

AGENDA
Council on Postsecondary Education
February 1, 2008
10 a.m. (ET)
CPE Meeting Room A, Frankfort, Kentucky

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Oath of Office

Roll Call

Approval of Minutes 1, 7

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CPE meeting materials are available on the Council Web site at <http://cpe.ky.gov/about/cpe/meetings/>.
CPE policy group meeting materials are available at <http://cpe.ky.gov/committees/>.

14. Council Committee Assignments
15. Resolutions of Service

Other Business

Next Meeting – Special Council meeting, February 26, CPE offices, Frankfort

Adjournment

MINUTES
Council on Postsecondary Education
November 5, 2007

The Council on Postsecondary Education met Monday, November 5, 2007, at 10 a.m. (ET) at the Council offices in Frankfort, Kentucky. Chair Turner presided.

ROLL CALL The following members attended: Walter Baker, Peggy Bertelsman, Suvas Desai, Dan Flanagan, Virginia Fox, John Hall, Phyllis Maclin, Alois Moore, Ryan Quarles, Jim Skaggs, John Turner, Mark Wattier, and Joe Weis. Kevin Canafax and Kevin Noland did not attend.

PRESIDENTS Mr. Turner congratulated Doug Whitlock on becoming Eastern Kentucky University's 11th president October 22, 2007.

APPROVAL
OF MINUTES The minutes of the September 16 Council meeting, October 3 Executive Committee meeting, and October 17 special Council meeting were approved.

2008-10
OPERATING &
CAPITAL BUDGET
REQUEST RECOMMENDATION: The staff recommends that the Council approve the budget recommendation as submitted for 2008-10.

Mr. Flanagan said the request represents the culmination of months of discussions and meetings with the Council's Budget and Finance Policy Group as well as other Council members, public and independent college and university presidents, chief budget officers, chief academic officers, state policymakers, and consultation with the National Center for Higher Education Management Systems (NCHEMS). He thanked the presidents and the chief budget officers for feedback, expertise, and stewardship in the various elements of the recommendation.

CPE Interim President Brad Cowgill discussed highlights of the 2008-10 budget request.

- The Council's budget recommendation for 2008-10 is an aggressive first step of six biennial budget increases needed to achieve reform goals by 2020.
- The request is focused on improving the lives and livelihoods of all Kentuckians by increasing access to postsecondary education, doubling the number of college graduates in the state, and promoting research, economic growth, and community development.
- The development of the Council's budget request has been an 18-month collaborative process involving Council members, institutional presidents, chief budget officers, chief academic officers, and state policy makers.
- The Council requests \$1.3 billion for public colleges and universities in 2009-10, an increase to the institutions of \$174 million (16 percent) over the biennium. This includes \$82 million in 2008-09 and an additional \$92 million in 2009-10 (includes Double the Numbers degree fund).
- The Council also requests \$200 million for a fourth round of funding for Bucks for Brains. This highly successful Endowment Match Program attracts high-quality

faculty to Kentucky and promotes private investment in public postsecondary education.

- The total postsecondary education General Fund request – which includes operating funds for public institutions, Kentucky Adult Education, Council operations, strategic trust funds, and pass-through programs – is \$1.35 billion, an increase of \$224 million over the biennium.
- Tuition and fee revenue estimates of \$174 million in 2008-09 and \$184 million in 2009-10 informed the Council’s budget recommendation. These estimates do not reflect significant tuition discounts provided by the institutions and are based upon a combination of enrollment growth across the system and tuition rate increases at Kentucky’s public four-year universities. The Council will not take action to determine tuition parameters until spring 2008.
- The return on this investment to the state will be significant and will include an increased pool of talented workers, improved outreach to low-income students, and more basic and applied research to help solve Kentucky’s problems in areas such as energy and health.
- This budget recommendation seeks a balance between maintenance of ongoing operations (60 percent of new funds) and targeted strategic funding that invests in statewide needs such as developmental education, research, access, degree production, and other statewide priorities (40 percent of new funds).
- The request also reflects the Council’s commitment to moderate tuition growth. Ten years ago the state/student share of support for postsecondary education was 2/3 state and 1/3 student. The balance has now shifted to about 50/50. The Council’s current budget recommendation, which requests a proportionately larger General Fund appropriation, will slow this trend to preserve a more affordable, accessible system.
- The Council’s 2008-10 capital budget recommendation builds on Kentucky’s statewide facilities study and includes debt service to support \$800 million in General Fund projects. Priority capital areas include \$90 million to start addressing the backlog of major campus systems that need repair, \$162 million in major renovations, \$312 million in new academic buildings, \$185 million in new research facilities, and \$50 million in information technology projects.

