this project is now combined with expansion of the Biological Sciences (Morgan) Building. It is recommended the state give a high level of funding consideration for this project to increase the number of professional pharmacists in the state and for pharmaceutical research.

Other Medical Center projects are primarily to be funded from restricted funds and were not reviewed.

University of Louisville

Priorities for this campus are additional research space for genetic and molecular medicine, renovation of the Houchens Building for Student Services, Renovation of Medical Dental Research Space and an addition to the Oppenheimer Hall for Social Work. This consultant has extended the UofL priority list to six of the top projects to include the renovation of the Natural Sciences Building. With the emphasis placed on research at UofL by statewide goals for excellence, the renovation and upgrade of the Medical Dental Research Building (Phase IV) \$17.9 million and completion of a research facility (Phase III) \$98.0 million at Health Sciences

Center should logically rank as high priorities for capital funding. These two requests alone total \$115,986,000, but do not represent the only needs for capital improvement on campus. The Houchens Building has problems with periodic flooding in the basement space and the roof is deteriorated. The university has received a mandate from the Southern Association of Colleges and Schools (April 21-24, 1997) to relocate student records and some student services to the first floor, out of space likely to flood. Renovation is needed to convert this building to more productive uses. The building will also likely require some cleaning to eliminate mold problems from walls, floors, ceilings, and inside ventilation systems.

The Chemistry Building has had problems with cross contamination of air within the chemical hood system serving laboratories. Phase I of improvements to the fume hood system and the building HVAC system is now underway and Phase II is requested in the amount of \$4,198,000 to complete this upgrade to a system that is now 22 years old. Benefits from this project include better teaching and working environment for faculty and staff, compliance with fresh air and hood face flow regulations/codes, energy efficiency and energy recovery, and the addition of 40 hoods in organic labs. Life safety and code compliance above make this a priority project.

An addition of 24,092 gross square feet to the existing Oppenheimer Hall is requested to allow the faculty and staff of the Kent School of Social Work to be housed in one facility for better service to students and the community. Currently, part of the school is located on the Shelby Campus while the main functions are on Belknap Campus. Space is currently occupied in five separate building locations. The addition will also modernize facilities with the addition of computer labs (designed for those specific functions), community meeting space, conference rooms (accessible to all students, faculty, and staff), and offices for faculty and staff now located in other facilities. Collaboration between faculty and staff will be enhanced.

Renovation of the Natural Science Building is a carryover from several previous biennia. It will primarily house the Mathematics, Physics, and Genealogy Departments. Wet labs are not required for the current uses and, therefore, old and outdated labs should be renovated. Interior finishes, mechanical and electrical systems, elevators, etc., are in need of modernization. Deterioration of the exterior walls has already been addressed. Having toured this building several times and realizing it is now fifty years old without a major upgrade of the facility is the reason for this consultant to recommend this project for immediate renovation despite the other worthy priorities of this university.

Limited time prevented a walk around the campus again this year, but it appears to be in good condition. The Reynolds Building continues to deteriorate due to the lack of rehabilitation funds. If the building is left without repairs, it will require demolition in the near future.

Western Kentucky University

First priority for the WKU campus is the continued renovation of the Science Campus with a request for Phase II which includes four buildings. The four are Thompson Center wing,

Thompson North, Science and Technology Hall, and Snell Hall. The Science and Technology Hall is located across the street from Thompson Complex and is the former science building. Snell Hall is the remaining building from the Ogden Campus and, although not of historical significance, has value to the campus and some supporters. It is located immediately behind Thompson and has been vacant for several years due to cracking walls and roof leaks. In previous biennia, the proposal for funding included the demolition of the Science and Technology Building and Snell Hall, but because funding was restricted in both the 2000 and 2002 legislative sessions, the program was revised and now includes the renovation of the two buildings. Certain programs will be moved from current locations to better match program requirements with facilities limitations.

The fourth floor of Thompson has been renovated in the last four years to upgrade the chemical fume hood system and quality of laboratories. Air quality problems plague the rest of this building. The current request provides space for Computer Science and Physics and Astronomy in Thompson Complex North wing and Thompson Complex Center wing will be renovated to house Chemistry and Biology. This will provide the quality of space required for the Biology Program of Distinction and for Applied Research and Technology Programs of Distinction. The Mathematics Department will now be housed in the Science and Technology Building since it is not suitable for laboratory bench work. Other programs to be included in the renovation or new construction are Engineering, Public Health, and Environmental Science. The requested funding level of this project remains the same as it was two years ago.

Several major and aging buildings on campus have long standing problems with roof leaks, window and door infiltration, excessive humidity, condensation in or on HVAC ductwork, and related problems which combined create an ideal environment for mold, mildew, and bacterial growth. The project includes roof repairs, window and door sealing, temperature and humidity controls replacement. The latter improvements are especially important to reducing interior humidity and condensation problems. This is a new request in the 2004-2006 biennium and the request is for \$1,612,000 in state general funds. It is a high priority project because of potential health and legal considerations.

Phase IV of construction to upgrade the campus electrical distribution system is a continuing priority in cooperation with Bowling Green Municipal Utility Company to change substation switchgear and transformers from the old 4,160 volt system to the more efficient 12KV. A six phase plan has been developed to eventually replace and upgrade all electrical distribution on the campus for reliability and energy savings. It is also critical to serve new construction projects such as the Science Building upgrade. This request is for \$3,747,000 in state general funds.

Western Kentucky University Central Heat Plant was reviewed in 2002 and at that time it was noted that boilers were in need of replacement or upgrading. As a result of not being funded in 2002, the project has been moved up in priority by WKU. Boilers, controls, pollution prevention and facility improvements are a part of this project which is the first phase of two to be completed during the next six to eight years. The cost of this phase has been set at \$1,273,000 with the total project expected to cost \$4,258,000. Without these improvements there are times during

the heating season when there is not backup for the supply of campus steam which is required to heat buildings on this central plant. With existing equipment rated as "in generally poor shape," the likelihood of interruption of heating of buildings is significant.

Western Kentucky University also has included in the budget request a project to construct a Regional Postsecondary Education Center on the Owensboro Community College campus where WKU has offered undergraduate and graduate programs in education for many years. Space currently being used at Owensboro High School, technology schools, and on the community college campus are being required for other demands and will not be available in the future. This project has also been included in the KCTCS system budget request as a joint project.

GENERAL COMMENTS

In past reviews of facilities, the number of varied projects distributed throughout the campus have typically given the consultant an opportunity to gain a general idea of the condition of facilities and improvements on each campus visited and to compare that information with past experience. From that comparison, the changing condition of a campus and the effect that previously funded projects were having on the overall stature of the campus could be determined. Because projects to be reviewed in this biennium were limited to the top ten priorities on an institutional list, and with the exception of UK, UofL, and KSU campus visits were not made, this was not possible. Comments included in the report are very general in nature, resulting from spot inspections, driving across campus, and from discussions with institutional representatives. Since the work focused only on the highest institutional priorities, an extensive review of the campus and needed maintenance items did not take place. This change in approach, choosing not to review all project requests and major portions of each campus, should be reassessed. At least eight years have passed without any comprehensive review of facility and infrastructure condition or assessment of overall improvement/deterioration. Perhaps it is time to consider another six-year comprehensive campus assessment.

From the limited time available to walk through a campus or to look at older facilities, it does appear that all are in generally good condition. The fact that many projects requested for the next biennium are the same as past biennia is an indication that progress in developing each campus is a slow process. Apparently, available maintenance funds are being utilized effectively. Several older facilities are continuously occupied with only minor repairs over the years and now are at a point where major work will be required to meet current quality of space standards and to make them code compliant. In a few cases, the cost could exceed the value of the facility on a usable space basis. Those may be better to be demolished. Snell Hall at WKU, the Reynolds Building at UofL, Blackburn Science Building at MuSU and married student housing at MoSU are some examples. Roofs were not inspected in this or the previous reviews, but it appears that most institutions have some type of replacement schedule and/or regular inspection service.

As reported six years ago, the number of extended and/or remote campuses is increasing. The creation of the KCTCS has aided in that process and “seamless education” is becoming a reality in much of the state. Institutions are sharing space, programs, faculty, and providing a range of educational opportunities to all areas of the state. However, as mentioned six years ago in a report similar to this, the number of facilities is increasing throughout the state creating a larger inventory of buildings, structures, site improvements and infrastructure to be maintained. In some cases, old buildings no longer used for the original function are being brought into the state maintenance pool requiring considerable capital expenditure to enable them to be used for higher education or technical training. Some are purchased buildings such as former commercial buildings, some are donated for tax purposes, some are transferred from Local Education Authorities (school boards), and some are the result of private colleges or schools being absorbed by universities or the KCTCS. As a point of caution, it would be prudent for the Council on Postsecondary Education to have facilities experts review these facilities beforehand, make an assessment of condition and feasibility for the intended use, and submit a report detailing where unexpected costs might arise. These reviewers could be a committee composed of physical plant employees from several universities or professional staff from outside consultants. It has also been noted that more leased space is being acquired and modifications are needed to make it suitable for the specific instructional or training purpose intended. The cost of these modifications should be assessed in relation to the intended length of time a lease is expected to entail.

It is again recommended that all roofs on each campus be inspected by an experienced person at least twice a year. A spring inspection will reveal damage done by the harsh winter weather and permit repairs to be made before damage to the roof insulation and roof deck can occur. The second annual inspection should be made in the fall after leaves have fallen from the trees to assure that leaves and debris (such as pine needles, moss, vegetation, etc.) have not clogged interior roof drains, gutters, downspouts, etc. Flashings and roof edge metal should be inspected for damage caused by expansion and contraction from hot summer days and cool evenings. Hail also can and has damaged roofs. Most roof failures could be avoided and the life of the roof extended if these inspections were conducted as recommended.

Also as reported in previous reports, some campuses are experiencing problems with excessive water in the form of rapid runoff of rain, flooding, undermining of foundations, heaving of grade level concrete slabs, and inadequate storm sewers. Hydrology studies may be required to remedy these conditions with solutions implemented to prevent the repeated flood damage that has occurred in some campus buildings. Campuses reporting such damage include University of Kentucky, University of Louisville, Hazard Community College - Lees Campus, Northern Kentucky University, and Prestonsburg Community College.

END OF 2004-2006 REPORT

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2004-06 Capital Budget Report

for

Kentucky Council on Postsecondary Education

September 18, 2003

Prepared by:

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Frankfort, Kentucky

**KENTUCKY COUNCIL ON POSTSECONDARY EDUCATION
SPACE NEEDS MODEL - COMPARISON OF EXISTING SPACE
SUMMARY**

	2002 BASE YEAR						2006 TARGET YEAR				
	Actual ASF	Student FTE	Staffing FTE	Guidelines ASF	Surplus/ Deficit	Percent Surplus/ Deficit	Student FTE	Staffing FTE	Guidelines ASF	Surplus/ Deficit	Percent Surplus/ Deficit
<i>Doctoral Universities</i>											
University of Kentucky	4,279,486	22,580	7,555	4,773,426	(493,940)	(12%)	23,759	7,653	5,651,292	(1,371,806)	(32%)
Lexington Community College	129,336	6,241	344	313,944	(184,608)	(143%)	7,489	378	370,280	(240,944)	(186%)
University of Louisville	2,501,870	16,462	4,476	2,689,586	(187,716)	(8%)	16,585	4,599	3,866,820	(1,364,950)	(55%)
Subtotal Doctoral Universities	6,910,692	45,283	12,375	7,776,956	(866,264)	-13%	47,833	12,630	9,888,392	(2,977,700)	(43%)
<i>Comprehensive Universities</i>											
Eastern Kentucky University	1,622,904	11,968	1,973	1,235,310	387,594	24%	12,640	2,022	1,287,081	335,823	21%
Kentucky State University	505,449	1,898	457	321,387	184,062	36%	2,355	513	355,605	149,844	30%
Morehead State University	963,903	7,704	987	741,686	222,217	23%	8,298	1,025	786,785	177,118	18%
Murray State University	1,372,181	8,199	1,023	819,684	552,497	40%	8,900	1,058	870,058	502,123	37%
Northern Kentucky University	1,043,724	10,598	1,225	1,032,566	11,158	1%	12,754	1,345	1,193,580	(149,856)	(14%)
Western Kentucky University	2,195,618	14,579	1,695	1,460,633	734,985	33%	15,893	1,774	1,560,282	635,336	29%
Subtotal Comprehensive Universities	7,703,779	54,946	7,360	5,611,266	2,092,513	27%	60,840	7,737	6,053,391	1,650,388	21%
<i>KCTCS Community & Technical College Districts</i>											
Ashland District	222,406	2,305	241	148,662	73,744	33%	2,448	248	155,642	66,764	30%
Elizabethtown District	244,143	3,113	294	186,598	57,545	24%	3,306	303	195,878	48,265	20%
Hazard District	265,762	2,687	349	185,055	80,707	30%	2,854	360	193,508	72,254	27%
Henderson District	98,598	957	121	67,772	30,826	31%	1,017	125	70,816	27,782	28%
Hopkinsville District	119,172	1,845	174	119,150	22	0%	1,959	179	124,649	(5,477)	(5%)
Jefferson District	447,897	6,957	664	419,471	28,426	6%	7,388	685	440,243	7,654	2%
Madisonville District	212,014	2,046	243	131,740	80,274	38%	2,175	251	138,173	73,841	35%
Maysville District	128,806	1,543	193	98,396	30,410	24%	1,640	199	103,293	25,513	20%
Owensboro District	205,661	2,747	262	171,724	33,937	17%	2,917	270	179,925	25,736	13%
West Kentucky District	234,409	3,536	312	194,474	39,935	17%	3,755	322	204,913	29,496	13%
Big Sandy District	369,146	2,790	256	191,243	177,903	48%	2,963	264	199,526	169,620	46%
Somerset District	267,081	3,626	315	211,293	55,788	21%	3,851	325	221,975	45,106	17%
Southeast District	212,674	2,510	295	161,753	50,921	24%	2,666	304	169,505	43,169	20%
Gateway District	120,523	1,363	146	78,743	41,780	35%	1,486	153	84,758	35,765	30%
Bowling Green District	177,151	952	129	61,068	116,083	66%	1,346	138	78,509	98,642	56%
Bluegrass District	193,663	1,892	237	117,817	75,846	39%	2,227	258	134,693	58,970	30%
Subtotal KCTCS	3,519,106	40,869	4,231	2,544,959	974,147	28%	43,998	4,384	2,696,006	823,100	23%
System Total	18,133,577	141,098	23,966	15,933,181	2,200,396	12%	152,671	24,751	18,637,789	(504,212)	(3%)

KENTUCKY COUNCIL ON
POSTSECONDARY EDUCATION

Institution Factors

	2002 BASE YEAR					TARGET YEAR - 2006					GROWTH FACTORS				
	Student FTE	Under-graduate FTE	Graduate and Prof FTE	Staffing FTE	NSF Research Expenditures	Student FTE	Under-graduate FTE	Graduate and Prof FTE	Staffing FTE	NSF Research Expenditures	Student FTE	Under-graduate FTE	Graduate and Prof FTE	Staffing FTE	NSF Research Expenditures
Doctoral Universities															
University of Kentucky	22,580	16,572	6,008	7,555	\$158,523,000	23,759	17,169	6,591	7,653	\$245,710,650	0.00%	3.60%	9.70%	1.30%	55.00%
Research Expenditures:															
First \$50,000,000					50,000,000										
\$50,000,000 - \$100,000,000					50,000,000										
> \$100,000,000					58,523,000										
University of Louisville	16,462	11,671	4,791	4,476	46,080,000	16,585	11,531	5,055	4,599	173,537,280	0.00%	-1.20%	5.50%	2.75%	276.60%
Research Expenditures:															
First \$50,000,000					46,080,000										
\$50,000,000 - \$100,000,000															
> \$100,000,000															
<i>Doctoral Universities Subtotal</i>	<i>39,042</i>	<i>28,243</i>	<i>10,799</i>	<i>12,031</i>	<i>\$204,603,000</i>	<i>40,345</i>	<i>28,700</i>	<i>11,645</i>	<i>12,252</i>	<i>\$419,247,930</i>					
Comprehensive Universities															
Eastern Kentucky University	11,968	10,927	1,041	1,973	\$666,000	12,640	11,473	1,167	2,022	\$666,000	0.00%	5.00%	12.10%	2.50%	0.00%
Kentucky State University	1,898	1,788	110	457	4,516,000	2,355	2,226	129	513	4,516,000	0.00%	24.50%	17.60%	12.25%	0.00%
Morehead State University	7,704	6,952	752	987	368,900	8,298	7,480	817	1,025	368,900	0.00%	7.60%	8.70%	3.80%	0.00%
Murray State University	8,199	7,213	986	1,023	1,913,100	8,900	7,703	1,196	1,058	1,913,100	0.00%	6.80%	21.30%	3.40%	0.00%
Northern Kentucky University	10,598	9,812	786	1,225	307,000	12,754	11,735	1,019	1,345	307,000	0.00%	19.60%	29.60%	9.80%	0.00%
Western Kentucky University	14,579	13,262	1,317	1,695	6,461,400	15,893	14,495	1,397	1,774	6,461,400	0.00%	9.30%	6.10%	4.65%	0.00%
<i>Comprehensive Universities Subtotal</i>	<i>54,946</i>	<i>49,954</i>	<i>4,992</i>	<i>7,360</i>	<i>\$14,232,400</i>	<i>60,840</i>	<i>55,114</i>	<i>5,726</i>	<i>7,736</i>	<i>\$14,232,400</i>					
KCTCS CC/TC Districts															
Ashland District	2,305	2,305	0	241	\$0	2,448	2,448	0	248	\$0	0.00%	6.20%	0.00%	3.10%	0.00%
Elizabethtown District	3,113	3,113	0	294	0	3,306	3,306	0	303	0	0.00%	6.20%	0.00%	3.10%	0.00%
Hazard District	2,687	2,687	0	349	0	2,854	2,854	0	360	0	0.00%	6.20%	0.00%	3.10%	0.00%
Henderson District	957	957	0	121	0	1,017	1,017	0	125	0	0.00%	6.30%	0.00%	3.15%	0.00%
Hopkinsville District	1,845	1,845	0	174	0	1,959	1,959	0	179	0	0.00%	6.20%	0.00%	3.10%	0.00%
Jefferson District	6,957	6,957	0	664	0	7,388	7,388	0	685	0	0.00%	6.20%	0.00%	3.10%	0.00%
UK - Lexington Community College	6,241	6,241	0	344	0	7,489	7,489	0	378	0	0.00%	20.00%	0.00%	10.00%	0.00%
Madisonville District	2,046	2,046	0	243	0	2,175	2,175	0	251	0	0.00%	6.30%	0.00%	3.15%	0.00%
Maysville District	1,543	1,543	0	193	0	1,640	1,640	0	199	0	0.00%	6.30%	0.00%	3.15%	0.00%
Owensboro District	2,747	2,747	0	262	0	2,917	2,917	0	270	0	0.00%	6.20%	0.00%	3.10%	0.00%
West Kentucky District	3,536	3,536	0	312	0	3,755	3,755	0	322	0	0.00%	6.20%	0.00%	3.10%	0.00%
Big Sandy District	2,790	2,790	0	256	0	2,963	2,963	0	264	0	0.00%	6.20%	0.00%	3.10%	0.00%
Somerset District	3,626	3,626	0	315	0	3,851	3,851	0	325	0	0.00%	6.20%	0.00%	3.10%	0.00%
Southeast District	2,510	2,510	0	295	0	2,666	2,666	0	304	0	0.00%	6.20%	0.00%	3.10%	0.00%
Gateway District	1,363	1,363	0	146	\$0	1,486	1,486	0	153	0	0.00%	9.00%	0.00%	4.50%	0.00%
Bowling Green District	952	1,188	0	129	0	1,346	1,346	0	138	0	0.00%	13.30%	0.00%	6.65%	0.00%
Bluegrass District	1,892	1,892	0	237	0	2,227	2,227	0	258	0	0.00%	17.70%	0.00%	8.85%	0.00%
<i>KCTCS CC/TC Districts Subtotal</i>	<i>47,110</i>	<i>47,346</i>	<i>0</i>	<i>4,575</i>	<i>\$0</i>	<i>5,059</i>	<i>5,059</i>	<i>0</i>	<i>548</i>	<i>\$0</i>					
SYSTEMWIDE TOTAL	141,098	125,543	15,791	23,966	\$218,835,400	106,243	88,872	17,371	20,537	\$433,480,330					

KENTUCKY COUNCIL ON POSTSECONDARY EDUCATION

Space Needs Model Factors

Type	Space Category	Guide-line	Guideline Description
Doctoral Universities	Classrooms	10	10 ASF/Student FTE
Comprehensive Universities	Classrooms	10	10 ASF/Student FTE
KCTCS CC/TC Districts	Classrooms	10	10 ASF/Student FTE
KCTCS CC/TC Districts	Classrooms	10	10 ASF/Student Headcount; Utilization data not available. Model factors should be re-evaluated when utilization data becomes available.
Doctoral Universities	Teaching Laboratories	8	8 ASF/Student FTE
Comprehensive Universities	Teaching Laboratories	10	10 ASF/Student FTE
KCTCS CC/TC Districts	Teaching Laboratories	8	8 ASF/Student FTE
KCTCS CC/TC Districts	Teaching Laboratories	8	8 ASF/Student Headcount; Utilization data not available. Model factors should be re-evaluated when utilization data becomes available.
Doctoral Universities	Open Laboratories	8	8 ASF/Student FTE
Comprehensive Universities	Open Laboratories	8	8 ASF/Student FTE
KCTCS CC/TC Districts	Open Laboratories	7	7 ASF/Student FTE
KCTCS CC/TC Districts	Open Laboratories	7	7 ASF/Student Headcount; Utilization data not available. Model factors should be re-evaluated when utilization data becomes available.
Doctoral Universities	Research Laboratories	900	900 ASF/\$100,000 - first \$50 R&D Expend. (NSF)
		600	600 ASF/\$100,000 - \$50-\$100 million R&D Expend.
		350	350 ASF/\$100,000 - over \$100million R&D Expend.
Comprehensive Universities	Research Laboratories	700	700 ASF/\$100,000 R&D Expenditures (IPEDS)
KCTCS CC/TC Districts	Research Laboratories	0	No Standard
KCTCS CC/TC Districts	Research Laboratories	0	No Standard
Doctoral Universities	Office Suites	195	195 ASF/Staff FTE
Comprehensive Universities	Office Suites	170	170 ASF/Staff FTE
KCTCS CC/TC Districts	Office Suites	150	150 ASF/Staff FTE
KCTCS CC/TC Districts	Office Suites	150	150 ASF/Staff FTE
Doctoral Universities	Library	0	No Standard
Comprehensive Universities	Library	0	No Standard
KCTCS CC/TC Districts	Library	0	No Standard
KCTCS CC/TC Districts	Library	0	No Standard
Doctoral Universities	Physical Education & Recreation	0	12.1 ASF for 100% Undergraduate FTE, 25% of Graduate FTE, and 15% of Staffing FTE (75,000 ASF minimum)
Comprehensive Universities	Physical Education & Recreation	0	12.1 ASF for 100% Undergraduate FTE, 25% of Graduate FTE, and 15% of Staffing FTE (75,000 ASF minimum)
KCTCS CC/TC Districts	Physical Education & Recreation	0	If existing space, then existing space is guideline
KCTCS CC/TC Districts	Physical Education & Recreation	0	No Standard
Doctoral Universities	Special Use & General Use Space	21	21 ASF/Student FTE
Comprehensive Universities	Special Use & General Use Space	18	18 ASF/Student FTE
KCTCS CC/TC Districts	Special Use & General Use Space	12	12 ASF/Student FTE
KCTCS CC/TC Districts	Special Use & General Use Space	12	12 ASF/Student Headcount
Doctoral Universities	Support Space	8	8 ASF/Student FTE
Comprehensive Universities	Support Space	8	8 ASF/Student FTE
KCTCS CC/TC Districts	Support Space	4	4 ASF/Student FTE
KCTCS CC/TC Districts	Support Space	4	4 ASF/Student Headcount

KENTUCKY COUNCIL ON POSTSECONDARY EDUCATION

Actual Assignable Square Feet (ASF) *

(Educational and General Space)

	2002 BASE YEAR									TOTAL ASF
	Classrooms	Teaching Labs	Open Labs	Research Labs	Office Suites	Library	Phys Ed & Recreation	Special Use and General Use	Support Space	
Doctoral Universities										
University of Kentucky	219,554	182,664	151,637	885,084	1,331,561	399,186	112,899	444,445	552,456	4,279,486
University of Louisville	131,718	89,710	177,986	408,976	815,935	332,800	70,094	378,179	96,472	2,501,870
<i>Doctoral Universities Subtotal</i>	<i>351,272</i>	<i>272,374</i>	<i>329,623</i>	<i>1,294,060</i>	<i>2,147,496</i>	<i>731,986</i>	<i>182,993</i>	<i>822,624</i>	<i>648,928</i>	6,781,356
Comprehensive Universities										
Eastern Kentucky University	244,450	78,849	170,884	12,455	520,184	110,019	122,217	270,816	93,030	1,622,904
Kentucky State University	52,901	44,197	3,843	15,678	107,521	34,593	122,073	92,898	31,745	505,449
Morehead State University	142,553	104,128	29,750	2,314	196,335	67,112	167,897	181,974	71,840	963,903
Murray State University	184,121	176,401	57,746	34,710	374,028	97,520	166,198	172,655	108,802	1,372,181
Northern Kentucky University	97,707	87,681	83,702	12,443	262,203	126,549	35,587	169,279	168,573	1,043,724
Western Kentucky University	410,159	170,971	181,776	69,164	756,282	172,457	128,421	230,922	75,466	2,195,618
<i>Comprehensive Universities Subtotal</i>	<i>1,131,891</i>	<i>662,227</i>	<i>527,701</i>	<i>146,764</i>	<i>2,216,553</i>	<i>608,250</i>	<i>742,393</i>	<i>1,118,544</i>	<i>549,456</i>	7,703,779
KCTCS CC/TC Districts										
Ashland District	38,659	72,143	10,307	0	49,748	17,577	430	18,700	14,842	222,406
Elizabethtown District	37,432	114,632	7,741	1,233	45,062	13,741	1,124	14,910	8,268	244,143
Hazard District	40,795	91,562	2,428	0	54,722	20,058	2,480	29,161	24,556	265,762
Henderson District	10,289	19,478	3,910	197	21,978	10,385	0	29,626	2,735	98,598
Hopkinsville District	26,409	25,711	950	0	26,827	16,925	480	13,861	8,009	119,172
Jefferson District	101,979	118,713	29,314	1,363	85,077	34,634	0	43,473	33,344	447,897
UK - Lexington Community College	36,361	33,866	6,651	523	42,574	6,463	0	994	1,904	129,336
Madisonville District	45,107	67,593	2,388	1,000	42,160	11,404	0	37,286	5,076	212,014
Maysville District	22,848	52,514	4,496	0	21,083	6,183	0	16,368	5,314	128,806
Owensboro District	35,843	89,387	2,697	935	36,117	19,797	0	12,469	8,416	205,661
West Kentucky District	64,909	107,596	3,723	0	48,430	2,698	0	3,174	3,879	234,409
Big Sandy District	63,919	144,751	4,373	0	50,788	26,674	11,779	41,479	25,383	369,146
Somerset District	42,100	129,932	8,043	0	38,505	15,377	0	13,272	19,852	267,081
Southeast District	44,835	64,921	22,734	0	31,475	14,593	0	22,050	12,066	212,674
Gateway District	41,874	57,697	445	0	15,112	960	0	1,613	2,822	120,523
Bowling Green District	36,297	88,012	0	0	33,834	2,686	0	4,208	12,114	177,151
Bluegrass District	43,910	95,208	270	0	31,702	4,695	0	4,876	13,002	193,663
<i>KCTCS CC/TC Districts Subtotal</i>	<i>733,566</i>	<i>1,373,716</i>	<i>110,470</i>	<i>5,251</i>	<i>675,194</i>	<i>224,850</i>	<i>16,293</i>	<i>307,520</i>	<i>201,582</i>	3,648,442
TOTAL ASF	2,216,729	2,308,317	967,794	1,446,075	5,039,243	1,565,086	941,679	2,248,688	1,399,966	18,133,577

* Includes E & G space approved by the 1998, 2000, and 2003 General Assembly

KENTUCKY COUNCIL ON POSTSECONDARY EDUCATION
Space Needs Model Comparison to Existing Space
SUMMARY

	2002 BASE YEAR						TARGET YEAR - 2006				
	Actual ASF	Student FTE	Staffing FTE	Guideline ASF	Surplus/ (Deficit)	Percent Surplus/ (Deficit)	Student FTE	Staffing FTE	Guideline ASF	Surplus/ (Deficit)	Percent Surplus/ (Deficit)
Doctoral Universities											
University of Kentucky	4,279,486	22,580	7,555	4,773,426	(493,940)	(12%)	23,759	7,653	5,651,292	(1,371,806)	(32%)
University of Louisville	2,501,870	16,462	4,476	2,689,586	(187,716)	(8%)	16,585	4,599	3,866,820	(1,364,950)	(55%)
<i>Doctoral Universities Subtotal</i>	<i>6,781,356</i>	<i>39,042</i>	<i>12,031</i>	<i>7,463,012</i>	<i>(681,656)</i>	<i>(10%)</i>	<i>40,345</i>	<i>12,252</i>	<i>9,518,111</i>	<i>(2,736,755)</i>	<i>(40%)</i>
Comprehensive Universities											
Eastern Kentucky University	1,622,904	11,968	1,973	1,235,310	387,594	24%	12,640	2,022	1,287,081	335,823	21%
Kentucky State University	505,449	1,898	457	321,387	184,062	36%	2,355	513	355,605	149,844	30%
Morehead State University	963,903	7,704	987	741,686	222,217	23%	8,298	1,025	786,785	177,118	18%
Murray State University	1,372,181	8,199	1,023	819,684	552,497	40%	8,900	1,058	870,058	502,123	37%
Northern Kentucky University	1,043,724	10,598	1,225	1,032,566	11,158	1%	12,754	1,345	1,193,580	(149,856)	(14%)
Western Kentucky University	2,195,618	14,579	1,695	1,460,633	734,985	33%	15,893	1,774	1,560,282	635,336	29%
<i>Comprehensive Universities Subtotal</i>	<i>7,703,779</i>	<i>54,946</i>	<i>7,360</i>	<i>5,611,266</i>	<i>2,092,513</i>	<i>27%</i>	<i>60,840</i>	<i>7,736</i>	<i>6,053,391</i>	<i>1,650,388</i>	<i>21%</i>
KCTCS CC/TC Districts											
Ashland District	222,406	2,305	241	148,662	73,744	33%	2,448	248	155,642	66,764	30%
Elizabethtown District	244,143	3,113	294	186,598	57,545	24%	3,306	303	195,878	48,265	20%
Hazard District	265,762	2,687	349	185,055	80,707	30%	2,854	360	193,508	72,254	27%
Henderson District	98,598	957	121	67,772	30,826	31%	1,017	125	70,816	27,782	28%
Hopkinsville District	119,172	1,845	174	119,150	22	0%	1,959	179	124,649	(5,477)	(5%)
Jefferson District	447,897	6,957	664	419,471	28,426	6%	7,388	685	440,243	7,654	2%
UK - Lexington Community College	129,336	6,241	344	313,944	(184,608)	(143%)	7,489	378	370,280	(240,944)	(186%)
Madisonville District	212,014	2,046	243	131,740	80,274	38%	2,175	251	138,173	73,841	35%
Maysville District	128,806	1,543	193	98,396	30,410	24%	1,640	199	103,293	25,513	20%
Owensboro District	205,661	2,747	262	171,724	33,937	17%	2,917	270	179,925	25,736	13%
West Kentucky District	234,409	3,536	312	194,474	39,935	17%	3,755	322	204,913	29,496	13%
Big Sandy District	369,146	2,790	256	191,243	177,903	48%	2,963	264	199,526	169,620	46%
Somerset District	267,081	3,626	315	211,293	55,788	21%	3,851	325	221,975	45,106	17%
Southeast District	212,674	2,510	295	161,753	50,921	24%	2,666	304	169,505	43,169	20%
Gateway District	120,523	1,363	146	78,743	41,780	35%	1,486	153	84,758	35,765	30%
Bowling Green District	177,151	952	129	61,068	116,083	66%	1,346	138	78,509	98,642	56%
Bluegrass District	193,663	1,892	237	117,817	75,846	39%	2,227	258	134,693	58,970	30%
<i>KCTCS CC/TC Districts Subtotal</i>	<i>3,648,442</i>	<i>47,110</i>	<i>4,575</i>	<i>2,858,903</i>	<i>789,539</i>	<i>22%</i>	<i>51,487</i>	<i>4,761</i>	<i>3,066,288</i>	<i>582,154</i>	<i>16%</i>
SUMMARY TOTAL	18,133,577	141,098	23,966	15,933,181	2,200,396	12%	152,672	24,750	18,637,790	(504,213)	(3%)

KENTUCKY COUNCIL ON POSTSECONDARY EDUCATION

Space Needs Model Comparison to Existing Space by Space Type

CLASSROOMS

	Actual ASF	2002 BASE YEAR					TARGET YEAR - 2006				
		Student FTE	Staffing FTE	Guideline ASF	Surplus/ (Deficit)	Percent Surplus/ (Deficit)	Student FTE	Staffing FTE	Guideline ASF	Surplus/ (Deficit)	Percent Surplus/ (Deficit)
Doctoral Universities	<i>Guideline: 10 ASF/Student FTE</i>										
University of Kentucky	219,554	22,580	7,555	225,800	(6,246)	(3%)	23,759	7,653	237,594	(18,040)	(8%)
University of Louisville	131,718	16,462	4,476	164,620	(32,902)	(25%)	16,585	4,599	165,855	(34,137)	(26%)
<i>Doctoral Universities Subtotal</i>	<i>351,272</i>	<i>39,042</i>	<i>12,031</i>	<i>390,420</i>	<i>(39,148)</i>	<i>(11%)</i>	<i>40,345</i>	<i>12,252</i>	<i>403,448</i>	<i>(52,176)</i>	<i>(15%)</i>
Comprehensive Universities	<i>Guideline: 10 ASF/Student FTE</i>										
Eastern Kentucky University	244,450	11,968	1,973	119,680	124,770	51%	12,640	2,022	126,403	118,047	48%
Kentucky State University	52,901	1,898	457	18,980	33,921	64%	2,355	513	23,554	29,347	55%
Morehead State University	142,553	7,704	987	77,040	65,513	46%	8,298	1,025	82,978	59,575	42%
Murray State University	184,121	8,199	1,023	81,990	102,131	55%	8,900	1,058	88,995	95,126	52%
Northern Kentucky University	97,707	10,598	1,225	105,980	(8,273)	(8%)	12,754	1,345	127,538	(29,831)	(31%)
Western Kentucky University	410,159	14,579	1,695	145,790	264,369	64%	15,893	1,774	158,927	251,232	61%
<i>Comprehensive Universities Subtotal</i>	<i>1,131,891</i>	<i>54,946</i>	<i>7,360</i>	<i>549,460</i>	<i>582,431</i>	<i>51%</i>	<i>60,840</i>	<i>7,736</i>	<i>608,395</i>	<i>523,496</i>	<i>46%</i>
KCTCS CC/TC Districts	<i>Guideline: 10 ASF/Student FTE</i>										
Ashland District	38,659	2,305	241	23,050	15,609	40%	2,448	248	24,479	14,180	37%
Elizabethtown District	37,432	3,113	294	31,130	6,302	17%	3,306	303	33,060	4,372	12%
Hazard District	40,795	2,687	349	26,870	13,925	34%	2,854	360	28,536	12,259	30%
Henderson District	10,289	957	121	9,570	719	7%	1,017	125	10,173	116	1%
Hopkinsville District	26,409	1,845	174	18,450	7,959	30%	1,959	179	19,594	6,815	26%
Jefferson District	101,979	6,957	664	69,570	32,409	32%	7,388	685	73,883	28,096	28%
UK - Lexington Community College	36,361	6,241	344	62,410	(26,049)	(72%)	7,489	378	74,892	(38,531)	(106%)
Madisonville District	45,107	2,046	243	20,460	24,647	55%	2,175	251	21,749	23,358	52%
Maysville District	22,848	1,543	193	15,430	7,418	32%	1,640	199	16,402	6,446	28%
Owensboro District	35,843	2,747	262	27,470	8,373	23%	2,917	270	29,173	6,670	19%
West Kentucky District	64,909	3,536	312	35,360	29,549	46%	3,755	322	37,552	27,357	42%
Big Sandy District	63,919	2,790	256	27,900	36,019	56%	2,963	264	29,630	34,289	54%
Somerset District	42,100	3,626	315	36,260	5,840	14%	3,851	325	38,508	3,592	9%
Southeast District	44,835	2,510	295	25,100	19,735	44%	2,666	304	26,656	18,179	41%
Gateway District	41,874	1,363	146	13,630	28,244	67%	1,486	153	14,857	27,017	65%
Bowling Green District	36,297	952	129	9,520	26,777	74%	1,346	138	13,460	22,837	63%
Bluegrass District	43,910	1,892	237	18,920	24,990	57%	2,227	258	22,269	21,641	49%
<i>KCTCS CC/TC Districts Subtotal</i>	<i>733,566</i>	<i>47,110</i>	<i>4,575</i>	<i>471,100</i>	<i>262,466</i>	<i>6</i>	<i>51,487</i>	<i>4,761</i>	<i>514,873</i>	<i>218,693</i>	<i>30%</i>
CLASSROOMS TOTAL	2,216,729	141,098	23,966	1,410,980	805,749	6	152,672	24,750	1,526,717	690,012	31%

KENTUCKY COUNCIL ON POSTSECONDARY EDUCATION

Space Needs Model Comparison to Existing Space by Space Type
TEACHING LABORATORIES

	Actual ASF	2002 BASE YEAR					TARGET YEAR - 2006				
		Student FTE	Staffing FTE	Guideline ASF	Surplus/ (Deficit)	Percent Surplus/ (Deficit)	Student FTE	Staffing FTE	Guideline ASF	Surplus/ (Deficit)	Percent Surplus/ (Deficit)
Doctoral Universities	<i>Guideline: 8 ASF/Student FTE</i>										
University of Kentucky	182,664	22,580	7,555	180,640	2,024	1%	23,759	7,653	190,075	(7,411)	(4%)
University of Louisville	89,710	16,462	4,476	131,696	(41,986)	(47%)	16,585	4,599	132,684	(42,974)	(48%)
<i>Doctoral Universities Subtotal</i>	<i>272,374</i>	<i>39,042</i>	<i>12,031</i>	<i>312,336</i>	<i>(39,962)</i>	<i>(15%)</i>	<i>40,345</i>	<i>12,252</i>	<i>322,759</i>	<i>(50,385)</i>	<i>(18%)</i>
Comprehensive Universities	<i>Guideline: 10 ASF/Student FTE</i>										
Eastern Kentucky University	78,849	11,968	1,973	119,680	(40,831)	(52%)	12,640	2,022	126,403	(47,554)	(60%)
Kentucky State University	44,197	1,898	457	18,980	25,217	57%	2,355	513	23,554	20,643	47%
Morehead State University	104,128	7,704	987	77,040	27,088	26%	8,298	1,025	82,978	21,150	20%
Murray State University	176,401	8,199	1,023	81,990	94,411	54%	8,900	1,058	88,995	87,406	50%
Northern Kentucky University	87,681	10,598	1,225	105,980	(18,299)	(21%)	12,754	1,345	127,538	(39,857)	(45%)
Western Kentucky University	170,971	14,579	1,695	145,790	25,181	15%	15,893	1,774	158,927	12,044	7%
<i>Comprehensive Universities Subtotal</i>	<i>662,227</i>	<i>54,946</i>	<i>7,360</i>	<i>549,460</i>	<i>112,767</i>	<i>17%</i>	<i>60,840</i>	<i>7,736</i>	<i>608,395</i>	<i>53,832</i>	<i>8%</i>
KCTCS CC/TC Districts	<i>Guideline: 8 ASF/Student FTE</i>										
Ashland District	72,143	2,305	241	18,440	53,703	74%	2,448	248	19,583	52,560	73%
Elizabethtown District	114,632	3,113	294	24,904	89,728	78%	3,306	303	26,448	88,184	77%
Hazard District	91,562	2,687	349	21,496	70,066	77%	2,854	360	22,829	68,733	75%
Henderson District	19,478	957	121	7,656	11,822	61%	1,017	125	8,138	11,340	58%
Hopkinsville District	25,711	1,845	174	14,760	10,951	43%	1,959	179	15,675	10,036	39%
Jefferson District	118,713	6,957	664	55,656	63,057	53%	7,388	685	59,107	59,606	50%
UK - Lexington Community College	33,866	6,241	344	49,928	(16,062)	(47%)	7,489	378	59,914	(26,048)	(77%)
Madisonville District	67,593	2,046	243	16,368	51,225	76%	2,175	251	17,399	50,194	74%
Maysville District	52,514	1,543	193	12,344	40,170	76%	1,640	199	13,122	39,392	75%
Owensboro District	89,387	2,747	262	21,976	67,411	75%	2,917	270	23,339	66,048	74%
West Kentucky District	107,596	3,536	312	28,288	79,308	74%	3,755	322	30,042	77,554	72%
Big Sandy District	144,751	2,790	256	22,320	122,431	85%	2,963	264	23,704	121,047	84%
Somerset District	129,932	3,626	315	29,008	100,924	78%	3,851	325	30,806	99,126	76%
Southeast District	64,921	2,510	295	20,080	44,841	69%	2,666	304	21,325	43,596	67%
Gateway District	57,697	1,363	146	10,904	46,793	81%	1,486	153	11,885	45,812	79%
Bowling Green District	88,012	952	129	7,616	80,396	91%	1,346	138	10,768	77,244	88%
Bluegrass District	95,208	1,892	237	15,136	80,072	84%	2,227	258	17,815	77,393	81%
<i>KCTCS CC/TC Districts Subtotal</i>	<i>1,373,716</i>	<i>47,110</i>	<i>4,575</i>	<i>376,880</i>	<i>996,836</i>	<i>73%</i>	<i>51,487</i>	<i>548</i>	<i>40,468</i>	<i>200,449</i>	<i>15%</i>
TEACHING LABORATORIES TOTAL	2,308,317	141,098	23,966	1,238,676	1,069,641	46%	152,672	20,537	971,622	203,896	9%

KENTUCKY COUNCIL ON POSTSECONDARY EDUCATION

Space Needs Model Comparison to Existing Space by Space Type
OPEN LABORATORIES

	Actual ASF	2002 BASE YEAR					TARGET YEAR - 2006				
		Student FTE	Staffing FTE	Guideline ASF	Surplus/ (Deficit)	Percent Surplus/ (Deficit)	Student FTE	Staffing FTE	Guideline ASF	Surplus/ (Deficit)	Percent Surplus/ (Deficit)
Doctoral Universities	<i>Guideline: 8 ASF/Student FTE</i>										
University of Kentucky	151,637	22,580	7,555	180,640	(29,003)	(19%)	23,759	7,653	190,075	(38,438)	(25%)
University of Louisville	177,986	16,462	4,476	131,696	46,290	26%	16,585	4,599	132,684	45,302	25%
<i>Doctoral Universities Subtotal</i>	<i>329,623</i>	<i>39,042</i>	<i>12,031</i>	<i>312,336</i>	<i>17,287</i>	<i>5%</i>	<i>40,345</i>	<i>12,252</i>	<i>322,759</i>	<i>6,864</i>	<i>2%</i>
Comprehensive Universities	<i>Guideline: 8 ASF/Student FTE</i>										
Eastern Kentucky University	170,884	11,968	1,973	95,744	75,140	44%	12,640	2,022	101,122	69,762	41%
Kentucky State University	3,843	1,898	457	15,184	(11,341)	(295%)	2,355	513	18,843	(15,000)	(390%)
Morehead State University	29,750	7,704	987	61,632	(31,882)	(107%)	8,298	1,025	66,382	(36,632)	(123%)
Murray State University	57,746	8,199	1,023	65,592	(7,846)	(14%)	8,900	1,058	71,196	(13,450)	(23%)
Northern Kentucky University	83,702	10,598	1,225	84,784	(1,082)	(1%)	12,754	1,345	102,030	(18,328)	(22%)
Western Kentucky University	181,776	14,579	1,695	116,632	65,144	36%	15,893	1,774	127,142	54,634	30%
<i>Comprehensive Universities Subtotal</i>	<i>527,701</i>	<i>54,946</i>	<i>7,360</i>	<i>439,568</i>	<i>88,133</i>	<i>17%</i>	<i>60,840</i>	<i>7,736</i>	<i>486,716</i>	<i>40,985</i>	<i>8%</i>
KCTCS CC/TC Districts	<i>Guideline: 7 ASF/Student FTE</i>										
Ashland District	10,307	2,305	241	16,135	(5,828)	(57%)	2,448	248	17,135	(6,828)	(66%)
Elizabethtown District	7,741	3,113	294	21,791	(14,050)	(182%)	3,306	303	23,142	(15,401)	(199%)
Hazard District	2,428	2,687	349	18,809	(16,381)	(675%)	2,854	360	19,975	(17,547)	(723%)
Henderson District	3,910	957	121	6,699	(2,789)	(71%)	1,017	125	7,121	(3,211)	(82%)
Hopkinsville District	950	1,845	174	12,915	(11,965)	(1,259%)	1,959	179	13,716	(12,766)	(1,344%)
Jefferson District	29,314	6,957	664	48,699	(19,385)	(66%)	7,388	685	51,718	(22,404)	(76%)
UK - Lexington Community College	6,651	6,241	344	43,687	(37,036)	(557%)	7,489	378	52,424	(45,773)	(688%)
Madisonville District	2,388	2,046	243	14,322	(11,934)	(500%)	2,175	251	15,224	(12,836)	(538%)
Maysville District	4,496	1,543	193	10,801	(6,305)	(140%)	1,640	199	11,481	(6,985)	(155%)
Owensboro District	2,697	2,747	262	19,229	(16,532)	(613%)	2,917	270	20,421	(17,724)	(657%)
West Kentucky District	3,723	3,536	312	24,752	(21,029)	(565%)	3,755	322	26,287	(22,564)	(606%)
Big Sandy District	4,373	2,790	256	19,530	(15,157)	(347%)	2,963	264	20,741	(16,368)	(374%)
Somerset District	8,043	3,626	315	25,382	(17,339)	(216%)	3,851	325	26,956	(18,913)	(235%)
Southeast District	22,734	2,510	295	17,570	5,164	23%	2,666	304	18,659	4,075	18%
Gateway District	445	1,363	146	9,541	(9,096)	(2,044%)	1,486	153	10,400	(9,955)	(2,237%)
Bowling Green District	0	952	129	6,664	(6,664)	N/A	1,346	138	9,422	(9,422)	N/A
Bluegrass District	270	1,892	237	13,244	(12,974)	(4,805%)	2,227	258	15,588	(15,318)	(5,673%)
<i>KCTCS CC/TC Districts Subtotal</i>	<i>110,470</i>	<i>47,110</i>	<i>4,575</i>	<i>329,770</i>	<i>(219,300)</i>	<i>(199%)</i>	<i>51,487</i>	<i>4,761</i>	<i>360,411</i>	<i>(249,941)</i>	<i>(226%)</i>
OPEN LABORATORIES TOTAL	967,794	141,098	23,966	1,081,674	(113,880)	(12%)	152,672	24,750	1,169,886	(202,092)	(21%)

KENTUCKY COUNCIL ON POSTSECONDARY EDUCATION

Space Needs Model Comparison to Existing Space by Space Type

RESEARCH LABORATORIES

	Actual ASF	2002 BASE YEAR					TARGET YEAR - 2006				
		Student FTE	Staffing FTE	Guideline ASF	Surplus/ (Deficit)	Percent Surplus/ (Deficit)	Student FTE	Staffing FTE	Guideline ASF	Surplus/ (Deficit)	Percent Surplus/ (Deficit)
Doctoral Universities	<i>Guideline: 900 ASF/\$100,000 - first \$50 R&D Expend. (NSF)</i>										
University of Kentucky	885,084	22,580	7,555	1,426,707	(541,623)	(61%)	23,759	7,653	2,211,396	(1,326,312)	(150%)
University of Louisville	408,976	16,462	4,476	414,720	(5,744)	(1%)	16,585	4,599	1,561,836	(1,152,860)	(282%)
<i>Doctoral Universities Subtotal</i>	<i>1,294,060</i>	<i>39,042</i>	<i>12,031</i>	<i>1,841,427</i>	<i>(547,367)</i>	<i>(42%)</i>	<i>40,345</i>	<i>12,252</i>	<i>3,773,231</i>	<i>(2,479,171)</i>	<i>(192%)</i>
Comprehensive Universities	<i>Guideline: 700 ASF/\$100,000 R&D Expenditures (IPEDS)</i>										
Eastern Kentucky University	12,455	11,968	1,973	4,662	7,793	63%	12,640	2,022	4,662	7,793	63%
Kentucky State University	15,678	1,898	457	31,612	(15,934)	(102%)	2,355	513	31,612	(15,934)	(102%)
Morehead State University	2,314	7,704	987	2,582	(268)	(12%)	8,298	1,025	2,582	(268)	(12%)
Murray State University	34,710	8,199	1,023	13,392	21,318	61%	8,900	1,058	13,392	21,318	61%
Northern Kentucky University	12,443	10,598	1,225	2,149	10,294	83%	12,754	1,345	2,149	10,294	83%
Western Kentucky University	69,164	14,579	1,695	45,230	23,934	35%	15,893	1,774	45,230	23,934	35%
<i>Comprehensive Universities Subtotal</i>	<i>146,764</i>	<i>54,946</i>	<i>7,360</i>	<i>99,627</i>	<i>47,137</i>	<i>32%</i>	<i>60,840</i>	<i>7,736</i>	<i>99,627</i>	<i>47,137</i>	<i>32%</i>
KCTCS CC/TC Districts	<i>Guideline: No Standard</i>										
Ashland District	0	2,305	241	0	0	N/A	2,448	248	0	0	N/A
Elizabethtown District	1,233	3,113	294	0	1,233	100%	3,306	303	0	1,233	100%
Hazard District	0	2,687	349	0	0	N/A	2,854	360	0	0	N/A
Henderson District	197	957	121	0	197	100%	1,017	125	0	197	100%
Hopkinsville District	0	1,845	174	0	0	N/A	1,959	179	0	0	N/A
Jefferson District	1,363	6,957	664	0	1,363	100%	7,388	685	0	1,363	100%
UK - Lexington Community College	523	6,241	344	0	523	100%	7,489	378	0	523	100%
Madisonville District	1,000	2,046	243	0	1,000	100%	2,175	251	0	1,000	100%
Maysville District	0	1,543	193	0	0	N/A	1,640	199	0	0	N/A
Owensboro District	935	2,747	262	0	935	100%	2,917	270	0	935	100%
West Kentucky District	0	3,536	312	0	0	N/A	3,755	322	0	0	N/A
Big Sandy District	0	2,790	256	0	0	N/A	2,963	264	0	0	N/A
Somerset District	0	3,626	315	0	0	N/A	3,851	325	0	0	N/A
Southeast District	0	2,510	295	0	0	N/A	2,666	304	0	0	N/A
Gateway District	0	1,363	146	0	0	N/A	1,486	153	0	0	N/A
Bowling Green District	0	952	129	0	0	N/A	1,346	138	0	0	N/A
Bluegrass District	0	1,892	237	0	0	N/A	2,227	258	0	0	N/A
<i>KCTCS CC/TC Districts Subtotal</i>	<i>5,251</i>	<i>47,110</i>	<i>4,575</i>	<i>0</i>	<i>5,251</i>	<i>100%</i>	<i>51,487</i>	<i>4,761</i>	<i>0</i>	<i>5,251</i>	<i>100%</i>
RESEARCH LABORATORIES TOTAL	1,446,075	141,098	23,966	1,941,054	(494,979)	(34%)	152,672	24,750	3,872,858	(2,426,783)	(168%)

KENTUCKY COUNCIL ON POSTSECONDARY EDUCATION

Space Needs Model Comparison to Existing Space by Space Type

OFFICE SUITES

	Actual ASF	2002 BASE YEAR					TARGET YEAR - 2006				
		Student FTE	Staffing FTE	Guideline ASF	Surplus/ (Deficit)	Percent Surplus/ (Deficit)	Student FTE	Staffing FTE	Guideline ASF	Surplus/ (Deficit)	Percent Surplus/ (Deficit)
Doctoral Universities	<i>Guideline: 195 ASF/Staff FTE</i>										
University of Kentucky	1,331,561	22,580	7,555	1,473,225	(141,664)	(11%)	23,759	7,653	1,492,377	(160,816)	(12%)
University of Louisville	815,935	16,462	4,476	872,820	(56,885)	(7%)	16,585	4,599	896,823	(80,888)	(10%)
<i>Doctoral Universities Subtotal</i>	<i>2,147,496</i>	<i>39,042</i>	<i>12,031</i>	<i>2,346,045</i>	<i>(198,549)</i>	<i>(9%)</i>	<i>40,345</i>	<i>12,252</i>	<i>2,389,199</i>	<i>(241,703)</i>	<i>(11%)</i>
Comprehensive Universities	<i>Guideline: 170 ASF/Staff FTE</i>										
Eastern Kentucky University	520,184	11,968	1,973	335,410	184,774	36%	12,640	2,022	343,795	176,389	34%
Kentucky State University	107,521	1,898	457	77,690	29,831	28%	2,355	513	87,207	20,314	19%
Morehead State University	196,335	7,704	987	167,790	28,545	15%	8,298	1,025	174,166	22,169	11%
Murray State University	374,028	8,199	1,023	173,910	200,118	54%	8,900	1,058	179,823	194,205	52%
Northern Kentucky University	262,203	10,598	1,225	208,250	53,953	21%	12,754	1,345	228,659	33,545	13%
Western Kentucky University	756,282	14,579	1,695	288,150	468,132	62%	15,893	1,774	301,549	454,733	60%
<i>Comprehensive Universities Subtotal</i>	<i>2,216,553</i>	<i>54,946</i>	<i>7,360</i>	<i>1,251,200</i>	<i>965,353</i>	<i>44%</i>	<i>60,840</i>	<i>7,736</i>	<i>1,315,199</i>	<i>901,354</i>	<i>41%</i>
KCTCS CC/TC Districts	<i>Guideline: 150 ASF/Staff FTE</i>										
Ashland District	49,748	2,305	241	36,150	13,598	27%	2,448	248	37,271	12,477	25%
Elizabethtown District	45,062	3,113	294	44,100	962	2%	3,306	303	45,467	(405)	(1%)
Hazard District	54,722	2,687	349	52,350	2,372	4%	2,854	360	53,973	749	1%
Henderson District	21,978	957	121	18,150	3,828	17%	1,017	125	18,722	3,256	15%
Hopkinsville District	26,827	1,845	174	26,100	727	3%	1,959	179	26,909	(82)	(0%)
Jefferson District	85,077	6,957	664	99,600	(14,523)	(17%)	7,388	685	102,688	(17,611)	(21%)
UK - Lexington Community College	42,574	6,241	344	51,600	(9,026)	(21%)	7,489	378	56,760	(14,186)	(33%)
Madisonville District	42,160	2,046	243	36,450	5,710	14%	2,175	251	37,598	4,562	11%
Maysville District	21,083	1,543	193	28,950	(7,867)	(37%)	1,640	199	29,862	(8,779)	(42%)
Owensboro District	36,117	2,747	262	39,300	(3,183)	(9%)	2,917	270	40,518	(4,401)	(12%)
West Kentucky District	48,430	3,536	312	46,800	1,630	3%	3,755	322	48,251	179	0%
Big Sandy District	50,788	2,790	256	38,400	12,388	24%	2,963	264	39,590	11,198	22%
Somerset District	38,505	3,626	315	47,250	(8,745)	(23%)	3,851	325	48,715	(10,210)	(27%)
Southeast District	31,475	2,510	295	44,250	(12,775)	(41%)	2,666	304	45,622	(14,147)	(45%)
Gateway District	15,112	1,363	146	21,900	(6,788)	(45%)	1,486	153	22,886	(7,774)	(51%)
Bowling Green District	33,834	952	129	19,350	14,484	43%	1,346	138	20,637	13,197	39%
Bluegrass District	31,702	1,892	237	35,550	(3,848)	(12%)	2,227	258	38,696	(6,994)	(22%)
<i>KCTCS CC/TC Districts Subtotal</i>	<i>675,194</i>	<i>47,110</i>	<i>4,575</i>	<i>686,250</i>	<i>(11,056)</i>	<i>(2%)</i>	<i>51,487</i>	<i>4,761</i>	<i>714,164</i>	<i>(38,970)</i>	<i>(6%)</i>
OFFICE SUITES TOTAL	5,039,243	141,098	23,966	4,283,495	755,748	15%	152,672	24,750	4,418,562	620,681	12%

KENTUCKY COUNCIL ON POSTSECONDARY EDUCATION

Space Needs Model Comparison to Existing Space by Space Type

LIBRARY

	Actual ASF	2002 BASE YEAR					TARGET YEAR - 2006				
		Student FTE	Staffing FTE	Guideline ASF	Surplus/ (Deficit)	Percent Surplus/ (Deficit)	Student FTE	Staffing FTE	Guideline ASF	Surplus/ (Deficit)	Percent Surplus/ (Deficit)
Doctoral Universities	<i>Guideline: No Standard</i>										
University of Kentucky	399,186	22,580	7,555	399,186	0	0%	23,759	7,653	399,186	0	0%
University of Louisville	332,800	16,462	4,476	332,800	0	0%	16,585	4,599	332,800	0	0%
<i>Doctoral Universities Subtotal</i>	<i>731,986</i>	<i>39,042</i>	<i>12,031</i>	<i>731,986</i>	<i>0</i>	<i>0%</i>	<i>40,345</i>	<i>12,252</i>	<i>731,986</i>	<i>0</i>	<i>0%</i>
Comprehensive Universities	<i>Guideline: No Standard</i>										
Eastern Kentucky University	110,019	11,968	1,973	110,019	0	0%	12,640	2,022	110,019	0	0%
Kentucky State University	34,593	1,898	457	34,593	0	0%	2,355	513	34,593	0	0%
Morehead State University	67,112	7,704	987	67,112	0	0%	8,298	1,025	67,112	0	0%
Murray State University	97,520	8,199	1,023	97,520	0	0%	8,900	1,058	97,520	0	0%
Northern Kentucky University	126,549	10,598	1,225	126,549	0	0%	12,754	1,345	126,549	0	0%
Western Kentucky University	172,457	14,579	1,695	172,457	0	0%	15,893	1,774	172,457	0	0%
<i>Comprehensive Universities Subtotal</i>	<i>608,250</i>	<i>54,946</i>	<i>7,360</i>	<i>608,250</i>	<i>0</i>	<i>0%</i>	<i>60,840</i>	<i>7,736</i>	<i>608,250</i>	<i>0</i>	<i>0%</i>
KCTCS CC/TC Districts	<i>Guideline: No Standard</i>										
Ashland District	17,577	2,305	241	17,577	0	0%	2,448	248	17,577	0	0%
Elizabethtown District	13,741	3,113	294	13,741	0	0%	3,306	303	13,741	0	0%
Hazard District	20,058	2,687	349	20,058	0	0%	2,854	360	20,058	0	0%
Henderson District	10,385	957	121	10,385	0	0%	1,017	125	10,385	0	0%
Hopkinsville District	16,925	1,845	174	16,925	0	0%	1,959	179	16,925	0	0%
Jefferson District	34,634	6,957	664	34,634	0	0%	7,388	685	34,634	0	0%
UK - Lexington Community College	6,463	6,241	344	6,463	0	0%	7,489	378	6,463	0	0%
Madisonville District	11,404	2,046	243	11,404	0	0%	2,175	251	11,404	0	0%
Maysville District	6,183	1,543	193	6,183	0	0%	1,640	199	6,183	0	0%
Owensboro District	19,797	2,747	262	19,797	0	0%	2,917	270	19,797	0	0%
West Kentucky District	2,698	3,536	312	2,698	0	0%	3,755	322	2,698	0	0%
Big Sandy District	26,674	2,790	256	26,674	0	0%	2,963	264	26,674	0	0%
Somerset District	15,377	3,626	315	15,377	0	0%	3,851	325	15,377	0	0%
Southeast District	14,593	2,510	295	14,593	0	0%	2,666	304	14,593	0	0%
Gateway District	960	1,363	146	960	0	0%	1,486	153	960	0	0%
Bowling Green District	2,686	952	129	2,686	0	0%	1,346	138	2,686	0	0%
Bluegrass District	4,695	1,892	237	4,695	0	0%	2,227	258	4,695	0	0%
<i>KCTCS CC/TC Districts Subtotal</i>	<i>224,850</i>	<i>47,110</i>	<i>4,575</i>	<i>224,850</i>	<i>0</i>	<i>0%</i>	<i>51,487</i>	<i>4,761</i>	<i>224,850</i>	<i>0</i>	<i>0%</i>
LIBRARY TOTAL	1,565,086	141,098	23,966	1,565,086	0	0%	152,672	24,750	1,565,086	0	0%

KENTUCKY COUNCIL ON POSTSECONDARY EDUCATION

Space Needs Model Comparison to Existing Space by Space Type

PHYSICAL EDUCATION & RECREATION

	Actual ASF	2002 BASE YEAR					TARGET YEAR - 2006				
		Student FTE	Staffing FTE	Guideline ASF	Surplus/ (Deficit)	Percent Surplus/ (Deficit)	Student FTE	Staffing FTE	Guideline ASF	Surplus/ (Deficit)	Percent Surplus/ (Deficit)
Doctoral Universities	<i>Guideline: 12.1 ASF for 100% Undergraduate FTE, 25% of Graduate FTE, and 15% of Staffing FTE (75,000 ASF minimum)</i>										
University of Kentucky	112,899	22,580	7,555	232,408	(119,509)	(106%)	23,759	7,653	241,568	(128,669)	(114%)
University of Louisville	70,094	16,462	4,476	163,836	(93,742)	(134%)	16,585	4,599	163,162	(93,068)	(133%)
<i>Doctoral Universities Subtotal</i>	<i>182,993</i>	<i>39,042</i>	<i>12,031</i>	<i>396,244</i>	<i>(213,251)</i>	<i>(117%)</i>	<i>40,345</i>	<i>12,252</i>	<i>404,729</i>	<i>(221,736)</i>	<i>(121%)</i>
Comprehensive Universities	<i>Guideline: 12.1 ASF for 100% Undergraduate FTE, 25% of Graduate FTE, and 15% of Staffing FTE (75,000 ASF minimum)</i>										
Eastern Kentucky University	122,217	11,968	1,973	138,947	(16,730)	(14%)	12,640	2,022	146,028	(23,811)	(19%)
Kentucky State University	122,073	1,898	457	75,000	47,073	39%	2,355	513	75,000	47,073	39%
Morehead State University	167,897	7,704	987	88,185	79,712	47%	8,298	1,025	94,844	73,053	44%
Murray State University	166,198	8,199	1,023	92,117	74,081	45%	8,900	1,058	98,750	67,448	41%
Northern Kentucky University	35,587	10,598	1,225	123,326	(87,739)	(247%)	12,754	1,345	147,518	(111,931)	(315%)
Western Kentucky University	128,421	14,579	1,695	167,531	(39,110)	(30%)	15,893	1,774	182,840	(54,419)	(42%)
<i>Comprehensive Universities Subtotal</i>	<i>742,393</i>	<i>54,946</i>	<i>7,360</i>	<i>685,106</i>	<i>57,287</i>	<i>8%</i>	<i>60,840</i>	<i>7,736</i>	<i>744,981</i>	<i>(2,588)</i>	<i>(0%)</i>
KCTCS CC/TC Districts	<i>Guideline: If existing space, then existing space is guideline</i>										
Ashland District	430	2,305	241	430	0	0%	2,448	248	430	0	0%
Elizabethtown District	1,124	3,113	294	1,124	0	0%	3,306	303	1,124	0	0%
Hazard District	2,480	2,687	349	2,480	0	0%	2,854	360	2,480	0	0%
Henderson District	0	957	121	0	0	N/A	1,017	125	0	0	N/A
Hopkinsville District	480	1,845	174	480	0	0%	1,959	179	480	0	0%
Jefferson District	0	6,957	664	0	0	N/A	7,388	685	0	0	N/A
UK - Lexington Community College	0	6,241	344	0	0	N/A	7,489	378	0	0	N/A
Madisonville District	0	2,046	243	0	0	N/A	2,175	251	0	0	N/A
Maysville District	0	1,543	193	0	0	N/A	1,640	199	0	0	N/A
Owensboro District	0	2,747	262	0	0	N/A	2,917	270	0	0	N/A
West Kentucky District	0	3,536	312	0	0	N/A	3,755	322	0	0	N/A
Big Sandy District	11,779	2,790	256	11,779	0	0%	2,963	264	11,779	0	0%
Somerset District	0	3,626	315	0	0	N/A	3,851	325	0	0	N/A
Southeast District	0	2,510	295	0	0	N/A	2,666	304	0	0	N/A
Gateway District	0	1,363	146	0	0	N/A	1,486	153	0	0	N/A
Bowling Green District	0	952	129	0	0	N/A	1,346	138	0	0	N/A
Bluegrass District	0	1,892	237	0	0	N/A	2,227	258	0	0	N/A
<i>KCTCS CC/TC Districts Subtotal</i>	<i>16,293</i>	<i>47,110</i>	<i>4,575</i>	<i>16,293</i>	<i>0</i>	<i>0%</i>	<i>51,487</i>	<i>4,761</i>	<i>16,293</i>	<i>0</i>	<i>0%</i>
PHYSICAL EDUCATION & RECREATION TOTAL	941,679	141,098	23,966	1,097,642	(155,963)	(17%)	152,672	24,750	1,166,003	(224,324)	(24%)

KENTUCKY COUNCIL ON POSTSECONDARY EDUCATION

Space Needs Model Comparison to Existing Space by Space Type

SPECIAL USE & GENERAL USE SPACE

	Actual ASF	2002 BASE YEAR					TARGET YEAR - 2006				
		Student FTE	Staffing FTE	Guideline ASF	Surplus/ (Deficit)	Percent Surplus/ (Deficit)	Student FTE	Staffing FTE	Guideline ASF	Surplus/ (Deficit)	Percent Surplus/ (Deficit)
Doctoral Universities	<i>Guideline: 21 ASF/Student FTE</i>										
University of Kentucky	444,445	22,580	7,555	474,180	(29,735)	(7%)	23,759	7,653	498,947	(54,502)	(12%)
University of Louisville	378,179	16,462	4,476	345,702	32,477	9%	16,585	4,599	348,295	29,884	8%
<i>Doctoral Universities Subtotal</i>	<i>822,624</i>	<i>39,042</i>	<i>12,031</i>	<i>819,882</i>	<i>2,742</i>	<i>0%</i>	<i>40,345</i>	<i>12,252</i>	<i>847,241</i>	<i>(24,617)</i>	<i>(3%)</i>
Comprehensive Universities	<i>Guideline: 18 ASF/Student FTE</i>										
Eastern Kentucky University	270,816	11,968	1,973	215,424	55,392	20%	12,640	2,022	227,526	43,290	16%
Kentucky State University	92,898	1,898	457	34,164	58,734	63%	2,355	513	42,398	50,500	54%
Morehead State University	181,974	7,704	987	138,672	43,302	24%	8,298	1,025	149,360	32,614	18%
Murray State University	172,655	8,199	1,023	147,582	25,073	15%	8,900	1,058	160,191	12,464	7%
Northern Kentucky University	169,279	10,598	1,225	190,764	(21,485)	(13%)	12,754	1,345	229,569	(60,290)	(36%)
Western Kentucky University	230,922	14,579	1,695	262,422	(31,500)	(14%)	15,893	1,774	286,069	(55,147)	(24%)
<i>Comprehensive Universities Subtotal</i>	<i>1,118,544</i>	<i>54,946</i>	<i>7,360</i>	<i>989,028</i>	<i>129,516</i>	<i>12%</i>	<i>60,840</i>	<i>7,736</i>	<i>1,095,111</i>	<i>23,433</i>	<i>2%</i>
KCTCS CC/TC Districts	<i>Guideline: 12 ASF/Student FTE</i>										
Ashland District	18,700	2,305	241	27,660	(8,960)	(48%)	2,448	248	29,375	(10,675)	(57%)
Elizabethtown District	14,910	3,113	294	37,356	(22,446)	(151%)	3,306	303	39,672	(24,762)	(166%)
Hazard District	29,161	2,687	349	32,244	(3,083)	(11%)	2,854	360	34,243	(5,082)	(17%)
Henderson District	29,626	957	121	11,484	18,142	61%	1,017	125	12,207	17,419	59%
Hopkinsville District	13,861	1,845	174	22,140	(8,279)	(60%)	1,959	179	23,513	(9,652)	(70%)
Jefferson District	43,473	6,957	664	83,484	(40,011)	(92%)	7,388	685	88,660	(45,187)	(104%)
UK - Lexington Community College	994	6,241	344	74,892	(73,898)	(7,434%)	7,489	378	89,870	(88,876)	(8,941%)
Madisonville District	37,286	2,046	243	24,552	12,734	34%	2,175	251	26,099	11,187	30%
Maysville District	16,368	1,543	193	18,516	(2,148)	(13%)	1,640	199	19,683	(3,315)	(20%)
Owensboro District	12,469	2,747	262	32,964	(20,495)	(164%)	2,917	270	35,008	(22,539)	(181%)
West Kentucky District	3,174	3,536	312	42,432	(39,258)	(1,237%)	3,755	322	45,063	(41,889)	(1,320%)
Big Sandy District	41,479	2,790	256	33,480	7,999	19%	2,963	264	35,556	5,923	14%
Somerset District	13,272	3,626	315	43,512	(30,240)	(228%)	3,851	325	46,210	(32,938)	(248%)
Southeast District	22,050	2,510	295	30,120	(8,070)	(37%)	2,666	304	31,987	(9,937)	(45%)
Gateway District	1,613	1,363	146	16,356	(14,743)	(914%)	1,486	153	17,828	(16,215)	(1,005%)
Bowling Green District	4,208	952	129	11,424	(7,216)	(171%)	1,346	138	16,152	(11,944)	(284%)
Bluegrass District	4,876	1,892	237	22,704	(17,828)	(366%)	2,227	258	26,723	(21,847)	(448%)
<i>KCTCS CC/TC Districts Subtotal</i>	<i>307,520</i>	<i>47,110</i>	<i>4,575</i>	<i>565,320</i>	<i>(257,800)</i>	<i>(84%)</i>	<i>51,487</i>	<i>4,761</i>	<i>617,848</i>	<i>(310,328)</i>	<i>(101%)</i>
SPECIAL USE & GENERAL USE SPACE TOTAL	2,248,688	141,098	23,966	2,374,230	(125,542)	(6%)	152,672	24,750	2,560,201	(311,513)	(14%)

KENTUCKY COUNCIL ON POSTSECONDARY EDUCATION

Space Needs Model Comparison to Existing Space by Space Type

SUPPORT SPACE

	Actual ASF	2002 BASE YEAR					TARGET YEAR - 2006				
		Student FTE	Staffing FTE	Guideline ASF	Surplus/ (Deficit)	Percent Surplus/ (Deficit)	Student FTE	Staffing FTE	Guideline ASF	Surplus/ (Deficit)	Percent Surplus/ (Deficit)
Doctoral Universities	<i>Guideline: 8 ASF/Student FTE</i>										
University of Kentucky	552,456	22,580	7,555	180,640	371,816	67%	23,759	7,653	190,075	362,381	66%
University of Louisville	96,472	16,462	4,476	131,696	(35,224)	(37%)	16,585	4,599	132,684	(36,212)	(38%)
<i>Doctoral Universities Subtotal</i>	<i>648,928</i>	<i>39,042</i>	<i>12,031</i>	<i>312,336</i>	<i>336,592</i>	<i>52%</i>	<i>40,345</i>	<i>12,252</i>	<i>322,759</i>	<i>326,169</i>	<i>50%</i>
Comprehensive Universities	<i>Guideline: 8 ASF/Student FTE</i>										
Eastern Kentucky University	93,030	11,968	1,973	95,744	(2,714)	(3%)	12,640	2,022	101,122	(8,092)	(9%)
Kentucky State University	31,745	1,898	457	15,184	16,561	52%	2,355	513	18,843	12,902	41%
Morehead State University	71,840	7,704	987	61,632	10,208	14%	8,298	1,025	66,382	5,458	8%
Murray State University	108,802	8,199	1,023	65,592	43,210	40%	8,900	1,058	71,196	37,606	35%
Northern Kentucky University	168,573	10,598	1,225	84,784	83,789	50%	12,754	1,345	102,030	66,543	39%
Western Kentucky University	75,466	14,579	1,695	116,632	(41,166)	(55%)	15,893	1,774	127,142	(51,676)	(68%)
<i>Comprehensive Universities Subtotal</i>	<i>549,456</i>	<i>54,946</i>	<i>7,360</i>	<i>439,568</i>	<i>109,888</i>	<i>20%</i>	<i>60,840</i>	<i>7,736</i>	<i>486,716</i>	<i>62,740</i>	<i>11%</i>
KCTCS CC/TC Districts	<i>Guideline: 4 ASF/Student FTE</i>										
Ashland District	14,842	2,305	241	9,220	5,622	38%	2,448	248	9,792	5,050	34%
Elizabethtown District	8,268	3,113	294	12,452	(4,184)	(51%)	3,306	303	13,224	(4,956)	(60%)
Hazard District	24,556	2,687	349	10,748	13,808	56%	2,854	360	11,414	13,142	54%
Henderson District	2,735	957	121	3,828	(1,093)	(40%)	1,017	125	4,069	(1,334)	(49%)
Hopkinsville District	8,009	1,845	174	7,380	629	8%	1,959	179	7,838	171	2%
Jefferson District	33,344	6,957	664	27,828	5,516	17%	7,388	685	29,553	3,791	11%
UK - Lexington Community College	1,904	6,241	344	24,964	(23,060)	(1,211%)	7,489	378	29,957	(28,053)	(1,473%)
Madisonville District	5,076	2,046	243	8,184	(3,108)	(61%)	2,175	251	8,700	(3,624)	(71%)
Maysville District	5,314	1,543	193	6,172	(858)	(16%)	1,640	199	6,561	(1,247)	(23%)
Owensboro District	8,416	2,747	262	10,988	(2,572)	(31%)	2,917	270	11,669	(3,253)	(39%)
West Kentucky District	3,879	3,536	312	14,144	(10,265)	(265%)	3,755	322	15,021	(11,142)	(287%)
Big Sandy District	25,383	2,790	256	11,160	14,223	56%	2,963	264	11,852	13,531	53%
Somerset District	19,852	3,626	315	14,504	5,348	27%	3,851	325	15,403	4,449	22%
Southeast District	12,066	2,510	295	10,040	2,026	17%	2,666	304	10,662	1,404	12%
Gateway District	2,822	1,363	146	5,452	(2,630)	(93%)	1,486	153	5,943	(3,121)	(111%)
Bowling Green District	12,114	952	129	3,808	8,306	69%	1,346	138	5,384	6,730	56%
Bluegrass District	13,002	1,892	237	7,568	5,434	42%	2,227	258	8,908	4,094	31%
<i>KCTCS CC/TC Districts Subtotal</i>	<i>201,582</i>	<i>47,110</i>	<i>4,575</i>	<i>188,440</i>	<i>13,142</i>	<i>7%</i>	<i>51,487</i>	<i>4,761</i>	<i>205,949</i>	<i>(4,367)</i>	<i>(2%)</i>
SUPPORT SPACE TOTAL	1,399,966	141,098	23,966	940,344	459,622	33%	152,672	24,750	1,015,424	384,542	27%

SPACE NEEDS MODEL COMPARISON TO EXISTING SPACE
University of Kentucky

Student FTE 2002: 22,580 Staffing FTE 2002: 7,555 Target Year Student FTE: 23,759 Target Year Staffing FTE: 7,653	Existing ASF	2002 BASE YEAR			TARGET YEAR - 2006		
		Guideline ASF	Surplus/Deficit	Percent Surplus/Deficit	Guideline ASF	Surplus/Deficit	Percent Surplus/Deficit
Classrooms <i>10 ASF/Student FTE</i>	219,554	225,800	(6,246)	-3%	237,594	(18,040)	-8%
Teaching Laboratories <i>8 ASF/Student FTE</i>	182,664	180,640	2,024	1%	190,075	(7,411)	-4%
Open Laboratories <i>8 ASF/Student FTE</i>	151,637	180,640	(29,003)	-19%	190,075	(38,438)	-25%
Research Laboratories <i>900 ASF/\$100,000 - first \$50 R&D Expend. (NSF)</i>	885,084	1,426,707	(541,623)	-61%	2,211,396	(1,326,312)	-150%
Office Suites <i>195 ASF/Staff FTE</i>	1,331,561	1,473,225	(141,664)	-11%	1,492,377	(160,816)	-12%
Library <i>No Standard</i>	399,186	399,186	-	0%	399,186	-	0%
Physical Education & Recreation <i>12.1 ASF for 100% Undergraduate FTE, 25% of Graduate FTE, and 15% of Staffing FTE (75,000 ASF minimum)</i>	112,899	232,408	(119,509)	-106%	241,568	(128,669)	-114%
Special Use & General Use Space <i>21 ASF/Student FTE</i>	444,445	474,180	(29,735)	-7%	498,947	(54,502)	-12%
Support Space <i>8 ASF/Student FTE</i>	552,456	180,640	371,816	67%	190,075	362,381	66%
TOTAL	4,279,486	4,773,426	(493,940)	-12%	5,651,292	(1,371,806)	-32%

SPACE NEEDS MODEL COMPARISON TO EXISTING SPACE
University of Louisville

		Existing ASF	2002 BASE YEAR			TARGET YEAR - 2006		
			Guideline ASF	Surplus/ Deficit	Percent Surplus/ Deficit	Guideline ASF	Surplus/ Deficit	Percent Surplus/ Deficit
Student FTE 2002:	16,462							
Staffing FTE 2002:	4,476							
Target Year Student FTE:	16,585							
Target Year Staffing FTE:	4,599							
Classrooms <i>10 ASF/Student FTE</i>		131,718	164,620	(32,902)	-25%	165,855	(34,137)	-26%
Teaching Laboratories <i>8 ASF/Student FTE</i>		89,710	131,696	(41,986)	-47%	132,684	(42,974)	-48%
Open Laboratories <i>8 ASF/Student FTE</i>		177,986	131,696	46,290	26%	132,684	45,302	25%
Research Laboratories <i>900 ASF/\$100,000 - first \$50 R&D Expend. (NSF)</i>		408,976	414,720	(5,744)	-1%	1,561,836	(1,152,860)	-282%
Office Suites <i>195 ASF/Staff FTE</i>		815,935	872,820	(56,885)	-7%	896,823	(80,888)	-10%
Library <i>No Standard</i>		332,800	332,800	-	0%	332,800	-	0%
Physical Education & Recreation <i>12.1 ASF for 100% Undergraduate FTE, 25% of Graduate FTE, and 15% of Staffing FTE (75,000 ASF minimum)</i>		70,094	163,836	(93,742)	-134%	163,162	(93,068)	-133%
Special Use & General Use Space <i>21 ASF/Student FTE</i>		378,179	345,702	32,477	9%	348,295	29,884	8%
Support Space <i>8 ASF/Student FTE</i>		96,472	131,696	(35,224)	-37%	132,684	(36,212)	-38%
TOTAL		2,501,870	2,689,586	(187,716)	-8%	3,866,820	(1,364,950)	-55%

SPACE NEEDS MODEL COMPARISON TO EXISTING SPACE
Eastern Kentucky University

	Student FTE 2002: Staffing FTE 2002: Target Year Student FTE: Target Year Staffing FTE:	11,968 1,973 12,640 2,022	Existing ASF	2002 BASE YEAR			TARGET YEAR - 2006		
				Guideline ASF	Surplus/ Deficit	Percent Surplus/ Deficit	Guideline ASF	Surplus/ Deficit	Percent Surplus/ Deficit
Classrooms <i>10 ASF/Student FTE</i>			244,450	119,680	124,770	51%	126,403	118,047	48%
Teaching Laboratories <i>10 ASF/Student FTE</i>			78,849	119,680	(40,831)	-52%	126,403	(47,554)	-60%
Open Laboratories <i>8 ASF/Student FTE</i>			170,884	95,744	75,140	44%	101,122	69,762	41%
Research Laboratories <i>700 ASF/\$100,000 R&D Expenditures (IPEDS)</i>			12,455	4,662	7,793	63%	4,662	7,793	63%
Office Suites <i>170 ASF/Staff FTE</i>			520,184	335,410	184,774	36%	343,795	176,389	34%
Library <i>No Standard</i>			110,019	110,019	-	0%	110,019	-	0%
Physical Education & Recreation <i>12.1 ASF for 100% Undergraduate FTE, 25% of Graduate FTE, and 15% of Staffing FTE (75,000 ASF minimum)</i>			122,217	138,947	(16,730)	-14%	146,028	(23,811)	-19%
Special Use & General Use Space <i>18 ASF/Student FTE</i>			270,816	215,424	55,392	20%	227,526	43,290	16%
Support Space <i>8 ASF/Student FTE</i>			93,030	95,744	(2,714)	-3%	101,122	(8,092)	-9%
TOTAL			1,622,904	1,235,310	387,594	24%	1,287,081	335,823	21%

SPACE NEEDS MODEL COMPARISON TO EXISTING SPACE
Kentucky State University

		Existing ASF	2002 BASE YEAR			TARGET YEAR - 2006		
			Guideline ASF	Surplus/ Deficit	Percent Surplus/ Deficit	Guideline ASF	Surplus/ Deficit	Percent Surplus/ Deficit
Student FTE 2002:	1,898							
Staffing FTE 2002:	457							
Target Year Student FTE:	2,355							
Target Year Staffing FTE:	513							
Classrooms <i>10 ASF/Student FTE</i>		52,901	18,980	33,921	64%	23,554	29,347	55%
Teaching Laboratories <i>10 ASF/Student FTE</i>		44,197	18,980	25,217	57%	23,554	20,643	47%
Open Laboratories <i>8 ASF/Student FTE</i>		3,843	15,184	(11,341)	-295%	18,843	(15,000)	-390%
Research Laboratories <i>700 ASF/\$100,000 R&D Expenditures (IPEDS)</i>		15,678	31,612	(15,934)	-102%	31,612	(15,934)	-102%
Office Suites <i>170 ASF/Staff FTE</i>		107,521	77,690	29,831	28%	87,207	20,314	19%
Library <i>No Standard</i>		34,593	34,593	-	0%	34,593	-	0%
Physical Education & Recreation <i>12.1 ASF for 100% Undergraduate FTE, 25% of Graduate FTE, and 15% of Staffing FTE (75,000 ASF minimum)</i>		122,073	75,000	47,073	39%	75,000	47,073	39%
Special Use & General Use Space <i>18 ASF/Student FTE</i>		92,898	34,164	58,734	63%	42,398	50,500	54%
Support Space <i>8 ASF/Student FTE</i>		31,745	15,184	16,561	52%	18,843	12,902	41%
TOTAL		505,449	321,387	184,062	36%	355,605	149,844	30%

SPACE NEEDS MODEL COMPARISON TO EXISTING SPACE
Morehead State University

Student FTE 2002: 7,704 Staffing FTE 2002: 987 Target Year Student FTE: 8,298 Target Year Staffing FTE: 1,025	Existing ASF	2002 BASE YEAR			TARGET YEAR - 2006		
		Guideline ASF	Surplus/Deficit	Percent Surplus/Deficit	Guideline ASF	Surplus/Deficit	Percent Surplus/Deficit
Classrooms <i>10 ASF/Student FTE</i>	142,553	77,040	65,513	46%	82,978	59,575	42%
Teaching Laboratories <i>10 ASF/Student FTE</i>	104,128	77,040	27,088	26%	82,978	21,150	20%
Open Laboratories <i>8 ASF/Student FTE</i>	29,750	61,632	(31,882)	-107%	66,382	(36,632)	-123%
Research Laboratories <i>700 ASF/\$100,000 R&D Expenditures (IPEDS)</i>	2,314	2,582	(268)	-12%	2,582	(268)	-12%
Office Suites <i>170 ASF/Staff FTE</i>	196,335	167,790	28,545	15%	174,166	22,169	11%
Library <i>No Standard</i>	67,112	67,112	-	0%	67,112	-	0%
Physical Education & Recreation <i>12.1 ASF for 100% Undergraduate FTE, 25% of Graduate FTE, and 15% of Staffing FTE (75,000 ASF minimum)</i>	167,897	88,185	79,712	47%	94,844	73,053	44%
Special Use & General Use Space <i>18 ASF/Student FTE</i>	181,974	138,672	43,302	24%	149,360	32,614	18%
Support Space <i>8 ASF/Student FTE</i>	71,840	61,632	10,208	14%	66,382	5,458	8%
TOTAL	963,903	741,686	222,217	23%	786,785	177,118	18%

SPACE NEEDS MODEL COMPARISON TO EXISTING SPACE
Murray State University

Student FTE 2002: 8,199 Staffing FTE 2002: 1,023 Target Year Student FTE: 8,900 Target Year Staffing FTE: 1,058	Existing ASF	2002 BASE YEAR			TARGET YEAR - 2006		
		Guideline ASF	Surplus/ Deficit	Percent Surplus/ Deficit	Guideline ASF	Surplus/ Deficit	Percent Surplus/ Deficit
Classrooms <i>10 ASF/Student FTE</i>	184,121	81,990	102,131	55%	88,995	95,126	52%
Teaching Laboratories <i>10 ASF/Student FTE</i>	176,401	81,990	94,411	54%	88,995	87,406	50%
Open Laboratories <i>8 ASF/Student FTE</i>	57,746	65,592	(7,846)	-14%	71,196	(13,450)	-23%
Research Laboratories <i>700 ASF/\$100,000 R&D Expenditures (IPEDS)</i>	34,710	13,392	21,318	61%	13,392	21,318	61%
Office Suites <i>170 ASF/Staff FTE</i>	374,028	173,910	200,118	54%	179,823	194,205	52%
Library <i>No Standard</i>	97,520	97,520	-	0%	97,520	-	0%
Physical Education & Recreation <i>12.1 ASF for 100% Undergraduate FTE, 25% of Graduate FTE, and 15% of Staffing FTE (75,000 ASF minimum)</i>	166,198	92,117	74,081	45%	98,750	67,448	41%
Special Use & General Use Space <i>18 ASF/Student FTE</i>	172,655	147,582	25,073	15%	160,191	12,464	7%
Support Space <i>8 ASF/Student FTE</i>	108,802	65,592	43,210	40%	71,196	37,606	35%
TOTAL	1,372,181	819,684	552,497	40%	870,058	502,123	37%

SPACE NEEDS MODEL COMPARISON TO EXISTING SPACE
Northern Kentucky University

Student FTE 2002: Staffing FTE 2002: Target Year Student FTE: Target Year Staffing FTE:	10,598 1,225 12,754 1,345	Existing ASF	2002 BASE YEAR			TARGET YEAR - 2006		
			Guideline ASF	Surplus/ Deficit	Percent Surplus/ Deficit	Guideline ASF	Surplus/ Deficit	Percent Surplus/ Deficit
Classrooms <i>10 ASF/Student FTE</i>		97,707	105,980	(8,273)	-8%	127,538	(29,831)	-31%
Teaching Laboratories <i>10 ASF/Student FTE</i>		87,681	105,980	(18,299)	-21%	127,538	(39,857)	-45%
Open Laboratories <i>8 ASF/Student FTE</i>		83,702	84,784	(1,082)	-1%	102,030	(18,328)	-22%
Research Laboratories <i>700 ASF/\$100,000 R&D Expenditures (IPEDS)</i>		12,443	2,149	10,294	83%	2,149	10,294	83%
Office Suites <i>170 ASF/Staff FTE</i>		262,203	208,250	53,953	21%	228,659	33,545	13%
Library <i>No Standard</i>		126,549	126,549	-	0%	126,549	-	0%
Physical Education & Recreation <i>12.1 ASF for 100% Undergraduate FTE, 25% of Graduate FTE, and 15% of Staffing FTE (75,000 ASF minimum)</i>		35,587	123,326	(87,739)	-247%	147,518	(111,931)	-315%
Special Use & General Use Space <i>18 ASF/Student FTE</i>		169,279	190,764	(21,485)	-13%	229,569	(60,290)	-36%
Support Space <i>8 ASF/Student FTE</i>		168,573	84,784	83,789	50%	102,030	66,543	39%
TOTAL		1,043,724	1,032,566	11,158	1%	1,193,580	(149,856)	-14%

SPACE NEEDS MODEL COMPARISON TO EXISTING SPACE
Western Kentucky University

Student FTE 2002: 14,579 Staffing FTE 2002: 1,695 Target Year Student FTE: 15,893 Target Year Staffing FTE: 1,774	Existing ASF	2002 BASE YEAR			TARGET YEAR - 2006		
		Guideline ASF	Surplus/ Deficit	Percent Surplus/ Deficit	Guideline ASF	Surplus/ Deficit	Percent Surplus/ Deficit
Classrooms <i>10 ASF/Student FTE</i>	410,159	145,790	264,369	64%	158,927	251,232	61%
Teaching Laboratories <i>10 ASF/Student FTE</i>	170,971	145,790	25,181	15%	158,927	12,044	7%
Open Laboratories <i>8 ASF/Student FTE</i>	181,776	116,632	65,144	36%	127,142	54,634	30%
Research Laboratories <i>700 ASF/\$100,000 R&D Expenditures (IPEDS)</i>	69,164	45,230	23,934	35%	45,230	23,934	35%
Office Suites <i>170 ASF/Staff FTE</i>	756,282	288,150	468,132	62%	301,549	454,733	60%
Library <i>No Standard</i>	172,457	172,457	-	0%	172,457	-	0%
Physical Education & Recreation <i>12.1 ASF for 100% Undergraduate FTE, 25% of Graduate FTE, and 15% of Staffing FTE (75,000 ASF minimum)</i>	128,421	167,531	(39,110)	-30%	182,840	(54,419)	-42%
Special Use & General Use Space <i>18 ASF/Student FTE</i>	230,922	262,422	(31,500)	-14%	286,069	(55,147)	-24%
Support Space <i>8 ASF/Student FTE</i>	75,466	116,632	(41,166)	-55%	127,142	(51,676)	-68%
TOTAL	2,195,618	1,460,633	734,985	33%	1,560,282	635,336	29%

SPACE NEEDS MODEL COMPARISON TO EXISTING SPACE
Ashland District

		2002 BASE YEAR			TARGET YEAR - 2006		
		Existing ASF	Guideline ASF	Surplus/Deficit	Percent Surplus/Deficit	Guideline ASF	Surplus/Deficit
Student FTE 2002:	2,305						
Staffing FTE 2002:	241						
Target Year Student FTE:	2,448						
Target Year Staffing FTE:	248						
Classrooms <i>10 ASF/Student FTE</i>	38,659	23,050	15,609	40%	24,479	14,180	37%
Teaching Laboratories <i>8 ASF/Student FTE</i>	72,143	18,440	53,703	74%	19,583	52,560	73%
Open Laboratories <i>7 ASF/Student FTE</i>	10,307	16,135	(5,828)	-57%	17,135	(6,828)	-66%
Research Laboratories <i>No Standard</i>	-	-	-	NA	-	-	NA
Office Suites <i>150 ASF/Staff FTE</i>	49,748	36,150	13,598	27%	37,271	12,477	25%
Library <i>No Standard</i>	17,577	17,577	-	0%	17,577	-	0%
Physical Education & Recreation <i>If existing space, then existing space is guideline</i>	430	430	-	0%	430	-	0%
Special Use & General Use Space <i>12 ASF/Student FTE</i>	18,700	27,660	(8,960)	-32%	29,375	(10,675)	-36%
Support Space <i>4 ASF/Student FTE</i>	14,842	9,220	5,622	38%	9,792	5,050	34%
TOTAL	222,406	148,662	73,744	33%	155,642	66,764	30%

SPACE NEEDS MODEL COMPARISON TO EXISTING SPACE
Elizabethtown District

		Existing ASF	2002 BASE YEAR			TARGET YEAR - 2006		
			Guideline ASF	Surplus/ Deficit	Percent Surplus/ Deficit	Guideline ASF	Surplus/ Deficit	Percent Surplus/ Deficit
Student FTE 2002:	3,113							
Staffing FTE 2002:	294							
Target Year Student FTE:	3,306							
Target Year Staffing FTE:	303							
Classrooms <i>10 ASF/Student FTE</i>		37,432	31,130	6,302	17%	33,060	4,372	12%
Teaching Laboratories <i>8 ASF/Student FTE</i>		114,632	24,904	89,728	78%	26,448	88,184	77%
Open Laboratories <i>7 ASF/Student FTE</i>		7,741	21,791	(14,050)	-182%	23,142	(15,401)	-199%
Research Laboratories <i>No Standard</i>		1,233	-	1,233	100%	-	1,233	100%
Office Suites <i>150 ASF/Staff FTE</i>		45,062	44,100	962	2%	45,467	(405)	-1%
Library <i>No Standard</i>		13,741	13,741	-	0%	13,741	-	0%
Physical Education & Recreation <i>If existing space, then existing space is guideline</i>		1,124	1,124	-	0%	1,124	-	0%
Special Use & General Use Space <i>12 ASF/Student FTE</i>		14,910	37,356	(22,446)	-60%	39,672	(24,762)	-62%
Support Space <i>4 ASF/Student FTE</i>		8,268	12,452	(4,184)	-51%	13,224	(4,956)	-60%
TOTAL		244,143	186,598	57,545	24%	195,878	48,265	20%

**SPACE NEEDS MODEL COMPARISON TO EXISTING SPACE
Hazard District**

		2002 BASE YEAR			TARGET YEAR - 2006			
		Existing ASF	Guideline ASF	Surplus/ Deficit	Percent Surplus/ Deficit	Guideline ASF	Surplus/ Deficit	Percent Surplus/ Deficit
Student FTE 2002:	2,687							
Staffing FTE 2002:	349							
Target Year Student FTE:	2,854							
Target Year Staffing FTE:	360							
Classrooms <i>10 ASF/Student FTE</i>	40,795	26,870	13,925	34%	28,536	12,259	30%	
Teaching Laboratories <i>8 ASF/Student FTE</i>	91,562	21,496	70,066	77%	22,829	68,733	75%	
Open Laboratories <i>7 ASF/Student FTE</i>	2,428	18,809	(16,381)	-675%	19,975	(17,547)	-723%	
Research Laboratories <i>No Standard</i>	-	-	-	#DIV/0!	-	-	#DIV/0!	
Office Suites <i>150 ASF/Staff FTE</i>	54,722	52,350	2,372	4%	53,973	749	1%	
Library <i>No Standard</i>	20,058	20,058	-	0%	20,058	-	0%	
Physical Education & Recreation <i>If existing space, then existing space is guideline</i>	2,480	2,480	-	0%	2,480	-	0%	
Special Use & General Use Space <i>12 ASF/Student FTE</i>	29,161	32,244	(3,083)	-10%	34,243	(5,082)	-15%	
Support Space <i>4 ASF/Student FTE</i>	24,556	10,748	13,808	56%	11,414	13,142	54%	
TOTAL		265,762	185,055	80,707	30%	193,508	72,254	27%

**SPACE NEEDS MODEL COMPARISON TO EXISTING SPACE
Henderson District**

		Existing ASF	2002 BASE YEAR			TARGET YEAR - 2006		
			Guideline ASF	Surplus/ Deficit	Percent Surplus/ Deficit	Guideline ASF	Surplus/ Deficit	Percent Surplus/ Deficit
Classrooms <i>10 ASF/Student FTE</i>	957	10,289	9,570	719	7%	10,173	116	1%
Teaching Laboratories <i>8 ASF/Student FTE</i>	121	19,478	7,656	11,822	61%	8,138	11,340	58%
Open Laboratories <i>7 ASF/Student FTE</i>	1,017	3,910	6,699	(2,789)	-71%	7,121	(3,211)	-82%
Research Laboratories <i>No Standard</i>	125	197	-	197	100%	-	197	100%
Office Suites <i>150 ASF/Staff FTE</i>		21,978	18,150	3,828	17%	18,722	3,256	15%
Library <i>No Standard</i>		10,385	10,385	-	0%	10,385	-	0%
Physical Education & Recreation <i>If existing space, then existing space is guideline</i>		-	-	-	NA	-	-	NA
Special Use & General Use Space <i>12 ASF/Student FTE</i>		29,626	11,484	18,142	158%	12,207	17,419	143%
Support Space <i>4 ASF/Student FTE</i>		2,735	3,828	(1,093)	-40%	4,069	(1,334)	-49%
TOTAL		98,598	67,772	30,826	31%	70,816	27,782	28%

**SPACE NEEDS MODEL COMPARISON TO EXISTING SPACE
Hopkinsville District**

		Existing ASF	2002 BASE YEAR			TARGET YEAR - 2006		
			Guideline ASF	Surplus/ Deficit	Percent Surplus/ Deficit	Guideline ASF	Surplus/ Deficit	Percent Surplus/ Deficit
Classrooms <i>10 ASF/Student FTE</i>	1,845	26,409	18,450	7,959	30%	19,594	6,815	26%
Teaching Laboratories <i>8 ASF/Student FTE</i>	174	25,711	14,760	10,951	43%	15,675	10,036	39%
Open Laboratories <i>7 ASF/Student FTE</i>	1,959	950	12,915	(11,965)	-1259%	13,716	(12,766)	-1344%
Research Laboratories <i>No Standard</i>	179	-	-	-	NA	-	-	NA
Office Suites <i>150 ASF/Staff FTE</i>		26,827	26,100	727	3%	26,909	(82)	0%
Library <i>No Standard</i>		16,925	16,925	-	0%	16,925	-	0%
Physical Education & Recreation <i>If existing space, then existing space is guideline</i>		480	480	-	0%	480	-	0%
Special Use & General Use Space <i>12 ASF/Student FTE</i>		13,861	22,140	(8,279)	-37%	23,513	(9,652)	-41%
Support Space <i>4 ASF/Student FTE</i>		8,009	7,380	629	8%	7,838	171	2%
TOTAL		119,172	119,150	22	0%	124,649	(5,477)	-5%

SPACE NEEDS MODEL COMPARISON TO EXISTING SPACE
Jefferson District

		Existing ASF	2002 BASE YEAR			TARGET YEAR - 2006		
			Guideline ASF	Surplus/ Deficit	Percent Surplus/ Deficit	Guideline ASF	Surplus/ Deficit	Percent Surplus/ Deficit
Classrooms <i>10 ASF/Student FTE</i>	6,957	101,979	69,570	32,409	32%	73,883	28,096	28%
Teaching Laboratories <i>8 ASF/Student FTE</i>	664	118,713	55,656	63,057	53%	59,107	59,606	50%
Open Laboratories <i>7 ASF/Student FTE</i>	7,388	29,314	48,699	(19,385)	-66%	51,718	(22,404)	-76%
Research Laboratories <i>No Standard</i>	685	1,363	-	1,363	100%	-	1,363	100%
Office Suites <i>150 ASF/Staff FTE</i>		85,077	99,600	(14,523)	-17%	102,688	(17,611)	-21%
Library <i>No Standard</i>		34,634	34,634	-	0%	34,634	-	0%
Physical Education & Recreation <i>If existing space, then existing space is guideline</i>		-	-	-	NA	-	-	NA
Special Use & General Use Space <i>12 ASF/Student FTE</i>		43,473	83,484	(40,011)	-48%	88,660	(45,187)	-51%
Support Space <i>4 ASF/Student FTE</i>		33,344	27,828	5,516	17%	29,553	3,791	11%
TOTAL		447,897	419,471	28,426	6%	440,243	7,654	2%

SPACE NEEDS MODEL COMPARISON TO EXISTING SPACE
UK - Lexington Community College

		Existing ASF	2002 BASE YEAR			TARGET YEAR - 2006		
			Guideline ASF	Surplus/ Deficit	Percent Surplus/ Deficit	Guideline ASF	Surplus/ Deficit	Percent Surplus/ Deficit
Student FTE 2002:	6,241							
Staffing FTE 2002:	344							
Target Year Student FTE:	7,489							
Target Year Staffing FTE:	378							
Classrooms <i>10 ASF/Student FTE</i>		36,361	62,410	(26,049)	-72%	74,892	(38,531)	-106%
Teaching Laboratories <i>8 ASF/Student FTE</i>		33,866	49,928	(16,062)	-47%	59,914	(26,048)	-77%
Open Laboratories <i>7 ASF/Student FTE</i>		6,651	43,687	(37,036)	-557%	52,424	(45,773)	-688%
Research Laboratories <i>No Standard</i>		523	-	523	100%	-	523	100%
Office Suites <i>150 ASF/Staff FTE</i>		42,574	51,600	(9,026)	-21%	56,760	(14,186)	-33%
Library <i>No Standard</i>		6,463	6,463	-	0%	6,463	-	0%
Physical Education & Recreation <i>If existing space, then existing space is guideline</i>		-	-	-	NA	-	-	NA
Special Use & General Use Space <i>12 ASF/Student FTE</i>		994	74,892	(73,898)	-99%	89,870	(88,876)	-99%
Support Space <i>4 ASF/Student FTE</i>		1,904	24,964	(23,060)	-1211%	29,957	(28,053)	-1473%
TOTAL		129,336	313,944	(184,608)	-143%	370,280	(240,944)	-186%

**SPACE NEEDS MODEL COMPARISON TO EXISTING SPACE
Madisonville District**

		Existing ASF	2002 BASE YEAR			TARGET YEAR - 2006		
			Guideline ASF	Surplus/ Deficit	Percent Surplus/ Deficit	Guideline ASF	Surplus/ Deficit	Percent Surplus/ Deficit
Classrooms <i>10 ASF/Student FTE</i>	2,046	45,107	20,460	24,647	55%	21,749	23,358	52%
Teaching Laboratories <i>8 ASF/Student FTE</i>	243	67,593	16,368	51,225	76%	17,399	50,194	74%
Open Laboratories <i>7 ASF/Student FTE</i>	2,175	2,388	14,322	(11,934)	-500%	15,224	(12,836)	-538%
Research Laboratories <i>No Standard</i>	251	1,000	-	1,000	100%	-	1,000	100%
Office Suites <i>150 ASF/Staff FTE</i>		42,160	36,450	5,710	14%	37,598	4,562	11%
Library <i>No Standard</i>		11,404	11,404	-	0%	11,404	-	0%
Physical Education & Recreation <i>If existing space, then existing space is guideline</i>		-	-	-	NA	-	-	NA
Special Use & General Use Space <i>12 ASF/Student FTE</i>		37,286	24,552	12,734	52%	26,099	11,187	43%
Support Space <i>4 ASF/Student FTE</i>		5,076	8,184	(3,108)	-61%	8,700	(3,624)	-71%
TOTAL		212,014	131,740	80,274	38%	138,173	73,841	35%

**SPACE NEEDS MODEL COMPARISON TO EXISTING SPACE
Maysville District**

		2002 BASE YEAR			TARGET YEAR - 2006			
		Existing ASF	Guideline ASF	Surplus/ Deficit	Percent Surplus/ Deficit	Guideline ASF	Surplus/ Deficit	Percent Surplus/ Deficit
Student FTE 2002:	1,543							
Staffing FTE 2002:	193							
Target Year Student FTE:	1,640							
Target Year Staffing FTE:	199							
Classrooms <i>10 ASF/Student FTE</i>		22,848	15,430	7,418	32%	16,402	6,446	28%
Teaching Laboratories <i>8 ASF/Student FTE</i>		52,514	12,344	40,170	76%	13,122	39,392	75%
Open Laboratories <i>7 ASF/Student FTE</i>		4,496	10,801	(6,305)	-140%	11,481	(6,985)	-155%
Research Laboratories <i>No Standard</i>		-	-	-	NA	-	-	NA
Office Suites <i>150 ASF/Staff FTE</i>		21,083	28,950	(7,867)	-37%	29,862	(8,779)	-42%
Library <i>No Standard</i>		6,183	6,183	-	0%	6,183	-	0%
Physical Education & Recreation <i>If existing space, then existing space is guideline</i>		-	-	-	NA	-	-	NA
Special Use & General Use Space <i>12 ASF/Student FTE</i>		16,368	18,516	(2,148)	-12%	19,683	(3,315)	-17%
Support Space <i>4 ASF/Student FTE</i>		5,314	6,172	(858)	-16%	6,561	(1,247)	-23%
TOTAL		128,806	98,396	30,410	24%	103,293	25,513	20%

SPACE NEEDS MODEL COMPARISON TO EXISTING SPACE
Owensboro District

		Existing ASF	2002 BASE YEAR			TARGET YEAR - 2006		
			Guideline ASF	Surplus/ Deficit	Percent Surplus/ Deficit	Guideline ASF	Surplus/ Deficit	Percent Surplus/ Deficit
Classrooms <i>10 ASF/Student FTE</i>	2,747	35,843	27,470	8,373	23%	29,173	6,670	19%
Teaching Laboratories <i>8 ASF/Student FTE</i>	262	89,387	21,976	67,411	75%	23,339	66,048	74%
Open Laboratories <i>7 ASF/Student FTE</i>	2,917	2,697	19,229	(16,532)	-613%	20,421	(17,724)	-657%
Research Laboratories <i>No Standard</i>	270	935	-	935	100%	-	935	100%
Office Suites <i>150 ASF/Staff FTE</i>		36,117	39,300	(3,183)	-9%	40,518	(4,401)	-12%
Library <i>No Standard</i>		19,797	19,797	-	0%	19,797	-	0%
Physical Education & Recreation <i>If existing space, then existing space is guideline</i>		-	-	-	NA	-	-	NA
Special Use & General Use Space <i>12 ASF/Student FTE</i>		12,469	32,964	(20,495)	-62%	35,008	(22,539)	-64%
Support Space <i>4 ASF/Student FTE</i>		8,416	10,988	(2,572)	-31%	11,669	(3,253)	-39%
TOTAL		205,661	171,724	33,937	17%	179,925	25,736	13%

SPACE NEEDS MODEL COMPARISON TO EXISTING SPACE
West Kentucky District

		Existing ASF	2002 BASE YEAR			TARGET YEAR - 2006		
			Guideline ASF	Surplus/ Deficit	Percent Surplus/ Deficit	Guideline ASF	Surplus/ Deficit	Percent Surplus/ Deficit
Classrooms <i>10 ASF/Student FTE</i>	3,536	64,909	35,360	29,549	46%	37,552	27,357	42%
Teaching Laboratories <i>8 ASF/Student FTE</i>	312	107,596	28,288	79,308	74%	30,042	77,554	72%
Open Laboratories <i>7 ASF/Student FTE</i>	3,755	3,723	24,752	(21,029)	-565%	26,287	(22,564)	-606%
Research Laboratories <i>No Standard</i>	322	-	-	-	NA	-	-	NA
Office Suites <i>150 ASF/Staff FTE</i>		48,430	46,800	1,630	3%	48,251	179	0%
Library <i>No Standard</i>		2,698	2,698	-	0%	2,698	-	0%
Physical Education & Recreation <i>If existing space, then existing space is guideline</i>		-	-	-	#DIV/0!	-	-	#DIV/0!
Special Use & General Use Space <i>12 ASF/Student FTE</i>		3,174	42,432	(39,258)	-93%	45,063	(41,889)	-93%
Support Space <i>4 ASF/Student FTE</i>		3,879	14,144	(10,265)	-265%	15,021	(11,142)	-287%
TOTAL		234,409	194,474	39,935	17%	204,913	29,496	13%

**SPACE NEEDS MODEL COMPARISON TO EXISTING SPACE
Big Sandy District**

		Existing ASF	2002 BASE YEAR			TARGET YEAR - 2006		
			Guideline ASF	Surplus/ Deficit	Percent Surplus/ Deficit	Guideline ASF	Surplus/ Deficit	Percent Surplus/ Deficit
Classrooms <i>10 ASF/Student FTE</i>	2,790	63,919	27,900	36,019	56%	29,630	34,289	54%
Teaching Laboratories <i>8 ASF/Student FTE</i>	256	144,751	22,320	122,431	85%	23,704	121,047	84%
Open Laboratories <i>7 ASF/Student FTE</i>	2,963	4,373	19,530	(15,157)	-347%	20,741	(16,368)	-374%
Research Laboratories <i>No Standard</i>	264	-	-	-	NA	-	-	NA
Office Suites <i>150 ASF/Staff FTE</i>		50,788	38,400	12,388	24%	39,590	11,198	22%
Library <i>No Standard</i>		26,674	26,674	-	0%	26,674	-	0%
Physical Education & Recreation <i>If existing space, then existing space is guideline</i>		11,779	11,779	-	0%	11,779	-	0%
Special Use & General Use Space <i>12 ASF/Student FTE</i>		41,479	33,480	7,999	24%	35,556	5,923	17%
Support Space <i>4 ASF/Student FTE</i>		25,383	11,160	14,223	56%	11,852	13,531	53%
TOTAL		369,146	191,243	177,903	48%	199,526	169,620	46%