MOTION: Mr. Baker moved that the Council approve the 2008-10 budget request. Ms. Bertelsman seconded the motion.

Ms. Bertelsman suggested that the statewide educational attainment goal be linked to each region. This will impress upon the legislators from each region how this budget recommendation will affect the people in their voting areas.

Mr. Cowgill said that the funding request will be summarized in a document entitled *Funding Our Future*, which will be a sequel to the Double the Numbers Plan document. This document will provide information based on each institution’s area of geographic responsibility.

WKU President Gary Ransdell, convener of the conference of presidents, said that there definitely is consensus for the budget and that the presidents will support it and will pursue funding of this budget in the coming legislative session. Some presidents said that they might have some differences with parts of the budget but not enough to keep them from supporting it.

STATEWIDE

Mr. Wattier offered the following amendment to the motion on behalf of the Quality

ENGINEERING
STRATEGY

and Affordability Policy Group:

AMENDMENT: Based on the action of the Council at its May 2007 meeting, the Quality and Accountability Policy Group recommends that the Council include a contingent appropriation of \$750,000 of the \$1 million currently in the Council's budget supporting the Statewide Engineering Strategy to the University of Kentucky (\$250,000), the University of Louisville (\$125,000), and Western Kentucky University (\$375,000). Funding would become available to institutions for expenditure contingent upon the institutions meeting the Council requirement to collaboratively redesign distance learning course offerings with the support of the Kentucky Virtual Campus to conform to best practices in distance education.

MOTION: Mr. Wattier moved that the amendment be adopted. Ms. Bertelsman seconded the motion.

VOTE ON AMENDMENT: The amendment passed.

VOTE ON MOTION AS AMENDED: The motion passed to approve the Council's 2008-10 budget request.

DATA QUALITY
POLICY

RECOMMENDATION: The Quality and Accountability Policy Group recommends that the Council approve the Data Quality Policy.

The policy establishes the principles and practices related to the quality of data collected by Kentucky's public postsecondary education institutions and submitted to the Council's comprehensive database system. The policy has been reviewed extensively by the staff at the public institutions and also by the Council's external auditing firm.

MOTION: Mr. Wattier moved that the policy be approved. Ms. Bertelsman seconded the motion.

VOTE: The motion passed.

BUCKS FOR
BRAINS TEN-
YEAR REPORT

RECOMMENDATION: The Research, Economic Development, and Commercialization Policy Group recommends that the Council accept the Bucks for Brains ten-year assessment report.

Mr. Hall said that the draft report was distributed at the October 17 Council meeting. At that time, feedback was requested from Council members and the institutions. The final report, entitled *Ten Year Anniversary Assessment of Kentucky's "Bucks for Brains" Initiative*, is now ready to be accepted by the Council.

MOTION: Mr. Hall moved that the report be accepted. Ms. Fox seconded the motion.

Allyson Handley with the Council staff said that the data indicate that the Bucks for Brains program has been an unqualified success since its creation by House Bill 1 in 1997. There is evidence of achievement in all areas and most dramatically in the area of short-term goals by the increased amount of funding generated by the institutions, the dramatic increase in endowed chairs and professorships, and the dramatic increase in federal and external extramural research dollars generated. She

said there also has been considerable progress made in the long-term goals relative to economic development for spin-off companies and patents. Dr. Handley noted that detailed institutional reports are posted on the Council's Web site.

VOTE: The motion passed.

IEQ GRANT
PROPOSALS

RECOMMENDATION: The staff recommends that the Council award federal No Child Left Behind, Title II, Part A, funds in the amount of \$1,092,000 for January 1, 2008, to June 30, 2009, to support eight projects:

- *Content Collaboration for Academic Readiness in Science* (Georgetown College): \$132,000
- *Effectively Integrating the 3R's: Enhancing Mathematics Instruction and Achievement in Middle and High School Classrooms, Phase 2* (Morehead State University): \$145,000
- *Change Over Time: Environmental Problem Solving Using Math/Science and Other Subjects—From Concept to Practice* (Murray State University): \$140,000
- *West Kentucky Mathematics Partnership* (Murray State University): \$130,000
- *E²: Enlivening and Energizing EPAS Professional Development* (Northern Kentucky University): \$140,000
- *Opening Doors to New Worlds: Certifying World Language Teachers for Kentucky* (Northern Kentucky University): \$130,000
- *Embedded Teacher Learning Through Online Modules: Leveraging Professional Development Resources in Kentucky* (University of Kentucky): \$135,000
- *Putting All Students on Track: A Partnership to Ensure Success in College Level Mathematics* (University of Kentucky): \$140,000

The Improving Educator Quality State Grant Program awards grants to partnerships that deliver research-based professional development programs to P-12 teachers. To be eligible, a partnership must include a postsecondary institution's school of arts and sciences and its teacher preparation program, as well as at least one high-need local school district. The program enables states to fund training for teachers and administrators in any core academic subject.