**SPACE NEEDS MODEL COMPARISON TO EXISTING SPACE
Somerset District**

		Existing ASF	2002 BASE YEAR			TARGET YEAR - 2006		
			Guideline ASF	Surplus/ Deficit	Percent Surplus/ Deficit	Guideline ASF	Surplus/ Deficit	Percent Surplus/ Deficit
Student FTE 2002:	3,626							
Staffing FTE 2002:	315							
Target Year Student FTE:	3,851							
Target Year Staffing FTE:	325							
Classrooms <i>10 ASF/Student FTE</i>		42,100	36,260	5,840	14%	38,508	38,508	91%
Teaching Laboratories <i>8 ASF/Student FTE</i>		129,932	29,008	100,924	78%	30,806	30,806	24%
Open Laboratories <i>7 ASF/Student FTE</i>		8,043	25,382	(17,339)	-216%	26,956	26,956	335%
Research Laboratories <i>No Standard</i>		-	-	-	NA	-	-	NA
Office Suites <i>150 ASF/Staff FTE</i>		38,505	47,250	(8,745)	-23%	48,715	48,715	127%
Library <i>No Standard</i>		15,377	15,377	-	0%	15,377	15,377	100%
Physical Education & Recreation <i>If existing space, then existing space is guideline</i>		-	-	-	NA	-	-	NA
Special Use & General Use Space <i>12 ASF/Student FTE</i>		13,272	43,512	(30,240)	-69%	46,210	46,210	100%
Support Space <i>4 ASF/Student FTE</i>		19,852	14,504	5,348	27%	15,403	15,403	78%
TOTAL		267,081	211,293	55,788	21%	221,975	221,975	83%

SPACE NEEDS MODEL COMPARISON TO EXISTING SPACE
Southeast District

		Existing ASF	2002 BASE YEAR			TARGET YEAR - 2006		
			Guideline ASF	Surplus/ Deficit	Percent Surplus/ Deficit	Guideline ASF	Surplus/ Deficit	Percent Surplus/ Deficit
Student FTE 2002:	2,510							
Staffing FTE 2002:	295							
Target Year Student FTE:	2,666							
Target Year Staffing FTE:	304							
Classrooms <i>10 ASF/Student FTE</i>		44,835	25,100	19,735	44%	26,656	18,179	41%
Teaching Laboratories <i>8 ASF/Student FTE</i>		64,921	20,080	44,841	69%	21,325	43,596	67%
Open Laboratories <i>7 ASF/Student FTE</i>		22,734	17,570	5,164	23%	18,659	4,075	18%
Research Laboratories <i>No Standard</i>		-	-	-	NA	-	-	NA
Office Suites <i>150 ASF/Staff FTE</i>		31,475	44,250	(12,775)	-41%	45,622	(14,147)	-45%
Library <i>No Standard</i>		14,593	14,593	-	0%	14,593	-	0%
Physical Education & Recreation <i>If existing space, then existing space is guideline</i>		-	-	-	NA	-	-	NA
Special Use & General Use Space <i>12 ASF/Student FTE</i>		22,050	30,120	(8,070)	-27%	31,987	(9,937)	-31%
Support Space <i>4 ASF/Student FTE</i>		12,066	10,040	2,026	17%	10,662	1,404	12%
TOTAL		212,674	161,753	50,921	24%	169,505	43,169	20%

SPACE NEEDS MODEL COMPARISON TO EXISTING SPACE
Gateway District

		Existing ASF	2002 BASE YEAR			TARGET YEAR - 2006		
			Guideline ASF	Surplus/ Deficit	Percent Surplus/ Deficit	Guideline ASF	Surplus/ Deficit	Percent Surplus/ Deficit
Student FTE 2002:	1,363							
Staffing FTE 2002:	146							
Target Year Student FTE:	1,486							
Target Year Staffing FTE:	153							
Classrooms <i>10 ASF/Student FTE</i>		41,874	13,630	28,244	67%	14,857	27,017	65%
Teaching Laboratories <i>8 ASF/Student FTE</i>		57,697	10,904	46,793	81%	11,885	45,812	79%
Open Laboratories <i>7 ASF/Student FTE</i>		445	9,541	(9,096)	-100%	10,400	(9,955)	-100%
Research Laboratories <i>No Standard</i>		-	-	-	NA	-	-	NA
Office Suites <i>150 ASF/Staff FTE</i>		15,112	21,900	(6,788)	-45%	22,886	(7,774)	-51%
Library <i>No Standard</i>		960	960	-	0%	960	-	0%
Physical Education & Recreation <i>If existing space, then existing space is guideline</i>		-	-	-	NA	-	-	NA
Special Use & General Use Space <i>12 ASF/Student FTE</i>		1,613	16,356	(14,743)	-914%	17,828	(16,215)	-1005%
Support Space <i>4 ASF/Student FTE</i>		2,822	5,452	(2,630)	-93%	5,943	(3,121)	-111%
TOTAL		120,523	78,743	41,780	35%	84,758	35,765	30%

SPACE NEEDS MODEL COMPARISON TO EXISTING SPACE
Bowling Green District

	952 129 1,346 138	Existing ASF	2002 BASE YEAR			TARGET YEAR - 2006		
			Guideline ASF	Surplus/ Deficit	Percent Surplus/ Deficit	Guideline ASF	Surplus/ Deficit	Percent Surplus/ Deficit
Classrooms <i>10 ASF/Student FTE</i>		36,297	9,520	26,777	74%	13,460	22,837	63%
Teaching Laboratories <i>8 ASF/Student FTE</i>		88,012	7,616	80,396	91%	10,768	77,244	88%
Open Laboratories <i>7 ASF/Student FTE</i>		-	6,664	(6,664)	-100%	9,422	(9,422)	-100%
Research Laboratories <i>No Standard</i>		-	-	-	NA	-	-	NA
Office Suites <i>150 ASF/Staff FTE</i>		33,834	19,350	14,484	43%	20,637	13,197	39%
Library <i>No Standard</i>		2,686	2,686	-	0%	2,686	-	0%
Physical Education & Recreation <i>If existing space, then existing space is guideline</i>		-	-	-	NA	-	-	NA
Special Use & General Use Space <i>12 ASF/Student FTE</i>		4,208	11,424	(7,216)	-171%	16,152	(11,944)	-284%
Support Space <i>4 ASF/Student FTE</i>		12,114	3,808	8,306	69%	5,384	6,730	56%
TOTAL		177,151	61,068	116,083	66%	78,509	98,642	56%

SPACE NEEDS MODEL COMPARISON TO EXISTING SPACE
Bluegrass District

	1,892 237 2,227 258	Existing ASF	2002 BASE YEAR			TARGET YEAR - 2006		
			Guideline ASF	Surplus/ Deficit	Percent Surplus/ Deficit	Guideline ASF	Surplus/ Deficit	Percent Surplus/ Deficit
Classrooms <i>10 ASF/Student FTE</i>		43,910	18,920	24,990	57%	22,269	21,641	49%
Teaching Laboratories <i>8 ASF/Student FTE</i>		95,208	15,136	80,072	84%	17,815	77,393	81%
Open Laboratories <i>7 ASF/Student FTE</i>		270	13,244	(12,974)	-100%	15,588	(15,318)	-100%
Research Laboratories <i>No Standard</i>		-	-	-	NA	-	-	NA
Office Suites <i>150 ASF/Staff FTE</i>		31,702	35,550	(3,848)	-12%	38,696	(6,994)	-22%
Library <i>No Standard</i>		4,695	4,695	-	0%	4,695	-	0%
Physical Education & Recreation <i>If existing space, then existing space is guideline</i>		-	-	-	NA	-	-	NA
Special Use & General Use Space <i>12 ASF/Student FTE</i>		4,876	22,704	(17,828)	-366%	26,723	(21,847)	-448%
Support Space <i>4 ASF/Student FTE</i>		13,002	7,568	5,434	42%	8,908	4,094	31%
TOTAL		193,663	117,817	75,846	39%	134,693	58,970	30%

Table C-1

**2004-06 Capital Projects Recommendation
Capital Renewal and Replacement Pool
Projects Eligible for Funding**

Institution and Project Title	Project Scope
Eastern Kentucky University	
Minor Projects Pool	\$ 3,975,000
Kentucky State University	
Roof Repairs & Replacement (Exum/Combs/Bell Gym)	\$ 900,000
Bradford Hall Structural Repairs	900,000
Minor Projects Pool	5,970,000
KSU Subtotal	<u>\$ 7,770,000</u>
Kentucky Community and Technical College System	
Minor Projects Pool	\$73,125,000
Renov. HVAC System, SE Campus, Owensboro C&TC	625,000
Install Sprinkler Systems, West KY C&TC	600,000
Repairs to Allied Health Bldg., West KY C&TC	750,000
Install Fiber Optics, Allied Health Bldg., West KY C&TC	558,000
Renov. HVAC System - Strunk Bldg., Somerset CC	894,000
Renov. HVAC System - Meece Bldg., Somerset CC	859,000
KCTCS Subtotal	<u>\$ 77,411,000</u>
Morehead State University	
Minor Projects Pool	\$11,745,000
Murray State University	
Minor Projects Pool	\$19,084,000
Upgrade Campus Electrical Distribution System	8,453,000
Repair Stewart Stadium - Structural	2,000,000
MuSU Subtotal	<u>\$21,084,000</u>
Northern Kentucky University	
Replace Air Handlers	\$875,000
Replace Power Distribution Infrastructure	3,700,000
Repair Structure of Landrum Hall Phase II	900,000
Replace Elevators Landrum/Lucas Admin	900,000
Minor Projects Pool	2,300,000
NKU Subtotal	<u>\$8,675,000</u>
University of Kentucky	
Improve Life Safety Project Pool	\$5,290,000
Capital Renewal Pool	15,000,000

Table C-1

**2004-06 Capital Projects Recommendation
Capital Renewal and Replacement Pool
Projects Eligible for Funding**

Institution and Project Title	Project Scope
Upgrade Fume Hoods TH Morgan - Life Safety	2,738,000
Upgrade Fume Hoods Research #3 - Life Safety	4,825,000
Upgrade HVAC - CAER Ph. III - Life Safety	475,000
Upgrade Pharm. Fume Hood I-Life Safety	4,300,000
Improve Indoor Air Quality - Phase I - Life Safety	500,000
Abate Asbestos - Lexington Campus II - Life Safety	500,000
Improve Accessibility Project Pool	437,000
Replace Steam And Condensate Pipe	5,000,000
Replace Air Handling Units in Research #1	950,000
Upgrade Elevator Controls in Nursing Building	600,000
Fit-Up 3rd Floor Lab Zone in BBSRB	8,000,000
Fit-UP 4th Floor in BBSRB	11,000,000
Improve Central Heating Plant	4,000,000
Install Chilled Water Pipe-Clg2 To Pit	1,500,000
Replace Mathews Building HVAC	1,000,000
Replace HVAC Slone Building	2,320,000
Replace HVAC Kastle Hall	3,000,000
Replace Fine Arts HVAC	3,000,000
Expand Plant Capacity/Infrastructure	23,000,000
Replace Steam Line Medical Center Heating - Hospital Drive Pit #2	1,180,000
Replace Steam Line Lime Tunnel - Main Gate Pit	1,690,000
Replace Steam Line Lime Tunnel - Patterson Office Tower Tunnel	730,000
Install Steam Line BBSRB - Old Main Gate Pit	4,130,000
Replace Steam Line Main Gate Pit-Anderson Pit	1,530,000
Replace Steam Line Kastle - Chemistry/Physics Pit 28	740,000
Install Pollution Controls	1,740,000
Replace Chemistry Physics Ductwork	2,000,000
Replace Central Fire Alarm System	2,500,000
Renovate Substation#2	2,780,000
Improve Storm Sewer Funkhouser	1,103,000
Install Cooling Secondary Pumping	2,500,000
Replace Cooling Plant Chillers	6,000,000
Replace McVey Hall HVAC	3,000,000
UK Subtotal	<u>\$ 129,058,000</u>

Table C-1

**2004-06 Capital Projects Recommendation
Capital Renewal and Replacement Pool
Projects Eligible for Funding**

Institution and Project Title	Project Scope
University of Louisville	
Capital Renewal Pool and Code Improvements	\$ 20,488,000
Western Kentucky University	
Renovate Electrical Distribution - Phase V	3,747,000
Repair Mold and Moisture Damage (life safety)	1,612,000
Minor Projects Pool	8,316,000
Life Safety Improvements, Center for Research and Development	500,000
WKU Subtotal	<u>14,175,000</u>
System Total	294,381,000

**Capital Project Recommendations
State General Fund
2004-06**

	<u>Project Scope</u>	<u>Bonds or State Funds</u>	<u>Agency Bonds or Inst. Funds</u>	<u>Debt Service</u>
<i>Research Space</i>				
University of Kentucky				
Construct Biological/Pharmaceutical Complex	\$ 119,892,000	\$ 71,935,200	\$ 47,956,800	\$ 6,858,000
University of Louisville				
Health Science Campus Research Facilities Phase III	\$98,000,000	\$58,800,000	\$39,200,000	\$ 5,606,000
<i>Total Research Space</i>	\$ 217,892,000	\$ 130,735,200	\$ 87,156,800	\$ 12,464,000
<i>New Construction</i>				
KCTCS				
Ashland TC Regional Postsecondary Education Center Phase I	28,690,000	28,690,000		2,736,000
Henderson CC Tri-County Technical Center	13,066,000	13,066,000		1,246,000
Owensboro CC Advanced Technology Center Phase II	24,088,000	24,088,000		2,297,000
Madisonville CC Technology Building Phase I	12,500,000	12,500,000		1,193,000
Franklin/Simpson Technology Center	11,984,000	11,984,000		1,143,000
<i>Total KCTCS</i>	\$90,328,000	\$90,328,000		\$8,615,000
UK Lexington Community College				
Construct LCC Classroom/Class Lab Building	28,855,000	28,855,000		2,751,000
Eastern Kentucky University				
Construct Business/Technology Center Phase II	32,850,000	32,850,000		3,132,000
Construct Manchester Postsecondary Ed. Center Phase I	10,000,000	10,000,000		953,000
Morehead State University				
Construct MSU-NASA Space Science Center	12,200,000	12,200,000		1,164,000
<i>Total new Construction</i>	\$359,275,000	\$272,118,200	\$87,156,800	\$25,947,000
KCTCS - Renovations and Repairs				
Prestonsburg/Mayo Renovate District Facilities	5,626,000	5,626,000		539,000
Somerset Renovate Aircraft Maintenance Lab	1,468,000	1,468,000		145,000
KCTCS Renovation Subtotal	\$ 7,094,000	\$ 7,094,000		\$ 684,000

**Capital Project Recommendations
State General Fund
2004-06**

	<u>Project Scope</u>	<u>Bonds or State Funds</u>	<u>Agency Bonds or Inst. Funds</u>	<u>Debt Service</u>
<i>Comprehensive Universities - Renovation and Repairs</i>				
Kentucky State University				
Renovate Hathaway Hall Classroom Building	11,200,000	11,200,000		1,068,000
Murray State University				
Blackburn Science Replacement - Phase II	22,250,000	22,250,000		2,121,000
Northern Kentucky University				
Old Science Building Renovation	17,700,000	17,700,000		1,688,000
Western Kentucky University				
Thompson Sc. Complex Replacement/Renovation - Phase II	33,000,000	33,000,000		3,146,000
<i>Total Renovations and Repairs</i>	\$ 91,244,000	\$ 91,244,000		\$ 8,707,000
<i>Systemwide Capital Pools (Matching)</i>				
Capital Renewal and Maintenance Pool (matching)	15,000,000	15,000,000		1,431,000
<i>System Total</i>	\$465,519,000	\$378,362,200	\$ 87,156,800	\$36,085,000

**2004-06 Capital Projects Recommendation
Agency Bond Pool
Projects Eligible for Funding**

Institution and Project Title	Project Scope	Agency Bonds	Other Funds
Eastern Kentucky University			
Construct New Intramural Fields	\$ 2,300,000	\$ 2,300,000	
Renovate Residence Hall	7,500,000	7,500,000	
EKU Subtotal	<u>\$ 9,800,000</u>	<u>\$9,800,000</u>	<u>\$ -</u>
Kentucky State University			
Construct New Residence Hall	<u>\$20,000,000</u>	<u>\$20,000,000</u>	<u>\$ -</u>
Morehead State University			
Construct Parking Structure	\$6,500,000	\$6,500,000	
Comply with ADA - Auxiliary Facilities	1,200,000	1,200,000	
Construct Family Housing Complexes - Phase II	4,700,000	4,700,000	
MoSU Subtotal	<u>\$12,400,000</u>	<u>\$12,400,000</u>	<u>\$ -</u>
Murray State University			
Construct New Dormitories	\$10,154,000	\$10,154,000	
Repair Winslow Cafeteria Exterior	1,000,000	1,000,000	
Replace Richmond Hall	8,000,000	8,000,000	
Replace Clark Hall	8,000,000	8,000,000	
Replace Franklin Hall	8,000,000	8,000,000	
Replace Clark Hall water piping, fixtures, etc.	1,000,000	1,000,000	
Replace Franklin Hall water piping, fixtures, etc.	1,000,000	1,000,000	
Replace Springer Hall water piping, fixtures, etc.	1,250,000	1,250,000	
Replace White Hall domestic water piping	500,000	500,000	
Replace Richmond Hall water piping, fixtures, etc.	1,000,000	1,000,000	
Replace Regents Hall domestic water piping	500,000	500,000	
Upgrade College Courts Electrical System	1,200,000	1,200,000	
Renovate College Courts	3,636,000	3,636,000	
Renovate College Courts Interiors (12 Buildings)	2,000,000	2,000,000	
Remove Elizabeth Hall Asbestos Ceiling	450,000	450,000	
Remove Hester Hall Asbestos Ceiling	450,000	450,000	
MuSU Subtotal	<u>\$48,140,000</u>	<u>\$48,140,000</u>	<u>-</u>
Northern Kentucky University			
Construct New Student Union	\$32,800,000	\$28,000,000	\$ 4,800,000
Construct New Parking Deck Phase II	9,700,000	9,700,000	
NKU Subtotal	<u>\$42,500,000</u>	<u>\$37,700,000</u>	<u>\$ 4,800,000</u>

**2004-06 Capital Projects Recommendation
Agency Bond Pool
Projects Eligible for Funding**

Institution and Project Title	Project Scope	Agency Bonds	Other Funds
University of Kentucky and Lexington Community College			
Construct Biological/Pharmaceutical Complex	\$119,892,000	\$47,956,800	\$71,935,200
Renovate Outpatient Clinic in Kentucky Clinic	2,237,000	2,237,000	
Construct New Housing	49,991,000	49,991,000	
Construct Parking Structure - Central Campus	17,000,000	17,000,000	
Construct Parking Structure - North Campus	25,248,000	25,248,000	
Construct New Alumni Center	15,250,000	15,250,000	
Renovate School of Public Health Building	3,751,000	3,751,000	
Expand Patient Parking in Structure #3	7,000,000	7,000,000	
Renovate Imaging Center in Kentucky Clinic	2,000,000	2,000,000	
Renovate Research Labs in Medical Center III	1,000,000	1,000,000	
Upgrade Electrical Substation	4,000,000	4,000,000	
Renovate Research Labs in Medical Center, IV	1,250,000	1,250,000	
Renovate Research Space Medical Center, I	1,500,000	1,500,000	
Install HVAC in Keeneland Hall	5,109,000	5,109,000	
Replace Holmes Elevator	641,000	641,000	
Install Commons Elevator	400,000	400,000	
UK Subtotal	<u>\$256,269,000</u>	<u>\$184,333,800</u>	<u>\$0</u>
University of Louisville			
Construct HSC Research Facility - Phase III	\$ 98,000,000	\$39,200,000	\$58,800,000
Renovate - Shelby Campus Infrastructure	8,740,000	8,740,000	
Purchase - Third Street & Central Avenue Property	3,100,000	3,100,000	
Construct - Baseball Stadium	5,003,000	5,003,000	
Construct - Basketball Practice Fac. & Office Renovation	8,500,000	8,500,000	
Purchase - Support Service Land & Buildings (Northeast Quadrant-Belkn	4,632,000	4,632,000	
Renovate - University Housing Capital Renewal, Phase I	3,210,000	3,210,000	
Construct HSC Parking Structure II	14,440,000	14,440,000	
UofL Subtotal	<u>\$145,625,000</u>	<u>\$86,825,000</u>	<u>\$58,800,000</u>
Western Kentucky University			
Design/Renovate Downing University Center	\$ 7,000,000	\$ 7,000,000	
Design/Construct Student Health Services Building	4,000,000	4,000,000	
Design/Renovate and Expand South Campus	11,500,000	11,500,000	
Renovate Schneider Hall	11,000,000	11,000,000	
WKU Subtotal	<u>\$ 33,500,000</u>	<u>\$ 33,500,000</u>	<u>\$0</u>
System Total	\$ 568,234,000	\$ 432,698,800	\$ 63,600,000

**2004-06 Capital Projects Recommendation
Restricted Agency Funds**

Institution/Institution Priority / Project Title	Project Scope
Eastern Kentucky University	
1 Expand & Renovate Presnell Building	\$ 2,000,000
2 Expand Indoor Tennis Facility	1,000,000
3 Purchase of Property	3,000,000
4 Renovate Watts Property (Elmwood)	2,000,000
5 Renovate Student Health Center	2,072,000
6 Purchase Networked Education System Component	6,950,000
7 Upgrade Academic Computing	4,900,000
8 Purchase Minor Projects Equipment	5,000,000
9 Expand, Upgrade Campus Data Network	13,212,000
10 Upgrade Administrative Computing System	3,150,000
11 Purchase Fourier Trans. Nuc. Mag. Res. Spectrometer	135,000
12 Construct E&G Life Safety Begley Elevator	750,000
EKU Subtotal	\$ 44,169,000
Kentucky State University	
1 Alumni Stadium Structural Repair	\$ 400,000
2 Expand Cooperative Extension Building (Additional budget)	3,353,000
3 Softball Field	500,000
4 Telecommunication Equipment	1,352,000
5 Bradford Hall Structural Repair	900,000
6 Extend Fiber Network to South Campus	839,000
7 Implement Smart Card Technology	1,165,000
8 Add New Chiller	2,392,000
9 Hill Student Center 3rd Floor Build-out	600,000
KSU Subtotal	\$ 11,501,000
Kentucky Community and Technical College System	
1 System - Information Technology Infrastructure Upgrade	\$ 12,000,000
2 System - Master Plan Development & Upgrade	650,000
3 Purchase Diagnostic Medical Sonography Unit, West KY C&TC	110,000
4 Purchase Multi-Engine Aircraft, Somerset CC, South Campus	575,000
5 KCTCS Property Acquisition Pool	1,100,000
6 Const. Area 9 Training Bldg, State Fire & Rescue	537,000
KCTCS Subtotal	\$ 14,972,000
Morehead State University	
1 Expand Life Safety - Claypool-Young Building	\$ 500,000
2 Comply with ADA - E&G Facilities	1,700,000
3 Purchase Instructional Tech Initiatives	1,866,000
4 Purchase Instructional & Support Facilities	1,334,000
5 Expand Student Wellness Center	1,000,000
6 Purchase HPLC-Mass Spectrometer	140,000
7 Enhance Network/Infrastructure Resources	2,250,000
8 Enhance Library Automation Resources	750,000
9 Enhance Distance Learning Systems	2,500,000
10 Expand Compressed Video Resources	2,200,000

**2004-06 Capital Projects Recommendation
Restricted Agency Funds**

Institution/Institution Priority / Project Title		Project Scope
11	Upgrade Instruct. PCs/LANS/Peripherals	2,500,000
12	Purchase Scanning Electron Microscope	173,000
13	Upgrade Administrative Office Systems	2,000,000
14	Reconstruct Central Campus	780,000
15	Acquire Land Related to Master Plan	2,000,000
16	Purchase ICP-OES	110,000
17	Purchase Tour Bus	400,000
18	Replace Steam Line	500,000
19	Replace Boiler Tubes	800,000
20	Replace Bag House	2,000,000
21	Auxiliary Minor Projects Pool	3,326,000
	MoSU Subtotal	\$ 28,829,000
Murray State University		
1	Construct Public Safety Building	\$ 1,500,000
2	Replace Breathitt Veterinary Center Incinerator	1,500,000
3	Acquire Land	1,000,000
4	Install 350 Ton Chiller - Regional Special Events Center	580,000
5	Install Baseball Field & Stadium Sidewalk Lights	600,000
6	Replace Campus Communications Infrastructure	2,500,000
7	Replace Telephone Switching System	1,525,000
8	Replace Student Writing & Design Lab Computers	414,000
9	Upgrade campus Network to Gigabit Ethernet System	1,469,000
10	Install Online Centralized Data Access/Warehouse	520,000
11	Establish Centralized Technology Refresh Program	2,600,000
12	Purchase BVC Electron Microscope-Scanning Type	300,000
	MuSU Subtotal	\$ 14,508,000
Northern Kentucky University		
1	Upgrade AS&T Instructional Space	3,100,000
2	Office Space Lease	225,000
3	Purchase Land (2004-2006)	3,000,000
4	Initiate Phase II of Master Plan	2,200,000
5	Enhance Information Technology Infrastructure	2,700,000
6	Enhance Instructional Information Technology Infrastructure	3,600,000
7	Construct Alumni Center	5,100,000
8	Construct Sports Complex	12,000,000
9	Lease/Purchase Coach Bus	375,000
10	Lease/Purchase Direct Image Platesetter	150,000
11	Lease/Purchase Large Format Color Press	285,000
12	Reconstruct Central Plaza	4,400,000
13	Expand Regents Hall	1,300,000
14	Replace Administrative Application System	3,600,000
15	Instructional Space Lease	350,000
16	Renovate/Expand Landrum Hall - Design	700,000
	NKU Subtotal	\$ 43,085,000

**2004-06 Capital Projects Recommendation
Restricted Agency Funds**

Institution/Institution Priority / Project Title	Project Scope
University of Kentucky - University System	
1 Construct Gatton Building Complex - Design	\$4,500,000
2 Construct Law School Building - Design	4,000,000
3 Purchase/Ren Facility for College of Design	16,528,000
4 Construct Digital Technologies Building - Design	3,000,000
5 Expand Plant, Soil and Envir. Sciences Facilities - Design	1,500,000
6 Expand Chemistry Physics Building - Design	5,500,000
7 Expand and Upgrade Livestock Disease Diagnostic Center	8,500,000
8 Construct Bio-Medical Research Building - Design	6,000,000
9 Construct Early Childhood Development & Family Ctr	9,956,000
10 Expand KGS Well Sample and Core Repository	3,759,000
11 Renovate Sections of Funkhouser	4,923,000
12 Construct Student Health Facility	21,801,000
13 Renovate Running Track	2,500,000
14 Lease Purchase High Performance Research Computing	6,500,000
15 Construct Medical Center Education Building	27,000,000
16 Construct Environmental Institute	14,287,000
17 Expand/Renovate Art Museum in Singletary Center	10,075,000
18 Upgrade Pilot-scale Mineral Processing Facility	500,000
19 Lease Purchase Large Scale Computing	3,500,000
20 Renovate the COHR in the Dental Building	1,875,000
21 Expand CAER Laboratories	3,833,000
22 Lease Purchase Enterprise Storage System	1,200,000
23 Purchase Thermal Conductivity/Diffusivity Instrument	210,000
24 Purchase Two CT Scanners	1,300,000
25 Purchase Hydrocarbon Analysis System	120,000
26 Lease Purchase UPS System	800,000
27 Purchase Pharmaceutical Analysis System	200,000
28 Purchase High Resolution Optical Microscope	110,000
29 Purchase Billing/Patient Management Software	1,300,000
30 Upgrade Electric & Lighting in Guignol Theater	890,000
31 Purchase Environmental Scanning Probe Microscope/AFM-STEM	480,000
32 Lease Purchase Campus Infrastructure Upgrade	3,500,000
33 Purchase Laser Ablation Sampling Sys.	200,000
34 Lab Security Systems Project Pool	500,000
35 Purchase PET Scanner	1,500,000
36 Renovate 3rd Floor Little Library	2,200,000
37 Purchase FTIR Microscope w/ mapping	105,000
38 Install Emergency Generator Central Computing Facility	425,000
39 Renovate Medical Center Library	5,500,000
40 Renovate M. I King Library South - 1930 section	17,901,000
41 Purchase Hi-resolution FTIR Imaging System	160,000
42 Acquire Land	15,000,000
43 Renovate Practice Instruction Space in Pharmacy	3,200,000
44 Purchase ESCA-X-ray Photoelectron Micro.	400,000
45 Lease/Purchase Apartment Complex	11,000,000

**2004-06 Capital Projects Recommendation
Restricted Agency Funds**

Institution/Institution Priority / Project Title	Project Scope
46 Lease Kentucky Utilities Building	-
47 Replace Air Handling Units Central Computing Facility	510,000
48 Renovate Graduate Education and Research Space in Nursing	1,600,000
49 Renovate Bowman Hall	8,221,000
50 Purchase Pharmaceutical Development Instrument	183,000
51 Renovate Reynolds Building	12,310,000
52 Lease Purchase Pool	2,515,000
53 Lease Purchase Data Warehouse	600,000
54 Purchase Server/Workstation for Software	400,000
55 Renovate Taylor Education Building	17,864,000
56 Purchase Common Room Package	250,000
57 Renovate Kastle Hall	8,269,000
58 Lease Purchase Tape Library	500,000
59 Purchase Open MRI Unit	800,000
60 Expand Grehan Journalism Building	12,740,000
61 Purchase Microscope	165,000
62 Expand Animal Science Research Center - Phase II	23,184,000
63 Renovate Central Computing Facility.	2,360,000
64 Renovate Koinonia House	1,950,000
65 Lease Purchase Fire Suppression Upgrade	850,000
66 Renovate Slone Building	7,993,000
67 Purchase Police Communications Equipment	571,000
68 Purchase Upgraded Integrated Library System	700,000
69 Lease Purchase Network Security Hardware	1,500,000
70 Fit-Up Education Space in Health Science Building	1,000,000
71 Purchase Electron Spin Resonance Instrument	220,000
72 Purchase High Res Transmission Electron Microscope	2,500,000
73 Lease Purchase Telephone Switch Convergence	12,000,000
74 Purchase Digital Media Distribution System	186,000
75 Construct Multi-purpose Room	4,000,000
76 Replace Nutter Football Field	2,000,000
77 Construct Basketball Practice Facility	25,500,000
78 Renovate Commonwealth Stadium Concrete	2,500,000
79 Purchase Studio Recording Equipment	113,000
80 Lease Purchase Unix Cluster	600,000
81 Upgrade Network for Software	250,000
82 Purchase Scanning Electron Microscope	500,000
83 Purchase Garbage Truck Front Loader	175,000
84 Purchase Integrated Imaging System	130,000
85 Purchase DNA Microarray Facility	300,000
86 Lease Purchase Video Switch Expansion	250,000
87 Purchase Three Ultrasound Units	450,000
88 Purchase Focused Ion Beam Machine (FIB)	500,000
89 Replace Law Building Marble Façade	838,000
90 Construct Multi-Care Clinic Building	20,500,000
91 Purchase Network Infrastructure Restructuring	160,000

**2004-06 Capital Projects Recommendation
Restricted Agency Funds**

Institution/Institution Priority / Project Title	Project Scope	
92	Lease Purchase UPS Upgrade For Communications	800,000
93	Purchase GIS Teaching Lab	160,000
94	Replace Central Facilities Management System	3,000,000
95	Renovate Photography Space in Nursing Bldg	650,000
96	Purchase 500 MHz NMR Spectrometers	1,000,000
97	Purchase Automated DNA Sequencer/Genetic Analyzer	150,000
98	Upgrade the Vivarium in Sanders Brown Building	4,000,000
99	Purchase Redundant Disk Server System	170,000
100	Renovate Labs in Pharmacy Building	4,000,000
101	Purchase High Resolution Laser System	350,000
102	Construct Regional BL3/BL4 Facility	50,000,000
103	Purchase Confocal Microscope	250,000
104	Renovate Facade - Agriculture Building North	4,000,000
105	Purchase Cryoprobe for a 600 MHz NMR	200,000
106	Purchase HPLC	145,000
107	Purchase Instructional Video Studio	250,000
108	Purchase COHR Oral Health Assessment System	150,000
109	Purchase Multi-Collector Inductively Coupled Mass Spectrometer	850,000
110	Purchase Facscan for Flow Cytometry	140,000
111	Purchase Fluorescent Cell Sorter	200,000
112	Renovate Animal Facility in Tobacco & Health Bldg	1,500,000
113	Purchase Laser Photoelectron System	280,000
114	Purchase Dedicated Supercomputer	330,000
115	Replace Master Clock And Bell System	1,500,000
116	Expand Ophthalmology Clinic in Medical Plaza	582,000
117	Purchase Gas-Source Isotope-Ratio Mass Spect	190,000
118	Repair Concrete Phase I General Campus	750,000
119	Renovate Imaging Center, I	530,000
120	Purchase Physiology Workstation	101,000
121	Repair Blacktop Phase I General Campus	750,000
122	Purchase DNA Sequencer	135,000
123	Renovate Education Space in Med Science Bldg	2,300,000
124	Purchase Ultra High Vacuum System	250,000
125	Install Chilled Water Pipe To South Campus	5,000,000
126	Renovate Research Labs in Medical Center, I	750,000
127	Purchase 300 MHz Console	270,000
128	Install Chilled Water Additions General Campus	1,000,000
129	Renovate Imaging Center, II	530,000
130	Purchase Shared Desktop Environment	250,000
131	Install Medical Center Chilled Water Loop	700,000
132	Purchase Thermal Ionization Mass Spectrometer	650,000
133	Replace High Voltage Wiring	775,000
134	Renovate Research Labs in Medical Center, II	900,000
135	Purchase DNA Sequencer	125,000
136	Purchase DNA Chip Analysis System	160,000
137	Purchase HPLC Mass Spectrometer	400,000

**2004-06 Capital Projects Recommendation
Restricted Agency Funds**

Institution/Institution Priority / Project Title	Project Scope
138 Purchase Two Digital Radiology Units	1,100,000
139 Purchase Phospho/Fluoro Imager	150,000
140 Purchase Encapsulator	151,000
141 Purchase DNA Sequencer/Genetic Analyzer	110,000
142 Purchase COHR Ultracentrifuge w/ Rotors	150,000
143 Purchase External Systems Monitoring	100,000
144 Replace Three Elevators M. I. King Library South	975,000
145 Purchase Nucleic Acid Workstation	150,000
146 Purchase X-Ray Laue Camera	150,000
147 Renovate Barker Hall	5,060,000
148 Purchase CT Scanners	650,000
149 Purchase Flow Cytometer	108,000
150 Add Centralized Emergency Generator	5,034,000
151 Upgrade Communication Infrastructure, II	450,000
152 Purchase Helium Liquefier and Recovery System	500,000
153 Renovate Teaching Space in Medical Plaza	500,000
154 Purchase Oxymax Open circuit Calorimeter	120,000
155 Renovate Faculty Office Space in Medical Center	500,000
156 Purchase Inductive Coupled Spec Sys	120,000
157 Renovate Foundation Offices in MRISC Building	500,000
158 Purchase Analytical Biosensor	295,000
159 Renovate Breast Clinic in MRISC Building	520,000
160 Purchase DNA Sequencer/Genetic Analyzer	121,000
161 Renovate Vivarium in Central DLAR Facility	2,000,000
162 Purchase Automated Nucleic Acid Extraction & PCR Station	150,000
163 Renovate Vivarium in Combs Building	600,000
164 Purchase Inductive Coupled Plasma Spec.	120,000
165 Renovate Safety & Security Building	1,645,000
166 Renovate DLAR General Offices in Medical Center	400,000
167 Purchase Laser Based Total Image Analysis System	113,000
168 Lease Purchase UK/UofL/Frankfort Research Network	6,000,000
169 Purchase Fluorescence Analyzer	109,000
170 Purchase Mass Spectrometer	200,000
171 Lease Purchase ERP System - reauthorization and scope increase from \$30 million to \$40 million	10,000,000
172 Purchase MRI Scanners	3,600,000
173 Purchase Confocal Microscope	600,000
174 Purchase GC Mass Spectrograph	186,000
175 Purchase Fluorescence Activ. Cell Sorter	220,000
176 Purchase Ultrasound Units	150,000
177 Purchase HPLC/Mass Spectrophotometer System	200,000
178 Purchase High Perf. Liq. Chromatography	131,000
179 Purchase Two Digital Radiology Units	1,100,000
180 Purchase Laser Capture Micro dissection system	126,000
181 Purchase Liquid Filling/Stoppering Line	351,000
182 Purchase NIR Spectrophotometer	125,000

**2004-06 Capital Projects Recommendation
Restricted Agency Funds**

Institution/Institution Priority / Project Title	Project Scope	
183	Purchase Four PACS Workstations	480,000
184	Purchase Plant/Microbial Growth Chamber	100,000
185	Purchase Semi-Solid Manufacturing Equip.	211,000
186	Purchase Confocal Microscope	400,000
187	Purchase Two Mammography Units	900,000
188	Purchase LCMS instrument system	225,000
189	Purchase Terminal Sterilizing Autoclave	221,000
190	Purchase Virtual Environment Simulator	138,000
191	Purchase Breast Ultrasound Unit	120,000
192	Purchase Transmission Elec. Microscope	250,000
193	Purchase Gas Chromatograph Mass Spect.	110,000
194	Purchase Plot Combine	130,000
195	Purchase Ovarian Cancer Ultrasound	150,000
196	Purchase Plant/Microbial Growth Chamber	100,000
197	Purchase Digital Radiology Unit	550,000
198	Purchase Quadra pole Mass Spec.	360,000
199	Purchase Two Pacs Workstations	240,000
200	Purchase Combustion Analyzer System	100,000
201	Purchase Radiology Information Center	300,000
202	Purchase Plot Combine	125,000
203	Purchase 3T MR Imager	3,500,000
204	Purchase Plant/Microbial Growth Chamber	100,000
205	Upgrade Scanner System	500,000
206	Purchase DNA Chip Analysis System	160,000
207	Purchase Dual Photon Confocal Microscope	300,000
208	Purchase Bioinformatics Analysis Equipment	150,000
209	Purchase Forage Harvester System	150,000
210	Purchase 4-D Ultrasound Machine	200,000
211	Purchase Plot Combine w/Weighing System	135,000
212	Purchase Confocal Microscope	325,000
213	Purchase 2D-Electrophoresis Set-up	238,000
214	Purchase Transmission Elec. Microscope	375,000
215	Purchase DNA Sequencer	148,000
216	Purchase Fluorescent Scope and Metophase	120,000
217	Purchase Image Analysis System	168,000
218	Purchase High Resolution Phosphor Imager	235,000
219	Purchase Axiovision	100,000
220	Purchase Robotic Platform	120,000
221	Purchase Camera for Transmission/Scanning Elect.	105,000
222	Purchase Fluorescence Activated Cell Sorter	225,000
223	Purchase Combination PET/CAT Scanner	2,525,000
224	Purchase Ultracentrifuge	110,000
225	Purchase Mammography Unit	775,000
226	Purchase Confocal Microscope	500,000
227	Purchase Automated DNA Sequencer	130,000
228	Purchase Mass Spectrometer	450,000

**2004-06 Capital Projects Recommendation
Restricted Agency Funds**

Institution/Institution Priority / Project Title	Project Scope	
229	Purchase Mass Spectrometer	300,000
230	Purchase Robotics Pipetter System	104,000
231	Purchase DNA Sequencer Machine	125,000
232	Purchase Mouse PET Scanner	385,000
233	Purchase Real Time PCR Machine	165,000
234	Purchase Genesis Workstation	425,000
235	Purchase DNA Sequencer	420,000
236	Purchase Microscope with Imaging	135,000
237	Purchase ABI Prism Sequence Detect. Sys.	110,000
238	Purchase ORCA Robot-on-Rail	100,000
239	Purchase Behav. Monitor. & Analysis Sys.	150,000
240	Purchase Information & Decision Management Station	100,000
241	Purchase Chain Reaction Analyzer	150,000
242	Purchase Digital Nanochip Enzyme Sequencing Machine	500,000
243	Purchase NanoChip System	350,000
244	Purchase Compressed Video-Hazard	141,000
245	Purchase Multiplex QPRC System	100,000
246	Purchase Electron Microscope	325,000
247	Purchase RevPrep Orbit Workstation	100,000
248	Purchase DNA Microarray System	285,000
249	Purchase MegaPix2	300,000
250	Purchase GelPix	300,000
251	Purchase Typhoon Variable Mode Imager	118,000
252	Purchase Remote Television Production Vehicle	595,000
253	Purchase Electro physiologic Analysis System	207,000
254	Purchase DNA Sequencer	420,000
255	Purchase Digital Television Production Equipment	2,900,000
256	Purchase Flow Cytometry Lab Equipment	375,000
257	Renovate Erikson Hall	6,001,000
258	Purchase Fluor. Micro. & Image Analy.	150,000
259	Expand West Kentucky Research and Education Center	4,000,000
260	Purchase Fluorescent Activated Cell Sorter	237,000
261	Renovate Bradley Hall	5,216,000
262	Purchase Digital Education Equipment	1,900,000
263	Purchase Image Analyzer System	206,000
264	Construct Gluck Equine Research Center - Phase II	29,835,000
265	Purchase Inverted Scope	110,000
266	Addition to Lafferty Hall	5,195,000
267	Purchase Laser Confocal Microscope	312,000
268	Upgrade Sound and Lighting for Singletary Center	680,000
269	Purchase Multiphoton Imaging System	505,000
270	Upgrade Communications Infrastructure in Young Library	2,601,000
271	Purchase Multiphoton Scanning Microscope	300,000
272	Construct Horticulture Research & Education Facilities	1,600,000
273	Purchase Open MRI Unit	1,000,000
274	Expand Erikson Hall	18,741,000

**2004-06 Capital Projects Recommendation
Restricted Agency Funds**

Institution/Institution Priority / Project Title	Project Scope	
275	Purchase Patient Classification Equipment	260,000
276	Purchase Sequence Detection System	110,000
277	Construct UK Paducah Engineering Research Center	1,000,000
278	Purchase Telemedicine Rural Health	416,000
279	Purchase Ultracentrifuge	117,000
280	Construct KY Transportation Center Building	23,199,000
281	Purchase X-ray Defractometer	700,000
282	Purchase Compact Shelving for Med Center Library	550,000
283	Construct University Conference Center	19,605,000
	UK-US Subtotal	\$ 697,043,000
University of Kentucky - Hospital		
1	Expand Surgical Services - Hospital	3,531,000
2	Purchase/Lease Ambulance	180,000
3	Create Universal Nursing Unit - Hospital	964,000
4	Purchase Angiography Unit	1,740,000
5	Construct Patient Bed Tower - Hospital	216,774,000
6	Purchase Angiography Unit	1,276,000
7	Upgrade Output Surgical Suite - Hospital	2,500,000
8	Purchase Gamma Knife	2,330,000
9	Modify Nursing Unit XI - Hospital	1,160,000
10	Purchase Cardiac Cath. Image Mgmt. Sys.	957,000
11	Modify Nursing Unit XII - Hospital	3,936,000
12	Purchase Radiation Therapy Unit Upgrade	400,000
13	Construct Imaging Services - Hospital	10,035,000
14	Purchase Biplane Angiography	1,160,000
15	Upgrade Cancer Ctr Radiologic Svcs - Hospital	6,000,000
16	Purchase Nuclear Medicine Camera	1,000,000
17	Construct Cancer Urgent Treatment Fac - Hospital	10,562,000
18	Purchase Epilepsy Monitoring System	500,000
19	Upgrade Surgical Suite - Hospital	2,600,000
20	Purchase Open MRI Unit	1,000,000
21	Construct Radiation Medicine Facility - Hospital	6,047,000
22	Purchase Radiology Information System	800,000
23	Upgrade Transport Systems V - Hospital	800,000
24	Purchase RIS (Quadris) Upgrade	500,000
25	Expand Operating Room Suites - Hospital	3,547,000
26	Purchase C-Arm X-Ray Unit	275,000
27	Expand Parking Structure #4 - Hospital	3,620,000
28	Purchase C-Arm X-Ray Unit	440,000
29	Upgrade Building/Site IV - Hospital	800,000
30	Purchase Cardiac Ultrasound	1,600,000
31	Upgrade HVAC II - Hospital	3,500,000
32	Purchase CR PAC Server	275,000
33	Construct Radiation Med Facility II - Hospital	2,548,000
34	Purchase Electrophysiology Lab	5,800,000

**2004-06 Capital Projects Recommendation
Restricted Agency Funds**

Institution/Institution Priority / Project Title	Project Scope
35 Upgrade Utility Systems VI - Hospital	1,500,000
36 Purchase EMG Unit	250,000
37 Upgrade Operating Room Suites II - Hospital	12,162,000
38 Purchase Filmless Radiation System	150,000
39 Replace AHU I - Hospital	15,553,000
40 Purchase Scanning Dosimetry System	100,000
41 Replace AHU I - Roach	1,000,000
42 Purchase MC Treatment Planning	150,000
43 Replace AHU II - Roach	1,000,000
44 Purchase Pneumatic Tube System Upgrade	750,000
45 Construct Cancer Hospice Facility - Hospital	4,000,000
46 Construct Cancer Education Facility - Hospital	2,000,000
47 Purchase Peds TE Echo Unit	200,000
48 Construct Cancer Infusion Suites - Hospital	5,590,000
49 Purchase Peds Echocardiology Probe	200,000
50 Construct Remote Cancer Clinic - Hospital	12,500,000
51 Purchase Angiography Unit	2,000,000
52 Construct Physicians Svcs Facilities - Hospital	2,000,000
53 Upgrade Emergency Services II - Hospital	12,000,000
54 Upgrade Information Systems Svcs - Hospital	3,467,000
55 Purchase Digital Radiographic Unit	1,800,000
56 Upgrade Diagnostic Radiology - Hospital	3,000,000
57 Purchase Nuclear Medicine Upgrade	900,000
58 Renovate Dietetics - Hospital	6,000,000
59 Purchase Web Imaging Product	500,000
60 Upgrade Communications Services	1,000,000
61 Purchase Interoperative CT	1,100,000
62 Construct Business Facility II - Hospital	10,840,000
63 Purchase Adult Echocardiology Unit	200,000
64 Construct Outpt Care Fac II - Hospital	8,148,000
65 Purchase Adult Echocardiology Unit	200,000
66 Construct Outpt Diag/Treat Fac II - Hospital	17,545,000
67 Purchase Peds Echocardiology Probe	200,000
68 Construct Bldg Connectors III - Hospital	3,047,000
69 Purchase Diagnostic Radiology Unit	330,000
70 Construct Primary Care Ctr II - Hospital	13,017,000
71 Purchase Digital Enhancement	1,085,000
72 Construct Patient Care Fac II	11,477,000
73 Purchase Digital Imaging	957,000
74 Upgrade Nutrition Services II - Hospital	1,000,000
75 Purchase EKG Unit	440,000
76 Upgrade Support Services II - Hospital	1,000,000
77 Purchase EKG Unit	400,000
78 Expand Data Systems III - Hospital	700,000
79 Lease Equipment Pool Annually (includes computers, printers, copiers, beds, medical equipment and ambulances)	2,245,000

**2004-06 Capital Projects Recommendation
Restricted Agency Funds**

Institution/Institution Priority / Project Title	Project Scope	
80	Implement Land Use Plan IV - Hospital	2,500,000
81	Purchase Endoscopic Ultrasound	440,000
82	Upgrade Diagnostic Services XII - Hospital	1,000,000
83	Purchase Endoscopic Video System	300,000
84	Construct Outpatient Services III - Hospital	8,004,000
85	Purchase Endoscopic Video Ultrasound	275,000
86	Upgrade Diagnostic Serv XI - Hospital	1,500,000
87	Purchase Intracardiac Laser	550,000
88	Renovate Medical Records Suite I - Hospital	566,000
89	Purchase Intracardiac Laser	500,000
90	Purchase Telecommunications Equipment III	150,000
91	Purchase Image Guided Surgery System	600,000
92	Purchase Laboratory Analyzer	500,000
93	Purchase OB Ultrasound	350,000
94	Purchase Patient System Enterprise	4,640,000
95	Purchase QuadRIS Upgrade	300,000
96	Purchase Mobile Fluoroscopic Unit	250,000
97	Purchase Rad. Med. Software/System	350,000
98	Purchase C-Arm X-Ray Unit	350,000
99	Purchase Washer	350,000
100	Purchase Mobile Radiology Unit	250,000
101	Purchase Vascular Ultrasound	900,000
102	Purchase MRI Upgrade	500,000
103	Purchase Vascular Ultrasound	300,000
104	Purchase Upgrade for Servers	800,000
105	Purchase Upgrade - HIS Computing Facil.	2,900,000
106	Purchase Surgical C-Arm(ISS)System	650,000
107	Purchase Radiographic Unit	350,000
108	Purchase Radiographic Unit	400,000
109	Purchase Radiology Ultrasound	440,000
110	Purchase Ultrasound Image Management	800,000
110	Purchase Laboratory Analyzer	200,000
111	Purchase Genetic Analyzer	200,000
112	Purchase HDR Brachy Therapy System	350,000
113	Purchase Interoperative MRI	1,500,000
114	Purchase Neuroangiography Unit	1,800,000
115	Purchase Magneencephalogy Unit	2,100,000
116	Purchase Ultrasound Units	840,000
117	Purchase Digital Radiology	1,020,000
118	Purchase Digital Radiology	4,060,000
119	Purchase Fluoroscopy Unit	550,000
120	Purchase Gen. Rad./Fluoroscopic Unit	500,000
121	Purchase Linear Accelerator	2,050,000
122	Purchase Portal Imaging System	200,000
123	Purchase CT Scanner	1,000,000
124	Purchase MR Monitoring Equipment	100,000

**2004-06 Capital Projects Recommendation
Restricted Agency Funds**

Institution/Institution Priority / Project Title		Project Scope
125	Purchase Portal Imaging System	250,000
126	Purchase Gen. Rad./Fluoroscopic Unit	550,000
127	Purchase Digital Orbitor Camera	275,000
128	Purchase CT Simulator	1,200,000
129	Purchase Accelerator	1,600,000
130	Purchase Teleradiology	200,000
131	Purchase SPECT System	1,000,000
132	Purchase Mobile MRI	1,500,000
133	Purchase CR Readers	750,000
134	Purchase CR Reader	300,000
135	Purchase ATL Ultrasound	220,000
136	Purchase CT Scanner	1,914,000
137	Purchase CT Simulator	1,160,000
138	Purchase CT/PET Simulator	2,000,000
139	Purchase CT/PET Simulator	4,000,000
140	Purchase Clinical System Enterprise	5,800,000
141	Purchase Computing Infrastructure Update	2,500,000
142	Purchase Data Storage Facility Upgrade	750,000
143	Purchase Dig. Medical Record Expansion	4,640,000
144	Purchase Intraoperative Radiation Therapy	1,300,000
145	Purchase Managed Care Enterprise	1,160,000
146	Purchase Minimally Invasive Room	1,700,000
147	Purchase OR Periop. IS Doc.Syst. Upgrade	150,000
148	Purchase Steam Autoclave	450,000
149	Purchase Sterrad Sterilizer	450,000
150	Purchase Surgical Laser	500,000
151	Purchase Surgical Microscope	500,000
152	Purchase Data Storage Equip & Software I	500,000
153	Purchase Telecommunications Equipment I	250,000
154	Purchase PACS Data Storage Equip & Software	500,000
155	Purchase IS Security Equipment I	150,000
156	Purchase Data Center Printers I	350,000
157	Purchase Data Storage Equip & Software II	250,000
158	Purchase Telecommunications Equipment II	200,000
159	Purchase Mainframe Computer	400,000
160	Purchase IS Security Equipment II	150,000

**2004-06 Capital Projects Recommendation
Restricted Agency Funds**

Institution/Institution Priority / Project Title	Project Scope
161 Purchase Data Center Printers II	300,000
162 Purchase Knowledge-based Transcription	450,000
163 Purchase Knowledge-based Charting System	400,000
164 Purchase Consumer Web Interaction System	400,000
165 Purchase Data Storage Equip & Software III	150,000
UK-H Subtotal	\$ 552,364,000
University of Louisville	
1 Purchase - Digital Communications System	2,000,000
2 Purchase - Networking System	3,000,000
3 Purchase - Microcalorimetry System	155,000
4 Purchase - CPU System	460,000
5 Purchase - Endeavor ENCompass, Enhance Existing Voyager Equip.	250,000
6 Purchase - PCs, Printers, Laptops, and Three (3) Digital Scanners	149,000
7 Purchase - MicorPET Scanner	500,000
8 Purchase - Triple Quadrupole High Resolution Mass Spectrometer	400,000
9 Purchase - Radiographic Fluoroscopic X-Ray System	350,000
10 Purchase - Cardiology Equipment to Study Cardiac Regeneration	1,160,000
11 Purchase - High Resolution Mass Spectrometer	858,000
12 Purchase - Upgrade NMR Spectrometer	130,000
13 Purchase - Micro-Raman Spectrometer	200,000
14 Purchase - Laser and Optical Detection System	160,000
15 Purchase - Flip Chip Bonder Aligner	150,000
16 Purchase - Four Temperature and Humidity Control Systems	150,000
17 Purchase - Electronic Research Information System	1,080,000
18 Renovate - Dental Clinics First Floor	8,614,000
19 Construct - Boathouse for Women's Rowing Program	2,676,000
20 Purchase - Artificial Turf - Practice Field	750,000
21 Purchase - FT Raman Spectrometer	180,000
22 Purchase - Circular Dichroism Spectropolarimeter	100,000
23 Purchase - Linux Chemistry Computerization Cluster	150,000
24 Purchase - Gel Blot Image Analysis System	145,000
25 Purchase - Electrophoresis Tandem Mass Spectrometer System	443,000
26 Purchase - Flow Fluorescence - Activated Cell Analyzer	130,000
27 Purchase - Hot Embosser	150,000
28 Purchase - RIE Glass Etch Module	150,000
29 Purchase - Spectrofluorometer for Fluorescence	170,000
30 Purchase - NFS Scanning Optical & Probe Microscope	150,000
31 Purchase - Computer Processing System	2,000,000
32 Purchase - Storage System	1,000,000
33 Purchase - Enterprise Application System	2,000,000
34 Purchase - Electronic Darkroom	193,000

**2004-06 Capital Projects Recommendation
Restricted Agency Funds**

Institution/Institution Priority / Project Title		Project Scope
35	Purchase - High Resolution SEM with Backscatter Detector	360,000
36	Purchase - Intermediate Voltage Transmission Electron Microscope	500,000
37	Lease - Digital Output System	1,000,000
38	Lease - Visualization System	1,000,000
39	Construct - Residence Hall - 276 Beds, Phase III (Community Park)	10,180,000
40	Renovate - Medical School Tower - 55A, Phase I	3,841,000
41	Expand - Ambulatory Care Building Academic Addition	39,872,000
42	Purchase - Real Estate Near HSC & Renovate Offices	20,500,000
43	Renovate & Purchase - Home of the Innocents Property	7,301,000
44	Purchase - Digital Micro-Luminography System for TEM	120,000
45	Construct - Utilities, Remove Overhead Lines	2,957,000
46	Renovate - Housing - Capital Renewal Pool	2,476,000
47	Renovate - Housing - Code Improvements Pool	709,000
48	Construct - Diversity Center for Excellence	5,434,000
49	Construct - Multipurpose Field House & Practice Facility	12,404,000
	UL Subtotal	\$ 138,807,000
Western Kentucky University		
1	Renovate Central Heat Plant - Phase I	1,273,000
2	Prepare IT Infrastructure	3,000,000
3	Replace Server	880,000
4	Secure Network Log-on System	800,000
5	Renovate Academic Athletics #2 Design	2,000,000
6	Renovate Grise Hall Design	1,398,000
7	Renovate Garrett Conference Center - Design	858,000
8	Central Region Postsecondary Education Center, Phase II Design	1,625,000
9	Expand Campus Network - Phase II	785,000
10	Purchase Digital Television Transmission System	2,888,000
11	Construct Radio & Television Transmission Tower	615,000
12	Acquire Property and Construct Parking Lots	2,000,000
13	Acquire Video Server	800,000
14	Implement Wireless Communication System	2,000,000
15	Acquire Property for Campus Expansion	3,000,000
16	Purchase Two Replacement Buses	399,000
17	Construct Academic-Athletic Performance Center	9,000,000
18	Purchase Buses and Construct Bus Transportation Center	4,000,000
	WKU Subtotal	\$ 37,321,000
	System Total	\$ 1,582,599,000

**2004-06 Capital Projects Recommendation
Guaranteed Energy Savings/Performance Contracting Projects**

Institution and Project Title	Project Scope	Institutional Authority
Eastern Kentucky University	\$10,000,000	\$10,000,000
Kentucky Community and Technical College System	10,000,000	10,000,000
Kentucky State University	5,000,000	5,000,000
Morehead State University	10,000,000	10,000,000
Murray State University	10,000,000	10,000,000
Northern Kentucky University	5,000,000	5,000,000
University of Kentucky and Lexington Community College	10,000,000	10,000,000
University of Louisville	10,000,000	10,000,000
Western Kentucky University	10,000,000	10,000,000
System Total	\$80,000,000	\$80,000,000

**Council on Postsecondary Education
2004-06 Biennial Budget Request**

Program: Partnership with US Department of Education, Office for Civil Rights

Activity: Renovation of Young Hall Dormitory (\$9.9 Million)

Request: Project Reauthorization and \$569,160 of GF Debt Service

Source of Funds	2003-04	2004-05	2005-06
General Fund	\$0.0	\$569,160	\$0.0
KSU Restricted Funds	\$0.0	\$484,840	

Description:

This request is to secure a 54 percent state General Fund match (\$569,160) to pay debt service on \$9,886,000 of agency bonds to complete the renovation of Young Hall dormitory at Kentucky State University. The recommended shared responsibility is based on an analysis of the KSU auxiliary services revenue, revenue potential, and expenses. Maximum debt service, if issued at 7.25 percent with debt service reserve, is \$1,054,000 (Gen. Fund \$569,160; KSU \$484,840).