MOTION: Ms. Fox moved that the recommendation be approved. Ms. Maclin seconded the motion.

VOTE: The motion passed.

P-16 COUNCIL

A report on the activities of the P-16 Council was included in the agenda book.

COMMISSIONER
OF EDUCATION
REPORT

A report from the Commissioner of Education was provided for information.

TUITION & FEES

Mr. Turner called attention to a recent *USA Today* article listing by state in-state tuition and fees at public four-year institutions. The national average for 2007-08 was \$6,185, up 6.6 percent from the 2006-07 school year.

DLAC REPORT A report was provided on activities of the Distance Learning Advisory Committee and initiatives planned for 2008.

ADULTS WITH SOME COLLEGE SURVEY The Council on Postsecondary Education contracted with Stamats, Inc., a higher education marketing research firm, earlier this year to conduct a quantitative research project to identify market segments of adult Kentuckians who would be receptive to reenrolling to complete a bachelor's degree over the next few years. Targeting these adults with some college will be a critical strategy in meeting Kentucky's goal to double the number of college graduates by the year 2020. The results of the survey will help guide the discussions toward the development of adult-friendly programs and services and an outreach effort called Project Graduate. The first phase of Project Graduate will target the 11,000 Kentuckians with 90 or more credit hours and will kick off this winter. The researcher will be invited to provide a detailed presentation at a future Council meeting.

CEO REPORT Mr. Baker reported on activities of the Committee on Equal Opportunities. At its October meeting, the president of Maysville Community and Technical College gave an update on the college's adoption of a quantitative waiver to implement a new academic program after failing to make adequate progress on its equal opportunity objectives. The president of Madisonville Community College briefed the committee on activities planned to implement the recommendations in the campus visit report of March 2007. UK representatives reported on the status of initiatives to implement the recommendations contained in the committee's report of its campus visit in October 2006 and responded to recent questions regarding increasing diversity among its faculty.

Mr. Baker said that the Civil Rights Group conducting the statewide diversity study moved to the University of California at Los Angeles which caused a delay in some research, but the group is still working with Harvard to complete the study by summer 2008. Mr. Wattier asked that the group provide an update to the Council at a future meeting.

2006-07 AGENCY AUDIT RECOMMENDATION: The Executive Committee recommends that the Council accept the 2006-07 agency audit as submitted by the firm of Potter & Company, LLP.

The Executive Committee received a draft of the Financial Statements and Independent Auditor's Report, the Memorandum of Comments and Suggestions, and the Matters to be Communicated to the Executive Committee. The Executive Committee reviewed these documents October 3, 2007, with Potter & Company representatives and Council staff. The Council received an unqualified opinion. The audit report contains no reportable conditions or material weakness related to internal control over financial reporting or major federal programs and contains no reportable findings of material noncompliance related to financial statements. The Council staff has acted upon suggestions by Potter & Company involving the administrative expense limitation placed on Kentucky Adult Education local providers, monitoring of institutional note payments, and implementing a conflict of interest policy for all employees.

MOTION: Mr. Flanagan moved that the audit report be accepted. Mr. Weis seconded the motion.

VOTE: The motion passed.

COMMITTEE
APPOINTMENTS

Mr. Turner appointed a nominating committee to bring recommendations for Council chair and vice chair at the first meeting in 2008. He appointed Mr. Canafax as chair, Ms. Bertelsman, Ms. Maclin, and Mr. Skaggs.

Mr. Turner thanked Ms. Fox for agreeing to serve on the Distance Learning Advisory Committee.

2008 MEETING
CALENDAR

Mr. Turner said that the Council voted on the 2008 meeting calendar in September but, during the course of discussions with board chairs over the last several months, he said there may be some benefit to altering a portion of the Sunday/Monday schedule as a way of spending time on the campuses to meet with administrators and board members. He asked the staff to alter the 2008 calendar to schedule several campus visits during the year, including the independent college campuses. A revised 2008 calendar should be brought to the next meeting.