Housing and Dining Series F will be retired in FY 2006. Approximately \$380,000 of annual debt service will become available in FY 2006 to apply toward a new H&D bond issue to renovate Young Hall dormitory. The then uncommitted revenue (\$380,000) can be used to reduce the Commonwealth's share of the new debt service amount.

The Council is assigned responsibility for implementing a Partnership Agreement with the U. S. Department of Education, Office for Civil Rights. The OCR, through partnerships or consent decrees with the 19 Adams States, addresses issues related to the elimination of remnants of *de jure* segregation policies and enhancement of historically black colleges and universities. Kentucky entered into a Desegregation Plan (five years) with the OCR in 1982, and because the OCR continued its oversight after the 1982 plan ended, Kentucky entered into a partnership in 1999. The calendar timeline of the partnership ended December 31, 2002.

The Commonwealth agreed that it would provide KSU the bond authority to renovate Young Hall dormitory as an enhancement measure. In September 2000, the Council allocated agency bond authority to KSU to renovate the Young Hall Dormitory; however, the university requested that the renovation be postponed until the 2002-04 biennium because it had insufficient resources to pay the debt service on the bonds. The Commonwealth agreed to the KSU request. In May 2003, the Council again allocated agency bond authority to KSU to renovate the Young Hall dormitory. The university again asserted that it lacked the resources to pay the full debt service to issue \$9.9 million in agency bonds.

Even though the partnership ended December 31, 2002, the commitments of the Commonwealth have not been satisfied, therefore, Kentucky remains under the oversight of the OCR.

Council on Postsecondary Education
November 3, 2003

2004-06 Biennial Budget Request Agency Operations, KYVU/KYVL, & Pass-Through Programs

The Council staff recommends a state appropriation request of \$16,867,300 in FY 2004-05 and \$18,313,600 in FY 2005-06 for agency operations, the KYVU and KYVL, and pass-through programs.

General

The 2004-06 budget instructions require all agencies to organize their budget requests into four categories - baseline, defined calculations, growth, and expansion.

The baseline budget includes only those positions that were filled as of August 1, 2003; the baseline General Fund appropriation for FY 2004-05 and FY 2005-06 may not exceed the FY 2003-04 appropriation. All vacant positions must be requested in growth or expansion.

Defined calculations are used where some external requirement results in a known, or defined, calculation. Growth relates to requests where additional funds are necessary to continue the same service levels or where the number of clients served has increased. Expansion requests are for additional or new service levels.

Agency Operations

The agency operations budget recommendation contains three of the four categories: baseline, defined calculations, and growth. The assumption for the baseline request is that the state appropriation for an agency will be reduced to the level required to support only those positions that are filled on August 1, 2003, and associated operating and capital expenses. Within the baseline calculation, seven budgeted positions are not included because those positions were vacant at the time the personnel "snapshot" was taken, August 1, 2003. The budget guidelines allow the agency to request restoration of the vacant positions in one of the three categories. After some discussion with the Governor's Office for Policy and Management, the Council requested restoration of seven vacant positions in the growth budget category.

The Council staff recommends that \$5,765,100 in FY 2004-05 and \$6,256,900 in FY 2005-06 be requested. These amounts represent a \$342,900 increase in FY 2004-05 over the FY 2003-04 appropriation, and an additional \$491,800 in FY 2005-06 over the previous year.

Kentucky Virtual University/ Kentucky Virtual Library

The baseline calculations for the Kentucky Virtual University/Virtual Library include 12 filled positions. There were no vacant positions on August 1, 2003, with the result that the full complement of positions is included within the FY 2003-04 funding levels for FY 2004-05 and FY 2005-06.

KRS 164.800 provides that the Council will coordinate the Kentucky Virtual University. A Distance Learning Advisory Committee was established by statute to provide institutional input into the development and policy aspects of the KYVU and KYVL. The KYVU will provide “any place, any time” education for Kentucky postsecondary education students. The KYVU is a value-added provider of services including: on-line registration for students, multiple course management systems for the development and delivery of instructional programs, billing services, assistance to local school districts in test administration, assistance to the adult education unit in registration of students and faculty, and billing assistance for faculty.

The Kentucky Virtual Library has been an unqualified success with over 600,000 hits per month on the KYVL Website. The public and independent institutions, along with the Kentucky Department of Education and the Kentucky Department for Libraries and Archives, formed a consortium that provides all citizens of Kentucky broad access to 34 electronic databases, allows for postsecondary education institutions and other libraries to share a common library management system, and extends a ground-courier service for delivery of instructional and library materials across the Commonwealth.

The Council staff recommends an additional \$250,000 in FY 2004-05 for expansion of the electronic databases and continuation of that amount in FY 2005-06.

Adult Education Program

The adult education budget request is contained in two sections of the agency’s request - the central office operating budget is located here and the program portion of the budget is located in the Adult Education Incentive Funding Program.

The baseline calculations for the Adult Education program include 23 filled positions. There were five vacant positions on August 1, 2003, with the result that five vacant positions must be requested as growth in the budget request. Two of the five positions subsequently were filled. The Council staff recommends a total request for adult education central office budget of \$2,154,300 in FY 2004-05 and \$2,287,300 in FY 2005-06. These amounts represent a \$170,900 increase in FY 2004-05 over the FY 2003-04 appropriation, and an additional \$133,000 in FY 2005-06 over the previous year.

An expansion request is included in the adult education incentive funding program, described in section VI. in Attachment B.

Pass-Through Programs

The SREB contract spaces pass-through program provides 142 seats in veterinary medicine at Auburn University and Tuskegee University and 43 spaces in optometry at Southern College of

Optometry in Tennessee and the University of Alabama and Indiana University optometry schools. SREB has provided the Council with estimated rates for these spaces in 2004-06. The staff recommends an additional \$221,300 in FY 2004-05 over the FY 2003-04 allocation, and an additional \$327,600 in FY 2005-06 over the previous year to maintain the current veterinary and optometry seats at the adjusted tuition rates.

The 2002-04 Executive Budget includes \$493,900 in restricted agency funds from interest earnings on various trust funds to support the following pass-through activities for each fiscal year. For FY 2005-06, Council staff recommends \$493,900 in state General Funds to replace the restricted agency funds.

	FY 2003-04
Governor's Minority Student College Preparation Program	\$ 105,500
SREB Doctoral Scholars	188,400
Local P-16 Councils	100,000
Ky. Early Math Testing Program	<u>100,000</u>
 Total	 \$ 493,900

The Governor's Minority Student College Preparation Program (GMSCPP) was established in 1986 to provide academic enrichment activities for middle and junior high school students; to encourage them to stay in school and to enter college; to make young African-American students aware of the benefits and value of college and make them more likely to consider college as an achievable option; and to prepare these students to be successful in college-level work.

The program places emphasis on early intervention in an attempt to overcome problems at the high school level that tend to reduce the pool of minorities interested in attending and prepared to do well in college.

The SREB Doctoral Scholars Program is a cooperative interstate venture that supports and encourages minority students to pursue doctoral degrees. The program seeks to increase the number of minority faculty members employed as college faculty by increasing the available pool of minority candidates. Students are provided scholarships and other financial support to attend institutions throughout the southern region and in some mid-west states as well. The SREB program is a part of a national effort; similar programs exist in the northeast and the west.

In March 2001, the state P-16 (pre-kindergarten through baccalaureate) Council invited the leadership of public and independent colleges and universities, school districts, adult education providers, early childhood educators, and civic organizations (including business and labor) to form local councils to create a seamless system of education meeting the needs of students and the Commonwealth. The local P-16 Council initiative brings the agenda of the state P-16 to the level of individual institutions and school districts. Local councils address issues of teacher quality and supply, alignment of high school and adult education with postsecondary and workforce expectations, and greater integration between and among all sectors of education in Kentucky. The program has supported the formation and work of more than 15 local councils since its inception, serving more than half of the counties in Kentucky. It has received national recognition and Kentucky has been invited to assist other states in their local P-16 council efforts.

The Kentucky Early Mathematics Testing Program is a statewide diagnostic test to help high school students identify academic deficiencies that they should correct before entering college. Administered by Northern Kentucky University with on-line capacity through the University of Kentucky, it is offered each fall and spring to all Kentucky students free of charge and on a volunteer basis. Students receive an immediate on-line letter reporting their test score, an estimate of their level of mathematical preparation for college, and advice about the importance of taking additional mathematics while still in high school. KEMTP staff is working with the Council to provide on-line math tutoring to students through the KYVU. Teachers can analyze their students' scores and use them to improve student performance. The program is designed to reduce the need for postsecondary remedial placement in mathematics.

The 2004-06 budget recommendation includes restricted agency funds for these activities in FY 2004-05, but requests expansion dollars to replace those restricted agency funds in FY 2005-06. If expansion funds are not approved, the activities supported with these funds will be discontinued in FY 2005-06.



KENTUCKY
Council
on postsecondary education

**2004-06
BUDGET
RECOMMENDATION**

**Council on
Postsecondary Education**

November 3, 2003

2004-06 Budget Recommendation

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Operating and Capital Budget Request Summary

Council on Postsecondary Education
November 3, 2003

2004-06 Operating and Capital Budget Request

This funding recommendation reflects the success of the first six years of postsecondary education reform and the need to maintain Kentucky's momentum. The Council staff recommends, among other things, increases to the bases of the institutions to help pay for the over 42,000 additional students on Kentucky's campuses and provide the institutions with the resources they need to help their students be successful and graduate. The Council staff also recommends funds to expand adult education programs for Kentuckians who need more education and better work skills and to help the colleges and universities absorb the tens of thousands of Kentuckians who need postsecondary education but are not yet on campus. The recommendation also reflects the necessity of building an even better workforce and constructing the economic infrastructure necessary for Kentucky to compete in a knowledge economy driven by ideas and technological advances.

The Council staff's recommendation is an acknowledgement of Kentucky's success so far and a recognition of the significant challenges that lie ahead.

Council Action:

- Approve the 2004-06 Operating and Capital Budget Recommendation as presented herein which totals \$1,094,154,419 for 2004-05 and \$1,207,267,421 for 2005-06 in recurring funding for the universities, the Kentucky Community and Technical College System, Lexington Community College, the Strategic Investment and Incentive Trust Funds, and the Council on Postsecondary Education, including the KYVU and KYVL, Adult Education, and pass-through programs, and in addition, \$61 million in non-recurring funding for the Endowment Match Program.

SUMMARY OF BUDGET RECOMMENDATIONS:

The details of the request are summarized on the Purple Card (inserted) and are further explained in attachments A-D. The increases in General Funds requested are summarized in the following table:

<i>Description</i>	<i>FY 2004-05</i>	<i>FY 2005-06</i>
Benchmark Funding Special Initiatives (See Attachment A and A1 for the details.)	\$60,969,119 213,300	\$49,468,402 2,713,300
Strategic Trust Funds (See Attachment B for details.)	3,038,500	23,400,000
Physical Facilities Trust Fund (See Attachment C for the details.)	569,100	36,085,000
Council on Postsecondary Education (Including pass-through, see Attachment D for the details.)	\$985,100	1,446,300
Endowment Match Program (Non-recurring funds - details are included in Attachment B.)		\$61,000,000

The total operating request represents a net increase of \$65,775,119 or 6.4 percent, in 2004-05 and \$113,113,002 or 10.3 percent, in 2005-06 for recurring state General Funds (excluding Lung Cancer/Ovarian Cancer Research, which is funded by Tobacco Settlement Funds; need-based financial aid, which is administered by KHEAA; and Student Financial Aid and Advancement Trust Fund-KEES, which is funded by lottery proceeds); and the UofL Off Campus Teaching Center at the Trover Clinic Foundation, which is funded by coal severance tax revenues. In addition, the request represents a \$61 million increase (Endowment Match Program) in non-recurring state General Funds in FY 2005-06.

THE LINK BETWEEN FUNDING AND REFORM:

The above described budget request recommends funding needed to address postsecondary education reform for the next biennium. There is a necessary link between funding and reform; reform efforts will stall without adequate funding. Highlights of the major components of the Council’s funding recommendation that directly promote continued progress as measured by the five reform questions are as follows:

- (Q1) Are more Kentuckians ready for postsecondary education?
- (Q2) Are more students enrolling?
- (Q3) Are more students advancing through the system?
- (Q4) Are we preparing Kentuckians for life and work?
- (Q5) Are Kentucky’s communities and economy benefiting?

Major Components	(Q1)	(Q2)	(Q3)	(Q4)	(Q5)
Adult Education operations – fieldwork	X	X			
Academy of Math & Science – special initiative	X	X			
Benchmark funding for institutions	X	X	X	X	X
Collaborative Research UK and UofL (Bioinformatics/Pharmacogenomics)					X
Early Math Testing Program	X				
Endowment Match Program				X	X
Enrollment growth and productivity	X	X	X		
Enrollment stability (KSU) – special initiative		X	X		
Homeland Security special initiative				X	X
Minority Student College Preparation Program	X	X			
P-16 Councils	X				
Regional stewardship (RUETF)					X
Research agenda (UK and UofL research space/capital request/research support)					X
Statewide engineering and rural innovation					X
SREB Doctoral Scholars Program		X	X	X	
Technology infrastructure (KPEN)	X	X	X	X	X
Workforce Development Trust Fund				X	X

Staff preparation by Sandra Woodley, Sherron Jackson, Bill Payne, Dennis Taulbee, and Linda Jacobs

Operating Budget Recommendation

Attachment A

Council on Postsecondary Education
November 3, 2003

2004-06 Operating Budget Recommendation

Table A-1 details each institution's funding recommendation. The total amount of General Funds requested for the institutions for base funding in FY 2004-05 is \$1.043 million and \$1.092 million in FY 2005-06. A summary of the recommended institutional operating increases is detailed in the following table:

<i>Description</i>	<i>FY 2004-05</i>	<i>FY 2005-06</i>
Benchmark funding and Inflationary increases	\$47,754,717	\$47,762,817
Special Initiatives	213,300	2,713,300
Estimated base adjustments (These are expected to change and will be updated to reflect revisions.)	13,214,402	1,705,585
TOTAL distribution to institutions for Base Funding	\$61,182,419	\$52,181,702

Benchmark Funding

The current benchmark funding model used to develop the recommendation was first used by the Council in the 2000-02 biennium. The model was developed in cooperation with the institutions and the executive and legislative branches; it calculates funding need based on General Funds per FTE student relative to a set of peer institutions. The peer institutions are selected for each Kentucky institution based on a statistical analysis of similarity using agreed upon criteria, as well as consultation with the institutions. Each institution was allowed to request minor modifications to their benchmark list and some of those changes were approved at the July Council meeting. In addition, institutional distribution was held to a 10 percent increase on the General Fund base appropriation (minus research, public service, and debt service) and a three-biennia phase-in; this calculation was 8 percent with a two biennia phase-in for 2002-04. For institutions with a negative funding need (KSU), a minimum of 2 percent increase was recommended, the same as was used last biennium.

Special Initiative Funding Program

The staff recommends five special programs to advance statewide reform, totaling \$213,300 in FY 2004-05 and an additional \$2,713,300 in FY 2005-06. These programs are as follows (Attachment A-1 provides more details):

<i>Special Initiative</i>	<i>FY 2004-05</i>	<i>FY2005-06</i>
Cancer Research Using Pharmacogenomics (UK, collaborative with UofL)		\$500,000
Multidisciplinary Approach in Bioinformatics (UofL, collaborative with UK)		\$500,000
Homeland Security (KCTCS in collaboration with public universities)		\$1,000,000
Kentucky Academy of Math and Science (WKU, statewide effort)		\$500,000
KSU Enrollment Stabilization Program (based on Baker-Hostetler report)	\$213,300	\$213,300
TOTAL	\$213,300	\$2,713,300

Debt Service and Mandated Programs

State funds for debt service and mandated public service and research programs having no student enrollment or instructional function have been deducted from the state support amounts at the benchmark and Kentucky institutions.

Tuition and Fees Revenue Standard Deduction

In May 2003, the Council established a standard tuition and fees revenue deduction of 37 percent for the public universities, excluding Kentucky State University. For the KCTCS, KSU, and Lexington Community College the standard deduction is 30 percent. The standard or budgeted tuition and fees revenue, whichever was lower, was deducted from the public funds amount to determine the 2004-06 state appropriation objective. A summary of the 2004-06 tuition and fees revenue deduction is provided in Table A-2.

Enrollment

Estimated fall 2003 full-time equivalent student enrollment was used to calculate the 2004-06 funding needs. A summary of each institution's estimated fall 2003 enrollment is shown in Table A-3.

Phase-In

The funding recommendation for each institution is based on either a three biennia phase-in of the benchmark funding need or an inflationary increase of 2 percent each year, whichever is greater. A summary of the annual funding recommendation is included in Table A-4.

Base Adjustments

- Maintenance and operation (M&O) funding is provided for new educational and general facilities that have come into use during the 2002-04 biennium or will come into use during the 2004-06 biennium.
- Changes in debt service obligations for state supported facilities.
- Base adjustment for KSU necessary to meet percentage state match requirements due to changes in federal guidelines on Federal Land Grant match requirements. The match requirements are increasing from 70 percent to 100 percent state match over the next several years for all 1890 land grant colleges and universities in the nation (Agricultural Research, Extension, and Reform Act of 2002 (FSRIA)). The state match requirement will be 80 percent in FY 2004-05 and 90 percent in 2005-06 and will be fully phased-in at 100 percent by 2006-07.
- Base adjustment for UK necessary to restore earned enrollment growth and retention funding.
- Increases for the state's contractual obligation related to indigent care provided through the quality and charity care trust agreement at the University of Louisville hospital.

Special Initiative Funding Program

Special Initiative	Modification/description of funding request	2004-05	2005-06
Cancer Research Using Pharmacogenomics	<p>Description: Pharmacogenetics is the study of how genes affect the way people respond to medicines, including cancer treatment. Funds will be used to recruit faculty members with expertise in this area to assist clinical cancer investigators in the design and genetic analysis of clinical research protocols and enhance extramural funding in cancer research through the National Institutes of Health and to support goal of achieving NCI-designated Comprehensive Cancer Center status.</p> <p>Modification: Initially submitted by UK, this initiative has been modified to provide collaboration between UK and UofL. The request amount was reduced and moved to the second year of the biennium.</p>		\$500,000
Multidisciplinary Approach in Bioinformatics	<p>Description: To integrate formal bioinformatics training with the design and the use of basic computer science tools and applications of bioinformatics methods in ongoing biomedical research. To utilize the existing Kentucky Biomedical Research Information Network (KBRIN) to enhance the capacity, capability, and resourcefulness of biomedical researchers and educators. It will build on the evolving collaborative bioinformatics model that encompasses many disciplines and departments such as bioinformatics, biostatistics, computer engineering and computer science, anatomical science and neurobiology and molecular biology in the school of medicine; and the department of molecular, cellular, and craniofacial biology in the school of dentistry.</p> <p>Modification: Initially submitted by UofL, this initiative has been modified to provide collaboration between UofL and UK. The request amount was reduced and moved to the second year of the biennium.</p>		\$500,000
Homeland Security	<p>Description: To obtain matching funds from the Department of Homeland Security and other federal grants to assist Kentucky expediently attain and deploy improved public security, health and safety, and emergency response measures.</p> <p>Modification: Initially submitted by KCTCS, this initiative has been modified to provide collaboration with other postsecondary institutions. The request amount was reduced and moved to the second year of the biennium.</p>		\$1,000,000

Attachment A-1

<p>Kentucky Academy of Mathematics and Science</p>	<p>Description: Collaboration between postsecondary and secondary education as well as businesses, industries, and other entities with research components to advance the P-16 statewide goals. Funds will be used to assist in renovation of a hall to be used to provide high school juniors and seniors with opportunities to study at the postsecondary level in math, science, and engineering.</p> <p>Modification: This request was submitted by WKU and will serve students on a statewide basis. The request amount was reduced and moved to the second year of the biennium.</p>		<p>\$500,000</p>
<p>Enrollment Stabilization Program-KSU</p>	<p>Description: Based on Baker Hostetler, this initiative would provide funds to develop the necessary infrastructure and planning strategies, secure consulting to implement strategies to increase enrollment, and establish a summer transition program for new freshmen.</p> <p>Modification: CPE will implement based on performance contract to be developed with KSU - reduced funding and split the request to both years of the biennium to continue consistent growth.</p>	<p>\$213,300</p>	<p>\$213,300</p>
<p>TOTAL</p>		<p>\$213,300</p>	<p>\$2,713,300</p>

DISTRIBUTION OF FUNDING INCREASES

FISCAL YEAR 2004-05

<u>Institution</u>	FY 2003-04		2004-05 Increases		2004-05 <u>Approp</u>	Annual Percent <u>Increase</u>
	State General Fund <u>Appropriation</u>		Benchmark <u>Funding</u>	Estimated Base <u>Adjustments*</u>		
EKU	\$ 73,515,900	\$	3,771,100	\$ 517,545	\$ 77,804,545	5.8%
KCTCS	189,097,700		9,337,400	969,107	199,404,207	5.5%
KSU	22,631,500		407,600	1,662,221	24,701,321	9.1%
MoSU	42,738,200		2,830,400	313,531	45,882,131	7.4%
MuSU	51,472,900		2,581,800	832,346	54,887,046	6.6%
NKU	47,092,700		4,205,900	939,085	52,237,685	10.9%
UK	299,074,500		8,423,100	4,066,458	311,564,058	4.2%
LCC	9,444,700		871,200	6,100	10,322,000	9.3%
UofL	174,950,000		8,433,600	2,745,138	186,128,738	6.4%
WKU	72,040,100		6,892,600	1,162,871	80,095,571	11.2%
Total	\$ 982,058,200	\$	47,754,700	\$ 13,214,402	\$ 1,043,027,302	6.2%

FISCAL YEAR 2005-06

<u>Institution</u>	2005-06 Increases			Annual Percent <u>Increase</u>	Total Biennial <u>Increase</u>	Biennial Percent <u>Increase</u>
	Benchmark <u>Funding</u>	Estimated Base <u>Adjustments*</u>	2005-06 <u>Approp</u>			
EKU	\$ 3,771,100	\$ 922,663	\$ 82,498,308	6.0%	\$ 8,982,408	12.2%
KCTCS	9,337,400	306,663	209,048,270	4.8%	19,950,570	10.6%
KSU**	415,700	(1,526,292)	23,590,729	-4.5%	959,229	4.2%
MoSU	2,830,400	(87,276)	48,625,255	6.0%	5,887,055	13.8%
MuSU	2,581,800	422,824	57,891,670	5.5%	6,418,770	12.5%
NKU	4,205,900	(242,800)	56,200,785	7.6%	9,108,085	19.3%
UK	8,423,100	549,455	320,536,613	2.9%	21,462,113	7.2%
LCC	871,200	3,700	11,196,900	8.5%	1,752,200	18.6%
UofL	8,433,600	982,163	195,544,501	5.1%	20,594,501	11.8%
WKU	6,892,600	374,485	87,362,656	9.1%	15,322,556	21.3%
Total	\$ 47,762,800	\$ 1,705,585	\$ 1,092,495,687	4.7%	\$ 110,437,487	11.2%

** Estimated annual reduction reflects decreased need for state supported debt services due to debt retirement.

2004-06 BENCHMARK FUNDING MODEL - TUITION DEDUCTION

<u>Institution</u>	2003-04	2003-04	2003-04	<u>Total Public Funds</u>	Tuition and Fees Revenue as a % of Total Public Funds	<u>Benchmark Funding Model Standard</u>	<u>Benchmark Funding Model Deduction</u>
	Budgeted Tuition and Fees Revenue	Net State General Fund Appropriation	State General Fund				
EKU	\$ 48,583,600	\$ 69,803,800	\$	118,387,400	41.0%	37.0%	37.0%
MoSU	31,880,900	41,285,600		73,166,500	43.6%	37.0%	37.0%
MuSU	44,454,000	49,588,400		94,042,400	47.3%	37.0%	37.0%
NKU	64,969,600	42,059,400		107,029,000	60.7%	37.0%	37.0%
UK	142,305,700	293,958,300		436,264,000	32.6%	37.0%	32.6%
UofL	105,036,400	165,445,100		270,481,500	38.8%	37.0%	37.0%
WKU	64,444,000	68,925,600		133,369,600	48.3%	37.0%	37.0%
<i>Subtotal</i>	<i>501,674,200</i>	<i>731,066,200</i>		<i>1,232,740,400</i>	<i>40.7%</i>		
KSU	11,425,900	20,379,500		31,805,400	35.9%	30.0%	30.0%
KCTCS	97,078,200	178,451,800		275,530,000	35.2%	30.0%	30.0%
LCC	14,950,500	8,712,000		23,662,500	63.2%	30.0%	30.0%
<i>Subtotal</i>	<i>123,454,600</i>	<i>207,543,300</i>		<i>330,997,900</i>	<i>37.3%</i>		
Total	\$ 625,128,800	\$ 938,609,500	\$	\$ 1,563,738,300	40.0%		

ESTIMATED FALL 2003 HEADCOUNT ENROLLMENT AND FULL-TIME EQUIVALENT*

	<u>EKU</u>	<u>KCTCS</u>	<u>KSU</u>	<u>MoSU</u>	<u>MuSU</u>	<u>NKU</u>	<u>UK</u>	<u>LCC</u>	<u>UofL</u>	<u>WKU</u>	<u>Total</u>
Undergraduate											
Full-Time	10,405	27,815	1,656	6,622	6,850	8,850	16,455	5,395	10,688	12,945	107,681
Part-Time	3,226	43,246	481	1,119	1,400	3,358	1,885	3,305	4,018	2,875	64,913
Total Undergraduate	13,631	71,061	2,137	7,741	8,250	12,208	18,340	8,700	14,706	15,820	172,594
Graduate											
Full-Time	493	-	74	312	500	160	3,215	-	2,258	745	7,757
Part-Time	1,854	-	95	1,290	1,270	1,036	2,725	-	2,537	1,785	12,592
Total Graduate	2,347	-	169	1,602	1,770	1,196	5,940	-	4,795	2,530	20,349
Professional											
Full-Time	-	-	-	-	-	310	1,385	-	1,228	-	2,923
Part-Time	-	-	-	-	-	218	30	-	78	-	326
Total Professional	-	-	-	-	-	528	1,415	-	1,306	-	3,249
Total											
Full-Time	10,898	27,815	1,730	6,934	7,350	9,320	21,055	5,395	14,174	13,690	118,361
Part-Time	5,080	43,246	576	2,409	2,670	4,612	4,640	3,305	6,633	4,660	77,831
Total	15,978	71,061	2,306	9,343	10,020	13,932	25,695	8,700	20,807	18,350	196,192
Estimated Fall 2003											
Full Time Equivalent (FTE)*	12,591	42,230	1,922	7,737	8,240	10,857	22,602	6,497	16,385	15,243	144,305
Fall 2001 FTE	11,840	36,734	1,924	7,203	8,018	9,964	20,745	5,985	15,267	13,467	131,147
(as used in 2000-02 benchmark calculations)											
Percent Change	6.3%	15.0%	-0.1%	7.4%	2.8%	9.0%	8.9%	8.5%	7.3%	13.2%	10.0%

* FTE = Total full-time headcount + 1/3 part-time headcount. Excludes post doctoral students and house staff.

Table A-4

2004-2006 BENCHMARK FUNDING - FINANCIAL ANALYSIS

	EKU	KCTCS	KSU	MoSU	MUSU	NKU	UK	LCC	UofL	WKU
A	2004-2006 Benchmark Objective (1)	7,453 \$	11,125 \$	11,232 \$	11,347 \$	10,811 \$	16,632 \$	6,528 \$	17,960 \$	10,948
B	2003-04 Estimated Objective (2)	7,932 \$	11,841 \$	11,954 \$	12,077 \$	11,507 \$	17,702 \$	6,948 \$	19,115 \$	11,652
C	Less Tuition and Fees (Standard or Budgeted) (3)	2,380	3,552	4,423	4,469	4,258	5,771	2,085	7,072	4,311
D	Net Funding Need Per FTE	5,552 \$	8,289 \$	7,531 \$	7,608 \$	7,249 \$	11,931 \$	4,864 \$	12,042 \$	7,341
E	2003-04 State General Fund Appropriations	189,097,700 \$	22,631,500 \$	42,738,200 \$	51,472,900 \$	47,092,700 \$	299,074,500 \$	9,444,700 \$	174,950,000 \$	72,040,100
	Less:									
F	Public Service	-	966,400	-	2,383,800	-	42,793,800	-	18,732,500	-
G	Research	-	-	-	-	-	31,313,179	-	-	-
H	Debt Service	3,712,100	2,252,000	1,452,600	1,884,500	5,033,300	5,848,900	732,700	9,504,900	3,114,500
I	Total State General Fund Appropriations	178,331,900 \$	19,413,100 \$	41,285,600 \$	47,204,600 \$	42,059,400 \$	219,118,621 \$	8,712,000 \$	146,712,600 \$	68,925,600
J	Estimated Fall 2003 FTE (4)	42,230	1,922	7,737	8,240	10,857	22,602	6,497	16,385	15,243
K (U/J)	Estimated General Fund Per FTE	4,223 \$	10,100 \$	5,336 \$	5,729 \$	3,874 \$	9,695 \$	1,341 \$	8,954 \$	4,522
L (D-K)	Difference (Need less estimated)	1,327 \$	(1,812) \$	2,195 \$	1,880 \$	3,375 \$	2,236 \$	3,523 \$	3,088 \$	2,819
M (L*J)	General Fund Appropriation Need (Difference X Enrollment Fall 2003 FTE)	56,024,300 \$	- \$	16,982,635 \$	15,490,619 \$	36,648,598 \$	50,538,796 \$	22,886,818 \$	50,601,410 \$	42,972,762
N (M/6)	3 Biennia Phase-In/Annual Increase 10% Cap	3,771,124 \$	9,337,383 \$	2,830,439 \$	2,581,770 \$	4,205,940 \$	8,423,133 \$	871,200 \$	8,433,568 \$	6,892,560
	Executive Budget Inflationary Increase									
O	2003-04 Net Base Appropriation (Net of Debt Service and UofL Hospital)	178,451,800 \$	20,379,500 \$	41,285,600 \$	49,588,400 \$	42,059,400 \$	293,225,600 \$	8,712,000 \$	147,944,800 \$	68,925,600
P (O*2%)	2004-05 Increase - 2.0%	1,396,100 \$	407,600 \$	825,700 \$	991,800 \$	841,200 \$	5,864,500 \$	174,200 \$	2,958,900 \$	1,378,500
Q ((O+P)*2%)	2005-06 Increase - 2.0%	1,424,000 \$	415,700 \$	842,200 \$	1,011,600 \$	858,000 \$	5,981,800 \$	177,700 \$	3,018,100 \$	1,406,100
	Total 2004-06 Increase	2,820,100 \$	823,300 \$	1,667,900 \$	2,003,400 \$	1,699,200 \$	11,846,300 \$	351,900 \$	5,977,000 \$	2,784,600

Funding Need	3 Biennia Phase In 10% Cap	
	Total Need	
2004-05	\$ 315,180,281	\$ 47,754,717
2005-06	\$ 315,188,381	\$ 47,762,817

1. The average of the 50th, 55th, and 60th percentiles.
 2. The benchmark funding objective increased by inflation.
 3. The tuition and fees deduction is based on 2003-04 budgeted tuition and fees as a percent of total public funds or the standard deduction approved by the Council (37% for universities; 30% for KSU, KCTCS, and LCC).
 4. FTE = total full-time headcount + 1/3 part-time headcount.
 5. The shaded areas represent the greater funding need (benchmark funding as compared to the inflationary increase). The Council staff recommends limiting the annual percentage increase to 8 percent.
Note: NKU's, LCC's, and WKU's annual increases are held to 10 percent of net base.

Trust Funds and Incentive Funding Programs

Attachment B

Council on Postsecondary Education
November 3, 2003

**2004-06 Budget Recommendation:
Trust Funds and Incentive Funding Programs**

The staff recommends that the Council request \$3,607,600 in FY 2004-05 and \$120,485,000 in FY 2005-06 (\$61,000,000 of the 2005-06 total is non-recurring) for five trust funds and three incentive funding programs. A summary of the recommended increases by trust fund or funding program is provided in the following table:

<i>Trust Fund or Funding Program</i>	<i>FY 2004-05</i>	<i>FY 2005-06</i>
Research Challenge Trust Fund <ul style="list-style-type: none"> • Endowment Match Program (non-recurring) • Research Support-Programs of National Prominence 		\$50,000,000 6,000,000
Regional University Excellence Trust Fund <ul style="list-style-type: none"> • Endowment Match Program (non-recurring) • Regional Stewardship Program 		10,000,000 6,000,000
Technology Initiative Trust Fund		1,400,000
Workforce Development Trust Fund <ul style="list-style-type: none"> • Endowment Match Program (non-recurring) 		1,000,000
Physical Facilities Trust Fund	\$569,100	36,085,000
Adult Education Incentive Funding Program	1,038,500	
Science and Technology Incentive Funding Program	2,000,000	
Enrollment Growth and Productivity Incentive Funding Program		10,000,000
TOTAL		
Recurring	\$3,607,600	\$59,485,000
Non-recurring		\$61,000,000

I. Research Challenge Trust Fund

The Council staff recommends that \$50 million in non-recurring funds be appropriated in FY 2005-06 for the Endowment Match Program at the research universities (see Endowment Match Program in Section II below).

In addition, \$6 million in recurring funds is recommended to address the research mission at UK and UofL to enhance programs of national prominence. These funds will be allocated two-thirds to UK and one-third to UofL. The guidelines are included in Attachment B-1.

II. Regional University Excellence Trust Fund

The Council staff recommends that \$10 million in non-recurring funds be appropriated in FY 2005-06 to fund the Endowment Match Program at the comprehensive universities.

Endowment Match Program. The Endowment Match Program is funded through the Research Challenge Trust Fund (RCTF) and the Regional University Excellence Trust Fund (RUETF). The program received surplus state General Funds of \$110 million in 1998-99 and \$120 million in 2000-01 and was bond funded at \$120 million in FY 2003-04. The staff recommends that the state provide a fourth round of funding for the program in FY 2005-06 by appropriating \$61 million in non-recurring funds (\$50 million to the RCTF, \$10 million to the RUETF, and \$1.0 million to the Workforce Development Trust Fund).

The appropriation will be matched dollar-for-dollar by the institutions. The recommended allocation of the proceeds is as follows:

- \$33.35 million to the University of Kentucky.
- \$16.65 million to the University of Louisville.
- \$10 million allocated among the comprehensive universities based on each institution's share of 2003-04 net General Fund appropriations.

<u>University</u>	<u>Allocation</u>
EKU	\$ 2,390,195
KSU	697,827
MoSU	1,413,685
MuSU	1,697,987
NKU	1,440,182
WKU	<u>2,360,124</u>
	\$10,000,000

- \$1.0 million to the Kentucky Community and Technical College System.
- Funds will be distributed based on guidelines approved by the Council in September 2003, unless subsequent revisions are recommended and approved by the Council.

Regional Stewardship Program. The staff recommends \$6 million in recurring funds for public engagement programs, targeting the needs of public schools, employers, grant agencies, small businesses, and non-profit organizations. This model will stimulate reallocation of university resources to encourage comprehensive universities to expand efforts to support their mission as regional stewards and create partnerships that address regional needs. Program funds will be allocated and distributed to comprehensive universities based on proposed 2004-06 Regional Stewardship Program Guidelines included in Attachment B-2.

III. Technology Initiative Trust Fund

Two programs were funded through this trust fund in 2002-04: operating expenses for the Kentucky Postsecondary Education Network (KPEN) and Faculty Development. There are three expansion requests being advanced for FY 2004-06 through the Technology Trust Fund: (a) KPEN - replacement of budget reductions; (b) KPEN - network expansion; and (c) Faculty Development - replacement of budget reductions.

Postsecondary education is dependent on high-speed, high bandwidth networks for the transmission of information. Students access classes through high-speed networks and access electronic library databases through the Web; and faculty communicate with colleagues at other institutions throughout the United States and the world using the Internet. Research efforts at all of the postsecondary education institutions, including new economy initiatives, require high-speed lines capable of moving data and voice across distances reliably.

In FY 2003-04, the KPEN allocation was reduced by \$750,000. The first expansion request restores this program to its original funding level in FY 2005-06 in order to avoid having to eliminate Internet services from the network. If the KPEN is not able to provide Internet services, each institution will have to develop separate contracts for Internet services or will have to contribute funds from their budget in order to pay these costs.

The second expansion request recognizes the need to replace the existing KPEN network with a new network capable of supporting the information and data exchanges required by the institutions. The current contracts expire on December 31, 2003, and June 30, 2004. The KPEN network currently is under bid; the best estimate is that the new network will cost an additional \$600,000

over the FY 2002-03 level of funding. If the contract for the new network costs as much as is estimated, and if additional funding is not provided, institutions will be required to make up the \$600,000 or services will be eliminated.

The faculty development program is used to bring faculty from across the system together to address such diverse issues as student retention, developmental education, the use of technology in the classroom, and distance learning. The faculty development initiative is a critical part of the postsecondary education reform effort. In FY 2003-04, the faculty development allocation was reduced by \$50,000. The expansion request for FY 2005-06 will enable the Council to continue to conduct additional seminars and faculty exchanges.

IV. Workforce Development Trust Fund

The Council staff recommends that \$1.0 million in non-recurring funds be appropriated in FY 2005-06 for the Endowment Match Program at the Kentucky Community and Technical College System (see Endowment Match Program in Section II above). The guidelines for this trust fund are included in Attachment B-3.

V. Physical Facilities Trust Fund

The staff recommends \$569,100 in debt service for FY 2004-05 and \$36,085,000 in debt service for FY 2005-06 to provide funding for capital and renewal needs as follows:

<i>Category</i>	<i>FY 2004-05</i>	<i>FY 2005-06</i>
Capital Renewal & Maintenance (debt service)		\$1,431,000
Renovation, Replacement, Infrastructure & New Construction (debt service)		34,654,000
KSU - Young Hall (one-half of debt service)	\$569,100	
Total Debt Service	\$569,100	\$36,085,000

Additional details regarding the Physical Facilities Trust Fund are included in Attachment B-4, B-4a, and Attachment C.

VI. Adult Education Incentive Funding Program

In November 2000, the Council approved *An Agenda for Adult Education in Kentucky* that established a vision for increasing the literacy and economic viability of Kentucky's adult population through life-long learning, a focus on family literacy, and workplace learning. To accomplish that vision, the Council adopted a nine-point action plan supporting initiatives such as a public communications campaign, grants for model adult education programs, workforce education and training services, a distance learning program that provides Web-based access to adult literacy programs, and tuition discounts that support the continuing education of full-time employed GED completers. These initiatives and others were funded through the Adult Education and Literacy Trust Fund.

The General Assembly appropriated \$7.0 million to this trust fund in FY 2000-01 and \$12.0 million in 2001-02. During the 2003 legislative session, \$750,000 was removed from the trust fund, reducing funding for the communications campaign, and an additional \$288,500 was cut from the Adult Education agency budget that was part of the Workforce Cabinet. The 2002-04 Executive Operating Budget eliminated the Adult Education and Literacy Trust Fund and replaced it with the Adult Education Incentive Funding Program.

Since the passage of SB 1 in 2000, record enrollment growth has placed Kentucky's adult education program in the national spotlight. Significant enrollment growth has led to a decline in the amount appropriated per student served from \$382 in FY 2002 to \$282 in FY 2003. The reduction of \$1,038,500 in fiscal 2002-03, if not restored in 2004-06, could prevent Kentucky Adult Education from being able to sustain the momentum of adult education reform and build the capacity to meet established goals.

The staff recommends that the Council request \$1,038,500 for the Adult Education Trust Fund in 2004-05.

VII. Science and Technology Incentive Funding Program

This incentive funding program provides a mechanism for funding the state's knowledge-based economy innovation programs. The Council is assigned oversight for six initiatives to stimulate research and development, university-business collaboration, and rural involvement in high-technology growth: the Research and Development Voucher Program, Commercialization Program, Rural Innovation Program, Kentucky Science and Engineering Foundation, knowledge-based academic program and Kentucky Experimental Program to Stimulate Competitive Research. The staff recommends expansion funding for the Rural Innovation Program and the Knowledge-based Academic Program.

The *Rural Innovation Program* assists small, rural, Kentucky-based firms to undertake research and development. Funds must be used in partnership with a university or an appropriate third party. Investments are made in proof of concept development and early stage prototyping. The 2000 General Assembly appropriated \$1.0 million in 2000-01 for the program but did not have funds to appropriate for 2001-02. The Kentucky Innovation Act (KRS 164.6011-6041) clearly contemplates that the Rural Innovation Fund is an ongoing, recurring program. In 2002-04, the General Assembly authorized \$1.0 million in each year of the biennium for the Rural Innovation program using non-recurring interest earnings reallocated from various strategic trust funds. The staff recommends that the Council request \$1.0 million in recurring funds for this program beginning in FY 2004-05.

Knowledge-based Academic Program. Since the Council approved the "Strategy for Statewide Engineering" in July 2000, joint undergraduate engineering programs have been established in mechanical engineering, civil engineering, electrical engineering, and electrical and telecommunications engineering. The participating institutions share the joint programs' cost. In 2002-04, the legislature authorized the Council to reallocate \$1.0 million in interest earnings from various trust funds to support the statewide engineering program. These funds were non-recurring. The staff recommends that the Council request \$1.0 million in recurring funds to support the programs beginning in 2004-05.

VIII. Enrollment Growth and Productivity Incentive Funding Program

The precursor to this funding program, the Enrollment Growth and Retention Program, supported increased enrollment and retention at Kentucky's public postsecondary institutions with the aim of reaching or exceeding national averages of educational attainment by the year 2020.

In 2000-02, the legislature appropriated \$16 million to the Enrollment Growth and Retention Program (\$8 million each year). The program was funded through three separate trust funds: the Research Challenge Trust Fund, the Regional University Excellence Trust Fund, and the Postsecondary Education Workforce Development Trust Fund. In FY 2000-01, program funds were distributed among the public institutions according to the provisions of the 2000 Budget Bill (HB 502). The FY 2001-02 appropriation was distributed based on guidelines approved by the Council.

In 2002-04, the Council recommended that the General Assembly create a new Enrollment Growth and Retention Trust Fund, containing both an enrollment growth and retention program and a P-16 challenge grant program. The Council requested a total of \$22.3 million for the two programs in 2002-04, but proposed funding was not authorized.

The *2004-06 Points of Consensus* urge the Council to recommend trust funds that meet the priorities of *The Kentucky Postsecondary Education*

Improvement Act of 1997 and the Strategic Agenda. The Enrollment Growth and Retention Trust Fund is one of two trust funds identified as meeting those criteria. In keeping with the *Points of Consensus*, the staff recommends that the Council request creation of a new Enrollment Growth and Productivity Incentive Funding Program. The new program will continue to support enrollment growth and retention, and will also encourage increased productivity and systemwide improvement at Kentucky's public postsecondary institutions by rewarding increased degree production and cooperative efforts to increase college preparation and participation.

The staff recommends that the Council request \$10,000,000 in funding for the Enrollment Growth and Productivity Incentive Funding Program in 2005-06. These funds will be divided into three pools pending allocation and distribution: (a) an enrollment growth pool; (b) a productivity pool; and (c) a systemwide improvement pool. The methods for determining the pools can be found in the proposed 2004-06 Enrollment Growth and Productivity Program Guidelines included in Attachment B-5. If the Council's request were fully funded, the distribution of funds for the three pools would be as follows:

<u>Category</u>	<u>Amount</u>
Enrollment Growth	\$8,700,000
Productivity	870,000
Systemwide Award	<u>430,000</u>
Trust Fund Total	\$10,000,000

IX. Student Financial Aid and Advancement Trust Fund

The Student Financial Aid and Advancement Trust Fund is funded from net lottery revenues in support of the Kentucky Educational Excellence Scholarship program (KEES). In FY 2003-04, the General Assembly gave KEES immediate access to an additional \$5.0 million in the unclaimed prize fund of the lottery with the promise that additional funds, up to the limit of the amount contained in the unclaimed prize fund, also could be committed to the KEES program.

The KEES program is scheduled to receive 40 percent of the lottery proceeds in FY 2003-04 and 45 percent in each of FY 2004-05 and FY 2005-06. In FY 2003-04, that amount is estimated to be \$64.32 million; in FY 2004-05 that amount is \$66.6 million, and \$65.385 million in FY 2005-06.

Based on the most recent estimates, the KEES program should be able to maintain current benefits within estimated revenue for FY 2004-05 but may experience a shortfall of \$3.3 million in FY 2005-06 that could result in reductions in benefits to high school students.

2004-06 Research Challenge Trust Fund Programs of National Prominence Guidelines

Background

The Kentucky Postsecondary Education Improvement Act of 1997 (HB 1) identified aggressive research agendas for the University of Kentucky and the University of Louisville. HB 1 gives the Council responsibility to develop criteria and process by which institutions can apply for funds appropriated to individual Strategic Incentive and Investment Trust Funds. The Council recognizes the importance of continuing to advance two of the goals of HB 1 to achieve: 1) a major comprehensive research institution ranked nationally in the top 20 public universities at the University of Kentucky and 2) a premier, nationally recognized metropolitan university at the University of Louisville.

Subsequently, with the Council and the Office of the New Economy, UofL and UK developed a collective goal of reaching \$500 million in extramural academic research and development expenditures as defined by the National Science Foundation by the year 2010. To attain this goal, both institutions need to expand faculty and facilities as they each strive to grow their existing extramural research expenditures. To enable this expansion, the Council recommends a \$6 million pool of recurring funds, in the 2004-06 biennium, to support research and associated academic programs in areas of strategic priority to each university, including the five new economy clusters: human health and development; biosciences; materials science and advanced manufacturing; information technologies and communications; and environmental and energy technologies. These areas are of strategic benefit to Kentucky and are core components of the knowledge-based economy.

The Endowment Match Program has been extremely successful in recruiting senior faculty and the strategy has proved, in only a short time, to be a well-placed investment. Both institutions now need resources to recruit and support additional faculty so that Kentucky can “grow its own stars.” In addition, productive research faculties are highly mobile and retaining early RCTF and other outstanding faculty is critical.

Policy

Six million dollars (\$6 million) in new state General Funds is recommended in the 2004-06 biennium to the University of Kentucky (\$4 million) and the University of Louisville (\$2 million) to enable the institutions to meet each institution’s HB 1 goal.

1. Programs of National Prominence Funds are to be invested in areas identified by each university as strategic priorities including research in the new economy clusters so that the universities contribute to research and scholarship excellence as well as to the economic vitality of the Commonwealth.

2. The universities may use the Programs of National Prominence Funds for faculty salary support, faculty start-up packages, support of graduate students, laboratory or other research space renovations, capital projects, and faculty retention packages.
3. The universities will be accountable for all program expenditures and will prepare annual programmatic and financial reports.
4. Program funds should be invested so as to have a positive impact on the institution as a whole, bring benefit to students, and promote the interests of the Commonwealth and the nation. It is also desirable that the new investments should be made in areas where the doctoral degree or appropriate terminal professional degrees are awarded.

Funding Criteria

To be eligible for program funds, the institution:

1. Must provide a 1:1 match. The Council shall determine the matching funds or internal reallocation requirements to qualify for funding.
2. Must establish an identifiable budget and expenditure account for each program.
3. Must include outcomes-based performance indicators.
4. Must supplement, rather than supplant, current program funds.

The Council staff will work with the research universities to develop procedures and evaluation criteria for administering the funds for consideration at the February 2004 meeting.

2004-06 Regional Stewardship Program Guidelines

Introduction

As part of the Regional University Excellence Trust Fund, the Regional Stewardship Program will support comprehensive universities' efforts to focus their missions on improving the quality of life in their regions and to achieve the aspirations set forth in *The Kentucky Postsecondary Education Improvement Act of 1997* and *2020 Vision*. In Kentucky, and across the nation, discussions of the mission of comprehensive universities have focused on their responsibility for meeting the education, health, economic, and civic needs of the regions they serve. Effective public engagement with P-12 schools, employers, local governments, and non-profit agencies requires alignment of institutional missions, reward systems, and resources with a commitment to regional stewardship. This trust fund provides seed money to stimulate that work.

Public engagement programs, like basic research, are cost centers for universities. Some programs may generate limited funds through contracts with employers and local governments, but most programs that target the needs of public schools, small businesses, government agencies, and non-profits require the support of public funds. Recognizing the costs of basic research, the federal government has allocated billions of dollars through agencies like the National Science Foundation to successfully stimulate reallocation of university resources to address a national research agenda. The Regional Stewardship Program adopts this successful model to encourage comprehensive universities to expand their efforts to engage regional needs.

Models across the country demonstrate that a fully engaged comprehensive university is a powerful force that serves as a center for regional improvement: greater economic vitality, better government services, improved public health, and citizens who are more engaged with democratic processes. In addition, students and faculty at engaged universities are a part of a more vital educational process that improves teaching and learning and links teaching, learning, and research to public needs. Students graduate understanding their obligation to use what they have learned to contribute to a common good.

Institutions are expected to design, develop, and implement programs that align university resources and infrastructure to support their missions as regional stewards and create partnerships that address regional needs.

The program will make \$6 million available to the comprehensive universities to achieve this goal. Initially up to \$1 million will be available to each university based on responses to a Council request for proposals. If a university's proposal does not justify use of its allocation, unearned funds will be made available to the other comprehensive universities through a supplemental proposal process.

Uses of Regional Stewardship Program Funds

1. Activities should be directed toward initiatives that will help achieve the goals of *The Kentucky Postsecondary Education Improvement Act of 1997* and *2020 Vision* through creation of regional partnerships that improve economic prosperity and the quality of life in the region.
2. A percentage of the funds will be allowed as indirect costs to support university efforts to fulfill the mission of regional stewardship.
3. Proposals must focus on partnerships and contracts with P-12 schools, employers, entrepreneurs, local governments, and non-profit agencies. Outcomes must be clearly linked to documented regional needs, such as raising educational attainment levels, improving public health or environmental conditions, improving economic indicators, supporting small business development, or increasing civic engagement.
4. Examples of initiatives that may be funded include efforts to:
 - Address issues of teacher quality, pre-service training, in-service professional development, or eliminating teacher shortages.
 - Conduct research that identifies causes and solutions for student achievement gaps.
 - Develop community-based research programs that address public problems, such as improving the environment, public health, and transportation.
 - Meet the needs of current employers and create new economic opportunities for the region.
 - Increase citizen participation in democratic processes.
 - Help the region address the challenges and opportunities posed by an increasingly diverse population.

Implementation

The Council staff will work with the comprehensive universities to develop procedures and evaluation criteria for administering these funds for consideration at the February 2004 meeting. Criteria for evaluating proposals might include:

- Addressing significant regional problems as evidenced by both community and university assessment.
- Involving community partners who will contribute financial or in-kind support.
- Drawing on faculty expertise that is aligned with project needs.
- Involving students where appropriate.
- Holding promise for significant and sustainable regional impact.

2004-06 Endowment Match Program Guidelines for the Workforce Development Trust Fund

Background

Kentucky recognizes the importance of workforce education and training to the economic well being of its citizens. The Endowment Match Program encourages private investment in public postsecondary education workforce education and training initiatives to stimulate business development, create better jobs and a higher standard of living, and facilitate Kentucky's transition to a knowledge-based economy. The program matches public money with private gifts to fund endowed chairs, professorships, scholarships, workforce education infrastructure, and mission support.