NEXT MEETING

A special Council meeting is scheduled for December 14. The Governor will be invited to discuss the Council's funding recommendation to be considered by the 2008 General Assembly.

ADJOURNMENT

The meeting adjourned at 11:55 a.m.

Bradford L. Cowgill
Interim President

Phyllis L. Bailey
Senior Associate, Executive Relations

MINUTES
Council on Postsecondary Education
Special Meeting
December 14, 2007

The Council on Postsecondary Education met in a special meeting Friday, December 14, 2007, at 9 a.m. (ET) in Room 171 of the Capitol Annex in Frankfort, Kentucky. Chair Turner presided.

REMARKS BY
LIEUTENANT
GOVERNOR
MONGIARDO

Mr. Turner welcomed Lieutenant Governor Dan Mongiardo. The Lieutenant Governor thanked the Council for inviting him and said that this is one of the first acts of the administration. He shared that he is a first-generation college graduate. His grandfather came to the United States from Italy with no education. After his grandfather was no longer able to work, his father dropped out of high school at the age of 15 to earn money for the family. He said that in those days one could work hard and earn a living without an education but this is almost impossible today. He discussed the importance of education at all levels – from early childhood through postsecondary – and noted that increased efforts are needed to create jobs to keep college graduates in the state. He indicated that the Beshear administration looks forward to working closely with the Council in pursuing Kentucky's goal to double the number of college graduates by the year 2020.

NEW
COMMISSIONER
OF EDUCATION

Mr. Turner welcomed Jon Draud, the new commissioner of education, as a member of the Council.

NEW CPE MEMBER

Mr. Turner also welcomed Lisa Osborne as a new Council member. She was appointed December 10 to fill the term left vacant by Bryan Blavatt. Ms. Osborne is an attorney in Carrollton and is a graduate of Cumberland College, the University of Kentucky, and the University of Louisville.

KCTCS PRESIDENTS

Mr. Turner recognized 15 of the 16 KCTCS campus presidents in the audience. He thanked them for the good work they do in their respective areas.

ROLL CALL

The following members were present: Walter Baker, Peggy Bertelsman, Kevin Canafax, Jon Draud, Dan Flanagan, Virginia Fox, Lisa Osborne, Ryan Quarles, John Turner, Mark Wattier, and Joe Weis. Suvas Desai, John Hall, Phyllis Maclin, Alois Moore, and Jim Skaggs did not attend.

REMARKS BY
PRESIDENT
COWGILL

CPE Interim President Brad Cowgill reported that since the November meeting the staff has spent a considerable amount of time communicating information to the various policymakers and the public as a whole to better acquaint them with the 2008-10 budget request and the Double the Numbers Plan. Several Council members attended the November 19 presentation to the Interim Joint Committee on Appropriations and Revenue. He expressed gratitude to Senator Charlie Borders and other members of that committee for making it possible for the Council to use that early opportunity to provide an outline of areas of financial interest in postsecondary and adult education. He also extended thanks to the new

administration, noting that shortly after the election Governor Beshear afforded the Council staff the opportunity for an extensive meeting for a general update with Gary Ransdell in his capacity as convener of presidents. In addition, the transition committee on postsecondary education had a productive meeting with the Council staff.

Mr. Cowgill said that there are several forces currently at work which give reasonable hope that over the next biennium postsecondary education can make significant progress notwithstanding the limitations and constraints on funding. The release of the Kentucky Chamber of Commerce report has had a positive effect and has drawn favorable attention in Kentucky among policymakers to the current status of postsecondary education at the tenth anniversary of House Bill 1 adopted in 1997. Another development at work is the election of a new administration, an administration that seems to have a very strong interest in postsecondary education. It endorsed the Double the Numbers Plan over the course of the campaign and made a campaign issue of the effectiveness of Kentucky's financial aid program. In November the Council adopted a new funding model, abandoned benchmark funding, completed work this year in the areas of STEM initiatives and developmental education, and is poised at this tenth anniversary to make significant progress with the assistance of the business community. Mr. Cowgill said that the staff and the Council members as a whole are pledged to make every effort to fulfill the mandate of House Bill 1 to be the most effective and the best advocate for postsecondary and adult education between now and the end of the 2008 legislative session.

COMMISSIONER
OF EDUCATION
REPORT

Commissioner Draud said that he is a strong supporter of the concept of P-16. He sponsored a bill to establish the P-16 Council and is strongly committed to postsecondary education being successful as well as elementary and secondary education because all have the same objective – to improve the quality of life for all Kentucky citizens. He said that the way to improve lives is through education, and it is important for all sectors of education to work together, from elementary education all the way through postsecondary education. The issue of the blame game is unproductive because all sectors are trying to do the best possible job for all the students in the state. He wants to create a sense of urgency throughout the state not only for elementary and secondary education but for postsecondary education where the stakeholders can again become excited about education and where the business community can be used as a base for creating this sense of urgency. He also wants to work on cooperation and collaboration where stakeholders work together for the benefit of all in education. The Department of Education plans to hold regional meetings to help create this sense of urgency. He plans to form a blue ribbon committee to look at intervention strategies across the country as well as within Kentucky to identify best practices. He also will be spending a great deal of time working with the General Assembly during the upcoming legislative session.

KENTUCKY
CHAMBER TASK
FORCE ON
POSTSECONDARY
EDUCATION
REPORT

Bill Lear, managing member, Stoll, Keenon, Ogden, PLLC, and member of the Kentucky Chamber of Commerce Task Force on Postsecondary Education, gave introductory remarks about the task force report. Last spring the Kentucky Chamber of Commerce convened a blue ribbon task force of business leaders to assess Kentucky's progress toward achieving the goals established in the Postsecondary Education Improvement Act of 1997. Those goals included moving Kentucky to the national average of educational attainment and per capita income by 2020, and improving the capacity, quality, and efficiency of Kentucky's postsecondary system.

The task force was chaired by Vic Staffieri, E.ON U.S. chairman, CEO, and president, and membership included 25 noted business leaders from across the state. The task force concluded its work December 4, 2007, with a higher education summit highlighted by the release of the report.

Aims McGuinness, senior associate of the National Center for Higher Education Management Systems and chief consultant to the task force, provided an overview of the report and discussed findings and recommendations.

The report contained twelve recommendations.

To the Governor and General Assembly

1. Reaffirm Kentucky's commitment to achieve House Bill 1 goals by 2020.
 - Give priority to both interrelated goals of HB 1.
 - Institutional "capacity" goals for the postsecondary education system.
 - The ultimate goal to be achieved by 2020: to develop "...a society with a standard of living and quality of life that meets or exceeds the national average."
 - Affirm the goal to develop a major comprehensive research university – the University of Kentucky – ranked nationally in the top 20 public universities; a premier, nationally recognized metropolitan research university – the University of Louisville; comprehensive universities with nationally recognized programs of excellence and nationally recognized applied research programs; a comprehensive community and technical college system; and a coordinating system to deliver educational services comparable to or exceeding the national average to all adult Kentuckians.
 - Support the campaign to Double the Numbers by 2020 to increase Kentucky's educational attainment to a level that meets or exceeds the national average. Adopt additional goals that establish the goal of reaching the educational attainment levels of the most competitive nations by 2025 and set benchmarks referenced to the United States and OECD (Organisation of Economic Cooperation and Development) countries.
 - Emphasize that Kentucky must also increase degree attainment at both the associate and bachelor's degree levels to reflect the needs of Kentucky's current economy, set realistic goals for the existing adult population (GED recipients), as well promote the role of KCTCS in increasing transfers.
 - Clarify the institutional capacity goal for the comprehensive universities to emphasize regional stewardship to underscore the role of these universities in uplifting the educational attainment, quality of life, and innovation-based economies of their regions.
2. Redefine the overall goal for Kentucky to shape a comprehensive, integrated strategy to develop a seamless (P-20) education system, beginning with early childhood through elementary and secondary education, postsecondary education, adult education, and lifelong learning.
3. Make the partnership between postsecondary education and community and economic development a central priority at the state and regional levels.
4. Recommit to complying with the budgetary framework for postsecondary

education originally established in the Postsecondary Education Improvement Act of 1997, to provide discipline and accountability to the budget decisions necessary to achieve the 2020 goals. Principles to guide budget development for the 2008-10 biennium and future biennia are included in the detailed recommendations.

5. Guarantee affordable access to postsecondary education for all qualified Kentuckians on a “last dollar” basis and simplify and consolidate state student aid programs.
 - Adopt a simplified, integrated, need-based student financial aid program based on the principle of shared responsibility among students, families, the state and federal governments, and institutions.
 - Establish a new Commonwealth 21st Century Scholars Program as a way of raising the educational aspirations of low- and moderate-income families.
6. Re-establish a mechanism to ensure full participation of the Governor and General Assembly in shaping the strategic agenda for achieving the goals of the 1997 reforms and the related Double the Numbers goals and for developing a strategic budget necessary to achieve these goals.
7. Re-establish the CPE as an independent, nonpartisan policy leadership entity outside the Education Cabinet with direct access to the Governor and to leadership across state government.