State funds for the program are appropriated to the Workforce Development Trust Fund (WDTF) for the Kentucky Community and Technical College System. The WDTF was created with the passage of *The Kentucky Postsecondary Education Improvement Act of 1997* (HB 1).

Program Administration

The Council on Postsecondary Education oversees the Endowment Match Program. The Council establishes the areas of concentration within which program funds are used, develops guidelines for the distribution of program funds, and reviews reports from the institutions on the use of funds and the results achieved.

Role of the KCTCS Board of Regents

The KCTCS Board of Regents is responsible for the implementation of the Endowment Match Program at community and technical colleges in Kentucky. The board shall review and approve all donations, gifts, and pledges that will be used to establish new endowments or expand existing endowments for which matching state funds will be requested. The board shall ensure that the purpose of the endowment and the source of funds comply with the Council's guidelines and serve the public good. Documentation of board approval must be submitted with each endowment request. In addition, the board shall review and approve the Endowment Match Program reports that are submitted annually to the Council.

Allocation of Program Funds

The Council has requested \$1.0 million for the WDTF Endowment Match Program in 2005-06. All of that amount will be allocated to the WDTF, where it will remain until matched by KCTCS institutions.

Matching Requirements

The Endowment Match Program is conceived as a way to bring new money from external sources into the Commonwealth's system of postsecondary education. In order to receive state funds, KCTCS institutions must provide dollar-for-dollar matching funds that satisfy the following requirements:

- Gifts and pledges must be newly generated to be eligible for state match. Newly generated contributions are those received by KCTCS after June 1, 2003.
- Gifts and pledges must be from external sources to be eligible for state match. External source contributions are those that originate outside KCTCS or one of its recognized foundations. Eligible sources of funding include, but are not limited to, businesses, non-governmental foundations, hospitals, corporations, and alumni or other individuals. Funds received from federal, state, and local government sources are not eligible for state match.
- General Fund appropriations and student-derived revenues (for example, tuition and fees revenue) are not eligible for state match.
- The minimum institutional request amount is \$50,000. KCTCS may combine smaller donations from businesses, non-governmental foundations, hospitals, corporations, and alumni or other individuals to meet the \$50,000 minimum.
- All funds, both state and private, must be endowed. "Endowed" means only the investment earnings are eligible for expenditure, not the principal.
- Requests for state funds must identify the matching funds that are cash and the matching funds that are pledges.
- Pledges, or promises of future payment, are eligible for state match provided they are based on a written contract or agreement and include a payment schedule, which does not exceed five years from the initial pledge date. Pledge payment schedules showing receipts to date and scheduled future payments are to be included in the audited financial statements of either the institution or the foundation.
- If pledged funds are not received within five years of the initial pledge date, KCTCS must replace the portion of private funds not received with another eligible cash gift or the unmatched portion of the state funds plus an allowance for accrued interest will revert to the trust fund for reallocation. In such cases, a time frame for the replacement or return of state funds will be negotiated between Council staff and institutional representatives.
- KCTCS officials must notify the Council staff of unpaid pledges six months before the end of the five-year deadline, or immediately when a gift has been revoked.

Uses of Program Funds

Investment earnings from the endowments can be used to support various activities including chairs, professorships, undergraduate scholarships, workforce education and training infrastructure, and mission support as described below.

Chairs: New faculty positions, salary supplements to existing faculty positions, and associated expenses for those positions, including start-up costs, salaries, benefits, travel, and other professional expenses as permitted by KCTCS policy.

Professorships: New faculty positions, salary supplements to existing faculty positions, and associated expenses for those positions, including start-up costs, salaries, benefits, travel, and other professional expenses as permitted by KCTCS policy.

Undergraduate Scholarships: Program funds can be used to support scholarships for outstanding undergraduate students, which may include travel and other expenses as permitted by KCTCS policy.

Workforce Education and Training Infrastructure: Start-up and operating expenses that are directly linked to the workforce education and training activities of an endowed chair or professor, including equipment, materials and supplies, deployment of technology, and other related expenses as permitted by KCTCS policy.

Mission Support: Program funds can be used to support the KCTCS workforce development mission. Consideration will be given to mission support activities such as: (1) expenditures that enhance the KCTCS capability in workforce education and training (for example, books, manuals, workforce education and training materials, media, and equipment); (2) start-up costs, equipment, and supplies that support faculty or student education and training that enhance workforce development; (3) funding for visiting professors and instructors, lecture series, demonstration projects, and faculty exchange; and (4) expenditures for the dissemination of information and best practices (for example, nationally prominent publications and presentations at conferences, symposiums, seminars, or workshops). However, priority will be given to mission support expenditures that encourage the workforce education and training activities of faculty and students. Expenditures for general personnel expenses that are not directly linked to an endowed chair or professor do not qualify as mission support activities.

Use of Funds Requirements

- At least 50 percent of program funds must be endowed for the purpose of supporting chairs, professorships, infrastructure, or scholarships that are directly linked to the workforce education and training activities of an endowed chair or professor. No more than 50 percent of program funds may be endowed for the purpose of supporting mission support activities or scholarships that are not directly linked to the applied workforce education and training activities of an endowed chair or professor.

Areas of Concentration

- The Council expects state and private matching funds to be substantially directed toward supporting workforce education and training that leads to the creation, preservation, or attraction of businesses that will increase the number of good jobs in Kentucky. For these purposes, “good jobs” are defined as jobs that yield income at or above the national per capita income.
- The Council recognizes the importance of cooperation between KCTCS and corporations and encourages partnerships in the technologies, engineering, and applied sciences.
- The Council recognizes the importance of the KCTCS transfer mission and supports initiatives that enhance the transition of students from KCTCS colleges to four-year institutions.
- The Council also recognizes the contribution of arts and humanities to quality of life and to economic development in the Commonwealth and is receptive to limited use of endowment funds in this area.
- Program funds cannot be used for positions which are primarily administrative. However, professors in workforce education and training programs who may have an appointment such as department chair, center director, or dean are eligible.
- Program funds cannot be used to fund capital construction projects.

Annual Reporting

Institutions will provide detailed annual reports describing how the state and matching funds are used by October 15 each year. These reports will include such items as the number of endowed chairs and professorships by name and incumbent, the specific support services attached to the chairs and professorships, and the benefits of the program to the Commonwealth of Kentucky in terms of jobs, revenue growth, creation of wealth, and improved standards of living. The reports should also identify program outcomes, such as increases in sponsored workforce education and training directly attributable to the program and improvement in related student outcome measures (for example, increased enrollment, retention, graduation, transfer, and employment).

The Council staff, working with KCTCS, will devise and maintain reporting procedures that specify the content and format of Endowment Match Program annual reports.

**Physical Facilities Trust Fund
Capital Renewal and Maintenance
Program Guidelines
2004-06**

Introduction

The Council on Postsecondary Education recommends a \$15 million bond issuance for the Capital Renewal and Maintenance Program in the Physical Facilities Trust Fund. The bond proceeds and required matched by the institutions will be used to reduce deferred maintenance backlogs and address long-range facility renewal needs. As in previous biennia, the Council staff will work with the Finance and Administration Cabinet to provide the necessary documentation so that the bonds may be issued in January 2005.

The bond proceeds will be distributed to the institutions based on their educational and general square footage. These are the same guidelines and allocation method used in the 2000-02 Capital Renewal and Maintenance Program.

Use and Distribution of Capital Renewal and Maintenance Program Funds

1. Bond proceeds will be matched at varying rates by the institutions based on their efforts to maintain existing facilities. As shown on Tables B-4a and B-4b, the matching rates are based on the average useful life of capital renewal and maintenance projects completed from 1992 to 2002. Including the required institutional match, \$26.7 million in capital renewal and deferred maintenance projects will be funded. Eligible matching funds can include agency, private, or federal funds. Capital renewal projects that are completed as part of an energy performance contract will not qualify as matching funds.
2. The institution, prior to the release of the capital renewal program funds, must certify the availability of matching funds.
3. By August 1, 2004, each institution will submit a list of requested projects to be funded with the state bonds and the required institutional match. Requested projects must be included in the institution's 2004-10 capital plan submitted to the Capital Planning Advisory Board and the Council. Any project costing \$400,000 or more must be listed in the enacted 2004-06 Budget of the Commonwealth.

The Council will act on the institutions' proposals and report that action to the secretary of the Finance and Administration Cabinet for approval.

**Physical Facilities Trust Fund
Agency Bond Authority Allocation Guidelines
2004-06**

Introduction

The Council on Postsecondary Education recommends that the General Assembly authorize bonded debt authority to allow institutions to complete capital projects. The debt service will be paid from institutional funds. As in previous biennia, the Council staff will allocate the bond authority to the institutions, and will also work with the Finance and Administration Cabinet to provide the necessary documentation so that, if needed, the bonds may be issued in the first year of the biennium.

The bond authority will be distributed to the institutions based on their share of fall 2003 headcount enrollment. In March 2003, the Council staff and the institutions agreed on a method for distributing agency bond authority among institutions in a manner that is both equitable to the institutions and supportive of statewide priorities. These guidelines and the allocation method were used to allocate the 2002-04 Agency Bond Pool in May 2003.

Distribution of Agency Bond Pool Authority

1. The first step is to ask institutions to clarify their requests and priorities and to identify the specific revenue stream to be used for debt service.
2. Each institution must: 1) eliminate projects that have been completed or are no longer necessary to meet the previously identified need; 2) list each remaining project in specific order of priority; 3) list the date bonds will be issued; and 4) identify the specific revenues stream to be used for debt service. Any project costing \$400,000 or more must be listed in the enacted 2004-06 Budget of the Commonwealth.
3. By November 15, 2004, the Council will allocate the agency bond authority to the institutions and report that action to the secretary of the Finance and Administration Cabinet and to the Capital Projects and Bond Oversight Committee.

**Capital Renewal and Deferred Maintenance Program
Useful Life Summary for Projects Completed Between 1992-2002
September 30, 2003**

Summary Building System Baseline Information 1992 - 2002						
Institution Name	Site Improve Infrastructure	Exterior Closure Systems	Interior Constr and Finishes	Mechanical Sys.	Electrical Sys.	Average Percentage Useful Life
EKU	-	133.48%	146.67%	134.45%	228.00%	160.65%
KCTCS	128.89%	154.41%	81.25%	134.00%	123.72%	123.35%
KSU	127.78%	128.24%	124.00%	97.91%	103.08%	116.20%
MoSU	188.00%	126.71%	153.77%	151.85%	178.18%	152.63%
MuSU	160.83%	151.89%	145.24%	157.24%	147.69%	152.58%
NKU	63.45%	116.62%	128.88%	120.16%	93.00%	104.42%
UK (MC, LCC & Medical Center)	200.76%	163.11%	108.78%	151.38%	188.85%	162.58%
UofL	134.29%	148.28%	145.40%	137.08%	124.75%	137.96%
WKU	115.03%	133.95%	136.33%	154.97%	136.43%	135.34%

Average Useful Life

	Match Rate
1. Useful Life History: Less Than 90% of expected useful life	\$1 for \$1
2. Useful Life History: Greater than 90% but less than 105% of expected useful life	\$0.90 for \$1
3. Useful Life History: Greater than 105% but less than 120% of expected useful life	\$0.85 for \$1
4. Useful Life History: Greater than 120% but less than 136% of expected useful life	\$0.80 for \$1
5. Useful Life History: Greater than 136% of expected useful life	\$0.75 for \$1

**Capital Renewal and Deferred Maintenance Program
Useful Life Summary for Projects Completed Between 1992 and 2002
September 30, 2003**

Institution Name	Actual Useful Life of Building Systems Projects Completed Between 1992 and 2002 Compared to the Expected Useful Life					Allocation of Bond Proceeds 2002-04				Required Institutional Match
	Site Improvement Infrastructure	Exterior Systems	Closure and Finishes	Mechanical Systems	Electrical Systems	Average Percentage Useful Life	Total E & G Square Footage	Percent of Total Space	\$10 Million Bond Pool	
EKU	-	133.48%	146.67%	134.45%	228.00%	160.65%	1,622,904	8.9%	\$ 1,342,500	\$ 1,006,900
KCTCS	128.89%	154.41%	81.25%	134.00%	123.72%	123.35%	3,519,106	19.4%	2,911,000	2,328,800
KSU	127.78%	128.24%	124.00%	97.91%	103.08%	116.20%	505,449	2.8%	418,100	355,400
MoSU	188.00%	126.71%	153.77%	151.85%	178.18%	152.63%	963,903	5.3%	797,300	598,000
MuSU	160.83%	151.89%	145.24%	157.24%	147.69%	152.58%	1,372,181	7.6%	1,135,100	851,300
NKU	63.45%	116.62%	128.88%	120.16%	93.00%	104.42%	1,043,724	5.8%	863,400	777,100
UK (MC, LCC & Med. Center)	200.76%	163.11%	108.78%	151.38%	188.85%	162.58%	4,408,822	24.3%	3,647,000	2,735,300
UofL	134.29%	148.28%	145.40%	137.08%	124.75%	137.96%	2,501,870	13.8%	2,069,500	1,552,100
WKU	115.03%	133.95%	136.33%	154.97%	136.43%	135.34%	2,195,618	12.1%	1,816,200	1,453,000
Total							18,133,577	100.0%	\$15,000,100	\$ 11,657,900

Total Capital Renewal and Deferred Maintenance Funds

Average Useful Life

- | | Match Rate |
|--|----------------|
| 1. Useful Life History: Less Than 90% of expected useful life | \$1 for \$1 |
| 2. Useful Life History: Greater than 90% but less than 105% of expected useful life | \$0.90 for \$1 |
| 3. Useful Life History: Greater than 105% but less than 120% of expected useful life | \$0.85 for \$1 |
| 4. Useful Life History: Greater than 120% but less than 136% of expected useful life | \$0.80 for \$1 |
| 5. Useful Life History: Greater than 136% of expected useful life | \$0.75 for \$1 |

2004-06 Enrollment Growth and Productivity Program Guidelines

Introduction

The purpose of the Enrollment Growth and Productivity Program is to support increases in enrollment and productivity at Kentucky's postsecondary education institutions. The Council, in conjunction with the institutions, will establish enrollment and productivity goals as part of the *Key Indicators of Progress toward Postsecondary Reform in Kentucky*. These goals will reflect *2001-2006 Action Agenda* and House Bill 1 initiatives for Kentucky to reach national averages in educational attainment by the year 2020. The program also encourages systemwide improvement by rewarding cooperative efforts (for example, partnerships among public and independent colleges, P-12 schools, and communities) to better prepare high school students and adult learners for postsecondary education.

Objectives

- To provide a comprehensive framework to substantively support enrollment growth and to reward several dimensions of productivity and systemwide improvements in education preparation and participation.
- To provide support for undergraduate and graduate enrollment growth during the biennium as a supplement to institutional base funding provided by the benchmark funding model and to reward increases in minority student enrollment.
- To reward institutions for increased productivity by retaining and graduating more students and to reduce achievement gaps for underprepared students, students from disadvantaged counties, and minority students.
- To provide rewards for systemwide improvements in preparation and participation, reaching high school students and adult learners.

Allocation and Distribution Procedures

Program funds will be divided into three pools pending allocation and distribution to the institutions: (a) an enrollment growth pool; (b) a productivity pool; and (c) a systemwide award pool.

I. Enrollment Growth Pool

The enrollment growth pool supports increases in undergraduate and graduate enrollment, as well as increases in minority student enrollment at both levels. It provides funding for enrollment growth over the biennium not included in the benchmark funding

process and differentiates the costs of undergraduate and graduate instruction as called for by the *Points of Consensus*.

- The size of the enrollment growth pool will be determined by adding undergraduate and graduate benchmark funding need for new enrollments, adjusted proportionately depending on the actual appropriation level.
- The enrollment growth pool will be divided into three sub-pools: (a) an undergraduate growth sub-pool; (b) a graduate growth sub-pool; and (c) a diversity sub-pool.

A. Undergraduate Growth Sub-Pool

The undergraduate growth sub-pool supports increases in undergraduate enrollment during the first year of the biennium that are not funded through the benchmark funding process.

- The size of the undergraduate growth sub-pool will be determined by subtracting the diversity sub-pool from the enrollment growth pool, and multiplying the result by undergraduate funding need as a percentage of total need, rounded to the nearest thousand. Undergraduate funding need is a function of anticipated undergraduate enrollment growth (based on 2004 goals) and institutional benchmark funding objectives.
- The undergraduate growth sub-pool will be allocated based on each institution's proportion of total estimated undergraduate need and will be distributed based on the attainment of 2004 undergraduate headcount goals.
- Undergraduate enrollment measures will be based on the goals set for Key Indicator 2A, Number of Undergraduates.

B. Graduate Growth Sub-Pool

The graduate growth sub-pool supports increases in graduate enrollment during the first year of the biennium that are not funded through the benchmark funding process.

- The size of the graduate growth sub-pool will be determined by subtracting the diversity sub-pool from the enrollment growth pool, and multiplying the result by graduate need as a percentage of total need, rounded to the nearest thousand. Graduate funding need is a function of anticipated graduate enrollment growth (based on 2004 goals) and institutional benchmark funding objectives.
- The graduate growth sub-pool will be allocated based on each institution's proportion of total estimated graduate need and will be distributed based on the attainment of 2004 graduate headcount goals.
- Graduate enrollment includes graduate and first professional students and is measured as Key Indicator 2B, Number of Graduate/Professional Students.

C. Diversity Sub-Pool

The diversity sub-pool rewards institutions for increases in undergraduate and graduate minority student enrollment during the first year of the biennium.

- The size of the diversity sub-pool will be 5 percent of the enrollment growth pool up to a maximum of \$1.0 million.
- The diversity sub-pool will be allocated proportionately based on each institution's increase in undergraduate and graduate/first professional minority FTE enrollment (between 2003 and 2004) multiplied by a \$150 diversity premium. Each institution will receive its allocation, unless total diversity awards for all institutions exceed the sub-pool total, then distribution amounts will be reduced proportionately.
- Minority students include the IPEDS race/ethnic categories of African American, Asian or Pacific Islander, American Indian or Alaskan Native, and Hispanic.

II. Productivity Pool

The productivity pool encourages increases in educational attainment in Kentucky by rewarding institutions for increasing retention rates and the number of degrees conferred, and for reducing achievement gaps in underprepared students, students from target (disadvantaged) counties, and minority students.

- The size of the productivity pool will be ten percent of the enrollment growth pool, up to a maximum of \$2.0 million dollars.
- The productivity pool will be divided into three sub-pools: (a) a retention sub-pool; (b) a degrees conferred sub-pool; and (c) an achievement gap sub-pool.

A. Retention Sub-Pool

The retention sub-pool rewards institutions for increasing retention rates of first-time freshmen during the first year of the biennium.

- The size of the retention sub-pool will be 45 percent of the total productivity pool.
- The retention sub-pool will be allocated based on each institution's proportion of total undergraduate and graduate 2003 FTE enrollment and will be distributed based on the attainment of 2004 retention rate goals.
- Retention measures will be based on the goals set for Key Indicator 3A, One-Year Retention Rate of First-time Freshmen.

B. Degrees Conferred Sub-Pool

The degrees conferred sub-pool rewards institutions for increased degree production during the first year of the biennium.

- The size of the degrees conferred sub-pool will be 45 percent of the total productivity pool.
- The degrees conferred sub-pool will be allocated based on each institution's proportion of total undergraduate and graduate 2003 FTE enrollment and will be distributed based on the attainment of 2004-05 degrees conferred goals.
- The degrees conferred measure will correspond to Key Indicator 4C, Degrees Conferred.

C. Achievement Gap Sub-Pool

The achievement gap sub-pool rewards institutions for productivity gains in one of three institutionally selected student subpopulations during the first year of the biennium.

- The size of the achievement gap sub-pool will be 10 percent of the total productivity pool.
- The achievement gap sub-pool will be allocated based on each institution's proportion of total undergraduate and graduate 2003 FTE enrollment and will be distributed based on the attainment of 2004-05 achievement gap goals.
- Each institution will select one of three student subpopulations (i.e., minority students, students from target counties, or underprepared students), combined with one of two productivity measures (i.e., retention or degrees conferred), as its Achievement Gap measure. Underprepared students are defined as undergraduates scoring below 18 on the ACT. The performance of the subpopulation in the selected productivity area compared to the established goal will be the basis for distributing the funds.

III. Systemwide Award Pool

The systemwide award pool encourages cooperative efforts to increase college preparation and participation. These funds will provide incentives for institutions to more effectively assist in preparing high school students and adult learners to participate in postsecondary education.

- The size of the systemwide award pool will be 5 percent of the enrollment growth pool, up to a maximum of \$1.0 million dollars.
- The systemwide award pool will be divided into three sub-pools: (a) an ACT score sub-pool; (b) a high school to college sub-pool; and (c) a GED to college sub-pool.

A. ACT Score Sub-Pool

The ACT score sub-pool rewards institutions for helping Kentucky's high school seniors to meet or exceed the statewide goal for average ACT score during the second year of the biennium.

- The size of the ACT score sub-pool will be 33.3 percent of the total systemwide award pool.
- The ACT score sub-pool will be allocated based on each institution's proportion of total undergraduate and graduate 2003 FTE enrollment and will be distributed based on the attainment of the 2005 mean ACT score of high school seniors systemwide goal.
- The performance measure for this sub-pool is the average ACT score of Kentucky's high school seniors, or Key Indicator 1B. The systemwide goal for 2005 is a mean ACT score of 20.4 for high school seniors.

B. High School to College Sub-Pool

The high school to college sub-pool rewards institutions for helping to increase the proportion of Kentucky high school students who enroll in college within four years of their ninth grade year.

- The size of the high school to college sub-pool will be 33.3 percent of the total systemwide award pool.
- The high school to college sub-pool will be allocated based on each institution's proportion of total undergraduate and graduate 2003 FTE enrollment and will be distributed based on the attainment of the 2004 high school to college systemwide goal.
- The performance measure for this sub-pool will be based on the goal set for Key Indicator 2C, the proportion of Kentucky ninth graders who enroll in college within four years. The systemwide goal for 2004 is 40 percent of ninth graders enrolling in college within four years.

C. GED to College Sub-Pool

The GED to college sub-pool rewards institutions for helping to increase the proportion of Kentucky GED completers who enroll in college within two years of earning their credential.

- The size of the GED to college sub-pool will be 33.4 percent of the total systemwide award pool.
- The GED to college sub-pool will be allocated based on each institution's proportion of total undergraduate and graduate 2003 FTE enrollment and will be distributed based on the attainment of the 2004 GED to college systemwide goal.

- The performance measure for this sub-pool is the proportion of GED completers who enroll in any Kentucky postsecondary institution within two years, or Key Indicator 2D. The systemwide goal for 2004 is 21.2 percent of GED completers attending college within two years.

Unearned Funds

- Any unearned funds from the three pools may be distributed to institutions that exceed their undergraduate or graduate enrollment goals.
- The amount of unearned funds per FTE distributed to an institution shall not exceed the per FTE amount used to calculate that institution's original enrollment growth allocation.
- Any balances that still remain following the distribution of unearned funds will be carried forward in the funding program to the next biennium.

Timing of Fund Distributions

- Funds from the enrollment growth pool (including undergraduate growth, graduate growth, and diversity sub-pools) and from the retention rate sub-pool will be disbursed after July 1, 2005.
- Funds from the systemwide award pool (including ACT score, high school to college, and GED to college sub-pools) and from the degrees conferred funds and achievement gap sub-pools, as well as any unearned funds awarded to institutions that exceed their enrollment goals, will be distributed after January 1, 2006, to allow time for the necessary data to be collected and verified.
- The distributed funds will be recurring to the institutions.

Capital Budget Recommendation

Attachment C

Council on Postsecondary Education
November 3, 2003

2004-06 Capital Budget Recommendation

The Council staff recommends \$15 million in state bonds to fund the capital renewal and maintenance pool. Including a required match from the institutions, \$26.7 million in capital projects would be funded through this program. Debt service for the bonds is included in the Physical Facilities Trust Fund. Only projects involving educational and general facilities are eligible for funding from the pool. The projects would be authorized in 2004-05. Projects eligible for funding from the pool are included in Table C-1. The \$15 million will be allocated among the institutions based on their proportionate share of educational and general space as of fall 2002. See Table B-4a.

The Council staff also recommends \$378,362,200 of state bonds to construct new space and to renovate existing facilities (Table C-2). Included among the projects identified for renovation is \$11,200,000 for Hathaway Hall at Kentucky State University. The project is needed to fulfill the commitment of the Commonwealth in its Partnership Agreement with the U.S. Department of Education, Office for Civil Rights. The Council staff's recommendations for state funded capital projects are based on evaluation using the space need model, the Council's consulting architect's report, and institutional project priorities. (The consultant's report and the space needs model results are available on the Council's Web site.)

The Council staff also recommends institutionally funded capital projects that support the objectives of *The Kentucky Postsecondary Education Improvement Act of 1997* and the *2001-06 Action Agenda*. The Council staff recommends the following 2004-06 agency-funded projects:

- A \$432.7 million agency bond pool in 2004-05. This allows authorization and completion of each institution's priorities for agency bond funded capital projects. Projects eligible for funding from this pool are listed in Table C-3. The specific projects to be funded would be approved by the Council during the biennium and recommended to the secretary of the Finance and Administration Cabinet. (Attachment B-4a.)
- 2004-05 authorization for 591 agency-funded projects totaling \$1.6 billion to address life safety, major maintenance, equipment acquisitions, infrastructure repair and upgrades, and new construction. These projects

would be funded using agency, federal, private, or other non-state funds. These projects are shown in Table C-4.

- 2004-05 authorization for nine agency-funded projects totaling \$80 million to improve energy efficiency in campus buildings including energy equipment acquisitions and infrastructure repair and upgrades. These projects would be funded using third party financing techniques available through the Finance and Administration Cabinet and private contractors or other non-state funds. These projects are shown in Table C-5.
- The Council and Kentucky State University request reauthorization of the current allocation of agency bond authority (\$9.9 million) and current year authorization of \$569,160 state debt service and \$484,840 agency debt service to issue bonds for the renovation of the Young Hall Dormitory. This partnership is explained in Attachment C-6.

Table C-1

**2004-06 Capital Projects Recommendation
Capital Renewal and Replacement Pool
Projects Eligible for Funding**

Institution and Project Title	Project Scope
Eastern Kentucky University	
Minor Projects Pool	\$ 3,975,000
Kentucky State University	
Roof Repairs & Replacement (Exum/Combs/Bell Gym)	\$ 900,000
Bradford Hall Structural Repairs	900,000
Minor Projects Pool	5,970,000
KSU Subtotal	<u>\$ 7,770,000</u>
Kentucky Community and Technical College System	
Minor Projects Pool	\$73,125,000
Renov. HVAC System, SE Campus, Owensboro C&TC	625,000
Install Sprinkler Systems, West KY C&TC	600,000
Repairs to Allied Health Bldg., West KY C&TC	750,000
Install Fiber Optics, Allied Health Bldg., West KY C&TC	558,000
Renov. HVAC System - Strunk Bldg., Somerset CC	894,000
Renov. HVAC System - Meece Bldg., Somerset CC	859,000
KCTCS Subtotal	<u>\$ 77,411,000</u>
Morehead State University	
Minor Projects Pool	\$11,745,000
Murray State University	
Minor Projects Pool	\$19,084,000
Upgrade Campus Electrical Distribution System	8,453,000
Repair Stewart Stadium - Structural	2,000,000
MuSU Subtotal	<u>\$21,084,000</u>
Northern Kentucky University	
Replace Air Handlers	\$875,000
Replace Power Distribution Infrastructure	3,700,000
Repair Structure of Landrum Hall Phase II	900,000
Replace Elevators Landrum/Lucas Admin	900,000
Minor Projects Pool	2,300,000
NKU Subtotal	<u>\$8,675,000</u>
University of Kentucky	
Improve Life Safety Project Pool	\$5,290,000
Capital Renewal Pool	15,000,000

Table C-1

**2004-06 Capital Projects Recommendation
Capital Renewal and Replacement Pool
Projects Eligible for Funding**

Institution and Project Title	Project Scope
Upgrade Fume Hoods TH Morgan - Life Safety	2,738,000
Upgrade Fume Hoods Research #3 - Life Safety	4,825,000
Upgrade HVAC - CAER Ph. III - Life Safety	475,000
Upgrade Pharm. Fume Hood I-Life Safety	4,300,000
Improve Indoor Air Quality - Phase I - Life Safety	500,000
Abate Asbestos - Lexington Campus II - Life Safety	500,000
Improve Accessibility Project Pool	437,000
Replace Steam And Condensate Pipe	5,000,000
Replace Air Handling Units in Research #1	950,000
Upgrade Elevator Controls in Nursing Building	600,000
Fit-Up 3rd Floor Lab Zone in BBSRB	8,000,000
Fit-UP 4th Floor in BBSRB	11,000,000
Improve Central Heating Plant	4,000,000
Install Chilled Water Pipe-Clg2 To Pit	1,500,000
Replace Mathews Building HVAC	1,000,000
Replace HVAC Slone Building	2,320,000
Replace HVAC Kastle Hall	3,000,000
Replace Fine Arts HVAC	3,000,000
Expand Plant Capacity/Infrastructure	23,000,000
Replace Steam Line Medical Center Heating - Hospital Drive Pit #2	1,180,000
Replace Steam Line Lime Tunnel - Main Gate Pit	1,690,000
Replace Steam Line Lime Tunnel - Patterson Office Tower Tunnel	730,000
Install Steam Line BBSRB - Old Main Gate Pit	4,130,000
Replace Steam Line Main Gate Pit-Anderson Pit	1,530,000
Replace Steam Line Kastle - Chemistry/Physics Pit 28	740,000
Install Pollution Controls	1,740,000
Replace Chemistry Physics Ductwork	2,000,000
Replace Central Fire Alarm System	2,500,000
Renovate Substation#2	2,780,000
Improve Storm Sewer Funkhouser	1,103,000
Install Cooling Secondary Pumping	2,500,000
Replace Cooling Plant Chillers	6,000,000
Replace McVey Hall HVAC	3,000,000
UK Subtotal	\$ 129,058,000

University of Louisville

**2004-06 Capital Projects Recommendation
Capital Renewal and Replacement Pool
Projects Eligible for Funding**

<u>Institution and Project Title</u>	<u>Project Scope</u>
Capital Renewal Pool and Code Improvements	\$ 20,488,000
Western Kentucky University	
Renovate Electrical Distribution - Phase V	3,747,000
Repair Mold and Moisture Damage (life safety)	1,612,000
Minor Projects Pool	8,316,000
Life Safety Improvements, Center for Research and Development	500,000
WKU Subtotal	<u>14,175,000</u>
System Total	294,381,000

**Capital Project Recommendations
State General Fund
2004-06**

	<u>Project Scope</u>	<u>Bonds or State Funds</u>	<u>Agency Bonds or Inst. Funds</u>	<u>Debt Service</u>
<i>Research Space</i>				
University of Kentucky				
Construct Biological/Pharmaceutical Complex	\$ 119,892,000	\$ 71,935,200	\$ 47,956,800	\$ 6,858,000
University of Louisville				
Health Science Campus Research Facilities Phase III	\$98,000,000	\$58,800,000	\$39,200,000	\$ 5,606,000
<i>Total Research Space</i>	\$ 217,892,000	\$ 130,735,200	\$ 87,156,800	\$ 12,464,000
<i>New Construction</i>				
KCTCS				
Ashland TC Regional Postsecondary Education Center Phase I	28,690,000	28,690,000		2,736,000
Henderson CC Tri-County Technical Center	13,066,000	13,066,000		1,246,000
Owensboro CC Advanced Technology Center Phase II	24,088,000	24,088,000		2,297,000
Madisonville CC Technology Building Phase I	12,500,000	12,500,000		1,193,000
Franklin/Simpson Technology Center	11,984,000	11,984,000		1,143,000
<i>Total KCTCS</i>	\$90,328,000	\$90,328,000		\$8,615,000
UK Lexington Community College				
Construct LCC Classroom/Class Lab Building	28,855,000	28,855,000		2,751,000
Eastern Kentucky University				
Construct Business/Technology Center Phase II	32,850,000	32,850,000		3,132,000
Construct Manchester Postsecondary Ed. Center Phase I	10,000,000	10,000,000		953,000
Morehead State University				
Construct MSU-NASA Space Science Center	12,200,000	12,200,000		1,164,000
<i>Total new Construction</i>	\$359,275,000	\$272,118,200	\$87,156,800	\$25,947,000
KCTCS - Renovations and Repairs				
Prestonsburg/Mayo Renovate District Facilities	5,626,000	5,626,000		539,000
Somerset Renovate Aircraft Maintenance Lab	1,468,000	1,468,000		145,000
<i>KCTCS Renovation Subtotal</i>	\$ 7,094,000	\$ 7,094,000		\$ 684,000

Capital Project Recommendations
State General Fund
2004-06

	<u>Project Scope</u>	<u>Bonds or State Funds</u>	<u>Agency Bonds or Inst. Funds</u>	<u>Debt Service</u>
<i>Comprehensive Universities - Renovation and Repairs</i>				
Kentucky State University				
Renovate Hathaway Hall Classroom Building	11,200,000	11,200,000		1,068,000
Murray State University				
Blackburn Science Replacement - Phase II	22,250,000	22,250,000		2,121,000
Northern Kentucky University				
Old Science Building Renovation	17,700,000	17,700,000		1,688,000
Western Kentucky University				
Thompson Sc. Complex Replacement/Renovation - Phase II	33,000,000	33,000,000		3,146,000
Total Renovations and Repairs	\$ 91,244,000	\$ 91,244,000	\$	8,707,000
<i>Systemwide Capital Pools (Matching)</i>				
Capital Renewal and Maintenance Pool (matching)	15,000,000	15,000,000		1,431,000
System Total	\$465,519,000	\$378,362,200	\$ 87,156,800	\$36,085,000

**2004-06 Capital Projects Recommendation
Agency Bond Pool
Projects Eligible for Funding**

Institution and Project Title	Project Scope	Agency Bonds	Other Funds
Eastern Kentucky University			
Construct New Intramural Fields	\$ 2,300,000	\$ 2,300,000	
Renovate Residence Hall	7,500,000	7,500,000	
EKU Subtotal	<u>\$ 9,800,000</u>	<u>\$9,800,000</u>	<u>\$ -</u>
Kentucky State University			
Construct New Residence Hall	<u>\$20,000,000</u>	<u>\$20,000,000</u>	<u>\$ -</u>
Morehead State University			
Construct Parking Structure	\$6,500,000	\$6,500,000	
Comply with ADA - Auxiliary Facilities	1,200,000	1,200,000	
Construct Family Housing Complexes - Phase II	4,700,000	4,700,000	
MoSU Subtotal	<u>\$12,400,000</u>	<u>\$12,400,000</u>	<u>\$ -</u>
Murray State University			
Construct New Dormitories	\$10,154,000	\$10,154,000	
Repair Winslow Cafeteria Exterior	1,000,000	1,000,000	
Replace Richmond Hall	8,000,000	8,000,000	
Replace Clark Hall	8,000,000	8,000,000	
Replace Franklin Hall	8,000,000	8,000,000	
Replace Clark Hall water piping, fixtures, etc.	1,000,000	1,000,000	
Replace Franklin Hall water piping, fixtures, etc.	1,000,000	1,000,000	
Replace Springer Hall water piping, fixtures, etc.	1,250,000	1,250,000	
Replace White Hall domestic water piping	500,000	500,000	
Replace Richmond Hall water piping, fixtures, etc.	1,000,000	1,000,000	
Replace Regents Hall domestic water piping	500,000	500,000	
Upgrade College Courts Electrical System	1,200,000	1,200,000	
Renovate College Courts	3,636,000	3,636,000	
Renovate College Courts Interiors (12 Buildings)	2,000,000	2,000,000	
Remove Elizabeth Hall Asbestos Ceiling	450,000	450,000	
Remove Hester Hall Asbestos Ceiling	450,000	450,000	
MuSU Subtotal	<u>\$48,140,000</u>	<u>\$48,140,000</u>	<u>-</u>
Northern Kentucky University			
Construct New Student Union	\$32,800,000	\$28,000,000	\$ 4,800,000
Construct New Parking Deck Phase II	9,700,000	9,700,000	
NKU Subtotal	<u>\$42,500,000</u>	<u>\$37,700,000</u>	<u>\$ 4,800,000</u>

**2004-06 Capital Projects Recommendation
Agency Bond Pool
Projects Eligible for Funding**

Institution and Project Title	Project Scope	Agency Bonds	Other Funds
University of Kentucky and Lexington Community College			
Construct Biological/Pharmaceutical Complex	\$119,892,000	\$47,956,800	\$71,935,200
Renovate Outpatient Clinic in Kentucky Clinic	2,237,000	2,237,000	
Construct New Housing	49,991,000	49,991,000	
Construct Parking Structure - Central Campus	17,000,000	17,000,000	
Construct Parking Structure - North Campus	25,248,000	25,248,000	
Construct New Alumni Center	15,250,000	15,250,000	
Renovate School of Public Health Building	3,751,000	3,751,000	
Expand Patient Parking in Structure #3	7,000,000	7,000,000	
Renovate Imaging Center in Kentucky Clinic	2,000,000	2,000,000	
Renovate Research Labs in Medical Center III	1,000,000	1,000,000	
Upgrade Electrical Substation	4,000,000	4,000,000	
Renovate Research Labs in Medical Center, IV	1,250,000	1,250,000	
Renovate Research Space Medical Center, I	1,500,000	1,500,000	
Install HVAC in Keeneland Hall	5,109,000	5,109,000	
Replace Holmes Elevator	641,000	641,000	
Install Commons Elevator	400,000	400,000	
UK Subtotal	<u>\$256,269,000</u>	<u>\$184,333,800</u>	<u>\$0</u>
University of Louisville			
Construct HSC Research Facility - Phase III	\$ 98,000,000	\$39,200,000	\$58,800,000
Renovate - Shelby Campus Infrastructure	8,740,000	8,740,000	
Purchase - Third Street & Central Avenue Property	3,100,000	3,100,000	
Construct - Baseball Stadium	5,003,000	5,003,000	
Construct - Basketball Practice Fac. & Office Renovation	8,500,000	8,500,000	
Purchase - Support Service Land & Buildings (Northeast Quadrant-Belk)	4,632,000	4,632,000	
Renovate - University Housing Capital Renewal, Phase I	3,210,000	3,210,000	
Construct HSC Parking Structure II	14,440,000	14,440,000	
UofL Subtotal	<u>\$145,625,000</u>	<u>\$86,825,000</u>	<u>\$58,800,000</u>
Western Kentucky University			
Design/Renovate Downing University Center	\$ 7,000,000	\$ 7,000,000	
Design/Construct Student Health Services Building	4,000,000	4,000,000	
Design/Renovate and Expand South Campus	11,500,000	11,500,000	
Renovate Schneider Hall	11,000,000	11,000,000	
WKU Subtotal	<u>\$ 33,500,000</u>	<u>\$ 33,500,000</u>	<u>\$0</u>
System Total	\$ 568,234,000	\$ 432,698,800	\$ 63,600,000

**2004-06 Capital Projects Recommendation
Restricted Agency Funds**

Institution/Institution Priority / Project Title	Project Scope
Eastern Kentucky University	
1 Expand & Renovate Presnell Building	\$ 2,000,000
2 Expand Indoor Tennis Facility	1,000,000
3 Purchase of Property	3,000,000
4 Renovate Watts Property (Elmwood)	2,000,000
5 Renovate Student Health Center	2,072,000
6 Purchase Networked Education System Component	6,950,000
7 Upgrade Academic Computing	4,900,000
8 Purchase Minor Projects Equipment	5,000,000
9 Expand, Upgrade Campus Data Network	13,212,000
10 Upgrade Administrative Computing System	3,150,000
11 Purchase Fourier Trans. Nuc. Mag. Res. Spectrometer	135,000
12 Construct E&G Life Safety Begley Elevator	750,000
EKU Subtotal	\$ 44,169,000
Kentucky State University	
1 Alumni Stadium Structural Repair	\$ 400,000
2 Expand Cooperative Extension Building (Additional budget)	3,353,000
3 Softball Field	500,000
4 Telecommunication Equipment	1,352,000
5 Bradford Hall Structural Repair	900,000
6 Extend Fiber Network to South Campus	839,000
7 Implement Smart Card Technology	1,165,000
8 Add New Chiller	2,392,000
9 Hill Student Center 3rd Floor Build-out	600,000
KSU Subtotal	\$ 11,501,000
Kentucky Community and Technical College System	
1 System - Information Technology Infrastructure Upgrade	\$ 12,000,000
2 System - Master Plan Development & Upgrade	650,000
3 Purchase Diagnostic Medical Sonography Unit, West KY C&TC	110,000
4 Purchase Multi-Engine Aircraft, Somerset CC, South Campus	575,000
5 KCTCS Property Acquisition Pool	1,100,000
6 Const. Area 9 Training Bldg, State Fire & Rescue	537,000
KCTCS Subtotal	\$ 14,972,000
Morehead State University	
1 Expand Life Safety - Claypool-Young Building	\$ 500,000
2 Comply with ADA - E&G Facilities	1,700,000
3 Purchase Instructional Tech Initiatives	1,866,000
4 Purchase Instructional & Support Facilities	1,334,000
5 Expand Student Wellness Center	1,000,000
6 Purchase HPLC-Mass Spectrometer	140,000
7 Enhance Network/Infrastructure Resources	2,250,000
8 Enhance Library Automation Resources	750,000
9 Enhance Distance Learning Systems	2,500,000
10 Expand Compressed Video Resources	2,200,000

**2004-06 Capital Projects Recommendation
Restricted Agency Funds**

Institution/Institution Priority / Project Title	Project Scope
11 Upgrade Instruct. PCs/LANS/Peripherals	2,500,000
12 Purchase Scanning Electron Microscope	173,000
13 Upgrade Administrative Office Systems	2,000,000
14 Reconstruct Central Campus	780,000
15 Acquire Land Related to Master Plan	2,000,000
16 Purchase ICP-OES	110,000
17 Purchase Tour Bus	400,000
18 Replace Steam Line	500,000
19 Replace Boiler Tubes	800,000
20 Replace Bag House	2,000,000
21 Auxiliary Minor Projects Pool	3,326,000
MoSU Subtotal	\$ 28,829,000
Murray State University	
1 Construct Public Safety Building	\$ 1,500,000
2 Replace Breathitt Veterinary Center Incinerator	1,500,000
3 Acquire Land	1,000,000
4 Install 350 Ton Chiller - Regional Special Events Center	580,000
5 Install Baseball Field & Stadium Sidewalk Lights	600,000
6 Replace Campus Communications Infrastructure	2,500,000
7 Replace Telephone Switching System	1,525,000
8 Replace Student Writing & Design Lab Computers	414,000
9 Upgrade campus Network to Gigabit Ethernet System	1,469,000
10 Install Online Centralized Data Access/Warehouse	520,000
11 Establish Centralized Technology Refresh Program	2,600,000
12 Purchase BVC Electron Microscope-Scanning Type	300,000
MuSU Subtotal	\$ 14,508,000
Northern Kentucky University	
1 Upgrade AS&T Instructional Space	3,100,000
2 Office Space Lease	225,000
3 Purchase Land (2004-2006)	3,000,000
4 Initiate Phase II of Master Plan	2,200,000
5 Enhance Information Technology Infrastructure	2,700,000
6 Enhance Instructional Information Technology Infrastructure	3,600,000
7 Construct Alumni Center	5,100,000
8 Construct Sports Complex	12,000,000
9 Lease/Purchase Coach Bus	375,000
10 Lease/Purchase Direct Image Platesetter	150,000
11 Lease/Purchase Large Format Color Press	285,000
12 Reconstruct Central Plaza	4,400,000
13 Expand Regents Hall	1,300,000
14 Replace Administrative Application System	3,600,000
15 Instructional Space Lease	350,000
16 Renovate/Expand Landrum Hall - Design	700,000
NKU Subtotal	\$ 43,085,000

**2004-06 Capital Projects Recommendation
Restricted Agency Funds**

Institution/Institution Priority / Project Title	Project Scope
University of Kentucky - University System	
1 Construct Gatton Building Complex - Design	\$4,500,000
2 Construct Law School Building - Design	4,000,000
3 Purchase/Ren Facility for College of Design	16,528,000
4 Construct Digital Technologies Building - Design	3,000,000
5 Expand Plant, Soil and Envir. Sciences Facilities - Design	1,500,000
6 Expand Chemistry Physics Building - Design	5,500,000
7 Expand and Upgrade Livestock Disease Diagnostic Center	8,500,000
8 Construct Bio-Medical Research Building - Design	6,000,000
9 Construct Early Childhood Development & Family Ctr	9,956,000
10 Expand KGS Well Sample and Core Repository	3,759,000
11 Renovate Sections of Funkhouser	4,923,000
12 Construct Student Health Facility	21,801,000
13 Renovate Running Track	2,500,000
14 Lease Purchase High Performance Research Computing	6,500,000
15 Construct Medical Center Education Building	27,000,000
16 Construct Environmental Institute	14,287,000
17 Expand/Renovate Art Museum in Singletary Center	10,075,000
18 Upgrade Pilot-scale Mineral Processing Facility	500,000
19 Lease Purchase Large Scale Computing	3,500,000
20 Renovate the COHR in the Dental Building	1,875,000
21 Expand CAER Laboratories	3,833,000
22 Lease Purchase Enterprise Storage System	1,200,000
23 Purchase Thermal Conductivity/Diffusivity Instrument	210,000
24 Purchase Two CT Scanners	1,300,000
25 Purchase Hydrocarbon Analysis System	120,000
26 Lease Purchase UPS System	800,000
27 Purchase Pharmaceutical Analysis System	200,000
28 Purchase High Resolution Optical Microscope	110,000
29 Purchase Billing/Patient Management Software	1,300,000
30 Upgrade Electric & Lighting in Guignol Theater	890,000
31 Purchase Environmental Scanning Probe Microscope/AFM-STEM	480,000
32 Lease Purchase Campus Infrastructure Upgrade	3,500,000
33 Purchase Laser Ablation Sampling Sys.	200,000
34 Lab Security Systems Project Pool	500,000
35 Purchase PET Scanner	1,500,000
36 Renovate 3rd Floor Little Library	2,200,000
37 Purchase FTIR Microscope w/ mapping	105,000
38 Install Emergency Generator Central Computing Facility	425,000
39 Renovate Medical Center Library	5,500,000
40 Renovate M. I King Library South - 1930 section	17,901,000
41 Purchase Hi-resolution FTIR Imaging System	160,000
42 Acquire Land	15,000,000
43 Renovate Practice Instruction Space in Pharmacy	3,200,000
44 Purchase ESCA-X-ray Photoelectron Micro.	400,000

**2004-06 Capital Projects Recommendation
Restricted Agency Funds**

Institution/Institution Priority / Project Title	Project Scope
45 Lease/Purchase Apartment Complex	11,000,000
46 Lease Kentucky Utilities Building	-
47 Replace Air Handling Units Central Computing Facility	510,000
48 Renovate Graduate Education and Research Space in Nursing	1,600,000
49 Renovate Bowman Hall	8,221,000
50 Purchase Pharmaceutical Development Instrument	183,000
51 Renovate Reynolds Building	12,310,000
52 Lease Purchase Pool	2,515,000
53 Lease Purchase Data Warehouse	600,000
54 Purchase Server/Workstation for Software	400,000
55 Renovate Taylor Education Building	17,864,000
56 Purchase Common Room Package	250,000
57 Renovate Kastle Hall	8,269,000
58 Lease Purchase Tape Library	500,000
59 Purchase Open MRI Unit	800,000
60 Expand Grehan Journalism Building	12,740,000
61 Purchase Microscope	165,000
62 Expand Animal Science Research Center - Phase II	23,184,000
63 Renovate Central Computing Facility.	2,360,000
64 Renovate Koinonia House	1,950,000
65 Lease Purchase Fire Suppression Upgrade	850,000
66 Renovate Slone Building	7,993,000
67 Purchase Police Communications Equipment	571,000
68 Purchase Upgraded Integrated Library System	700,000
69 Lease Purchase Network Security Hardware	1,500,000
70 Fit-Up Education Space in Health Science Building	1,000,000
71 Purchase Electron Spin Resonance Instrument	220,000
72 Purchase High Res Transmission Electron Microscope	2,500,000
73 Lease Purchase Telephone Switch Convergence	12,000,000
74 Purchase Digital Media Distribution System	186,000
75 Construct Multi-purpose Room	4,000,000
76 Replace Nutter Football Field	2,000,000
77 Construct Basketball Practice Facility	25,500,000
78 Renovate Commonwealth Stadium Concrete	2,500,000
79 Purchase Studio Recording Equipment	113,000
80 Lease Purchase Unix Cluster	600,000
81 Upgrade Network for Software	250,000
82 Purchase Scanning Electron Microscope	500,000
83 Purchase Garbage Truck Front Loader	175,000
84 Purchase Integrated Imaging System	130,000
85 Purchase DNA Microarray Facility	300,000
86 Lease Purchase Video Switch Expansion	250,000
87 Purchase Three Ultrasound Units	450,000
88 Purchase Focused Ion Beam Machine (FIB)	500,000
89 Replace Law Building Marble Façade	838,000

**2004-06 Capital Projects Recommendation
Restricted Agency Funds**

Institution/Institution Priority / Project Title	Project Scope
90 Construct Multi-Care Clinic Building	20,500,000
91 Purchase Network Infrastructure Restructuring	160,000
92 Lease Purchase UPS Upgrade For Communications	800,000
93 Purchase GIS Teaching Lab	160,000
94 Replace Central Facilities Management System	3,000,000
95 Renovate Photography Space in Nursing Bldg	650,000
96 Purchase 500 MHz NMR Spectrometers	1,000,000
97 Purchase Automated DNA Sequencer/Genetic Analyzer	150,000
98 Upgrade the Vivarium in Sanders Brown Building	4,000,000
99 Purchase Redundant Disk Server System	170,000
100 Renovate Labs in Pharmacy Building	4,000,000
101 Purchase High Resolution Laser System	350,000
102 Construct Regional BL3/BL4 Facility	50,000,000
103 Purchase Confocal Microscope	250,000
104 Renovate Facade - Agriculture Building North	4,000,000
105 Purchase Cryoprobe for a 600 MHz NMR	200,000
106 Purchase HPLC	145,000
107 Purchase Instructional Video Studio	250,000
108 Purchase COHR Oral Health Assessment System	150,000
109 Purchase Multi-Collector Inductively Coupled Mass Spectrometer	850,000
110 Purchase Facscan for Flow Cytometry	140,000
111 Purchase Fluorescent Cell Sorter	200,000
112 Renovate Animal Facility in Tobacco & Health Bldg	1,500,000
113 Purchase Laser Photoelectron System	280,000
114 Purchase Dedicated Supercomputer	330,000
115 Replace Master Clock And Bell System	1,500,000
116 Expand Ophthalmology Clinic in Medical Plaza	582,000
117 Purchase Gas-Source Isotope-Ratio Mass Spect	190,000
118 Repair Concrete Phase I General Campus	750,000
119 Renovate Imaging Center, I	530,000
120 Purchase Physiology Workstation	101,000
121 Repair Blacktop Phase I General Campus	750,000
122 Purchase DNA Sequencer	135,000
123 Renovate Education Space in Med Science Bldg	2,300,000
124 Purchase Ultra High Vacuum System	250,000
125 Install Chilled Water Pipe To South Campus	5,000,000
126 Renovate Research Labs in Medical Center, I	750,000
127 Purchase 300 MHz Console	270,000
128 Install Chilled Water Additions General Campus	1,000,000
129 Renovate Imaging Center, II	530,000
130 Purchase Shared Desktop Environment	250,000
131 Install Medical Center Chilled Water Loop	700,000
132 Purchase Thermal Ionization Mass Spectrometer	650,000
133 Replace High Voltage Wiring	775,000
134 Renovate Research Labs in Medical Center, II	900,000

**2004-06 Capital Projects Recommendation
Restricted Agency Funds**

Institution/Institution Priority / Project Title	Project Scope
135 Purchase DNA Sequencer	125,000
136 Purchase DNA Chip Analysis System	160,000
137 Purchase HPLC Mass Spectrometer	400,000
138 Purchase Two Digital Radiology Units	1,100,000
139 Purchase Phospho/Fluoro Imager	150,000
140 Purchase Encapsulator	151,000
141 Purchase DNA Sequencer/Genetic Analyzer	110,000
142 Purchase COHR Ultracentrifuge w/ Rotors	150,000
143 Purchase External Systems Monitoring	100,000
144 Replace Three Elevators M. I. King Library South	975,000
145 Purchase Nucleic Acid Workstation	150,000
146 Purchase X-Ray Laue Camera	150,000
147 Renovate Barker Hall	5,060,000
148 Purchase CT Scanners	650,000
149 Purchase Flow Cytometer	108,000
150 Add Centralized Emergency Generator	5,034,000
151 Upgrade Communication Infrastructure, II	450,000
152 Purchase Helium Liquefier and Recovery System	500,000
153 Renovate Teaching Space in Medical Plaza	500,000
154 Purchase Oxymax Open circuit Calorimeter	120,000
155 Renovate Faculty Office Space in Medical Center	500,000
156 Purchase Inductive Coupled Spec Sys	120,000
157 Renovate Foundation Offices in MRISC Building	500,000
158 Purchase Analytical Biosensor	295,000
159 Renovate Breast Clinic in MRISC Building	520,000
160 Purchase DNA Sequencer/Genetic Analyzer	121,000
161 Renovate Vivarium in Central DLAR Facility	2,000,000
162 Purchase Automated Nucleic Acid Extraction & PCR Station	150,000
163 Renovate Vivarium in Combs Building	600,000
164 Purchase Inductive Coupled Plasma Spec.	120,000
165 Renovate Safety & Security Building	1,645,000
166 Renovate DLAR General Offices in Medical Center	400,000
167 Purchase Laser Based Total Image Analysis System	113,000
168 Lease Purchase UK/UofL/Frankfort Research Network	6,000,000
169 Purchase Fluorescence Analyzer	109,000
170 Purchase Mass Spectrometer	200,000
171 Lease Purchase ERP System - reauthorization and scope increase from \$30 million to \$40 million	10,000,000
172 Purchase MRI Scanners	3,600,000
173 Purchase Confocal Microscope	600,000
174 Purchase GC Mass Spectrograph	186,000
175 Purchase Fluorescence Activ. Cell Sorter	220,000
176 Purchase Ultrasound Units	150,000
177 Purchase HPLC/Mass Spectrophotometer System	200,000
178 Purchase High Perf. Liq. Chromatography	131,000

**2004-06 Capital Projects Recommendation
Restricted Agency Funds**

Institution/Institution Priority / Project Title	Project Scope
179 Purchase Two Digital Radiology Units	1,100,000
180 Purchase Laser Capture Micro dissection system	126,000
181 Purchase Liquid Filling/Stoppering Line	351,000
182 Purchase NIR Spectrophotometer	125,000
183 Purchase Four PACS Workstations	480,000
184 Purchase Plant/Microbial Growth Chamber	100,000
185 Purchase Semi-Solid Manufacturing Equip.	211,000
186 Purchase Confocal Microscope	400,000
187 Purchase Two Mammography Units	900,000
188 Purchase LCMS instrument system	225,000
189 Purchase Terminal Sterilizing Autoclave	221,000
190 Purchase Virtual Environment Simulator	138,000
191 Purchase Breast Ultrasound Unit	120,000
192 Purchase Transmission Elec. Microscope	250,000
193 Purchase Gas Chromatograph Mass Spect.	110,000
194 Purchase Plot Combine	130,000
195 Purchase Ovarian Cancer Ultrasound	150,000
196 Purchase Plant/Microbial Growth Chamber	100,000
197 Purchase Digital Radiology Unit	550,000
198 Purchase Quadra pole Mass Spec.	360,000
199 Purchase Two Pacs Workstations	240,000
200 Purchase Combustion Analyzer System	100,000
201 Purchase Radiology Information Center	300,000
202 Purchase Plot Combine	125,000
203 Purchase 3T MR Imager	3,500,000
204 Purchase Plant/Microbial Growth Chamber	100,000
205 Upgrade Scanner System	500,000
206 Purchase DNA Chip Analysis System	160,000
207 Purchase Dual Photon Confocal Microscope	300,000
208 Purchase Bioinformatics Analysis Equipment	150,000
209 Purchase Forage Harvester System	150,000
210 Purchase 4-D Ultrasound Machine	200,000
211 Purchase Plot Combine w/Weighing System	135,000
212 Purchase Confocal Microscope	325,000
213 Purchase 2D-Electrophoresis Set-up	238,000
214 Purchase Transmission Elec. Microscope	375,000
215 Purchase DNA Sequencer	148,000
216 Purchase Fluorescent Scope and Metophase	120,000
217 Purchase Image Analysis System	168,000
218 Purchase High Resolution Phosphor Imager	235,000
219 Purchase Axiovision	100,000
220 Purchase Robotic Platform	120,000
221 Purchase Camera for Transmission/Scanning Elect.	105,000
222 Purchase Fluorescence Activated Cell Sorter	225,000
223 Purchase Combination PET/CAT Scanner	2,525,000

**2004-06 Capital Projects Recommendation
Restricted Agency Funds**

Institution/Institution Priority / Project Title	Project Scope	
224	Purchase Ultracentrifuge	110,000
225	Purchase Mammography Unit	775,000
226	Purchase Confocal Microscope	500,000
227	Purchase Automated DNA Sequencer	130,000
228	Purchase Mass Spectrometer	450,000
229	Purchase Mass Spectrometer	300,000
230	Purchase Robotics Pipetter System	104,000
231	Purchase DNA Sequencer Machine	125,000
232	Purchase Mouse PET Scanner	385,000
233	Purchase Real Time PCR Machine	165,000
234	Purchase Genesis Workstation	425,000
235	Purchase DNA Sequencer	420,000
236	Purchase Microscope with Imaging	135,000
237	Purchase ABI Prism Sequence Detect. Sys.	110,000
238	Purchase ORCA Robot-on-Rail	100,000
239	Purchase Behav. Monitor. & Analysis Sys.	150,000
240	Purchase Information & Decision Management Station	100,000
241	Purchase Chain Reaction Analyzer	150,000
242	Purchase Digital Nanochip Enzyme Sequencing Machine	500,000
243	Purchase NanoChip System	350,000
244	Purchase Compressed Video-Hazard	141,000
245	Purchase Multiplex QPCR System	100,000
246	Purchase Electron Microscope	325,000
247	Purchase RevPrep Orbit Workstation	100,000
248	Purchase DNA Microarray System	285,000
249	Purchase MegaPix2	300,000
250	Purchase GelPix	300,000
251	Purchase Typhoon Variable Mode Imager	118,000
252	Purchase Remote Television Production Vehicle	595,000
253	Purchase Electro physiologic Analysis System	207,000
254	Purchase DNA Sequencer	420,000
255	Purchase Digital Television Production Equipment	2,900,000
256	Purchase Flow Cytometry Lab Equipment	375,000
257	Renovate Erikson Hall	6,001,000
258	Purchase Fluor. Micro. & Image Analy.	150,000
259	Expand West Kentucky Research and Education Center	4,000,000
260	Purchase Fluorescent Activated Cell Sorter	237,000
261	Renovate Bradley Hall	5,216,000
262	Purchase Digital Education Equipment	1,900,000
263	Purchase Image Analyzer System	206,000
264	Construct Gluck Equine Research Center - Phase II	29,835,000
265	Purchase Inverted Scope	110,000
266	Addition to Lafferty Hall	5,195,000
267	Purchase Laser Confocal Microscope	312,000
268	Upgrade Sound and Lighting for Singletary Center	680,000

**2004-06 Capital Projects Recommendation
Restricted Agency Funds**

Institution/Institution Priority / Project Title	Project Scope	
269	Purchase Multiphoton Imaging System	505,000
270	Upgrade Communications Infrastructure in Young Library	2,601,000
271	Purchase Multiphoton Scanning Microscope	300,000
272	Construct Horticulture Research & Education Facilities	1,600,000
273	Purchase Open MRI Unit	1,000,000
274	Expand Erikson Hall	18,741,000
275	Purchase Patient Classification Equipment	260,000
276	Purchase Sequence Detection System	110,000
277	Construct UK Paducah Engineering Research Center	1,000,000
278	Purchase Telemedicine Rural Health	416,000
279	Purchase Ultracentrifuge	117,000
280	Construct KY Transportation Center Building	23,199,000
281	Purchase X-ray Defractometer	700,000
282	Purchase Compact Shelving for Med Center Library	550,000
283	Construct University Conference Center	19,605,000
	UK-US Subtotal	\$ 697,043,000
University of Kentucky - Hospital		
1	Expand Surgical Services - Hospital	3,531,000
2	Purchase/Lease Ambulance	180,000
3	Create Universal Nursing Unit - Hospital	964,000
4	Purchase Angiography Unit	1,740,000
5	Construct Patient Bed Tower - Hospital	216,774,000
6	Purchase Angiography Unit	1,276,000
7	Upgrade Output Surgical Suite - Hospital	2,500,000
8	Purchase Gamma Knife	2,330,000
9	Modify Nursing Unit XI - Hospital	1,160,000
10	Purchase Cardiac Cath. Image Mgmt. Sys.	957,000
11	Modify Nursing Unit XII - Hospital	3,936,000
12	Purchase Radiation Therapy Unit Upgrade	400,000
13	Construct Imaging Services - Hospital	10,035,000
14	Purchase Biplane Angiography	1,160,000
15	Upgrade Cancer Ctr Radiologic Svcs - Hospital	6,000,000
16	Purchase Nuclear Medicine Camera	1,000,000
17	Construct Cancer Urgent Treatment Fac - Hospital	10,562,000
18	Purchase Epilepsy Monitoring System	500,000
19	Upgrade Surgical Suite - Hospital	2,600,000
20	Purchase Open MRI Unit	1,000,000
21	Construct Radiation Medicine Facility - Hospital	6,047,000
22	Purchase Radiology Information System	800,000
23	Upgrade Transport Systems V - Hospital	800,000
24	Purchase RIS (Quadris) Upgrade	500,000
25	Expand Operating Room Suites - Hospital	3,547,000
26	Purchase C-Arm X-Ray Unit	275,000
27	Expand Parking Structure #4 - Hospital	3,620,000
28	Purchase C-Arm X-Ray Unit	440,000

**2004-06 Capital Projects Recommendation
Restricted Agency Funds**

Institution/Institution Priority / Project Title	Project Scope	
29	Upgrade Building/Site IV - Hospital	800,000
30	Purchase Cardiac Ultrasound	1,600,000
31	Upgrade HVAC II - Hospital	3,500,000
32	Purchase CR PAC Server	275,000
33	Construct Radiation Med Facility II - Hospital	2,548,000
34	Purchase Electrophysiology Lab	5,800,000
35	Upgrade Utility Systems VI - Hospital	1,500,000
36	Purchase EMG Unit	250,000
37	Upgrade Operating Room Suites II - Hospital	12,162,000
38	Purchase Filmless Radiation System	150,000
39	Replace AHU I - Hospital	15,553,000
40	Purchase Scanning Dosimetry System	100,000
41	Replace AHU I - Roach	1,000,000
42	Purchase MC Treatment Planning	150,000
43	Replace AHU II - Roach	1,000,000
44	Purchase Pneumatic Tube System Upgrade	750,000
45	Construct Cancer Hospice Facility - Hospital	4,000,000
46	Construct Cancer Education Facility - Hospital	2,000,000
47	Purchase Peds TE Echo Unit	200,000
48	Construct Cancer Infusion Suites - Hospital	5,590,000
49	Purchase Peds Echocardiology Probe	200,000
50	Construct Remote Cancer Clinic - Hospital	12,500,000
51	Purchase Angiography Unit	2,000,000
52	Construct Physicians Svcs Facilities - Hospital	2,000,000
53	Upgrade Emergency Services II - Hospital	12,000,000
54	Upgrade Information Systems Svcs - Hospital	3,467,000
55	Purchase Digital Radiographic Unit	1,800,000
56	Upgrade Diagnostic Radiology - Hospital	3,000,000
57	Purchase Nuclear Medicine Upgrade	900,000
58	Renovate Dietetics - Hospital	6,000,000
59	Purchase Web Imaging Product	500,000
60	Upgrade Communications Services	1,000,000
61	Purchase Interoperative CT	1,100,000
62	Construct Business Facility II - Hospital	10,840,000
63	Purchase Adult Echocardiology Unit	200,000
64	Construct Outpt Care Fac II - Hospital	8,148,000
65	Purchase Adult Echocardiology Unit	200,000
66	Construct Outpt Diag/Treat Fac II - Hospital	17,545,000
67	Purchase Peds Echocardiology Probe	200,000
68	Construct Bldg Connectors III - Hospital	3,047,000
69	Purchase Diagnostic Radiology Unit	330,000
70	Construct Primary Care Ctr II - Hospital	13,017,000
71	Purchase Digital Enhancement	1,085,000
72	Construct Patient Care Fac II	11,477,000
73	Purchase Digital Imaging	957,000

**2004-06 Capital Projects Recommendation
Restricted Agency Funds**

Institution/Institution Priority / Project Title	Project Scope
74 Upgrade Nutrition Services II - Hospital	1,000,000
75 Purchase EKG Unit	440,000
76 Upgrade Support Services II - Hospital	1,000,000
77 Purchase EKG Unit	400,000
78 Expand Data Systems III - Hospital	700,000
79 Lease Equipment Pool Annually (includes computers, printers, copiers, beds, medical equipment and ambulances)	2,245,000
80 Implement Land Use Plan IV - Hospital	2,500,000
81 Purchase Endoscopic Ultrasound	440,000
82 Upgrade Diagnostic Services XII - Hospital	1,000,000
83 Purchase Endoscopic Video System	300,000
84 Construct Outpatient Services III - Hospital	8,004,000
85 Purchase Endoscopic Video Ultrasound	275,000
86 Upgrade Diagnostic Serv XI - Hospital	1,500,000
87 Purchase Intracardiac Laser	550,000
88 Renovate Medical Records Suite I - Hospital	566,000
89 Purchase Intracardiac Laser	500,000
90 Purchase Telecommunications Equipment III	150,000
91 Purchase Image Guided Surgery System	600,000
92 Purchase Laboratory Analyzer	500,000
93 Purchase OB Ultrasound	350,000
94 Purchase Patient System Enterprise	4,640,000
95 Purchase QuadRIS Upgrade	300,000
96 Purchase Mobile Fluoroscopic Unit	250,000
97 Purchase Rad. Med. Software/System	350,000
98 Purchase C-Arm X-Ray Unit	350,000
99 Purchase Washer	350,000
100 Purchase Mobile Radiology Unit	250,000
101 Purchase Vascular Ultrasound	900,000
102 Purchase MRI Upgrade	500,000
103 Purchase Vascular Ultrasound	300,000
104 Purchase Upgrade for Servers	800,000
105 Purchase Upgrade - HIS Computing Facil.	2,900,000
106 Purchase Surgical C-Arm(ISS)System	650,000
107 Purchase Radiographic Unit	350,000
108 Purchase Radiographic Unit	400,000
109 Purchase Radiology Ultrasound	440,000
110 Purchase Ultrasound Image Management	800,000
110 Purchase Laboratory Analyzer	200,000
111 Purchase Genetic Analyzer	200,000
112 Purchase HDR Brachy Therapy System	350,000
113 Purchase Interoperative MRI	1,500,000
114 Purchase Neuroangiography Unit	1,800,000
115 Purchase Magneoenkephalogy Unit	2,100,000
116 Purchase Ultrasound Units	840,000

**2004-06 Capital Projects Recommendation
Restricted Agency Funds**

Institution/Institution Priority / Project Title	Project Scope	
117	Purchase Digital Radiology	1,020,000
118	Purchase Digital Radiology	4,060,000
119	Purchase Fluoroscopy Unit	550,000
120	Purchase Gen. Rad./Fluoroscopic Unit	500,000
121	Purchase Linear Accelerator	2,050,000
122	Purchase Portal Imaging System	200,000
123	Purchase CT Scanner	1,000,000
124	Purchase MR Monitoring Equipment	100,000
125	Purchase Portal Imaging System	250,000
126	Purchase Gen. Rad./Fluoroscopic Unit	550,000
127	Purchase Digital Orbitor Camera	275,000
128	Purchase CT Simulator	1,200,000
129	Purchase Accelerator	1,600,000
130	Purchase Teleradiology	200,000
131	Purchase SPECT System	1,000,000
132	Purchase Mobile MRI	1,500,000
133	Purchase CR Readers	750,000
134	Purchase CR Reader	300,000
135	Purchase ATL Ultrasound	220,000
136	Purchase CT Scanner	1,914,000
137	Purchase CT Simulator	1,160,000
138	Purchase CT/PET Simulator	2,000,000
139	Purchase CT/PET Simulator	4,000,000
140	Purchase Clinical System Enterprise	5,800,000
141	Purchase Computing Infrastructure Update	2,500,000
142	Purchase Data Storage Facility Upgrade	750,000
143	Purchase Dig. Medical Record Expansion	4,640,000
144	Purchase Intraoperative Radiation Therapy	1,300,000
145	Purchase Managed Care Enterprise	1,160,000
146	Purchase Minimally Invasive Room	1,700,000
147	Purchase OR Periop. IS Doc.Syst. Upgrade	150,000
148	Purchase Steam Autoclave	450,000
149	Purchase Sterrad Sterilizer	450,000
150	Purchase Surgical Laser	500,000
151	Purchase Surgical Microscope	500,000
152	Purchase Data Storage Equip & Software I	500,000
153	Purchase Telecommunications Equipment I	250,000
154	Purchase PACS Data Storage Equip & Software	500,000
155	Purchase IS Security Equipment I	150,000
156	Purchase Data Center Printers I	350,000
157	Purchase Data Storage Equip & Software II	250,000
158	Purchase Telecommunications Equipment II	200,000
159	Purchase Mainframe Computer	400,000
160	Purchase IS Security Equipment II	150,000

**2004-06 Capital Projects Recommendation
Restricted Agency Funds**

Institution/Institution Priority / Project Title	Project Scope
161 Purchase Data Center Printers II	300,000
162 Purchase Knowledge-based Transcription	450,000
163 Purchase Knowledge-based Charting System	400,000
164 Purchase Consumer Web Interaction System	400,000
165 Purchase Data Storage Equip & Software III	150,000
UK-H Subtotal	\$ 552,364,000
University of Louisville	
1 Purchase - Digital Communications System	2,000,000
2 Purchase - Networking System	3,000,000
3 Purchase - Microcalorimetry System	155,000
4 Purchase - CPU System	460,000
5 Purchase - Endeavor ENCompass, Enhance Existing Voyager Equip.	250,000
6 Purchase - PCs, Printers, Laptops, and Three (3) Digital Scanners	149,000
7 Purchase - MicorPET Scanner	500,000
8 Purchase - Triple Quadrupole High Resolution Mass Spectrometer	400,000
9 Purchase - Radiographic Fluoroscopic X-Ray System	350,000
10 Purchase - Cardiology Equipment to Study Cardiac Regeneration	1,160,000
11 Purchase - High Resolution Mass Spectrometer	858,000
12 Purchase - Upgrade NMR Spectrometer	130,000
13 Purchase - Micro-Raman Spectrometer	200,000
14 Purchase - Laser and Optical Detection System	160,000
15 Purchase - Flip Chip Bonder Aligner	150,000
16 Purchase - Four Temperature and Humidity Control Systems	150,000
17 Purchase - Electronic Research Information System	1,080,000
18 Renovate - Dental Clinics First Floor	8,614,000
19 Construct - Boathouse for Women's Rowing Program	2,676,000
20 Purchase - Artificial Turf - Practice Field	750,000
21 Purchase - FT Raman Spectrometer	180,000
22 Purchase - Circular Dichroism Spectropolarimeter	100,000
23 Purchase - Linux Chemistry Computerization Cluster	150,000
24 Purchase - Gel Blot Image Analysis System	145,000
25 Purchase - Electrophoresis Tandem Mass Spectrometer System	443,000
26 Purchase - Flow Fluorescence - Activated Cell Analyzer	130,000
27 Purchase - Hot Embosser	150,000
28 Purchase - RIE Glass Etch Module	150,000
29 Purchase - Spectrofluorometer for Fluorescence	170,000
30 Purchase - NFS Scanning Optical & Probe Microscope	150,000
31 Purchase - Computer Processing System	2,000,000
32 Purchase - Storage System	1,000,000
33 Purchase - Enterprise Application System	2,000,000
34 Purchase - Electronic Darkroom	193,000

**2004-06 Capital Projects Recommendation
Restricted Agency Funds**

Institution/Institution Priority / Project Title	Project Scope
35 Purchase - High Resolution SEM with Backscatter Detector	360,000
36 Purchase - Intermediate Voltage Transmission Electron Microscope	500,000
37 Lease - Digital Output System	1,000,000
38 Lease - Visualization System	1,000,000
39 Construct - Residence Hall - 276 Beds, Phase III (Community Park)	10,180,000
40 Renovate - Medical School Tower - 55A, Phase I	3,841,000
41 Expand - Ambulatory Care Building Academic Addition	39,872,000
42 Purchase - Real Estate Near HSC & Renovate Offices	20,500,000
43 Renovate & Purchase - Home of the Innocents Property	7,301,000
44 Purchase - Digital Micro-Luminography System for TEM	120,000
45 Construct - Utilities, Remove Overhead Lines	2,957,000
46 Renovate - Housing - Capital Renewal Pool	2,476,000
47 Renovate - Housing - Code Improvements Pool	709,000
48 Construct - Diversity Center for Excellence	5,434,000
49 Construct - Multipurpose Field House & Practice Facility	12,404,000
UL Subtotal	\$ 138,807,000
Western Kentucky University	
1 Renovate Central Heat Plant - Phase I	1,273,000
2 Prepare IT Infrastructure	3,000,000
3 Replace Server	880,000
4 Secure Network Log-on System	800,000
5 Renovate Academic Athletics #2 Design	2,000,000
6 Renovate Grise Hall Design	1,398,000
7 Renovate Garrett Conference Center - Design	858,000
8 Central Region Postsecondary Education Center, Phase II Design	1,625,000
9 Expand Campus Network - Phase II	785,000
10 Purchase Digital Television Transmission System	2,888,000
11 Construct Radio & Television Transmission Tower	615,000
12 Acquire Property and Construct Parking Lots	2,000,000
13 Acquire Video Server	800,000
14 Implement Wireless Communication System	2,000,000
15 Acquire Property for Campus Expansion	3,000,000
16 Purchase Two Replacement Buses	399,000
17 Construct Academic-Athletic Performance Center	9,000,000
18 Purchase Buses and Construct Bus Transportation Center	4,000,000
WKU Subtotal	\$ 37,321,000
System Total	\$ 1,582,599,000

**2004-06 Capital Projects Recommendation
Guaranteed Energy Savings/Performance Contracting Projects**

<u>Institution and Project Title</u>	<u>Project Scope</u>	<u>Institutional Authority</u>
Eastern Kentucky University	\$10,000,000	\$10,000,000
Kentucky Community and Technical College System	10,000,000	10,000,000
Kentucky State University	5,000,000	5,000,000
Morehead State University	10,000,000	10,000,000
Murray State University	10,000,000	10,000,000
Northern Kentucky University	5,000,000	5,000,000
University of Kentucky and Lexington Community College	10,000,000	10,000,000
University of Louisville	10,000,000	10,000,000
Western Kentucky University	10,000,000	10,000,000
System Total	\$80,000,000	\$80,000,000

**Council on Postsecondary Education
2004-06 Biennial Budget Request**

Program: Partnership with US Department of Education, Office for Civil Rights

Activity: Renovation of Young Hall Dormitory (\$9.9 Million)

Request: Project Reauthorization and \$569,160 of GF Debt Service

Source of Funds	2003-04	2004-05	2005-06
General Fund	\$0.0	\$569,160	\$0.0
KSU Restricted Funds	\$0.0	\$484,840	

Description:

This request is to secure a 54 percent state General Fund match (\$569,160) to pay debt service on \$9,886,000 of agency bonds to complete the renovation of Young Hall dormitory at Kentucky State University. The recommended shared responsibility is based on an analysis of the KSU auxiliary services revenue, revenue potential, and expenses. Maximum debt service, if issued at 7.25 percent with debt service reserve, is \$1,054,000 (Gen. Fund \$569,160; KSU \$484,840).

Housing and Dining Series F will be retired in FY 2006. Approximately \$380,000 of annual debt service will become available in FY 2006 to apply toward a new H&D bond issue to renovate Young Hall dormitory. The then uncommitted revenue (\$380,000) can be used to reduce the Commonwealth's share of the new debt service amount.

The Council is assigned responsibility for implementing a Partnership Agreement with the U. S. Department of Education, Office for Civil Rights. The OCR, through partnerships or consent decrees with the 19 Adams States, addresses issues related to the elimination of remnants of *de jure* segregation policies and enhancement of historically black colleges and universities. Kentucky entered into a Desegregation Plan (five years) with the OCR in 1982, and because the OCR continued its oversight after the 1982 plan ended, Kentucky entered into a partnership in 1999. The calendar timeline of the partnership ended December 31, 2002.

The Commonwealth agreed that it would provide KSU the bond authority to renovate Young Hall dormitory as an enhancement measure. In September 2000, the Council allocated agency bond authority to KSU to renovate the Young Hall Dormitory; however, the university requested that the renovation be postponed until the 2002-04 biennium because it had insufficient resources to pay the debt service on the bonds. The Commonwealth agreed to the KSU request. In May 2003, the Council again allocated agency bond authority to KSU to renovate the Young Hall dormitory. The university again asserted that it lacked the resources to pay the full debt service to issue \$9.9 million in agency bonds.

Even though the partnership ended December 31, 2002, the commitments of the Commonwealth have not been satisfied, therefore, Kentucky remains under the oversight of the OCR.

**Agency Operations,
KYVU/KYVL, &
Pass-Through Programs**

Attachment D

Council on Postsecondary Education
November 3, 2003

**2004-06 Biennial Budget Request
Agency Operations, KYVU/KYVL, &
Pass-Through Programs**

The Council staff recommends a state appropriation request of \$16,867,300 in FY 2004-05 and \$18,313,600 in FY 2005-06 for agency operations, the KYVU and KYVL, and pass-through programs.

General

The 2004-06 budget instructions require all agencies to organize their budget requests into four categories - baseline, defined calculations, growth, and expansion.

The baseline budget includes only those positions that were filled as of August 1, 2003; the baseline General Fund appropriation for FY 2004-05 and FY 2005-06 may not exceed the FY 2003-04 appropriation. All vacant positions must be requested in growth or expansion.

Defined calculations are used where some external requirement results in a known, or defined, calculation. Growth relates to requests where additional funds are necessary to continue the same service levels or where the number of clients served has increased. Expansion requests are for additional or new service levels.

Agency Operations

The agency operations budget recommendation contains three of the four categories: baseline, defined calculations, and growth. The assumption for the baseline request is that the state appropriation for an agency will be reduced to the level required to support only those positions that are filled on August 1, 2003, and associated operating and capital expenses. Within the baseline calculation, seven budgeted positions are not included because those positions were vacant at the time the personnel "snapshot" was taken, August 1, 2003. The budget guidelines allow the agency to request restoration of the vacant positions in one of the three categories. After some discussion with the Governor's Office for Policy and Management, the Council requested restoration of seven vacant positions in the growth budget category.

The Council staff recommends that \$5,765,100 in FY 2004-05 and \$6,256,900 in FY 2005-06 be requested. These amounts represent a \$342,900 increase in FY 2004-05 over the FY 2003-04 appropriation, and an additional \$491,800 in FY 2005-06 over the previous year.

Kentucky Virtual University/ Kentucky Virtual Library

The baseline calculations for the Kentucky Virtual University/Virtual Library include 12 filled positions. There were no vacant positions on August 1, 2003, with the result that the full complement of positions is included within the FY 2003-04 funding levels for FY 2004-05 and FY 2005-06.

KRS 164.800 provides that the Council will coordinate the Kentucky Virtual University. A Distance Learning Advisory Committee was established by statute to provide institutional input into the development and policy aspects of the KYVU and KYVL. The KYVU will provide "any place, any time" education for Kentucky postsecondary education students. The KYVU is a value-added provider of services including: on-line registration for students, multiple course management systems for the development and delivery of instructional programs, billing services, assistance to local school districts in test administration, assistance to the adult education unit in registration of students and faculty, and billing assistance for faculty.

The Kentucky Virtual Library has been an unqualified success with over 600,000 hits per month on the KYVL Website. The public and independent institutions, along with the Kentucky Department of Education and the Kentucky Department for Libraries and Archives, formed a consortium that provides all citizens of Kentucky broad access to 34 electronic databases, allows for postsecondary education institutions and other libraries to share a common library management system, and extends a ground-courier service for delivery of instructional and library materials across the Commonwealth.

The Council staff recommends an additional \$250,000 in FY 2004-05 for expansion of the electronic databases and continuation of that amount in FY 2005-06.

Adult Education Program

The adult education budget request is contained in two sections of the agency's request - the central office operating budget is located here and the program portion of the budget is located in the Adult Education Incentive Funding Program.

The baseline calculations for the Adult Education program include 23 filled positions. There were five vacant positions on August 1, 2003, with the result

that five vacant positions must be requested as growth in the budget request. Two of the five positions subsequently were filled. The Council staff recommends a total request for adult education central office budget of \$2,154,300 in FY 2004-05 and \$2,287,300 in FY 2005-06. These amounts represent a \$170,900 increase in FY 2004-05 over the FY 2003-04 appropriation, and an additional \$133,000 in FY 2005-06 over the previous year.

An expansion request is included in the adult education incentive funding program, described in section VI. in Attachment B.

Pass-Through Programs

The SREB contract spaces pass-through program provides 142 seats in veterinary medicine at Auburn University and Tuskegee University and 43 spaces in optometry at Southern College of Optometry in Tennessee and the University of Alabama and Indiana University optometry schools. SREB has provided the Council with estimated rates for these spaces in 2004-06. The staff recommends an additional \$221,300 in FY 2004-05 over the FY 2003-04 allocation, and an additional \$327,600 in FY 2005-06 over the previous year to maintain the current veterinary and optometry seats at the adjusted tuition rates.

The 2002-04 Executive Budget includes \$493,900 in restricted agency funds from interest earnings on various trust funds to support the following pass-through activities for each fiscal year. For FY 2005-06, Council staff recommends \$493,900 in state General Funds to replace the restricted agency funds.

	FY 2003-04
Governor's Minority Student College Preparation Program	\$ 105,500
SREB Doctoral Scholars	188,400
Local P-16 Councils	100,000
Ky. Early Math Testing Program	<u>100,000</u>
Total	\$ 493,900

The Governor's Minority Student College Preparation Program (GMSCPP) was established in 1986 to provide academic enrichment activities for middle and junior high school students; to encourage them to stay in school and to enter college; to make young African-American students aware of the benefits and value of college and make them more likely to consider college as an achievable option; and to prepare these students to be successful in college-level work.

The program places emphasis on early intervention in an attempt to overcome problems at the high school level that tend to reduce the pool of minorities interested in attending and prepared to do well in college.

The SREB Doctoral Scholars Program is a cooperative interstate venture that supports and encourages minority students to pursue doctoral degrees. The program seeks to increase the number of minority faculty members employed as college faculty by increasing the available pool of minority candidates. Students are provided scholarships and other financial support to attend institutions throughout the southern region and in some mid-west states as well. The SREB program is a part of a national effort; similar programs exist in the northeast and the west.

In March 2001, the state P-16 (pre-kindergarten through baccalaureate) Council invited the leadership of public and independent colleges and universities, school districts, adult education providers, early childhood educators, and civic organizations (including business and labor) to form local councils to create a seamless system of education meeting the needs of students and the Commonwealth. The local P-16 Council initiative brings the agenda of the state P-16 to the level of individual institutions and school districts. Local councils address issues of teacher quality and supply, alignment of high school and adult education with postsecondary and workforce expectations, and greater integration between and among all sectors of education in Kentucky. The program has supported the formation and work of more than 15 local councils since its inception, serving more than half of the counties in Kentucky. It has received national recognition and Kentucky has been invited to assist other states in their local P-16 council efforts.

The Kentucky Early Mathematics Testing Program is a statewide diagnostic test to help high school students identify academic deficiencies that they should correct before entering college. Administered by Northern Kentucky University with on-line capacity through the University of Kentucky, it is offered each fall and spring to all Kentucky students free of charge and on a volunteer basis. Students receive an immediate on-line letter reporting their test score, an estimate of their level of mathematical preparation for college, and advice about the importance of taking additional mathematics while still in high school. KEMTP staff is working with the Council to provide on-line math tutoring to students through the KYVU. Teachers can analyze their students' scores and use them to improve student performance. The program is designed to reduce the need for postsecondary remedial placement in mathematics.

The 2004-06 budget recommendation includes restricted agency funds for these activities in FY 2004-05, but requests expansion dollars to replace those restricted agency funds in FY 2005-06. If expansion funds are not approved, the activities supported with these funds will be discontinued in FY 2005-06.

Funding Distribution Policy

Council on Postsecondary Education
November 3, 2003

2004-06 Funding Distribution Policy (Institutional Base Funding)

The following recommended policy establishes a set of principles that may be used to guide the Governor and legislature in the allocation or reduction of funds to the institutions in special circumstances that may occur after the Council has adopted its biennial budget recommendation.

Action: The staff recommends that the Council approve the Funding Distribution Policy as a companion to the *Points of Consensus* for the 2004-06 biennium. These principles advise the legislature in establishing priorities for institutional base funding in cases where funding reductions are necessary or when increases are less than the Council's budget recommendation.

The *Points of Consensus* between the president of the Council and the institutional presidents was established to guide the development of the biennial budget recommendation. The 2003 *Points of Consensus* was approved by the Council in February 2003 and signed by the president of the Council and the presidents of the institutions. To date, the *Points of Consensus* has only been used to inform the development of the Council's recommendation to the Governor and the General Assembly. However, the funding situations surrounding the 2002-04 biennium, such as budget cuts and less than full funding of the Council recommendation and the use of a different allocation strategy by the legislature, prompted the Council staff and the institutions to agree that budget priorities and a set of principles and procedures should be developed to inform funding decisions made in these special circumstances.

A committee of institutional representatives, Legislative Research Commission staff, Office of the State Budget Director staff, and Council staff was appointed to review actual funding distribution in the 2002-04 biennium and to develop methodologies to guide the allocation of funds in similar circumstances in the future. The committee and other institutional representatives completed procedures that operationalize these principles using several methodologies. The general principles provided herein were presented to the Strategic Committee on Postsecondary Education (SCOPE) on September 8. The resulting recommendation includes principles to be adopted and used as a companion to the 2003 *Points of Consensus*. The proposed budget priorities and principles are:

- The funding distribution principles are to be used to allocate “new” money to institutions if the Council’s recommended funding levels cannot be fulfilled or if the state appropriation to postsecondary education must be reduced.
- The general priorities for distribution will be as follows: (1) base adjustments, 2) common percentage increase up to the current services calculation, and 3) benchmark equity.

General Application of the Principles

- The principles are consistent with the 2003 *Points of Consensus*.
- The principles and procedures recognize that: 1) unless funding for the postsecondary education system is reduced, institutional bases (nominal dollar base in the current year) are to be protected and 2) every institution will receive some nominal base increase, if possible.

Based on these principles, the Council staff, with institutional representatives, refined the attached detailed procedures for an operational model incorporating three methodologies:

1. Increase Allocation Method: allocates new state funds to the institutions when the actual appropriation is less than the Council recommendation.
2. Increase Following a Reduction Method: allocates new state funds following a reduction in state appropriations during the same biennium.
3. Reduction Method: allocates reduction in state appropriations.

As mentioned earlier, the model described above concerns institutional base budgets and how to reduce or distribute less than full CPE recommended funding. In addition, the Council staff will develop an overall more comprehensive Funding Distribution Policy (Postsecondary Education), which will incorporate the entire postsecondary education budget recommendation (of which institutional base funding is only one component). This model will not be complete in time to present to the Council in November, but will be completed by December 2003. The Executive Committee of the Council will be asked to review and approve the model at a specially called meeting in late November or early December (all information regarding the model will be emailed to all Council members in advance of the meeting). The comprehensive model will function to advise the Governor and the legislature regarding allocation of limited funds (or possibly a reduction in appropriations) to all components of postsecondary education, including institutional base funding, trust funds, capital outlay, Council budget, etc.

Staff preparation by Sandra Woodley and Sherron Jackson

CPE State Funding Distribution Methods

The Council on Postsecondary Education recommends the following funding distribution methods to the Governor and the General Assembly if the CPE's recommended funding levels cannot be fulfilled or if the state appropriation to postsecondary education must be reduced. Three allocation methods are presented for different situations. In addition, even though the methodologies do not specifically address allocations or reductions to the various incentive trust funds, these methodologies which are intended to address base funding issues do not preclude such reductions or reallocations. Additionally, in the budget recommendation process, all institutions should be eligible for incentive funds from at least one trust fund.

- (1) **Increase Allocation Method**: allocates new state funds to the institutions when the actual appropriation is less than the Council recommendation.

- (2) **Increase Following a Reduction Method**: allocates new state funds following a reduction in state appropriations during the same biennium.

- (3) **Reduction Method**: allocates reduction in state appropriations.

(1) Increase Allocation Method

This method is designed to distribute increases in state appropriations to the institutions among base adjustments, maintenance and operating costs for new facilities (M&O), current services increases, and benchmark equity. The method may be used to distribute small or large amounts of new state appropriations, up to the total amount of the CPE biennial budget request.

The following principles, consistent with the *Points of Consensus*, were used to develop this methodology:

- Unless total funding for the postsecondary education system is reduced, the current annual nominal dollar state appropriation base for each institution will be maintained.

- If a state appropriation increase follows a state appropriation reduction within the same biennium, the reductions to each institution will be restored on a pro rata basis to the extent possible (see Increase Following Reduction Method below).

- If the total increase exceeds the amount necessary to restore any previous reductions within the biennium and base adjustments (including, but not limited to, increases in debt service, the Quality Charity Care Trust (the University of Louisville Hospital contract), and M&O), each institution will receive an increase in base operating appropriations (current services and, if warranted, benchmark equity funds).

- An increase in state appropriations will be distributed as follows until available funds are exhausted.

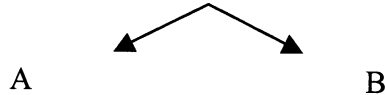
Total Increase
Allocation of increase in state appropriations in the following priority order:



Base adjustments including increases in debt service, hospital contract, M&O for new facilities, and other specifically identified programs. If additional funds are available, then



Proportional base increase up to one-half of the current services increase as provided in the biennial state budget instructions or CPE's recommended current services increase, whichever is greater. If additional funds are available, then



A. Remaining proportional base increase

If the total increase is less than 80 percent of the CPE recommendation, all of the remaining funds go to benchmark equity (letter B). If the total increase is 80 percent or greater of the CPE recommendation, then up to one-third of the remaining funds will be used for an additional proportional increase in the state appropriation base (net of debt service and the UofL hospital contract) for each institution, up to the current services increase as provided in the biennial state budget instructions or CPE's recommended current services increase, whichever is greater.

B. Benchmark equity

At least two-thirds of the remaining funds will be allocated to the institutions below the benchmark funding objective. Funds will be allocated so that the institutions farthest below their benchmark funding objectives will receive proportionately larger increases than institutions closer to their benchmark funding objectives. This portion of the procedure would use less than two-thirds of the remaining funds only if all institutions have achieved their benchmark funding objectives.

(2) Increase Following Reduction Method

This allocation method is based on the following principles:

- If the state appropriation increase is less than or equal to a previous state appropriation reduction within the same biennium, the reductions to each institution will be restored on a pro rata basis to the extent possible.
- If the state appropriation increase exceeds the previous state appropriation reduction, the reductions to each institution will be restored and the remaining net increase will be allocated based on the Increase in State Appropriations Allocation Method described above.

(3) Reduction Allocation Method:

The State Appropriation Reduction Allocation Method is designed to allocate state appropriation reductions among the institutions. This procedure may be used: 1) to allocate state appropriation reductions that might occur during a fiscal year subsequent to a state appropriation increase being provided for that year, or 2) to allocate a state appropriation reduction that results in the state appropriation for the institutions being reduced to a level lower than the previous fiscal year total state appropriation for the institutions. Each of these situations is addressed below.

State Appropriation Reduction Following a State Appropriation Increase:

This section of the method is based on the following principles:

- Unless the state appropriation reduction exceeds the total state appropriation increase for current services and benchmark equity funding for the fiscal year, the previous year nominal dollar state appropriation base for each institution will be maintained.
- If the state appropriation reduction is less than the total state appropriation increase for current services and benchmark equity funding for the fiscal year, the state appropriation reduction will be implemented so that the net state appropriation increase for the fiscal year (the total state appropriation increase minus the state appropriation reduction) will be allocated based on the principles in the Increase in State Appropriations Allocation Method described above.

State Appropriation Reduction to a Level Lower Than the Previous Fiscal Year State Appropriation:

This section of the procedure is based on the following principles:

- Available trust funds (except the student financial aid trust fund) and funding programs may be reduced on a basis proportionate to their share of the total postsecondary appropriation.

- The first priority for reduction will be increases in current services and benchmark equity funding, if any, down to the prior year nominal state appropriation base for each institution.
- Reduce each mandated program by the same percentage as the systemwide reduction (state appropriations net of debt service and the UofL hospital contract).
- If additional reduction is necessary, the next priority for reduction will be an across-the-board reduction of each institution's state appropriation net of debt service, the Quality Charity Care Trust (the University of Louisville Hospital contract), and mandated programs (previously cut) up to one-half of the current services increase as provided in the biennial state budget instructions or CPE's recommended current services increase, whichever is greater.
- If additional reduction is necessary, the remaining reduction will be allocated among institutions so that the institutions closest to or above their benchmark funding objectives will receive proportionately larger reductions than institutions a greater distance from their benchmark funding objectives.

**COMMONWEALTH OF KENTUCKY POSTSECONDARY EDUCATION
2004-06 FUNDING RECOMMENDATION - STATE GENERAL FUND APPROPRIATIONS**

REVISED 10/31/2003

PRIORITIES	FY 2003-04	FY 2004-05		FY 2005-06	
		Council Recommendation	Dollar Increase	Council Recommendation	Dollar Increase
Postsecondary Education Institutions - 3 Biennia Phase-In - 10 Percent Cap - 2 Percent Floor					
Eastern Kentucky University	\$ 73,515,900	\$ 77,804,568	\$ 4,288,668	\$ 82,498,356	\$ 4,693,787
Kentucky Community & Technical College System	189,097,700	199,404,191	10,306,491	209,048,237	9,644,046
Kentucky State University	22,631,500	24,701,321	2,069,821	23,590,729	(1,110,592) *
Morehead State University	42,738,200	45,882,170	3,143,970	48,625,333	2,743,163
Murray State University	51,472,900	54,887,016	3,414,116	57,891,610	3,004,594
Northern Kentucky University	47,092,700	52,237,725	5,145,025	56,200,865	3,963,140
University of Kentucky	299,074,500	311,564,091	12,489,591	320,536,678	8,972,588
Lexington Community College	9,444,700	10,322,000	877,300	11,196,900	874,900
University of Louisville	174,950,000	186,128,706	11,178,706	195,544,437	9,415,731
Western Kentucky University	72,040,100	80,095,531	8,055,431	87,362,576	7,267,045
Special Initiatives Funding Program	-	213,300	213,300	2,926,600	2,713,300
1 Total Postsecondary Education Institutions	\$ 982,058,200	\$ 1,043,240,619	\$ 61,182,419	\$ 1,095,422,321	\$ 52,181,702
Council on Postsecondary Education					
Agency Operations	\$ 5,422,200	\$ 5,765,100	\$ 342,900	\$ 6,256,900	\$ 491,800
Adult Education Operations	1,983,400	2,154,300	170,900	2,287,300	133,000
KYVU/VL Operations	3,612,600	3,862,600	250,000	3,862,600	-
5 Total CPE Operations	\$ 11,018,200	\$ 11,782,000	\$ 763,800	\$ 12,406,800	\$ 624,800
Pass-Through Programs	\$ 4,864,000	\$ 5,085,300	\$ 221,300 (1)	\$ 5,906,800	\$ 821,500 (2)
Total Pass-Through	\$ 4,864,000	\$ 5,085,300	\$ 221,300	\$ 5,906,800	\$ 821,500
Regional University Excellence Trust Fund--Regional Stewardship Initiative					
				6,000,000	6,000,000
Research Challenge Trust Fund--Programs of National Prominence					
				6,000,000	6,000,000
2 Technology Initiative Trust Fund					
Network Infrastructure (Includes KPEN)	\$ 2,065,000	\$ 2,065,000	\$ -	\$ 3,415,000	\$ 1,350,000
Faculty Development	50,000	50,000	-	100,000	50,000
Total Technology Initiative Trust Fund	\$ 2,115,000	\$ 2,115,000	\$ -	\$ 3,515,000	\$ 1,400,000 (3)
Adult Education and Literacy Funding Program	\$ 19,552,300	\$ 20,590,800	\$ 1,038,500	\$ 20,590,800	\$ -
Total Science and Technology Funding Program	\$ 8,771,600	\$ 10,771,600	\$ 2,000,000 (4)	\$ 10,771,600	\$ -
Enrollment Growth and Productivity Funding Program	\$ -	\$ -	\$ -	\$ 10,000,000	\$ 10,000,000
Physical Facilities Trust Fund					
3 Capital Renewal & Maintenance (debt service)	\$ -	\$ -	\$ -	\$ 1,431,000	\$ 1,431,000
Renovation, Replacement, Infrastructure & New Construction (debt service)	-	-	-	34,654,000	34,654,000
KSU - Young Hall - one-half debt service (OCR)	-	569,100	569,100	569,100	-
Total Physical Facilities Trust Fund	\$ -	\$ 569,100	\$ 569,100	\$ 36,654,100	\$ 36,085,000
Total Strategic Investment and Incentive Trust Funds (recurring funds)	\$ 30,438,900	\$ 34,046,500	\$ 3,607,600	\$ 93,531,500	\$ 59,485,000
Total Postsecondary Education (Recurring General Funds)	\$ 1,028,379,300	\$ 1,094,154,419	\$ 65,775,119	\$ 1,207,267,421	\$ 113,113,002

Annual Percent Increase

6.4%

10.3%

* KSU's funding decreases in the FY 2005-06 due to reduced debt service needed (debt retirement).

1 Reflects increase for contract spaces.

2 Includes increases for contract spaces (\$367,600), SREB Doctoral Scholars Program (\$188,400), Minority Student College Prep Program (\$105,500), Early Math Testing Program (\$100,000), and P-16 Councils (\$100,000).

3 Funds for the expansion network contract and faculty development.

4 Funding for the statewide engineering programs and rural innovation program.

COMMONWEALTH OF KENTUCKY POSTSECONDARY EDUCATION
2004-06 FUNDING RECOMMENDATION - STATE GENERAL FUND APPROPRIATIONS

REVISED 10/31/2003

PRIORITIES		FY 2003-04	FY 2004-05		FY 2005-06	
			Council Recommendation	Dollar Increase	Council Recommendation	Dollar Increase
<u>Programs Funded Through Non-recurring Funds</u>						
Strategic Investment and Incentive Funding Program						
	Research Challenge Trust Fund					
	Endowment Match Program	\$ 9,871,000 (5)	\$ -	\$ -	\$ 50,000,000	\$ 50,000,000
	Total Research Challenge Trust Fund	\$ 9,871,000	\$ -	\$ -	\$ 50,000,000	\$ 50,000,000
4	Regional University Excellence Trust Fund					
	Endowment Match Program	\$ 1,975,000 (5)	\$ -	\$ -	\$ 10,000,000	\$ 10,000,000
	Total Regional University Excellence Trust Fund	\$ 1,975,000	\$ -	\$ -	\$ 10,000,000	\$ 10,000,000
	Workforce Development Trust Fund					
	Endowment Match Program	\$ -	\$ -	\$ -	\$ 1,000,000	\$ 1,000,000
	Total Workforce Development Trust Fund	\$ -	\$ -	\$ -	\$ 1,000,000	\$ 1,000,000

Programs Funded Through Other Fund Sources

	Lung Cancer/Ovarian Cancer Research [Tobacco Settlement Funds]	\$ 5,455,000	\$ 5,681,200	\$ 226,200	\$ 5,736,200	\$ 55,000
*	KHEAA-Need-Based Financial Aid Programs (CAP & KTG) [Lottery Proceeds]	\$ 65,720,600	\$ 66,600,000	\$ 879,400	\$ 79,915,000	\$ 13,315,000
	Student Financial Aid and Advancement Trust Fund-KEES [Lottery Proceeds]	\$ 64,320,000	\$ 66,600,000	\$ 2,280,000	\$ 65,385,000	\$ (1,215,000)
	Off Campus Teaching Center - Trover Clinic Foundation [Coal Severance Tax]	\$ 1,000,000	\$ 1,050,000	\$ 50,000	\$ 1,102,500	\$ 52,500

⁵ This is debt service to fund total project scope (\$100 million for Research Challenge and \$20 million for Regional Universities Excellence)--2005-06 request is General Fund non-recurring increase instead of debt service request for bond

* The Council considers student financial aid to be a high priority; especially KHEAA-need based aid and even though KHEAA's funding request is not part of CPE's budget recommendation responsibility: funding for need based aid is a priority for the Council

2004-06 Funding Distribution Policy (Institutional Base Funding)

The following recommended policy establishes a set of principles that may be used to guide the Governor and legislature in the allocation or reduction of funds to the institutions in special circumstances that may occur after the Council has adopted its biennial budget recommendation.

Action: The staff recommends that the Council approve the Funding Distribution Policy as a companion to the *Points of Consensus* for the 2004-06 biennium. These principles advise the legislature in establishing priorities for institutional base funding in cases where funding reductions are necessary or when increases are less than the Council's budget recommendation.

The *Points of Consensus* between the president of the Council and the institutional presidents was established to guide the development of the biennial budget recommendation. The 2003 *Points of Consensus* was approved by the Council in February 2003 and signed by the president of the Council and the presidents of the institutions. To date, the *Points of Consensus* has only been used to inform the development of the Council's recommendation to the Governor and the General Assembly. However, the funding situations surrounding the 2002-04 biennium, such as budget cuts and less than full funding of the Council recommendation and the use of a different allocation strategy by the legislature, prompted the Council staff and the institutions to agree that budget priorities and a set of principles and procedures should be developed to inform funding decisions made in these special circumstances.

A committee of institutional representatives, Legislative Research Commission staff, Office of the State Budget Director staff, and Council staff was appointed to review actual funding distribution in the 2002-04 biennium and to develop methodologies to guide the allocation of funds in similar circumstances in the future. The committee and other institutional representatives completed procedures that operationalize these principles using several methodologies. The general principles provided herein were presented to the Strategic Committee on Postsecondary Education (SCOPE) on September 8. The resulting recommendation includes principles to be adopted and used as a companion to the 2003 *Points of Consensus*. The proposed budget priorities and principles are:

- The funding distribution principles are to be used to allocate "new" money to institutions if the Council's recommended funding levels cannot be fulfilled or if the state appropriation to postsecondary education must be reduced.
- The general priorities for distribution will be as follows: (1) base adjustments, (2) common percentage increase up to the current services calculation, and (3) benchmark equity.

General Application of the Principles

- The principles are consistent with the 2003 *Points of Consensus*.
- The principles and procedures recognize that: 1) unless funding for the postsecondary education system is reduced, institutional bases (nominal dollar base in the current year) are to be protected and 2) every institution will receive some nominal base increase, if possible.

Based on these principles, the Council staff, with institutional representatives, refined the attached detailed procedures for an operational model incorporating three methodologies:

1. Increase Allocation Method: allocates new state funds to the institutions when the actual appropriation is less than the Council recommendation.
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3. Reduction Method: allocates reduction in state appropriations.

As mentioned earlier, the model described above concerns institutional base budgets and how to reduce or distribute less than full CPE recommended funding. In addition, the Council staff will develop an overall more comprehensive Funding Distribution Policy (Postsecondary Education), which will incorporate the entire postsecondary education budget recommendation (of which institutional base funding is only one component). This model will not be complete in time to present to the Council in November, but will be completed by December 2003. The Executive Committee of the Council will be asked to review and approve the model at a specially called meeting in late November or early December (all information regarding the model will be emailed to all Council members in advance of the meeting). The comprehensive model will function to advise the Governor and the legislature regarding allocation of limited funds (or possibly a reduction in appropriations) to all components of postsecondary education, including institutional base funding, trust funds, capital outlay, Council budget, etc.

Staff preparation by Sandra Woodley and Sherron Jackson

CPE State Funding Distribution Methods

The Council on Postsecondary Education recommends the following funding distribution methods to the Governor and the General Assembly if the CPE's recommended funding levels cannot be fulfilled or if the state appropriation to postsecondary education must be reduced. Three allocation methods are presented for different situations. In addition, even though the methodologies do not specifically address allocations or reductions to the various incentive trust funds, these methodologies which are intended to address base funding issues do not preclude such reductions or reallocations. Additionally, in the budget recommendation process, all institutions should be eligible for incentive funds from at least one trust fund.

- (1) **Increase Allocation Method**: allocates new state funds to the institutions when the actual appropriation is less than the Council recommendation.

- (2) **Increase Following a Reduction Method**: allocates new state funds following a reduction in state appropriations during the same biennium.

- (3) **Reduction Method**: allocates reduction in state appropriations.

(1) Increase Allocation Method

This method is designed to distribute increases in state appropriations to the institutions among base adjustments, maintenance and operating costs for new facilities (M&O), current services increases, and benchmark equity. The method may be used to distribute small or large amounts of new state appropriations, up to the total amount of the CPE biennial budget request.

The following principles, consistent with the *Points of Consensus*, were used to develop this methodology:

- Unless total funding for the postsecondary education system is reduced, the current annual nominal dollar state appropriation base for each institution will be maintained.

- If a state appropriation increase follows a state appropriation reduction within the same biennium, the reductions to each institution will be restored on a pro rata basis to the extent possible (see Increase Following Reduction Method below).

- If the total increase exceeds the amount necessary to restore any previous reductions within the biennium and base adjustments (including, but not limited to, increases in debt service, the Quality Charity Care Trust (the University of Louisville Hospital contract), and M&O), each institution will receive an increase in base operating appropriations (current services and, if warranted, benchmark equity funds).

- An increase in state appropriations will be distributed as follows until available funds are exhausted.

Total Increase

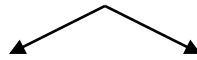
Allocation of increase in state appropriations in the following priority order:



Base adjustments including increases in debt service, hospital contract, M&O for new facilities, and other specifically identified programs. If additional funds are available, then



Proportional base increase up to one-half of the current services increase as provided in the biennial state budget instructions or CPE's recommended current services increase, whichever is greater. If additional funds are available, then



A

B

A. Remaining proportional base increase

If the total increase is less than 80 percent of the CPE recommendation, all of the remaining funds go to benchmark equity (letter B). If the total increase is 80 percent or greater of the CPE recommendation, then up to one-third of the remaining funds will be used for an additional proportional increase in the state appropriation base (net of debt service and the UofL hospital contract) for each institution, up to the current services increase as provided in the biennial state budget instructions or CPE's recommended current services increase, whichever is greater.

B. Benchmark equity

At least two-thirds of the remaining funds will be allocated to the institutions below the benchmark funding objective. Funds will be allocated so that the institutions farthest below their benchmark funding objectives will receive proportionately larger increases than institutions closer to their benchmark funding objectives. This portion of the procedure would use less than two-thirds of the remaining funds only if all institutions have achieved their benchmark funding objectives.

(2) Increase Following Reduction Method

This allocation method is based on the following principles:

- If the state appropriation increase is less than or equal to a previous state appropriation reduction within the same biennium, the reductions to each institution will be restored on a pro rata basis to the extent possible.
- If the state appropriation increase exceeds the previous state appropriation reduction, the reductions to each institution will be restored and the remaining net increase will be allocated based on the Increase in State Appropriations Allocation Method described above.

(3) Reduction Allocation Method:

The State Appropriation Reduction Allocation Method is designed to allocate state appropriation reductions among the institutions. This procedure may be used: 1) to allocate state appropriation reductions that might occur during a fiscal year subsequent to a state appropriation increase being provided for that year, or 2) to allocate a state appropriation reduction that results in the state appropriation for the institutions being reduced to a level lower than the previous fiscal year total state appropriation for the institutions. Each of these situations is addressed below.

State Appropriation Reduction Following a State Appropriation Increase:

This section of the method is based on the following principles:

- Unless the state appropriation reduction exceeds the total state appropriation increase for current services and benchmark equity funding for the fiscal year, the previous year nominal dollar state appropriation base for each institution will be maintained.
- If the state appropriation reduction is less than the total state appropriation increase for current services and benchmark equity funding for the fiscal year, the state appropriation reduction will be implemented so that the net state appropriation increase for the fiscal year (the total state appropriation increase minus the state appropriation reduction) will be allocated based on the principles in the Increase in State Appropriations Allocation Method described above.