To the Kentucky Chamber of Commerce

8. Establish an entity charged with monitoring progress of reform and gaining support of the Governor and General Assembly for sustaining reform.
9. Support, in collaboration with the Governor, a renewed public campaign focusing on the value of education, not only the economic value but also the intrinsic value in terms of independence, appreciation of arts and culture, civic participation, and the role that parents can play in encouraging their children to enjoy and excel in education.
10. Encourage local groups willing to assume the leadership role in their regions to create strategic plans regarding economic and human capital development (much like the plans developed in northern Kentucky and Louisville).
11. Communicate to employers the key ways that they must send far stronger signals to employees, and therefore to parents and students, that staying in school, taking the right courses, and pursuing postsecondary education are critical steps to earning a living wage in the global economy.
12. Sponsor an annual summit engaging the state’s policy leaders in stock-taking on the status of reform and progress toward the 2020 goals.

Mr. Turner said that he appreciates the work of the Chamber and its colleagues in developing this report. He said that people should not merely focus on the negatives since there are a number of good things in the report. The positives should be built upon to formulate a plan to move the state toward the 2020 goals of House Bill 1.

NKU REGIONAL
STEWARDSHIP
GRANT PROPOSAL

RECOMMENDATION: The staff recommends that the Council approve two stewardship initiative proposals submitted by Northern Kentucky University and endorsed by its Regional Advisory Committee.

According to Council guidelines, stewardship initiatives funding supports specific public engagement activities at the institutions that improve economic prosperity, quality of life, or civic participation in the region or state, while furthering the goals and mandates of House Bill 1 and the Public Agenda. These funds are distributed to the comprehensive universities on a competitive basis based on responses to an annual request for proposals issued by the Council staff. To receive consideration for funding, proposed initiatives must address critical regional needs, as identified in a strategic plan for regional stewardship developed in partnership with, and endorsed by, a region's stewardship advisory committee.

Mr. Cowgill said that there are two rounds of stewardship initiative funding. The deadline for the first round of \$200,000 was October 1, 2007. The deadline for the second round of \$400,000 is June 1, 2008. He said that the NKU proposal was the only proposal made for the first round of funding. NKU submitted two proposals totaling \$200,000.

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

VOTE: The motion passed.

ADULTS WITH SOME COLLEGE SURVEY

Sue Patrick, the Council's coordinator of communications, reviewed the results of a statewide survey of Kentucky adults who attended a Kentucky college or university but did not earn a bachelor's degree. The survey was conducted earlier this year to identify barriers, needs, and motivations of this group related to returning to college to complete their degree. Of the 1,600 survey respondents, almost half indicated they were somewhat or very likely to return to college in the next two to three years. The results of the survey will inform discussions toward the development of adult-friendly programs and services as well as an outreach effort called Project Graduate. The first phase of Project Graduate, launched November 26, will target the 11,000 Kentuckians with 90 or more credit hours.

GEAR UP KENTUCKY

An update on GEAR UP Kentucky was provided for information. GEAR UP is a national program to increase the number of low-income students succeeding in college. The current Kentucky state GEAR UP grant follows the first, a \$10 million grant in 2000, which supported 50 middle and high schools. In September 2005, the U.S. Department of Education awarded the Council on Postsecondary Education a second GEAR UP state grant (six years) for \$21 million to support 81 middle and high schools across the state. In the current grant, GEAR UP program partners also provide a total of \$21 million in match from other resources. In the current grant, GEAR UP has partnered with the Kentucky College Access Campaign to focus awareness on the urgency for the Commonwealth to reach the projected national average in educational attainment and double the number of bachelor's degree holders by 2020. GEAR UP is a dollar-for-dollar matching grant and, therefore, partnerships play an important role in the program. The Council has established several partnerships to help meet the matching requirement. Not only do partnerships contribute significant resources to match the federal funds awarded but they enrich the services schools and the students receive. Schools also are expected and encouraged to contribute to the matching requirement. In 2006-07 partners contributed approximately \$2.4 million in cash and in-kind support. Nevertheless, that amount fell short of the required match. Among the partners, core partners (such as the Kentucky Higher Education Assistance Authority) contribute the most

match. Other partners include the seven host organizations who contributed nearly \$750,000.

REVISED CPE
MEETING
CALENDAR

RECOMMENDATION: The staff recommends that the Council approve the revised 2008 meeting calendar.

MOTION: Ms. Bertelsman moved that the revised calendar be approved. Mr. Weis seconded the motion.