State Appropriation Reduction to a Level Lower Than the Previous Fiscal Year State Appropriation:

This section of the procedure is based on the following principles:

- Available trust funds (except the student financial aid trust fund) and funding programs may be reduced on a basis proportionate to their share of the total postsecondary appropriation.

- The first priority for reduction will be increases in current services and benchmark equity funding, if any, down to the prior year nominal state appropriation base for each institution.
- Reduce each mandated program by the same percentage as the systemwide reduction (state appropriations net of debt service and the UofL hospital contract).
- If additional reduction is necessary, the next priority for reduction will be an across-the-board reduction of each institution's state appropriation net of debt service, the Quality Charity Care Trust (the University of Louisville Hospital contract), and mandated programs (previously cut) up to one-half of the current services increase as provided in the biennial state budget instructions or CPE's recommended current services increase, whichever is greater.
- If additional reduction is necessary, the remaining reduction will be allocated among institutions so that the institutions closest to or above their benchmark funding objectives will receive proportionately larger reductions than institutions a greater distance from their benchmark funding objectives.

Key Indicators of Progress: Revised Indicators and Goals

Action: The staff recommends that the Council approve the 19 Key Indicators listed in Attachment 1 and goals for 14 of them, as presented in Attachment 2. The staff also recommends that the Council direct the staff to continue its work with the institutions and other agencies to establish a 20th indicator and propose goals for all remaining indicators at the February 2004 Council meeting.

In March 2000, the Council endorsed five questions as the framework for developing a systemwide accountability program that reflected the long-term objectives of reform as set in motion with the passage of the Postsecondary Education Improvement Act of 1997:

1. Are more Kentuckians ready for postsecondary education?
2. Are more students enrolling?
3. Are more students advancing through the system?
4. Are we preparing Kentuckians for life and work?
5. Are Kentucky's communities and economy benefiting?

These questions represent the public agenda for Kentucky's postsecondary education system.

In March 2001, and after extensive consultation with institutional representatives, legislative leaders, executive branch staff, labor and business leaders, and other reform partners, the Council established a set of key performance indicators for measuring progress toward this agenda. Since that time the Council has used these indicators to regularly monitor reform efforts. From enrollments, to retention and graduation rates, to research dollars brought into the Commonwealth, the Council has reported where progress has taken place, as well as areas where institutions or the system have not kept pace with established goals.

Over the past several months, the staff has worked with the institutions and other reform partners to revise the key indicators of progress. As reported at the July Council meeting, this review process was intended to see what was working and what was not, to reduce the number of indicators, to further align the indicators with national accountability initiatives, and to establish new goals based on updated baseline measurements. The results of this review process are presented in this agenda item for Council consideration.

The staff proposes adopting the list of key indicators in Attachment 1. The revised list includes 19 key indicators arranged around the five questions (a fourth indicator under question 5 will be

proposed at an upcoming meeting). Only two of these indicators are new (degrees conferred and degrees conferred in high priority areas), indicating that the system remains committed to the current path of reform. This streamlined list of indicators will allow the Council, the institutions, and other reform partners to concentrate their efforts on those performance areas most central to the public agenda. But to ensure that important contextual information is not lost, many of the measurements formerly designated as key indicators will be prominently reported on the key indicator website as “related information.”

The staff further proposes adopting goals for 14 indicators. Included are systemwide indicators under questions 1, 2, and 3 and institution-specific goals for undergraduate and graduate enrollment, undergraduate experience and civic engagement, and research and development. For each of these indicators, the tables in Attachment 2 show baseline data, progress to date, and proposed goals for 2004, 2005, and 2006.

Goals for productivity measures – retention, transfer, graduation rates, and degree production – are not included here. The Council staff and the institutions are continuing to analyze 2003 results and national comparisons for these measurements. The staff will propose goals for the remaining indicators in February 2004.

The enrollment goals proposed here will be used to determine the amount of money each institution is eligible for in the enrollment component of the Enrollment Growth and Productivity Funding Program as described in the budget recommendation. Goals for retention rates and degree production, once set, will be tied to funding rewards as well.

Attachment 2 presents recommended goals. Below are highlights:

- 1A, Percentage of adults (25 and over) with at least a high school diploma or GED: According to a recent Census Bureau study, 86 percent of the U.S. population will hold a high school credential in 2020. Kentucky has made steady progress on this indicator since 1998. To be on track to reach the national average by 2020, 82 percent of Kentucky’s population should have a high school diploma or GED by 2006.
- 1B, Average ACT score of high school seniors: The Kentucky Department of Education’s long-term goal is to reach the national average by 2014. The proposed goals for 2004-06 apply the rate of change anticipated in the previous goal-setting cycle (a tenth of a point per year) to the 2003 actual score. The goal for 2006 is an average score of 20.5. This indicator is tied to the systemwide reward pool in the Enrollment Growth and Productivity Funding Program.
- 1C, Number of college-level courses per 1,000 high school juniors and seniors: Between 1998 and 2002, the increase in the number of students enrolling in college courses and taking AP exams greatly exceeded projections. The proposed goals anticipate that increases will continue over the next three years but at more modest rates.

- 1D, *Measuring Up* affordability measures: There are no proposed changes for indicator 1D.
- 2A, Number of undergraduates: The statewide goal for this indicator is 240,000 undergraduates by 2015. The proposed goal for 2006 is on track to meet this long-term goal. These goals are tied to the Enrollment Growth and Productivity Funding Program in the 2004-06 budget recommendation.
- 2B, Number of graduate/professional students: The proposed goals anticipate modest percentage increases in graduate and first-professional enrollment between 2003 and 2006. These goals are tied to the Enrollment Growth and Productivity Funding Program in the 2004-06 budget recommendation.
- 2C, Proportion of ninth-graders enrolling in college within four years: The previous goal for indicator 2C was to increase Kentucky's college-going percentage and to narrow the gap with the top states in *Measuring Up*. Because performance on this indicator is now tied to the systemwide reward pool in the Enrollment Growth and Productivity Funding Program, a specific figure is needed. Numerical goals – anticipating steady increases – are proposed for this measurement.
- 2D, College-going rates of GED completers: Kentucky saw a significant increase in the percentage of GED completers enrolling in college between 1999 and 2002. The proposed goals call on the system to maintain the historical rate of increase for this indicator for the 2004-06 period. This indicator also is tied to systemwide funding rewards in the Enrollment Growth and Productivity Funding Program.
- 3A, Retention rates of first-time freshmen: No goals are proposed for this indicator at this time. The Council staff and the institutions are working to refine the retention definition and to establish goals tied to regional and national comparisons and other benchmarks. This indicator will be included in the productivity pool of the Enrollment Growth and Productivity Funding Program.
- 3B: Number of community and technical college transfers: No goals are proposed for this indicator at this time. The Council staff and the institutions will work to establish aggressive transfer goals once actual transfer numbers for fall 2003 are confirmed.
- 3C, Percentage of adults with a bachelor's degree or higher: The long-term goal for indicator 3C is to reach the national average in baccalaureate attainment by 2020. Kentucky's progress since 1998 has outpaced increases nationally. An estimate based on the Census Bureau study referenced above suggests 26.4 percent of the U.S. population will hold a bachelor's degree in 2020. To be on track to reach the national average, 22.6 percent of Kentucky's population should have a bachelor's degree by 2006.
- 3D, Six-year graduation rates of bachelor's degree students: No goals are proposed for this indicator at this time. The Council staff is working to develop goals based on the

performance of each university's benchmark institutions; these goals will be presented to the Council in February 2004.

- 4A, Undergraduate student experience: No changes are proposed for this indicator. The goal for indicator 4A is for each of the universities to score above "predicted" in all of the National Survey of Student Engagement's benchmarks of effective educational practice. NSSE will release its 2003 benchmark report later this month.
- 4B, Undergraduate civic engagement: No change is recommended for this indicator. The goal for indicator 4B is for all universities to show improvement on four measures selected from NSSE.
- 4C, Degrees conferred: This is a new indicator. Consistent with the Enrollment Growth and Productivity Funding Program guidelines, degrees monitored here include associate degrees at the two-year institutions and bachelor's degrees and above at the four-year institutions. No goals are proposed for this indicator at this time. The Council staff will work with the institutions to develop goals for this indicator based on recently confirmed figures for degrees conferred during the 2002-03 academic year.
- 4D, Degrees conferred in the priority areas of the knowledge-based economy: This is also a new indicator. As such, no goals are proposed for this indicator at this time. Over the next several weeks, the Council staff will work with the institutions to confirm the specific degrees used to calculate this measurement and, to the extent possible, align the programs identified for this indicator with those given priority in other Council initiatives.
- 5A, Research and public service expenditures, three-year average (comprehensive universities): When goals were established for this indicator in November 2001, the measure was defined as "restricted" (external) research and public service expenditures per full-time faculty, and comparisons to benchmark institutions were drawn from the Integrated Postsecondary Education Data System. Because IPEDS no longer differentiates between restricted and unrestricted funds, it will not be possible to maintain this comparison using the 2001 definition. The proposed goals are based, instead, on total (restricted and unrestricted) research and public service expenditures, which include institutional funds. This allows us to compare Kentucky institutions to their respective benchmarks. The staff will continue to monitor the relationship between expenditures from restricted and total funds at Kentucky institutions.
- 5B, Extramural research and development expenditures (University of Kentucky, University of Louisville): No changes are proposed for this indicator. The long-term goal for 5B is to reach \$1 billion in expenditures by 2020.
- 5C, Federal research and development expenditures (UK, UofL): No changes are proposed for 5C. The long-term goal for this indicator is to reach \$718 million in federal expenditures by 2020.

The staff will report progress based on official fall 2003 data for several indicators at the February 2004 meeting. Goals for productivity indicators will be proposed for Council review at that meeting as well.

Staff preparation by Christina E. Whitfield and Sue Hodges Moore

Kentucky Council on Postsecondary Education
Key Indicators of Progress Toward Postsecondary Reform
Proposed Indicators

Question 1: Are more Kentuckians ready for postsecondary education?

- A Percentage of adults with at least a high school diploma or GED
- B Average ACT scores of high school graduates
- C Number of college-level courses per 1,000 HS juniors and seniors
- D *Measuring Up* affordability measures

Question 2: Are more students enrolling?

- A Number of undergraduates
- B Number of graduates/professionals
- C Percentage of 9th graders enrolling in college within 4 years in any state
- D College-going rates of GED completers within two years

Question 3: Are more students advancing through the system?

- A One-year retention rates of first time freshmen
- B Number of community and technical college transfers
- C Percentage of adults with a bachelor's degree or higher
- D Six-year graduation rates of bachelor's degree students

Question 4: Are we preparing Kentuckians for life and work?

- A Undergraduate experience - National Survey of Student Engagement
- B Civic engagement - Selected indicators from NSSE
- C Degrees conferred
- D Degrees conferred in priority areas

Question 5: Are Kentucky's communities and economy benefiting?*

- A Total research and public service expenditures - three-year average
- B Extramural research and development expenditures
- C Federal research and development expenditures

*Fourth indicator under Question 5 to be determined.

Kentucky Council on Postsecondary Education
 Key Indicators of Progress toward Postsecondary Reform
 Question 1: Are More Kentuckians Ready for Postsecondary Education?

1A Percentage of adults (25 and over) with at least a high school diploma or GED

Level of Measurement	Actual					Proposed Goals				
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2020
Statewide	77.9%	78.2%	78.7%	79.0%	80.8%	81.1%	81.4%	81.7%	82.0%	National
US	82.8%	83.4%	84.1%	84.1%	84.1%					Average

Source: US Census Bureau Current Population Survey

Kentucky Council on Postsecondary Education
 Key Indicators of Progress toward Postsecondary Reform
 Question 1: Are More Kentuckians Ready for Postsecondary Education?

1B Average ACT scores of high school graduates

Level of Measurement	Actual						Proposed Goals		
	1998	1999	2000	2001	2002	2003	2004	2005	2006
Statewide	20.2	20.1	20.1	20.1	20.0	20.2	20.3	20.4	20.5
US	21.0	21.0	21.0	21.0	20.8	20.8			

Source: ACT

Kentucky Council on Postsecondary Education
 Key Indicators of Progress toward Postsecondary Reform
 Question 1: Are More Kentuckians Ready for Postsecondary Education?

1C Number of college-level courses per 1,000 high school juniors and seniors

Level of Measurement	Actual						Proposed Goals		
	1997	1998	1999	2000	2001	2002	2004	2005	2006
Statewide	77.4	83.8	94.8	95.8	124.8	219.5	400.0	500.0	600.0

Note: Calculation is number of high school juniors and seniors enrolled in college courses and the number of scores of "3" or better on AP tests per 1,000 high school juniors and seniors.

Source: CPE Comprehensive Data Base, College Board, KDE

Kentucky Council on Postsecondary Education
 Key Indicators of Progress toward Postsecondary Reform
 Question 1: Are More Kentuckians Ready for Postsecondary Education?

1D *Measuring Up* affordability measures

Level of Measurement	Indicator	Actual				Proposed Goal	
		2000		2002		2004	2006
Statewide		<u>KY</u>	<u>Top States</u>	<u>KY</u>	<u>Top States</u>		
	Ability to pay, Public 4-Year	21%	19%	19%	18%	Goal is to improve on all six indicators.	
	Ability to pay, Public 2-Year	17%	17%	17%	16%		
	Ability to Pay, Private	44%	30%	40%	32%		
	Need-based financial aid	33%	106%	37%	108%		
	Low-priced colleges	14%	9%	13%	8%		
	Low student debt	\$3,327	\$3,094	\$2,987	\$2,928		

Source: National Center for Public Policy and Higher Education, National Report Card

Kentucky Council on Postsecondary Education
Key Indicators of Progress toward Postsecondary Reform
Question 2: Are More Students Enrolling?

2A Number of undergraduates

Institution	Actual					Estimated	Proposed Goals			Proposed Increase
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2003-06
Eastern Kentucky University	13,480	13,274	12,909	12,807	13,053	13,631	13,780	13,935	14,124	3.6%
Kentucky State University	2,205	2,277	2,129	2,165	2,107	2,137	2,180	2,223	2,268	6.1%
Morehead State University	6,743	6,645	6,755	7,268	7,712	7,741	7,825	7,916	8,009	3.5%
Murray State University	7,349	7,299	7,492	7,776	8,088	8,250	8,415	8,583	8,755	6.1%
Northern Kentucky University	10,643	10,672	10,859	11,288	12,164	12,208	12,400	12,700	13,000	6.5%
University of Kentucky	17,157	16,847	16,899	17,284	17,878	18,340	18,707	19,081	19,463	6.1%
University of Louisville	14,647	14,710	14,477	14,131	14,475	14,706	14,345	14,390	14,435	-1.8%
Western Kentucky University	12,713	12,921	13,272	14,135	15,234	15,820	15,800	15,900	16,000	1.1%
Subtotal	84,937	84,645	84,792	86,854	90,711	92,833	93,452	94,728	96,053	3.5%
Lexington Community College	6,118	6,807	7,214	7,793	8,270	8,700	8,874	9,051	9,233	6.1%
KCTCS	45,529	46,035	52,201	63,120	67,812	71,061	72,482	73,932	76,700	7.9%
Total Public Institutions	136,584	137,487	144,207	157,767	166,793	172,594	174,808	177,712	181,986	5.4%
Independent Institutions	24,342	24,099	25,159	26,551	26,845	25,784	26,300	26,826	27,362	6.1%
System Total	160,926	161,586	169,366	184,318	193,638	198,378	201,107	204,537	209,348	5.5%
Annual Increase							1.4%	1.7%	2.4%	

Kentucky Council on Postsecondary Education
Key Indicators of Progress toward Postsecondary Reform
Question 2: Are More Students Enrolling?

2B Number of graduate/professional students

Institution	Actual					Estimated	Proposed Goals			Proposed Increase
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2003-06
Eastern Kentucky University	1,922	1,914	1,748	1,890	2,195	2,347	2,347	2,347	2,347	0.0%
Kentucky State University	98	116	125	149	146	169	172	176	179	6.1%
Morehead State University	1,520	1,526	1,572	1,759	1,678	1,602	1,617	1,649	1,690	5.5%
Murray State University	1,554	1,615	1,649	1,872	1,832	1,770	1,805	1,842	1,878	6.1%
Northern Kentucky University	1,156	1,104	1,242	1,260	1,579	1,724	1,777	1,833	1,890	9.6%
University of Kentucky	6,552	6,219	6,217	6,764	7,155	7,355	7,502	7,652	7,805	6.1%
University of Louisville	5,562	5,424	5,627	5,573	5,958	6,101	6,101	6,101	6,101	0.0%
Western Kentucky University	2,169	2,202	2,244	2,444	2,584	2,530	2,581	2,633	2,686	6.2%
Total	20,533	20,120	20,424	21,711	23,127	23,598	23,903	24,232	24,577	4.1%
Annual Increase							1.3%	1.4%	1.4%	

Note: Excludes Post-Docs and House Staff

Kentucky Council on Postsecondary Education
 Key Indicators of Progress toward Postsecondary Reform
 Question 2: Are More Students Enrolling?

2C Ninth-graders enrolling in college within four years

<u>Level of Measurement</u>	<u>Actual</u>			<u>Proposed Goals</u>	
	1996	1998	2000	2004	2006
Statewide					
Kentucky	36.0%	37.0%	38.0%	40%	41%
Top States	54.0%	54.0%	NA		
National Average	39.7%	38.8%	37.5%		

Source: NCPPHE, National Report Card

Kentucky Council on Postsecondary Education
 Key Indicators of Progress toward Postsecondary Reform
 Question 2: Are More Students Enrolling?

2D College-going rates of GED completers within two years

Level of Measurement	Actual				Proposed Goals		
	1999	2000	2001	2002	2004	2005	2006
Systemwide	12.0%	12.7%	16.5%	17.8%	21.2%	23.1%	25.2%

Sources: CPE Comprehensive Data Base , Kentucky Adult Education - Council on Postsecondary Education

Kentucky Council on Postsecondary Education
 Key Indicators of Progress toward Postsecondary Reform
 Question 3: Are More Students Advancing Through the System ?

3C Percentage of adults with a bachelor's degree or higher

Level of Measurement	Actual					Proposed Goals			
	1998	1999	2000	2001	2002	2004	2005	2006	2020
Statewide	20.1%	19.8%	20.5%	20.4%	21.6%	22.1%	22.4%	22.6%	National
US	24.4%	25.2%	25.6%	26.2%	26.7%				Average

Source: US Census Bureau Current Population Survey

Kentucky Council on Postsecondary Education
Key Indicators of Progress toward Postsecondary Reform
Question 4: Are We Preparing Kentuckians for Life and Work?

4A Undergraduate student experience (National Survey of Student Engagement)

Level of
Measurement

Universities

2001 Composite Benchmark Scores*

	<u>EKU</u>		<u>KSU</u>		<u>MoSU</u>		<u>MuSU</u>	
	<u>Actual</u>	<u>Predicted</u>	<u>Actual</u>	<u>Predicted</u>	<u>Actual</u>	<u>Predicted</u>	<u>Actual</u>	<u>Predicted</u>
First-Year Students								
Level of Academic Challenge	49.9	48.2	53.8	48.6	53.6	49.7	45.7	49.1
Active and Collaborative Learning	36.0	36.2	47.0	44.4	41.8	39.4	35.6	38.8
Student Interactions with Faculty Members	33.5	31.8	38.2	37.8	40.8	32.5	32.9	30.2
Enriching Educational Experiences	49.4	47.4	61.2	52.3	55.1	51.3	50.1	48.0
Supportive Campus Environment	57.0	58.2	58.3	58.7	62.2	59.4	58.6	57.4
Senior Students								
Level of Academic Challenge	55.2	52.7	52.0	53.8	53.7	55.0	53.5	54.2
Active and Collaborative Learning	49.3	48.3	51.6	51.8	52.9	50.8	46.1	51.0
Student Interactions with Faculty Members	46.4	40.7	45.5	45.4	44.3	43.9	40.6	42.5
Enriching Educational Experiences	47.2	43.0	55.2	47.1	46.8	44.5	44.5	43.1
Supportive Campus Environment	57.4	55.9	58.1	58.0	56.4	56.5	55.0	55.6
	<u>NKU</u>		<u>UK</u>		<u>UofL</u>		<u>WKU</u>	
	<u>Actual</u>	<u>Predicted</u>	<u>Actual</u>	<u>Predicted</u>	<u>Actual</u>	<u>Predicted</u>	<u>Actual</u>	<u>Predicted</u>
First-Year Students								
Level of Academic Challenge	47.6	49.5	51.4	50.4	45.2	50.2	45.2	48.0
Active and Collaborative Learning	35.4	35.8	35.6	35.3	36.6	35.0	38.7	37.9
Student Interactions with Faculty Members	33.6	32.6	33.6	30.6	32.1	33.5	31.1	29.9
Enriching Educational Experiences	46.1	49.8	50.4	52.5	52.2	53.3	54.1	48.1
Supportive Campus Environment	57.2	56.6	53.3	55.0	53.6	53.6	57.9	59.1
Senior Students								
Level of Academic Challenge	52.9	51.9	52.4	53.8	51.0	52.0	49.7	53.7
Active and Collaborative Learning	48.5	46.4	44.8	46.1	44.9	43.6	45.7	49.4
Student Interactions with Faculty Members	34.5	36.4	39.1	38.7	35.8	35.2	38.7	40.7
Enriching Educational Experiences	36.0	38.3	42.5	45.0	43.5	40.1	46.1	44.7
Supportive Campus Environment	51.0	53.4	48.3	50.8	47.3	49.5	53.3	58.1

Goal: The goal is for each of the universities to score above "predicted" in all benchmarks in 2003 and 2005.

Note: For each of the benchmarks, NSSE provides institutions with actual and predicted scores. The predicted scores are based on student demographics, admissions selectivity, enrollment, and a variety of other factors and allow institutions to compare their performance with the performance of similar institutions. Institutions whose actual score is higher than their predicted score in a given benchmark category outperform their peers in that area.

Source: NSSE

*Based on a 100-point scale.

Kentucky Council on Postsecondary Education
Key Indicators of Progress toward Postsecondary Reform
Question 4: Are We Preparing Kentuckians for Life and Work?

4B Undergraduate civic engagement

Level of Measurement

Universities

Participation in Community and Volunteer Activities

Survey Question

Participated in a community-based project as a part of a regular course

Percent of Respondents Who Answered "Very Often," "Often," or "Sometimes"

		EKU	KSU	MoSU	MuSU	NKU	UK	UL	WKU	KY	NSSE
<u>2001</u>	First-Year	18%	42%	26%	19%	17%	16%	24%	25%	22%	27%
	Seniors	42%	40%	44%	30%	32%	33%	38%	37%	37%	41%
<u>2003</u>	First-Year	28%	49%	24%	30%	14%	15%	25%	21%	23%	34%
	Seniors	48%	38%	35%	40%	33%	35%	23%	43%	37%	44%

Survey Question

Hours per week spent doing volunteer work

Percent of Respondents Who Answered One Hour or More

		EKU	KSU	MoSU	MuSU	NKU	UK	UL	WKU	KY	NSSE
<u>2001</u>	First-Year	44%	56%	46%	49%	36%	48%	39%	48%	45%	na
	Seniors	52%	72%	50%	52%	43%	48%	45%	48%	49%	na
<u>2003</u>	First-Year	32%	36%	26%	43%	36%	29%	32%	30%	33%	na
	Seniors	40%	44%	40%	39%	42%	39%	39%	41%	40%	na

Contribution of College Experience to Personal Development

Survey Question

College experience contributed to knowledge, skills and personal development in voting in local, state, or national elections

Percent of Respondents Who Answered "Very much" or "Quite a Bit"

		EKU	KSU	MoSU	MuSU	NKU	UK	UL	WKU	KY	NSSE
<u>2001</u>	First-Year	29%	39%	38%	27%	21%	18%	25%	30%	27%	26%
	Seniors	33%	39%	33%	32%	26%	22%	29%	20%	27%	25%
<u>2003</u>	First-Year	23%	29%	18%	28%	23%	16%	17%	20%	21%	23%
	Seniors	17%	32%	23%	23%	16%	22%	14%	24%	21%	23%

College experience contributed to knowledge, skills and personal development in contributing to the welfare of their community

<u>2001</u>	First-Year	26%	27%	31%	30%	19%	20%	26%	24%	25%	33%
	Seniors	46%	56%	43%	37%	26%	33%	33%	39%	37%	40%
<u>2003</u>	First-Year	35%	28%	34%	41%	30%	27%	27%	33%	32%	41%
	Seniors	35%	41%	37%	39%	29%	32%	27%	36%	34%	44%

Goal: The goal is for each of the universities to show improvement on all measures in 2003 and 2005.

Source: NSSE

Kentucky Council on Postsecondary Education
Key Indicators of Progress toward Postsecondary Reform
Question 5: Are Kentucky's Communities and Economy Benefiting?

5A Research and public service expenditures per full-time faculty - three-year average

<u>Level of Measurement</u>	<u>Actual</u>				<u>Proposed Goals</u>			<u>Proposed Increase</u>
	<u>1996-1999</u>	<u>1997-2000</u>	<u>1998-2001</u>	<u>1999-2002</u>	<u>2001-2004</u>	<u>2002-2005</u>	<u>2003-2006</u>	<u>1999-2002 to 2003-2006</u>
Comprehensive Universities								
Eastern Kentucky University	\$18,410	\$24,508	\$35,187	\$44,432	\$45,320	\$46,227	\$47,152	6.1%
Kentucky State University	\$50,176	\$52,372	\$51,062	\$52,505	\$54,625	\$55,719	\$56,833	8.2%
Morehead State University	\$15,993	\$17,808	\$18,909	\$22,743	\$23,198	\$23,662	\$24,135	6.1%
Murray State University	\$15,063	\$16,148	\$16,912	\$17,726	\$19,142	\$19,699	\$20,192	13.9%
Northern Kentucky University	\$6,142	\$6,807	\$7,342	\$8,354	\$8,651	\$8,959	\$9,278	11.1%
Western Kentucky University	\$23,187	\$27,194	\$30,905	\$33,202	\$36,837	\$40,538	\$42,242	27.2%

Sources: CPE Comprehensive Data Base, IPEDS (Integrated Postsecondary Education Data System) Fall Staff Survey

Kentucky Council on Postsecondary Education
 Key Indicators of Progress toward Postsecondary Reform
 Question 5: Are Kentucky's Communities and Economy Benefiting?

5B Extramural research and development expenditures (in \$ thousands)

Level of Measurement

UK, UofL

	Actual			Proposed Goals						
	1999	2000	2001	2002	2003	2004	2005	2006	2010	2020
University of Kentucky	\$120,446	\$142,803	\$150,713	\$158,523	\$174,242	\$189,962	\$205,682	\$221,402	\$300,000	\$600,000
University of Louisville	\$28,892	\$30,615	\$34,314	\$46,080	\$55,296	\$66,355	\$79,626	\$95,551	\$200,000	\$400,000
Total	\$149,338	\$173,418	\$185,027	\$204,603	\$229,538	\$256,317	\$285,308	\$316,953	\$500,000	\$1,000,000

Note: Extramural expenditures include federal, state, industry, and other extramural sources (excluding institutional expenditures).

Source: National Science Foundation, UK figures adjusted by UK, 7/01

Kentucky Council on Postsecondary Education
 Key Indicators of Progress toward Postsecondary Reform
 Question 5: Are Kentucky's Communities and Economy Benefiting?

5C Federal research and development expenditures (in \$ thousands)

Level of Measurement

UK, UofL

	Actual			Goals						
	1999	2000	2001	2002	2003	2004	2005	2006	2010	2020
University of Kentucky	\$66,184	\$73,858	\$86,239	\$87,172	\$100,486	\$113,801	\$127,115	\$140,429	\$207,000	\$414,000
University of Louisville	\$15,536	\$17,713	\$25,116	\$35,832	\$42,998	\$51,598	\$61,918	\$74,301	\$154,071	\$304,000
Total	\$81,720	\$91,571	\$111,355	\$123,004	\$143,484	\$165,399	\$189,033	\$214,730	\$361,071	\$718,000

Source: NSF

Key Indicators of Progress Revised Indicators and Goals November 2003

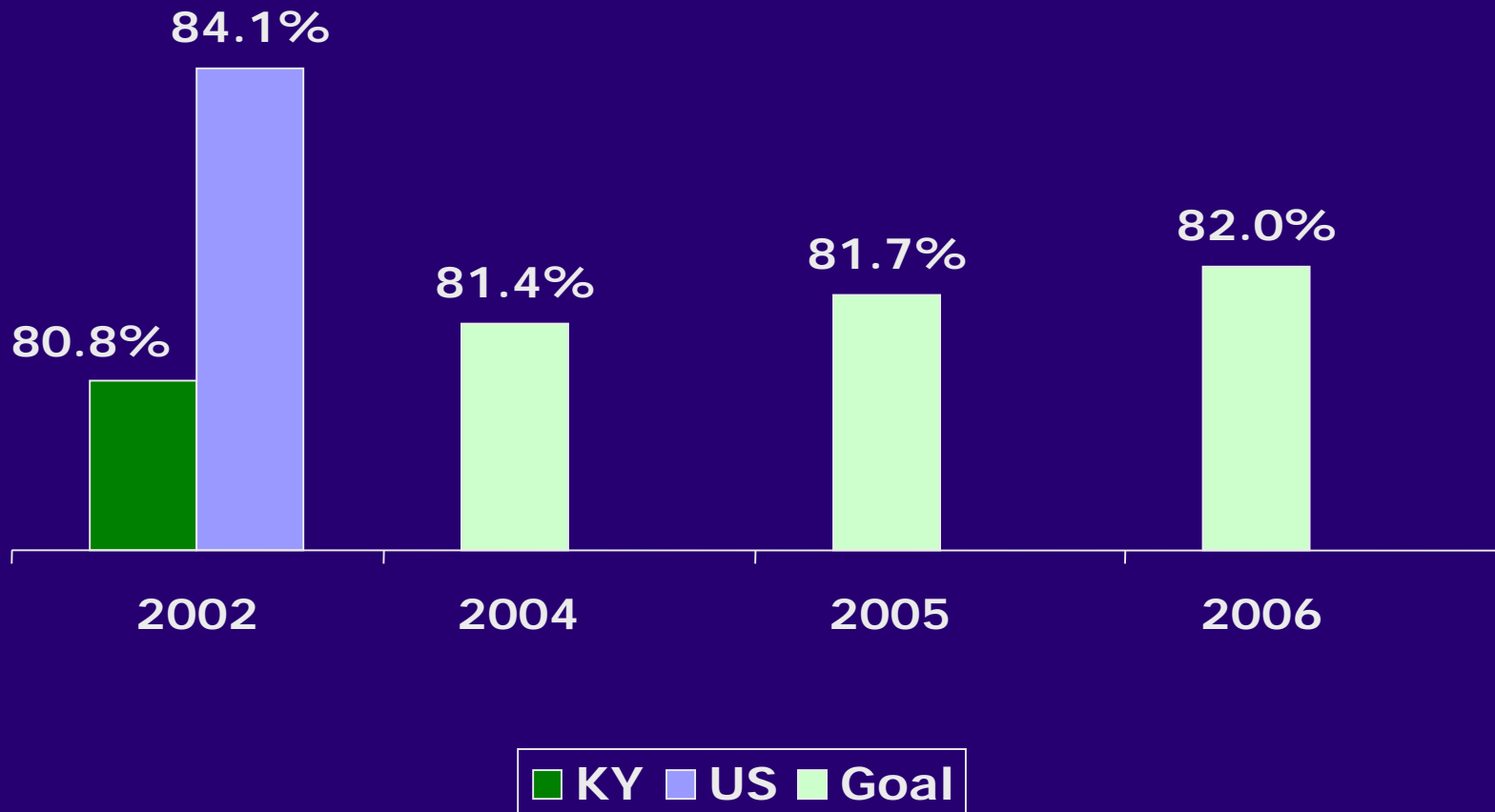


Question 1:

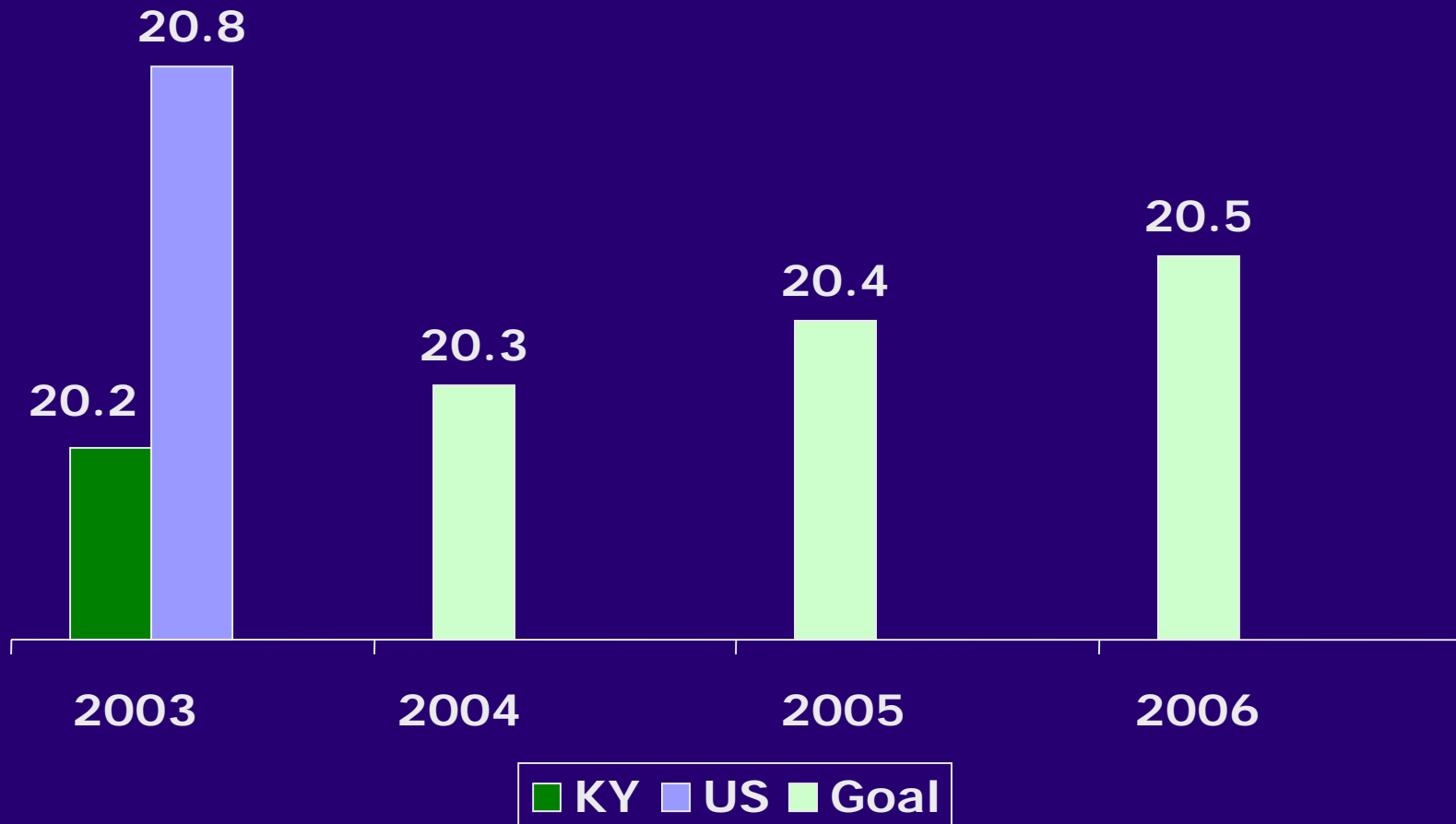
Are more Kentuckians ready for postsecondary education?

- A. Percentage of adults with at least a high school diploma or GED
- B. Average ACT scores of high school graduates
- C. Number of college-level courses per 1,000 high school juniors and seniors
- D. *Measuring Up* affordability measures

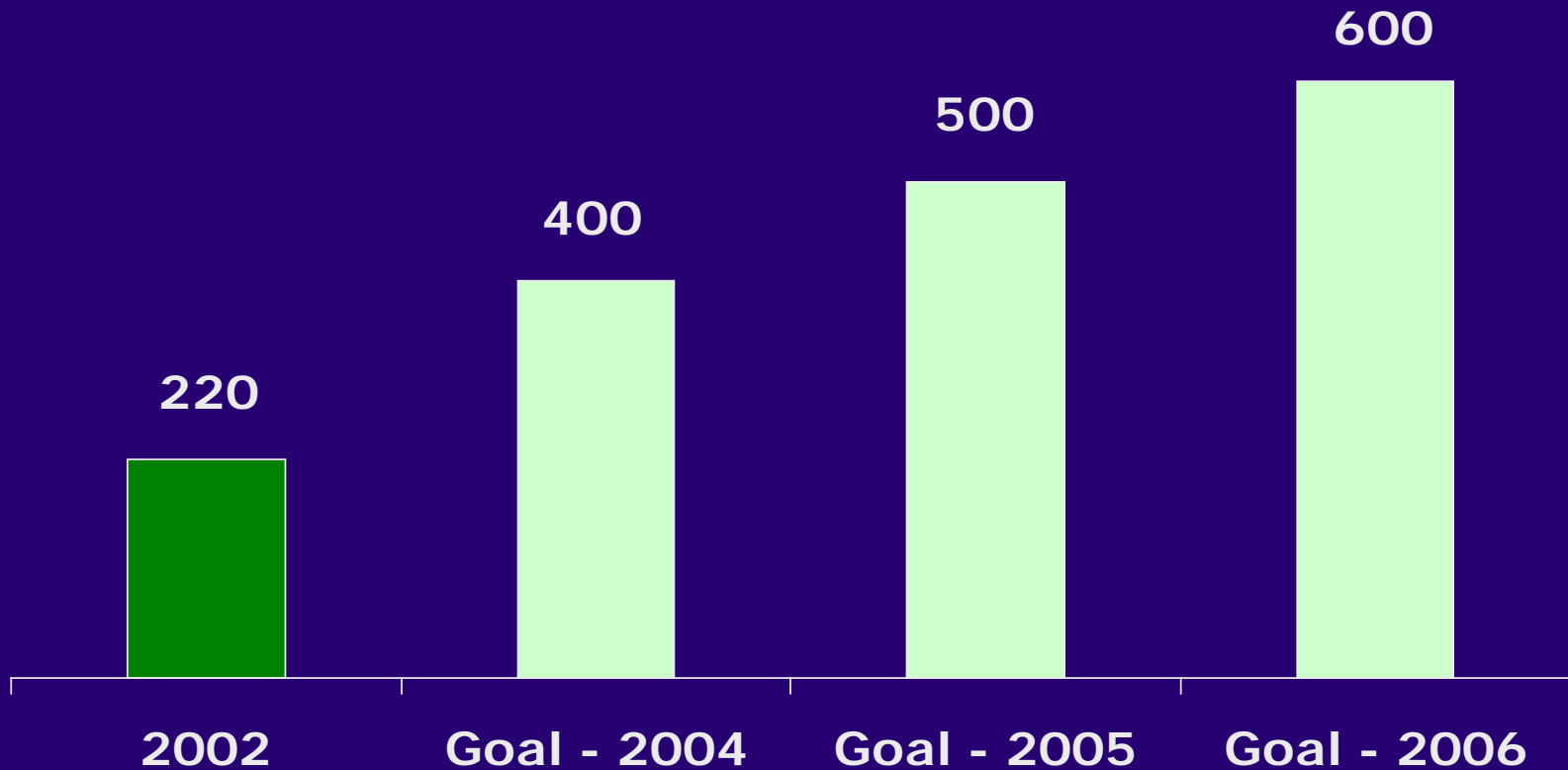
Adults with at Least a High School Diploma or GED



Average ACT Scores of High School Graduates



College-Level Courses per 1,000 High School Juniors and Seniors



Measuring Up Affordability Measures

- Ability to pay, four-year public:
 - KY: 19%
 - Top States: 18%
- Ability to pay, two-year public:
 - KY: 17%
 - Top States: 16%
- Ability to pay, private:
 - KY: 40%
 - Top States: 32%

Source: NCPPHE



Measuring Up Affordability Measures

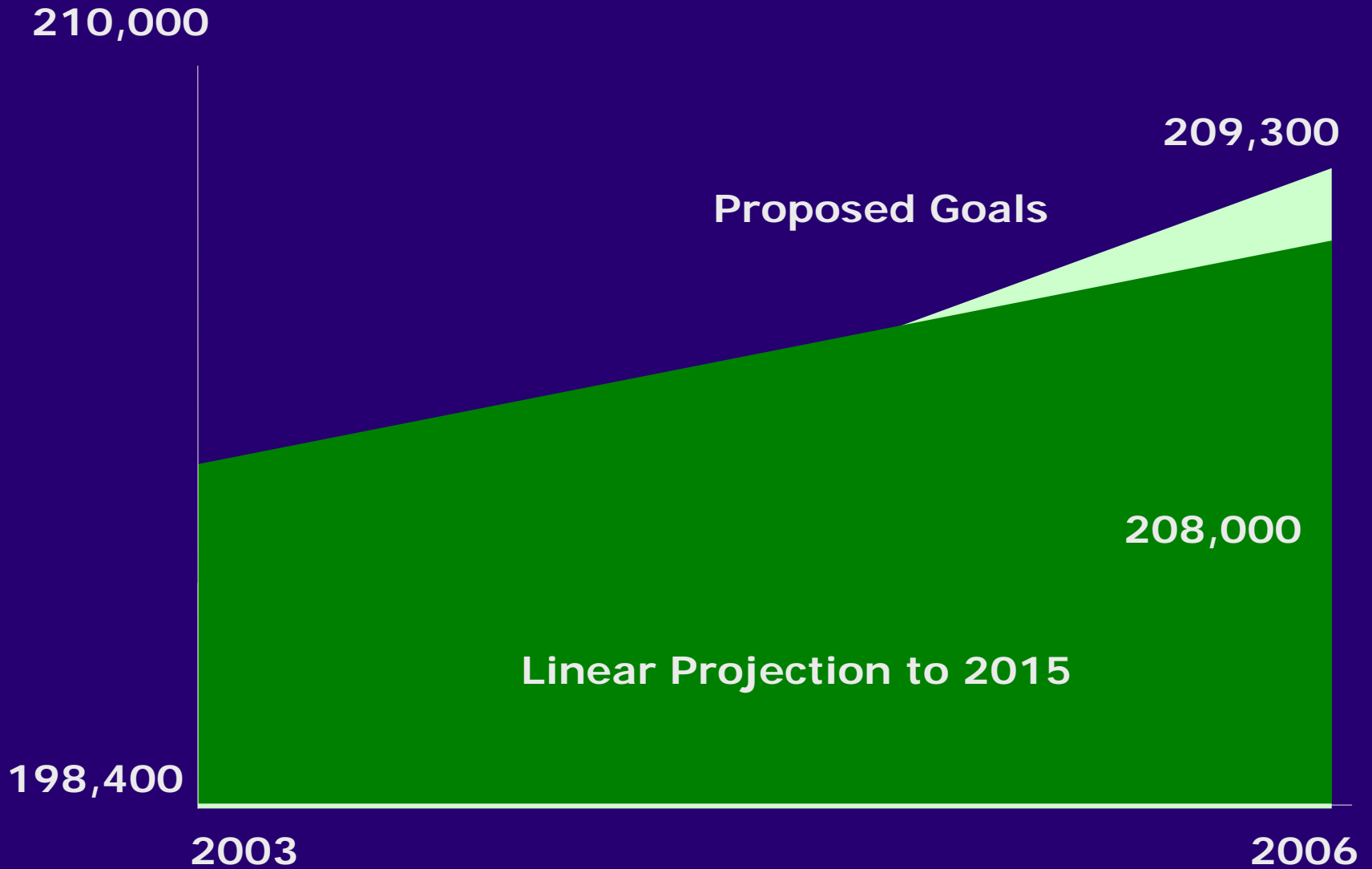
- Need-based financial aid:
 - KY: 37%
 - Top States: 108%
- Low-priced colleges:
 - KY: 13%
 - Top States: 8%
- Student debt:
 - KY: \$2,987
 - Top States: \$2,928
- Goal: Improve on all measures



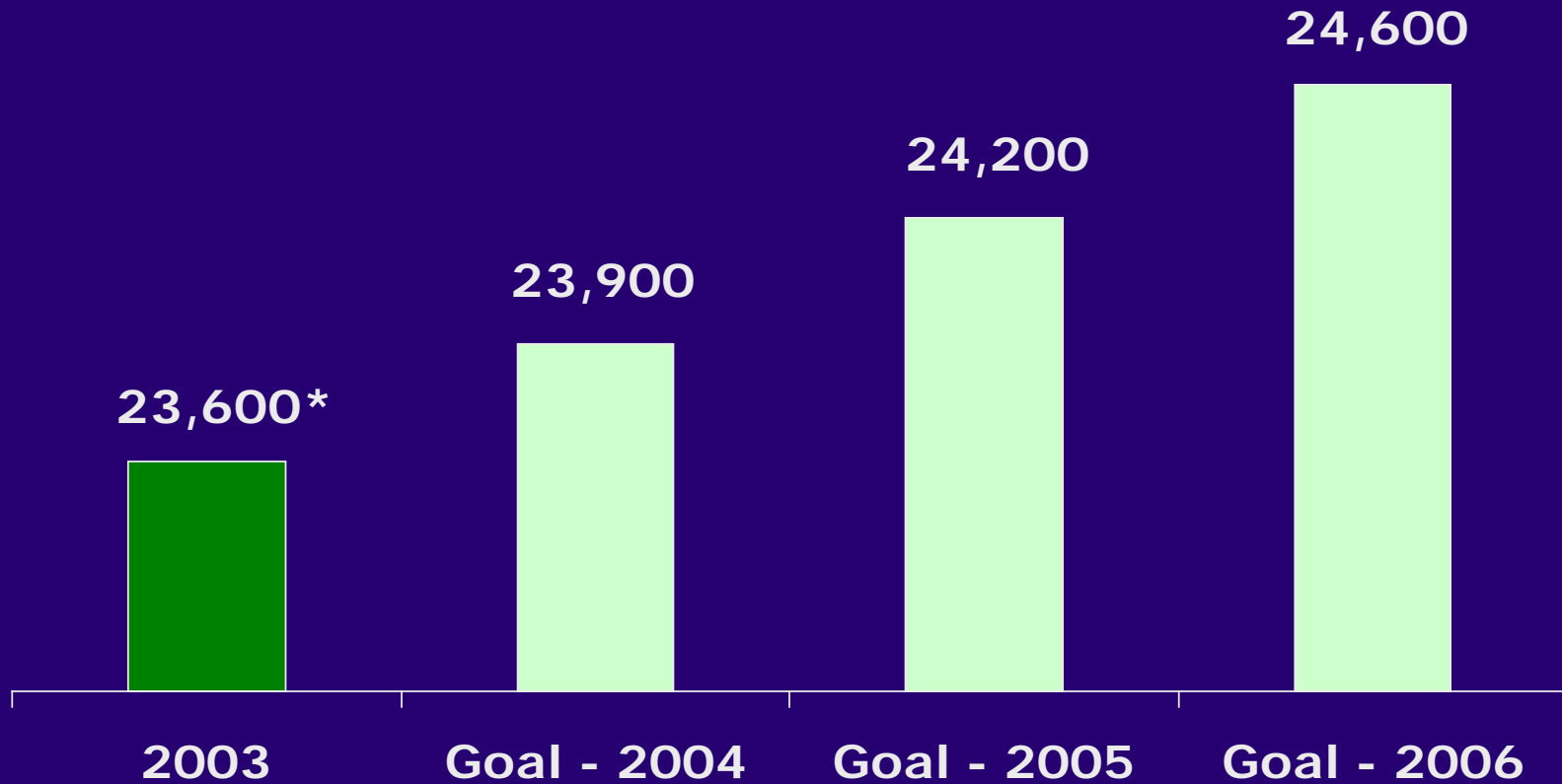
Question 2: Are more students enrolling?

- A. Number of undergraduates
- B. Number graduates/professionals
- C. Percentage of ninth-graders enrolling in college within 4 years
- D. College-going rate of GED completers

Number of Undergraduates



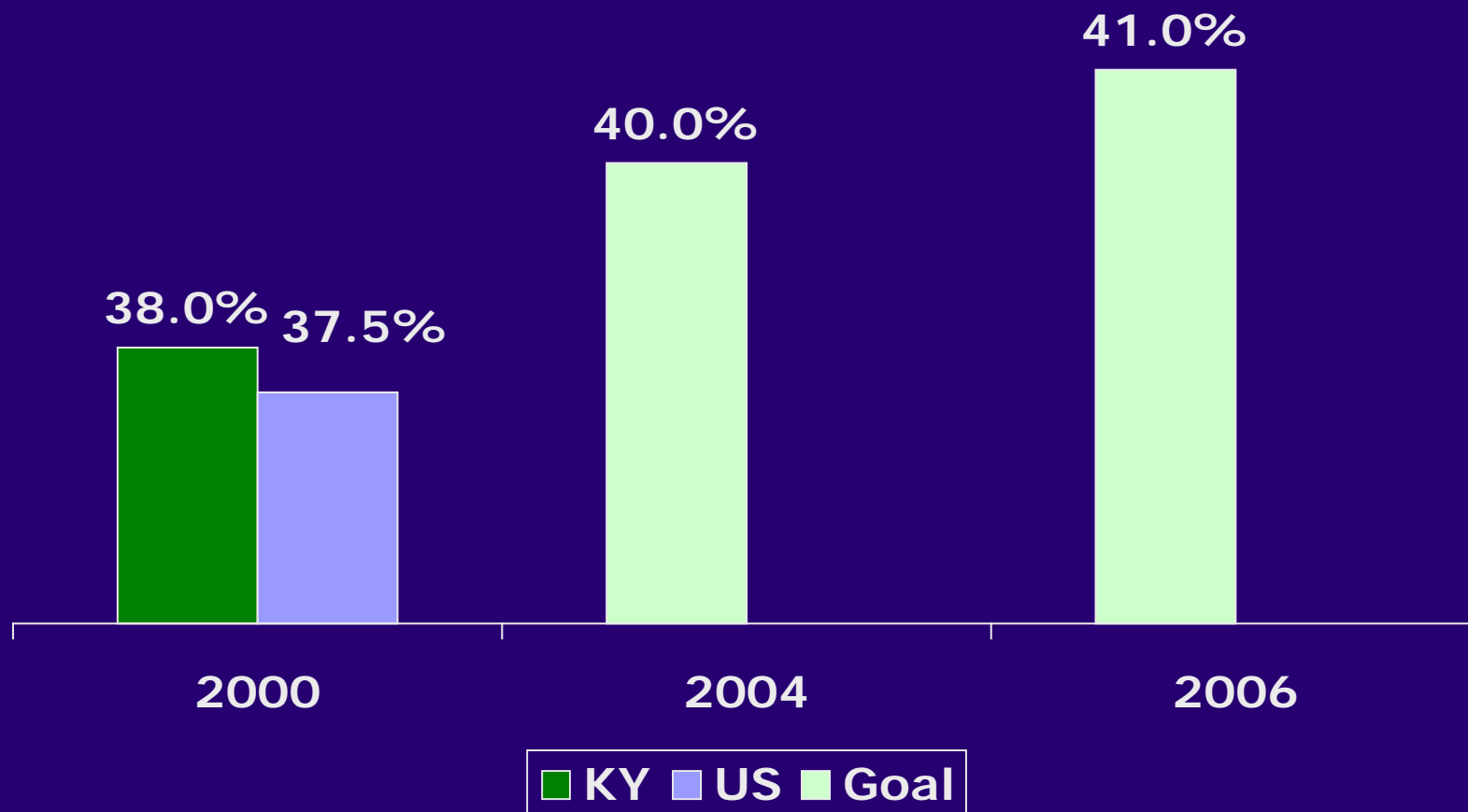
Number of Graduate/Professional Students



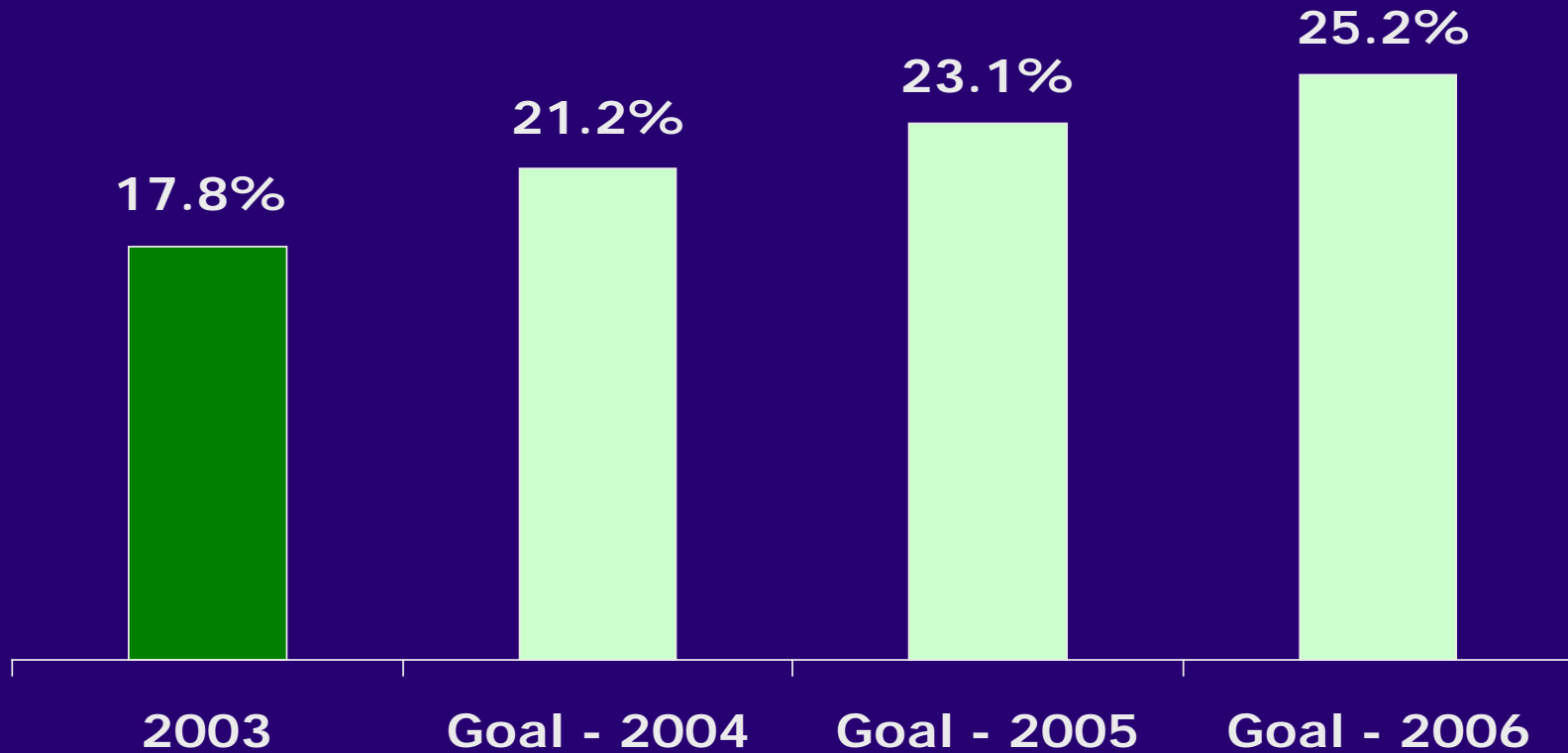
*Estimated

Source: CPE Comprehensive Data Base

Ninth-Graders Enrolling in College within Four Years



College-Going Rate of GED Completers

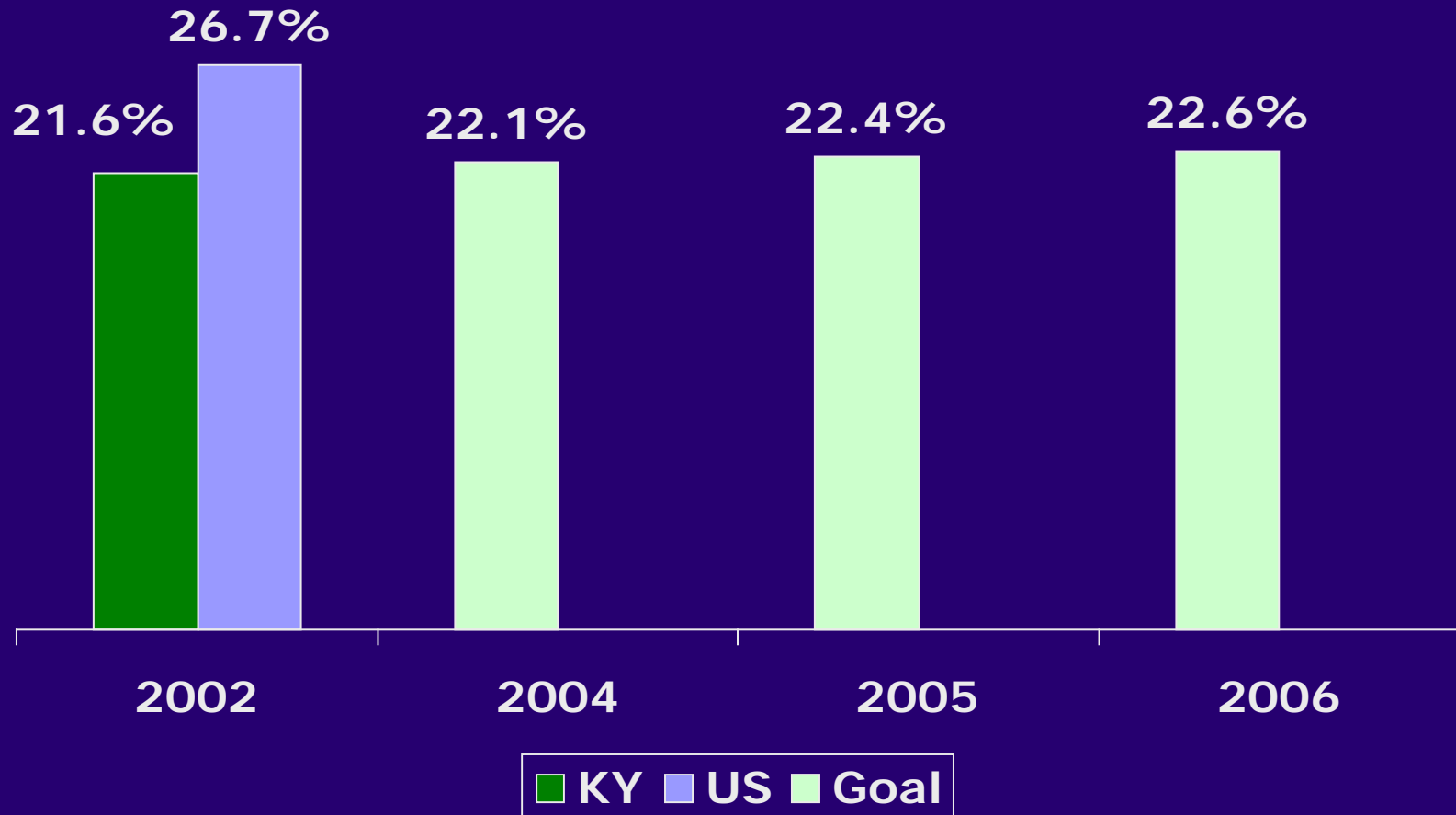


Question 3:

Are more students advancing through the system?

- A. One-year retention rates of first-time freshmen
- B. Number of community and technical college transfers
- C. Percentage of adults with a bachelor's degree or higher
- D. Six-year graduation rates of bachelor's degree students

Adults with a Bachelor's Degree or Higher



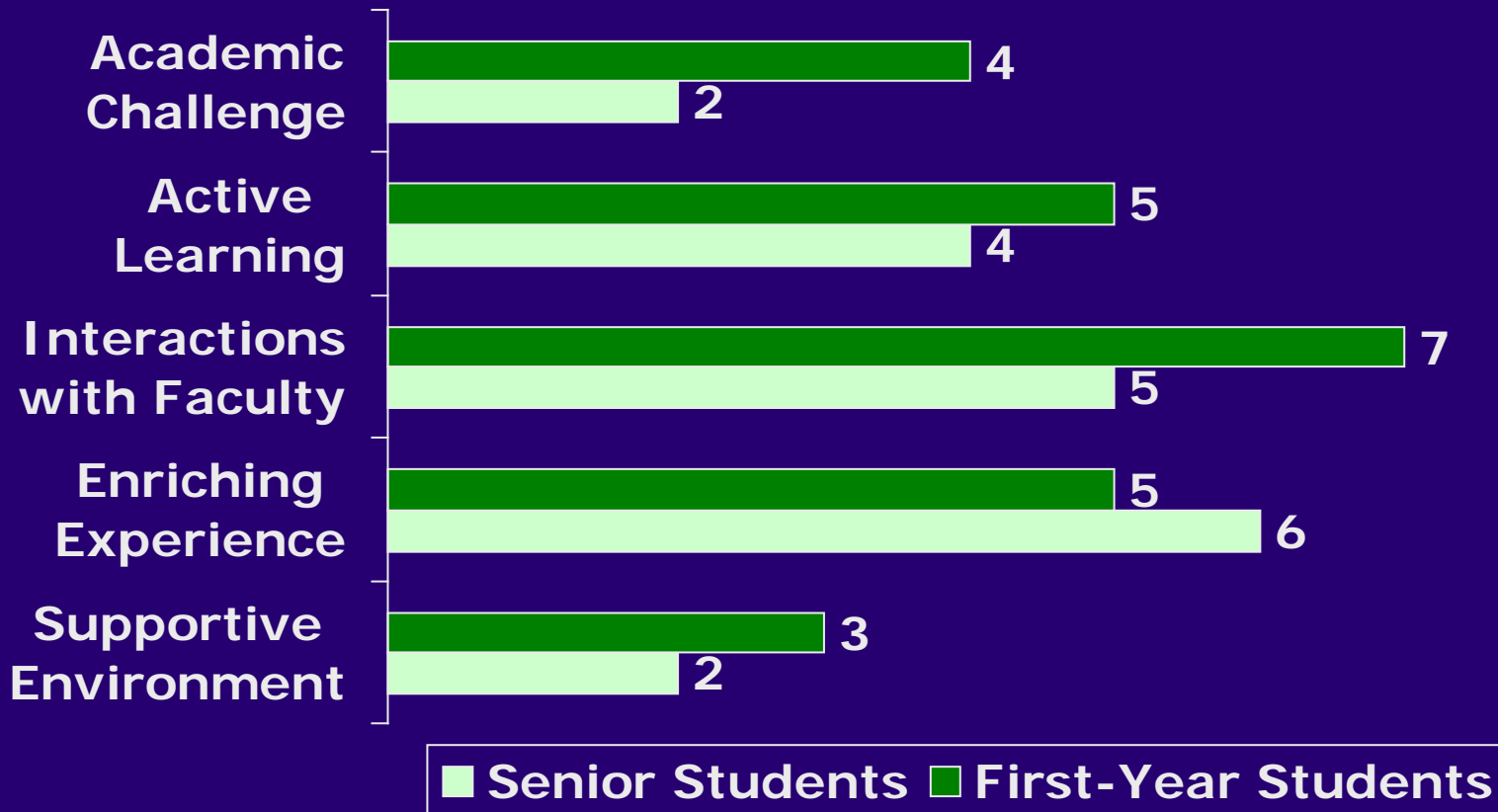
Question 4:

Are we preparing Kentuckians for life and work?

- A. Undergraduate student experience
- B. Undergraduate civic engagement
- C. Degrees conferred
- D. Degrees conferred in priority areas

Undergraduate Student Experience

Number of Universities Scoring Above Predicted by NSSE Benchmark



Civic Engagement

Selected Indicators from NSSE

- Participation in a community-based project as part of a regular course
- Hours per week spent doing volunteer work
- College experience contributed to knowledge, skills, and personal development in:
 - Voting in local, state, or national elections
 - Contributing to community welfare

Question 5:

Are Kentucky's community and economy benefiting?

- A. Research and public service expenditures
- B. Extramural research and development expenditures
- C. Federal research and development expenditures

Total Research and Public Service Expenditures per Full-Time Faculty Comprehensive Universities (Three-Year Average)



Extramural Research and Development Expenditures UK and UofL (in \$ thousands)



Sources: NSF, UK

Federal Research and Development Expenditures

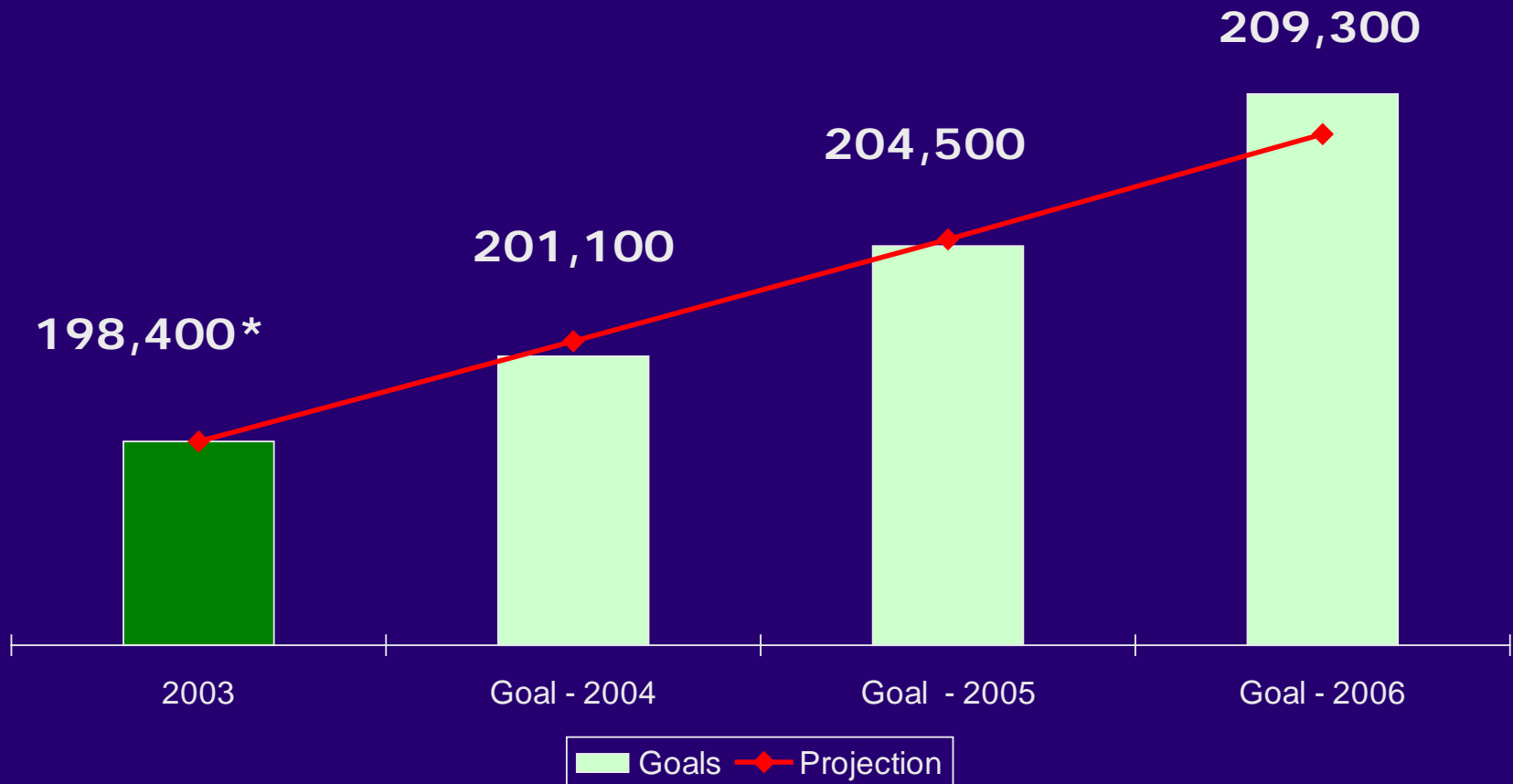
UK and UofL

(in \$ thousands)



Source: NSF

Number of Undergraduates



*Estimated

Source: CPE Comprehensive Data Base

Council on Postsecondary Education
November 3, 2003

Kentucky State University Mission Statement

Action: The staff recommends that the Council approve the attached mission statement for Kentucky State University as a working draft to be finalized in early 2004.

Kentucky State University, in response to recommendations in the Baker and Hostetler report, engaged its faculty, staff, and board of regents in creating a revised mission statement. The Council staff also was consulted. The attached mission statement is the result of those discussions.

Since the KSU board expects to select a president by the first of the year and since the mission statements of all postsecondary institutions, including KSU, will be reviewed as a part of the Council's plan of work for 2003-04, this mission statement may be modified over the coming months.



**Kentucky State University
Frankfort, Kentucky 40601**

Office of the President

Mission Statement

Kentucky State University is committed to providing a liberal arts education of high quality to a diverse student body and to fulfilling its mandates of teaching, research, outreach and accessibility as a Land Grant institution. Consistent with this mission and our African-American heritage, we are committed to offering a variety of undergraduate and graduate programs that serve citizens. Small classes at Kentucky State University provide a nurturing and stimulating environment that prepares undergraduate and graduate students to become educated citizens and professionals.

We are also committed to collaborating with other institutions in the Commonwealth to increase the effectiveness of Kentucky's system of post-secondary education. Unique endeavors include our responsibility to serve public employees, our Program of Distinction in Aquaculture, and the Center of Excellence for the Study of Kentucky African-Americans.

Transferred to Tom Layzell of the CPE, from Bill Turner, KSU Interim President. Monday, October 27, 2003. KSU Board approved this version (10/24/03) which also has the approval of KSU Faculty Senate. Layzell will forward to CPE Board, which has been sent the 10/10-dated draft of this Mission Statement for its Nov '03 meeting. **Request is for CPE Board to approve this draft.**

Council on Postsecondary Education
November 3, 2003

Annual Accountability Report

The Council staff is working on the annual accountability report for 2002-03 that is due to the Governor, the Legislative Research Commission, the General Assembly, and the Strategic Committee on Postsecondary Education December 1. Significant format changes have been made to respond to concerns raised by the Program Review and Investigation Committee in its July report. Whereas previous year reports focused on the statewide public agenda, additional information about institutional progress toward the six goals of House Bill 1 will be reported this year as well. System and institutional profiles as well as detailed key indicator data will be provided as appendices.

Public institutions have submitted information on their collaborative activities, initiatives for next year, and performance on institution-specific indicators for inclusion in the report. An outline for the report follows.

Staff preparation by Melissa McGinley

**Outline of December Accountability Report
For July 1, 2002 through June 30, 2003**

- I. Executive Summary
 - A. Highlight progress and accomplishments
 - B. Discuss concerns and areas for improvement
- II. A brief discussion of the public agenda (five questions) and systemwide progress on select key indicators
- III. A report on progress in meeting the six accountability goals outlined in HB 1
 - A. *A seamless, integrated system of postsecondary education strategically planned and adequately funded to enhance economic development and quality of life*
 - i. **Seamless, integrated system**
 - Progress in 2002-03
 - a. High school to college transitions
 - b. P-16 efforts—dual enrollment, AP, KEMTP
 - c. American Diploma Project
 - d. Statewide transfer initiatives
 - e. UCAN/distance education
 - Major initiatives for next year
 - a. Seamlessness policy workgroup
 - b. Adult education
 - c. Transfer
 - ii. **Strategically planned**
 - Progress in 2002-03
 - a. Revised key indicators of progress
 - Major initiatives for next year
 - a. RFP for enrollment projections, impact study
 - b. Revise 2020 vision, action agenda
 - c. Ongoing revision of key indicators—institutional engagement measures
 - iii. **Adequately funded**
 - Progress in 2002-03
 - a. Benchmark funding
 - b. Trust fund reports
 - c. Reduced state revenue and tuition increases

Major initiatives for next year

- a. Revise benchmark funding
- b. Affordability policy workgroup
- c. Monitoring tuition increases

iv. **Enhanced economic development and quality of life**

Progress in 2002-03

- a. “Bucks for Brains” Endowment Match Program
- b. HB 572 knowledge-based economy programs
 1. R&D Voucher program
 2. Rural Innovation Program
 3. Commercialization Fund
 4. Innovation and Commercialization Center (ICC) Program
 5. Role Model Program
- c. Knowledge-Based Economy Advisory Workgroup
- d. Intel Science Fair
- e. BIO 2003
- f. Labor Market Information Survey (for strategic planning)

Major initiatives for next year

- a. Workforce/Economic Development policy workgroup
- b. Amendments to the Kentucky Innovation Act

B. A major comprehensive research institution ranked nationally in top twenty public universities at the University of Kentucky

Progress in 2002-03

- i. Council key indicators for UK—enrollment, graduation, retention, transfer, R&D, NSSE, EEO status
- ii. Additional measures of national prominence
- iii. Research Challenge Trust Fund program reports

Major initiatives for next year

- i. Determined by institution; focused on greatest needs

C. A premier, nationally-recognized metropolitan research university at the University of Louisville

Progress in 2002-03

- i. Council’s key indicators for UofL—enrollment, graduation, retention, transfer, R&D, NSSE, EEO status
- ii. Additional measures of national recognition
- iii. Research Challenge Trust Fund program reports

Major initiatives for next year

- i. Determined by institution; focused on greatest needs

D. Regional [comprehensive] universities, with at least one nationally-recognized program of distinction or one nationally-recognized applied research program, working cooperatively with other postsecondary institutions to assure statewide access to baccalaureate and master's degree of a quality at or above the national average

i. Eastern Kentucky University

Progress in 2002-03

- a. Council key indicators for EKU—enrollment, graduation, retention, transfer, R&D, NSSE, EEO status
- b. Additional measures
- c. Program of Distinction (College of Justice and Safety)
- d. Cooperative programs and initiatives

Major initiatives for next year

- a. Determined by institution; focused on greatest needs

ii. Kentucky State University

Progress in 2002-03

- a. Council key indicators for KSU—enrollment, graduation, retention, transfer, R&D, NSSE, EEO status
- b. Additional measures
- c. Program of Distinction (Aquaculture Research Program)
- d. Cooperative programs and initiatives

Major initiatives for next year

- a. Determined by institution; focused on greatest needs

iii. Morehead State University

Progress in 2002-03

- a. Council key indicators for MoSU—enrollment, graduation, retention, transfer, R&D, NSSE, EEO status
- b. Additional measures
- c. Program of Distinction (IRAPP)
- d. Cooperative programs and initiatives

Major initiatives for next year

- a. Determined by institution; focused on greatest needs

iv. Murray State University

Progress in 2002-03

- a. Council key indicators for MuSU—enrollment, graduation, retention, transfer, R&D, NSSE, EEO status
- b. Additional measures
- c. Program of Distinction (Center for Telecommunications Systems Mgmt.)
- d. Cooperative programs and initiatives

Major initiatives for next year

- a. Determined by institution; focused on greatest needs

v. Northern Kentucky University

Progress in 2002-03

- a. Council key indicators for NKU—enrollment, graduation, retention, transfer, R&D, NSSE, EEO status
- b. Additional measures
- c. Program of Distinction (CINSAM)
- d. Cooperative programs and initiatives

Major initiatives for next year

- a. Determined by institution; focused on greatest needs

vi. Western Kentucky University

Progress in 2002-03

- a. Council key indicators for WKU—enrollment, graduation, retention, transfer, R&D, NSSE, EEO status
- b. Additional measures
- c. Programs of distinction (Forensics, Journalism, Ogden College)
- d. Cooperative programs and initiatives

Major initiatives for next year

- a. Determined by institution; focused on greatest needs

vii. Quality measures

Progress in 2002-03

- a. Results on licensing and certification exams
- b. Student learning indicators

Major initiatives for next year

- a. Student learning indicators

- E. A comprehensive community and technical college system with a mission that assures, in conjunction with other postsecondary institutions, access throughout the Commonwealth to a two-year course of general studies designed for transfer to a baccalaureate program, the training necessary to develop a workforce with the skills to meet the needs of new and existing industries, and remedial and continuing education to improve the employability of citizens*

Progress in 2002-03

- i. Council key indicators for KCTCS—enrollment, retention, licensure and certification exam results, EEO status
- ii. Additional measures
- iii. Transfer initiatives
- iv. Workforce training
- v. Remedial and continuing education

Major initiatives for next year

- i. Determined by institution; focused on greatest needs

F. An efficient, responsive, and coordinated system of autonomous institutions that delivers educational services to citizens in quantities and of a quality that is comparable to the national average

i. Increased enrollment and access

Progress in 2002-03

- a. Postsecondary enrollment increases
- b. Increased college-going rates
- c. Adult education enrollment
- d. GED to postsecondary education rates
- e. EEO initiatives and activities
- f. Go Higher public communication campaign
- g. Go Higher Web portal
- h. GEAR UP
- i. Distance learning

Major initiatives for next year

To be determined

ii. Efficiency and coordination

Progress in 2002-03

- a. Program Productivity Review
- b. Statewide Engineering Strategy
- c. Statewide Public Health Strategy
- d. KYVU/VL/AE
- e. Institute for Effective Governance
- f. Kentucky Educators.org

Major initiatives for next year

To be determined

iii. Quality measures (comparable to national average)

Progress in 2002-03

- a. NSSE
- b. Alumni satisfaction surveys
- c. Measuring Up
- d. Faculty Development (conferences, Teacher Quality Summit, etc.)

Major initiatives for next year

To be determined

iv. Service to communities

Progress in 2002-03

To be determined

Major initiatives for next year

- a. Responsive PhD Initiative
- b. Quality of life indicators—Measuring Up
- c. Measures of public engagement

IV. APPENDIX A: system profile and institutional profiles

V. APPENDIX B: detailed key indicator report

Cross Cutting Issues – Other Activities

The provosts for both the public and independent colleges will hold their annual joint meeting October 29 in Frankfort. Discussion will center on ways to better coordinate academic programs that meet the needs of Kentucky's communities and economy.

The provosts will review current collaborative initiatives between independent and public institutions. These include the statewide faculty development workgroup, The Kentucky Journal of Excellence in College Teaching and Learning, the Teacher Quality Summits, and partnerships with KYVU to increase access to academic programs for all Kentuckians. The provosts will also discuss new opportunities for greater collaboration, including the broader use of the Kentucky Postsecondary Program Proposal System, the establishment of the Kentucky Campus Compact, the Go Higher Kentucky Web site, and the Academic Collaborative Request For Proposals outlined for the Council at its September meeting. The new initiatives offer more opportunities for public and independent institutions to work together and increase the effectiveness of their academic programs.

The Institute for Effective Governance held its annual Governor's Conference on Postsecondary Education Trusteeship September 21 and 22 in northern Kentucky. There were nearly 300 participants, including 93 governing board and Council members. The focus was on the need for postsecondary education to develop partnerships to advance the state's communities and economy.

According to the conference evaluations, ranking was high for all sessions and board members like the opportunity to interact with other board and Council members. The board members continue to think the individual board breakouts are a productive use of their time and thought the topics of the other sessions were informative and applicable to their work. There was a suggestion to plan a session specifically aimed at the interests of new board members.

Planning will begin soon for the IEG spring board development seminar scheduled for May 23-25, 2004.

Kentucky/West Virginia Reciprocity Agreement

Kentucky and West Virginia have participated in a reciprocity agreement since 1985. This action will make technical adjustments to the existing agreement to reflect changes at the state agencies and the institutions included in the agreement.

Action: The staff recommends that the Council approve the technical changes to the reciprocity agreement between Kentucky and West Virginia.

In June 1985, the Kentucky Council on Higher Education entered into a reciprocity agreement with the West Virginia Board of Regents. The institutions included in this agreement were Ashland Community College and Southern West Virginia Community College. Provisions of the agreement call for it to remain in place “as long as it is mutually beneficial and acceptable to all parties to this agreement . . .”

Changes at the state agencies and the participating institutions have made it necessary to update the existing agreement. The attached agreement reflects the following updates:

- Statutory references for each state.
- West Virginia Higher Education Policy Commission instead of West Virginia Board of Regents.
- Kentucky Council on Postsecondary Education instead of Kentucky Council on Higher Education.
- Kentucky Community and Technical College System instead of UK Community College System.
- Ashland Community and Technical College instead of Ashland Community College.
- Southern West Virginia Community and Technical College instead of Southern West Virginia Community College.

The updated agreement includes the same provisions for continuation and annual review through the reporting of enrollment data.

This reciprocity agreement provides access to postsecondary education opportunities for students in Martin and Pike counties in Kentucky and Cabell, Mingo, and Wayne counties in West Virginia. In fall 2002, 206 Kentucky students attended Southern West Virginia Community and

Technical College and paid in-state tuition rates. Similarly, 286 West Virginia students attended Ashland Community and Technical College at in-state rates.

Staff preparation by Linda Jacobs

Initial agreement 7-1-85
Updated 7-1-89
Updated 10-1-03

**TUITION RECIPROCITY AGREEMENT
ASHLAND COMMUNITY AND TECHNICAL COLLEGE
AND
SOUTHERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE**

Under the provisions of Section 18-B-4-3 of the West Virginia Code, Section 164.020 (11) of the Kentucky Revised Statutes, and in compliance with rules and procedures of the West Virginia Higher Education Policy Commission, the Kentucky Council on Postsecondary Education, The Kentucky Community and Technical College System, Ashland Community and Technical College and Southern West Virginia Community and Technical College, the following agreement is entered into between the Kentucky Council on Postsecondary Education and the West Virginia Higher Education Policy Commission, and between Ashland Community and Technical College of The Kentucky Community and Technical College System and Southern West Virginia Community and Technical College.

The purposes of this tuition reciprocity agreement are to (1) improve the lower division post high school educational advantages to residents of Martin and Pike counties in Kentucky and Cabell, Mingo, and Wayne counties in West Virginia, (2) minimize the cost of such improvements for the taxpayers and legislative bodies of both states by cooperative planning and joint education efforts, and (3) promote the maximum use of existing educational facilities and address the problems of enrollment fluctuations and fiscal constraints at both institutions.

- (1) The provisions of this agreement shall be effective beginning July 1, 2003, and continue as long as it is mutually beneficial and acceptable to all parties to this agreement, and will commence with any registration after the effective date. Students who are enrolled under the provisions of the agreement may continue to attend the selected colleges at respective resident rates for a period of two years subsequent to termination of the agreement. The agreement shall be subject to review and revision on an annual basis.
- (2) Ashland Community and Technical College agrees to accept at prevailing Kentucky resident rates any resident of Cabell, Mingo, or Wayne counties of West Virginia wishing to enroll for whom space is available and who satisfies all regular in-state admission requirements of Ashland Community and Technical College.
- (3) Southern West Virginia Community and Technical College agrees to accept at prevailing West Virginia resident rates any resident of Martin or Pike counties of Kentucky wishing to enroll for whom space is available and who satisfies all regular in-state admissions requirements of Southern West Virginia Community and Technical College.

CEO Report 1997 Kentucky Plan and Partnership Agreement

At its October 20 meeting, the Committee on Equal Opportunities reviewed the status of the implementation of the Baker & Hostetler report recommendations, the status of the partnership with the OCR, the bi-annual report on institutional implementation of The Kentucky Plan, the annual evaluation of statewide equal opportunity programs, the 2004-06 funding for EEO programs; confirmed the October 27 visit to Murray State University; and established meeting dates for 2004.

The Committee on Equal Opportunities met October 20, 2003. The following items were addressed.

Status of Partnership: The Council staff reported that the Commonwealth has not received formal notice of its status regarding the partnership with the U.S. Department of Education's Office for Civil Rights. The Council staff submitted the following additional information to the OCR: status of renovation of Young Hall Dormitory and Hathaway Hall classroom building, KSU student performance on the most recent PRAXIS exam, the SREB Compact for Faculty Diversity, the University of Louisville summer transition program, and fall 2002 enrollment.

The commitments not yet completed are: a) the renovation of KSU's Hathaway Hall classroom and office building, b) the renovation of KSU's Young Hall dormitory, and c) KSU's assurance to substantially narrow the gap between the performance rate of its students on the PRAXIS II as compared to the Kentucky statewide performance average.

The CEO asked Council Chair Steve Barger and Council President Tom Layzell to invite the OCR staff to attend the February 2004 CEO meeting or the February 2004 Council meeting to discuss Kentucky's status regarding the partnership.

Campus Visits: The CEO agreed to visit two campuses in spring 2004. A combined CEO meeting and campus visit is planned for April 18-19, 2004, at Western Kentucky University. The second campus visit will be identified and reported to the CEO at its February 16 meeting.

Action by the Committee: The CEO adopted meeting dates for calendar 2004 - February 16, April 19, June 14, August 16 (if needed), and October 18. The April meeting will be held on the Western Kentucky University campus.

The CEO confirmed its planned visit to the Murray State University campus Monday, October 27, 2003, to review MuSU's progress toward implementing the 1997 Kentucky Plan. A report of the campus visit will be shared with the Council at its March 2004 meeting.

Reports to the Committee: The KSU Comprehensive Assessment Implementation Oversight Committee met October 7, 2003, and reviewed the status of the implementation of

recommendations from the 2003 Baker & Hostetler report. The committee's report was presented to the CEO October 20, and to the KSU board of regents October 24. The committee reported that implementation of the recommendations that impact the 2004-06 budget recommendations have been completed and are included in the Council November 3 agenda. KSU Interim President William Turner discussed the university's progress toward implementing the recommendations that focus primarily on the KSU operations.

The Council staff reported the progress of institutions toward implementing the Kentucky Plan between 1999-00 and 2001-02. The overall progress is slow but steady with some difficulty in KCTCS institutions, particularly at the technical colleges.

The staff reported that the Governor's Minority Student College Preparation Program served over 850 students during 2001-02. This is a steady increase in the number of students served by the program. The programs could be more effective if the proper level of funds were available.

The committee received a report on the primary findings of the U.S. Supreme Court in its decision in *Gratz v. Bollinger* and *Grutter v. Bollinger*. The court confirmed the authority of colleges and universities to consider race or ethnicity as one factor among many in admissions decisions where necessary to further their compelling interest in promoting the educational benefits of diversity. The committee suggested that a statewide workshop should be held to discuss the practical application of the lessons learned from these cases.

Eastern Kentucky University presented a special report regarding a partnership with the Center for Disease Control that has the intended effect of significantly increasing the number of African Americans enrolled in the graduate programs. The partnership promises to be successful.

Equal Educational Opportunity Activities: The fourth statewide conference for participants of the Governor's Minority Student College Preparation Program is planned for June 2004.

The 17TH Annual Academically Proficient African American High School Junior and Senior Conference is being planned for June 18-19 or 25-26, 2004. The Council on Postsecondary Education and the Kentucky Department of Education jointly host the conference. The conference will be held on the campus of Western Kentucky University. A marketing and advertising campaign will be undertaken to generate more interest in the conference.

The next meeting of the Committee on Equal Opportunities is February 16, 2004, in Meeting Room A at the Council offices.

Staff preparation by Sherron Jackson and Rana Johnson

Council on Postsecondary Education
November 3, 2003

DLAC Update

The Distance Learning Advisory Committee met October 1, 2003, to consider expanding its role to focus on all forms of distance education provided by Kentucky's postsecondary institutions and agencies.

An analysis of Kentucky postsecondary distance education activity was presented to inform the discussion. The report, "Postsecondary Distance Education in Kentucky: A 2003 Distance Education Snapshot," found that distance education use in Kentucky is strong, experiencing continuing growth and offering both access and convenience to students. These conclusions support national findings that distance education is an increasingly important part of institutional teaching strategies. The increasingly important role played by all forms of distance education had led DLAC to consider expanding its statutory responsibilities as a KYVU advisory group to include coordinating the multiple forms of distance education in Kentucky offered by a wide range of providers. Increased attention to and planning of all modes of distance education are necessary to ensure Kentucky is offering the programs required to meet the needs of on- and off-campus students and support economic development.

DLAC voted to create a strategic planning team that will draft an eLearning Strategic Plan for Kentucky for presentation to DLAC in spring 2004. The plan would establish a vision for distance education that meets institutional, system, and state goals. It also will define the distance education policies, programming, support services, and infrastructure that are required to realize the eLearning vision of DLAC. Finally, the plan will include recommendations for changes in the role and membership of DLAC.

DLAC will meet January 7, 2004, to discuss the e-Learning vision with its planning team and national experts.

Staff preparation by Myk Garn

Council on Postsecondary Education
November 3, 2003

University of Kentucky Basketball Practice Facility

The following interim project recommendation will authorize the University of Kentucky to use funds available from private sources to design a basketball practice facility in order to enhance the institution's ability to attract top student athletes and to generally support the university's basketball program.

Action: The staff recommends that the Council approve the request of the University of Kentucky to complete the design of a Basketball Practice Facility to be located on the main campus with \$2,500,000 of private funds.

The University of Kentucky proposes to complete the design of a 92,300 square foot basketball practice facility to be located on the main campus using \$2,500,000 of private funds.

The Council has the statutory responsibility to review and approve postsecondary education capital projects costing \$400,000 or more regardless of fund source. Since the estimated cost of this project exceeds the \$400,000 threshold, the Council and the Capital Projects and Bond Oversight Committee must approve the project before it is initiated.

The project involves the design of a basketball practice facility to enhance the ability to attract top student athletes and to support the university's basketball program. The project will alleviate scheduling problems at Memorial Coliseum and provide amenities similar to other NCAA basketball facilities around the country. The practice facility will be connected to Memorial Coliseum, which is located near the intersection of Lexington Avenue and the Avenue of Champions. The project also will renovate 7,700 square feet to support volleyball, gymnastics, offices, and ticketing. The University of Kentucky has certified that funding for the design of the project (\$2,500,000) is available from private sources. This project will not increase the need for operations and maintenance costs from the state General Fund.

Following Council approval, 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.

Staff preparation by Sherron Jackson

Council on Postsecondary Education
November 3, 2003

University of Kentucky Multi-Purpose Facility

The following interim project recommendation will authorize the University of Kentucky to use funds available from private sources to construct a multi-purpose facility to support the university's athletic program.

Action: The staff recommends that the Council approve the request of the University of Kentucky to construct a Multi-Purpose Facility with \$4,000,000 of private funds.

The University of Kentucky proposes to construct an 11,500 square foot multi-purpose facility on the main campus using \$4,000,000 of private funds.

The Council has the statutory responsibility to review and approve postsecondary education capital projects costing \$400,000 or more regardless of fund source. Since the estimated cost of this project exceeds the \$400,000 threshold, the Council and the Capital Projects and Bond Oversight Committee must approve the project before it is initiated.

The project involves the construction of a multi-purpose facility with a seating capacity of approximately 250 persons, a full kitchen, and an athletic training table. The facility, an addition to Nutter Field House, is intended to service game day catering needs, and host student recruiting, athletic department, and university departmental group functions. The additional space supports the university's athletic program. The Nutter Field House is located near Commonwealth Stadium near Motor Pool Drive. The University of Kentucky has certified that funding for the project (\$4,000,000) is available from private sources. Construction of a multi-purpose facility will not increase the need for operations and maintenance costs from the state General Fund.

Following Council approval, 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.

Staff preparation by Sherron Jackson

Council on Postsecondary Education
November 3, 2003

University of Louisville Threlkeld Hall

The following interim project recommendation will authorize the University of Louisville to use funds available from private sources and agency sources to renovate Threlkeld Hall to provide space for the university's honors program.

Action: The staff recommends that the Council approve the request of the University of Louisville to renovate Threlkeld Hall on the main campus with \$500,000 of private (\$300,000) and agency (\$200,000) funds.

The University of Louisville proposes to renovate 3,500 square feet of Threlkeld Hall on the main campus using \$500,000 of private and agency funds to house a university honors program.

The Council has the statutory responsibility to review and approve postsecondary education capital projects costing \$400,000 or more regardless of fund source. Since the estimated cost of this project exceeds the \$400,000 threshold, the Council and the Capital Projects and Bond Oversight Committee must approve the project before it is initiated.

The project involves the renovation of 3,500 square feet of Threlkeld Hall to house a university honors program (honors teaching/advising center). This project will renovate the non-residential ground floor of the north wing of the facility. The University of Louisville has certified that funding for the project (\$500,000) is available from private (\$300,000) and agency (\$200,000) sources. This project will create a need for \$13,000 in operations and maintenance costs from the state General Fund. *The institution may request funds for operations and maintenance in the future.*

Following Council approval, 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.

Staff preparation by Sherron Jackson

Council on Postsecondary Education
November 3, 2003

AAS in Hospitality Management Western Kentucky University

Universities are required to submit all new associate-level programs to the Council for approval. The Associate of Applied Science in Hotel/Motel and Restaurant Management offered by Western Kentucky University will prepare Kentuckians for entry-level management positions in the hospitality industry.

Action: The staff recommends that the Council approve the Associate of Applied Science in Hotel/Motel and Restaurant Management (CIP 52.0902) proposed by Western Kentucky University.

Western Kentucky University proposes an Associate of Applied Science in Hospitality Management. The Council must approve all associate degrees offered by universities. The Council staff recommends approval of this program based on evidence of its potential contribution to educational and economic development in Western's region. The AAS will provide an "exit point" for students enrolled in WKU's baccalaureate hospitality program who are not able to immediately complete a four-year degree program.

The applied associate program will prepare students for entry-level management positions in restaurants, hotels, motels, convention centers, private clubs, catering businesses, and tourism venues in the hospitality industry. It also will provide a foundation for transfer into baccalaureate degree hospitality management programs. WKU's proposal addresses the five questions, indicating ways this program will attract students who are concerned about entering a four-year program and will provide another collegiate entrance into hospitality careers.

An articulation agreement between WKU and the KCTCS and the baccalaureate hospitality program at the University of Kentucky has been established to facilitate the transfer of credits. Also, 16 of the 34 hours of the core hospitality management requirements and approximately 43 of the 64 total hours required by the program currently are offered online. With the exception of two food preparation laboratories, the entire curriculum will be available online. The two food preparation laboratories will be offered at sites local to the students. Using the Kentucky Postsecondary Program Proposal System, WKU posted the proposed program to the Council's Web site. The KCTCS responded requesting an opportunity to compare the proposed program with a culinary arts program offered by the Bowling Green Technical College. Subsequent discussions led to an endorsement of WKU's proposed program by the KCTCS and contributed to an opportunity for WKU and the KCTCS to pursue several collaborative initiatives.

WKU is eligible for automatic approval to submit new program proposals, according to the criteria established by the Committee on Equal Opportunities.

The WKU Board of Regents approved the program at its October 2003 meeting.

An executive summary prepared by WKU follows.

Staff preparation by Barbara P. Cook and Bennett G. Boggs

Western Kentucky University
Applied Associate of Science Degree in Hospitality Management
Executive Summary

Program Description

The Hospitality Management Applied Associate Degree Program will prepare students for entry-level management positions in the hospitality industry and will also provide a foundation for possible transfer into a baccalaureate degree in hospitality management. The Associate Degree will consist of 34 hours of hospitality and management courses, 30 hours of general education courses and a minimum of 300 hours of approved work experience. This program will prepare students for entry-level management positions in restaurants, hotels, motels, convention centers, private clubs, catering businesses and tourism venues. The principles and concepts of management learned in this program can also be easily applied to industries outside of the hospitality arena.

Statement of Need

Approximately four years ago, Western Kentucky University conducted a focused needs assessment to determine the demand for developing and implementing an applied associate degree program in hospitality management. The study determined that a definite need existed in Warren and the surrounding counties for skilled managers in the hospitality industry. Since there were/are no hospitality management programs to fulfill this need, this program was developed.

The proposed program will also assist the WKU in addressing the five key indicators set forth by the Council on Postsecondary Education. *Are more Kentuckians ready for postsecondary education?* This program is being offered through WKU's community college to attract students who may be concerned about entering a four-year program and to provide another collegiate entrance into hospitality careers for a wide variety of students such as recent high school graduates, non-traditional students and minorities. *Are more students enrolling?* Since hospitality and tourism is one of the leading industries in Kentucky, there are abundant employment opportunities available statewide for qualified hospitality managers. These opportunities will be attractive to a wide variety of Kentuckians to include recent high school graduates, current hospitality employees who do not currently have a degree, and individuals unemployed due to layoffs. *Are more students advancing through the system?* Full-time students will be able to complete the program in two years while part-time students will require longer depending on the number of credit hours taken each semester. An articulation agreement between WKU and KCTCS has been established to facilitate the transfer of credit between the two entities. Preliminary plans have also been made to offer the hospitality management portion of the program, via KYVU, to Owensboro Community College once the program is approved by CPE. *Are we preparing Kentuckians for life and work?* This program will provide career opportunities for Kentuckians in an industry that is growing rapidly and is widely distributed throughout the state in both the public and private sectors. Once established and there is a history of graduation, program accreditation will be investigated through The International Council on Hotel, Restaurant and Institutional Education (I-CHRIE). An 80% or greater graduation rate for the program is anticipated. *Are Kentucky's communities and economy benefiting?* Based on the Council's statistics, 74% of associate degree students from Kentucky remain in Kentucky for employment as well as 23.2% of out-of-state students. It is anticipated that students enrolled in this program will exceed this rate as a result of the number and variety of career opportunities available in Kentucky.

Job Opportunities for Program Graduates

Employment in the hospitality industry is expected to reach a record high by 2008. According to the Bureau of Labor Statistics, both the hotel and restaurant industries are expected to increase 18 percent in the ten-year period from 1998 – 2008, which is faster than the 15 percent growth projected for all industries combined. In addition to employment growth, the need to replace managers who transfer to other occupations or stop working will create numerous additional job openings. According to the Bureau of Labor Statistics, the opportunities to fill these jobs are expected to be best for those with an associate or bachelor's degree in hotel and restaurant management.

The Kentucky Tourism Council has projected that tourism would become one of the leading industries in Kentucky by the end of the year 2000 – and that prediction has come true – contributing \$7.8 billion annually to the economy. Since the hotel and restaurant industries are both major components of the tourism industry, the need for experienced and qualified hospitality managers is significant. As an example, the restaurant industry alone employs more than 120,000 people in Kentucky.

These statistics demonstrate that the employment opportunities in the hospitality industry will continue to make a hospitality management career very attractive. The need for qualified candidates at both the associate and bachelor's level will continue to grow.

This applied associate degree program will prepare students for entry-level management positions in restaurants, hotels, motels, convention centers, private clubs, catering businesses and tourism venues such as Kentucky Parks and Resorts, Kentucky Kingdom, etc. Additionally, because of the complexity of managing a hotel or restaurant, the principles and concepts of hospitality management learned in this program can be easily applied to management positions outside of the hospitality industry.

Plans for Program Delivery through Distance Learning

The curriculum for the program was developed based on a distributive learning model. One of the primary goals for this program is to have the entire curriculum available online at KYVU with the exception of the two food preparation laboratories which would be completed at an affiliation site local to the student. The distributive learning format will allow non-traditional students and others who work full-time, or are travel restricted because of other obligations, to complete an associate degree with definite employment potential. Currently, 16 of the 34 hours of the core hospitality management requirements and approximately 43 of the 64 total hours required by the program are offered online.

Collaboration with Other Institutions

An articulation agreement has been reached with KCTCS regarding the transfer of credit from culinary arts programs to the hospitality management program and vice versa and with UK's bachelor degree in hospitality management.

Point of Contact for the Program

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Council on Postsecondary Education
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Report on Knowledge Economy Activities

The Kentucky Innovation Act, HB 572, 2000 Regular Session, assigned to the Council oversight of three knowledge economy initiatives to stimulate research and development, university-business collaboration, and rural involvement in high-technology growth: the Research and Development Voucher Program, the Commercialization Fund, and the Rural Innovation Program. The act also designated the Council as the fiscal agent for the Kentucky Science and Engineering Foundation and the Kentucky Experimental Program to Stimulate Competitive Research.

The statute requires the Council to submit a knowledge economy annual report to the Kentucky Innovation Commission, the Governor, and the General Assembly prior to October 15. The report is to include progress made in achieving each program's purposes, qualitative and quantitative information concerning the applications received, projects approved and undertaken, companies served, funding amounts invested in each project or program, and findings and recommendations to increase each program's effectiveness in achieving its purposes.

An executive summary of the report is attached. The complete report will be available through the Council's Web site at www.cpe.state.ky.us.

Staff preparation by Jennifer Marsh

Council on Postsecondary Education

Annual Report

House Bill 572 Knowledge-based Economy Programs

I. Executive Summary

The Kentucky Innovation Act, HB 572, 2000 Regular Session, created knowledge-based economy programs housed in the Council on Postsecondary Education and Cabinet for Economic Development. The legislation supported research and development programs and provided funding necessary to create, attract, incubate, and grow high-tech and biotech firms, and to modernize existing manufacturing services.

HB 525, 2002 Regular Session, calls for the Council to submit an annual report of the knowledge-based economy programs to the Kentucky Innovation Commission, the Governor, and the General Assembly. The report is to include progress made in achieving each program's purposes, qualitative and quantitative information concerning the applications received, projects approved and undertaken, companies served, funding amounts invested in each project or program, and findings and recommendations to increase each program's effectiveness.

The following list describes knowledge-based economy programs for which the Council has responsibility, and features a few of each program's investments. Complete fund portfolios can be found at:

<http://tig.kstc.com/>

<http://ksef.kstc.com/index.htm>

http://www.kyepscor.org/ky_epscor_programs.htm

- The R&D Voucher program
 - \$3 million investment fund;
 - Enables small and medium-sized Kentucky-based firms to undertake research and development in partnership with Kentucky university researchers;
 - Invests in technology refinement, prototype development, and commercial product development;
 - \$200,000 set aside in an Early Concept Pool to provide initial funds to emerging companies, products, and technologies;

Spotlight

- High Tide Technologies, through its partner, The Center for Water Resource Studies at Western Kentucky University, will use this funding to complete research and development on a proprietary sanitary sewer overflow monitoring system, which will wirelessly transmit flow, level,

and rainfall information to customers. This market is being driven by recent regulations promulgated by the US Environmental Protection Agency to control and eliminate sanitary sewer overflows caused by rainfall infiltration and inflow into municipal sewer systems.

- The Rural Innovation program
 - \$1 million investment fund;
 - Assists small, rural, Kentucky-based firms to undertake research and development;
 - Funds must be used in partnership with a university or an appropriate third party;
 - Investments made in developing proof of concept and early stage prototyping;

Spotlight

- Design Technology (Kuttawa, Lyon County) developed an innovative woodworking commercial automation system applicable to a wide range of industrial and commercial automation. Simple direct commands cause exact location changes for precision machine operation;
- Global Technology Services (Paintsville, Johnson County) modified and enhanced the Computerized Training Management System (CTMS), a patented process and software tool, and use it to train and qualify rural utilities' staff and homeland security response teams responsible for preventing and combating biological and chemical weapons in water systems.

- The Commercialization fund
 - \$750,000 investment fund;
 - Limited to university faculty to translate their research into marketable products;

Spotlight

- Researchers at Western Kentucky University are developing a new class of materials derived from natural products. Using a patented and newly developed processing approach, wood is used to produce carbon-polymer composites with unique characteristics suitable for the specialty wood-products market.

- The Kentucky Science and Engineering Foundation
 - \$1,770,600 investment fund;
 - Builds R&D excellence in Kentucky's priority research focus areas;

Spotlight

- All cells of the body require oxygen to stay alive. Many life-threatening conditions, such as heart attack, stroke, and surgical procedures involve ischemia (low oxygen), which can cause death. Dr. William Ehringer at the University of Louisville School of Medicine has found a way to deliver energy directly to cells and bypass the need for oxygen;

- Western Kentucky University's Dr. Cathleen Webb developed a novel, inexpensive, arsenic-removal system for rural and home drinking water supplies.
- The Experimental Program to Stimulate Competitive Research
 - \$2,751,000 fund used to match federal research dollars;
 - Created to enhance university scientists and engineers' capacity to compete for federal research dollars;

Spotlight

- \$2.1 million in space-related R&D funding obtained by Kentucky NASA EPSCoR supports faculty and students at the University of Kentucky, University of Louisville, Murray State University, and Western Kentucky University. Kentucky was one of only four states to receive the maximum amount of funds available;
- Using Kentucky DOE EPSCoR support, Western Kentucky University developed a sensitive elemental detection system based on nuclear physics R&D. The intellectual property created is now commercialized within an online coal characterization instrument at the Tennessee Valley Authority, used by the United Nations peacekeepers to locate small land mines, and applied by the European Union to locate and identify chemical agent weapons;
- In follow-on, sustained funding after receiving a Kentucky NASA EPSCoR grant, university researchers secured \$7.3 million in grants, produced 55 refereed and 126 other publications, and developed five additional invention disclosures and patent applications. The return on investment for state funds to NASA EPSCoR is 9:1.

Table 1. Knowledge-based Economy Program Summary, 2002-03

	<i>2003 Appropriation</i>	<i># of Awards</i>	<i>Amount Awarded</i>	<i>Admin Costs*</i>	<i>Balance**</i>
Early Concept	200,000	4	99,912	4,706	95,382
R&D Voucher	2,800,000	5	500,000	146,956	2,153,044
Rural Innovation	1,000,000	32	276,000	101,880	622,120
Commercial- ization	750,000	2	149,999	76,218	523,783
Regional Tech Corp***	500,000	0	0	0	0
	5,250,000	43	1,025,911	329,760	3,894,329
KSEF^	1,770,600	53	2,155,870	477,514	(862,784)
EPSCOR	2,751,000	78	2,631,000	188,000	^(68,000)
	9,771,600	174	5,812,781	995,274	2,963,545

* Salaries, benefits, and subcontracts only, does not include 18.3% indirect cost charged to each program

** Excludes interest earned

*** RTC program was established in 2000 and repealed and recreated as ICCs in 2002. The appropriation was transferred to the Office of the New Economy.

^ Award total includes SBIR grants not part of state appropriation and \$1,496,773 2001-02 carry forward

^^ Paid from unused 2001-02 administrative funds

Findings

- R&D and commercialization are long-term endeavors, which will require new investment funds, a deep pool of knowledgeable workers, and an entrepreneurial climate.
- New issues, such matters as intellectual property rights and public policy implications of some kinds of research, will emerge as the knowledge-based economy programs are implemented, and future amendments to the Kentucky Innovation Act of 2000 may be necessary.
- To ensure the greatest return on state dollars invested, the Council must develop dynamic, strategic connections between postsecondary education, workforce, welfare, and economic development to promote postsecondary access and success; to align postsecondary education with current and emerging needs of business and industry; to promote participation of women and minorities; to open dialog to understand and respond to students' needs and expectations as they prepare for employment and business creation; and to nurture an entrepreneurial climate and culture.

Recommendation

- Secure funding for the Endowment Match Program and maintain the existing funding for the Commercialization Investment Programs, Innovation and Commercialization Centers, and Office for the New Economy programs [see Glossary].
- Secure recurring funding for the Rural Innovation Program.

Proposed Program Changes

- Amend the Council's guidelines and add the stipulation that a company that moves outside of the state within a specified period of time after receiving an award is subject to a penalty and must repay its award.
- Amend the Council's guidelines to allow a qualified company to comply with the legislative definition of the Kentucky-based qualification criteria through contractual language. The Kentucky-based stipulation is expensive for an applicant and burdensome to regulate. By changing it to a contractual requirement and adding a penalty for moving, the Council can accomplish the same result, keeping growing companies in Kentucky.
- Amend the Council's guidelines and allow a company to receive multiple awards if its projects are distinct.

Questions 4 and 5 – Other Activities

The Council on Postsecondary Education and the Council of Chief Academic Officers, in cooperation with Eastern Kentucky University, sponsored the third Teacher Quality Summit at Eastern Kentucky University October 9 and 10, 2003. The theme of this year's summit was "A Highly Qualified Teacher in Every Classroom." It focused on improving coordination between postsecondary programs and the professional development needs of local school districts. The keynote speaker, Dr. David Imig, chief executive officer of the American Association of Colleges of Teacher Education, presented a national perspective on the issue of teacher quality. The conference attracted over 140 participants, including deans of arts and sciences and colleges of education from both public and independent institutions, superintendents and teachers, state legislators, and representatives from the Council on Postsecondary Education, the Kentucky Department of Education, and the Education Professional Standards Board. They shared examples of effective statewide and regional partnerships to improve the quality of teaching in Kentucky.

On October 9, Kentucky representatives participated in a games design and simulation conference held at Shawnee State University with representatives from Kentucky, Ohio, and West Virginia. The purpose of the conference was to gather key leaders to lay the foundation for a shared vision among business, academia, and government regarding the development of an industry cluster in the tri-state area and the development of cooperative academic programs to support this industry. A total of over 60 representatives from the three states attended. Council participants included Sue Moore, Norma Northern, and Jennifer Marsh. Linda Pittenger from the Kentucky Virtual High School and Kentucky Representative Tanya Pullin also attended.

Discussion by participants included many topics and demonstrations of the beneficial use of simulation and games technology. Main themes included what needs to be done to foster interstate cooperation, interinstitutional cooperation, and what sources of funding might be available to support the development of a regional economic cluster. The group plans to hold another conference in April 2004 with an even larger attendance by interested parties from all three states. The KYVU is supporting a games design and simulation discussion group on its ANGEL learning management platform so all conference attendees can work together online to share ideas and information.