VOTE: The motion passed.

NOLAND
RESOLUTION

Mr. Turner read a resolution acknowledging the service of Kevin N. Noland to the Council.

MOTION: Mr. Flanagan moved that the resolution be adopted. Mr. Baker seconded the motion.

VOTE: The motion passed.

NEXT MEETING

The next Council meeting is February 1, 2008, at the Council offices in Frankfort.

ADJOURNMENT

The meeting adjourned at 11:15 a.m.

Bradford L. Cowgill
Interim President

Phyllis L. Bailey
Senior Associate, Executive Relations

**Council on Postsecondary Education
February 1, 2008**

2007-08 Budget Reduction Plan

During the final days of 2007, based upon a request from the Governor and the Office of the State Budget Director (OSBD), the Council on Postsecondary Education was required to submit a proposal to reduce its 2007-08 net General Fund appropriation of \$66 million by a total of 3 percent, or \$1.9 million. A similar request was sent by Council staff to the institutional presidents to reduce the institutional 2007-08 General Fund appropriation of \$1.1 billion (net of debt service) by 3 percent, or \$32.5 million.

On January 4, 2008, the Governor signed a General Fund Reduction Order and an Executive Order directing cost-saving measures. The press release and summary information from the Governor's January 4 press briefing regarding the 2008 budget shortfall are attached.

The Council's 2007-08 General Fund appropriation is separated into three parts:

1. Base operations (CPE and adult education personnel and Kentucky Virtual Campus and Virtual Library technology contracts).
2. Pass-through programs (Contract Spaces Program that provides Kentucky residents access to professional training programs in veterinary and optometry medicine and several other programs where moneys pass through to students or external organizations).
3. Strategic initiatives and incentive funding programs (Kentucky Adult Education, science and technology funding program; research, regional stewardship, and workforce development funding programs; and other statewide strategic initiatives).

The following outlines the Council's 2007-08 budget reduction plan as submitted to the OSBD.

	2007-08 General Fund Budget	2007-08 Budget Cut
<u>Council on Postsecondary Education</u>		
Base operations	\$12.1 million	\$130,800
Pass-through programs	6.2 million	184,600
Strategic initiatives and incentive funding programs	<u>48.1 million</u>	<u>1,672,800</u>
Total	\$66.4 million	\$1,988,200

These budget reductions equate to a 1.1 percent reduction in Council base operations, a 3 percent reduction in pass-through programs, and a 3.5 percent reduction in strategic initiatives and incentive funding programs.

The slightly larger reduction in strategic initiatives and incentive funding programs (.5 percent or \$230,800 out of a \$48.1 million budget) was needed to avoid eliminating any positions with CPE and adult education, while at the same time taking advantage of some budget carry-forward funds in selected programs. The Council’s budget reduction plan also is intended to minimize the impact on selected pass-through programs directly related to students, including the Contract Spaces Program, the Minority Student College Preparation Program, and the SREB Doctoral Scholars Program.

Approximately \$1.7 million of the Council’s \$1.9 million budget reduction will negatively impact important statewide strategic initiatives that the Council advocated strongly for over the last several years.

<u>Strategic initiatives & incentive funding programs</u>	<u>2007-08 General Fund Budget</u>	<u>2007-08 Budget Cut</u>
Kentucky Adult Education	\$25 million	\$800,800
Research Support, Regional Stewardship, and Workforce Development Trust Fund	7.8 million	249,600
Science and Technology funding program	10.4 million	466,000
Other statewide strategic initiatives	<u>4.9 million</u>	<u>156,400</u>
Total	\$48.1 million	\$1,672,800

The impact on Council base operations (\$130,800 reduction from a \$12 million budget that includes over \$3.1 million in KYVC/ML technology contracts) will require the delay of critical hires within the agency and possible reductions in key statewide contracts.

The Council staff communicated to OSBD that if these reductions were to become permanent starting in 2008-09 that the Council would want the flexibility to make changes to reflect a longer-term strategy and incorporate additional discussions with Council members and staff.



Commonwealth of Kentucky
Office of Governor Steven L. Beshear

FOR IMMEDIATE RELEASE

Contact: Vicki Glass
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**Governor Steve Beshear Addresses Budget Reduction Plan
for This Fiscal Year**

FRANKFORT, KY (January 4, 2008) – Gov. Steve Beshear today announced a budget reduction plan for the Commonwealth by signing a General Fund Budget Reduction Order and an Executive Order directing cost-saving measures for the Executive Branch of Government.

“Today my purpose is to discuss ways in balancing the current budget and how getting over this mountain doesn’t solve our long-range predicament,” Beshear said.

“There won’t be enough income during the next biennium to cover expenses in the current budget, much less any additional monies requested by a multitude of organizations both inside and outside state government.”

Last week the Gov. announced that the Commonwealth’s financial condition, as discovered upon his taking office December 11th, was much worse than anticipated.

“In round figures, the Commonwealth’s budget shortfall for Fiscal Year ’08 that I am addressing today is \$265 million,” said the Governor. “This does not include the \$166 million in additional spending needs previously cited by various state agencies that I will address in my budget recommendations at the end of the month.”

The General Fund Budget Reduction Order signed today includes cuts or reductions in state activities and services. For FY ’08 this amounts to only \$78 million of the \$265 million previously mentioned.

The balance of the \$265 million will come from:

- FY '07 budget surplus of \$145 million
- Unbudgeted/excess funds of \$42 million

“Unfortunately, the FY '07 surplus does not begin to cover the overall budget deficit,” said Beshear.

The projected shortfall for the remaining FY '08 Budget will be managed through the following measures executed by all government agencies:

- Reduction in the state workforce through attrition. Any hiring actions must be justified as crucial in governmental performance. Funds must also be available to sustain the position within reduced budget amounts and be approved by the Secretary of the Executive Cabinet prior to submission to the Personnel Cabinet for processing.
- Contracts will be reviewed for cost savings.
- Travel expenses will be reduced.
- Printing costs must be lowered in every agency.
- A moratorium is being placed on all purchases of furniture and equipment by state agencies.
- Acceleration of the sale of surplus property.
- Discretionary spending must be reduced. No area of spending is immune.
- Energy savings will be maximized.

“Finally, let there be no question that our resolving the FY '08 budget does not mean we are out of the woods,” said Governor Beshear.

“A much greater obstruction awaits all of us. Daunting revenue projections over the next two years will translate into unnerving and unpleasant decisions. To meet this challenge we will have to look at all areas of state government for reductions. Nothing is off the table.”

Gov. Beshear will present his proposed 2008-2010 budget to the Kentucky General Assembly on January 29, 2008.

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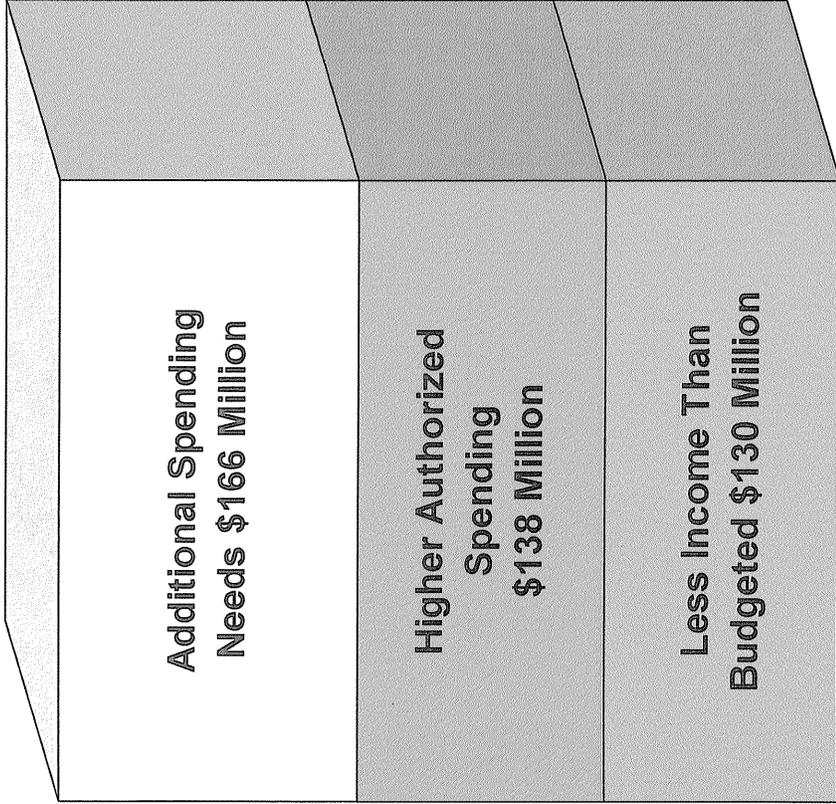
GENERAL FUND

<u>Appropriation Unit</u>	<u>FY 2007-2008 General Fund Current Appropriations</u>	<u>FY 2007-2008 General Fund Revised Appropriations</u>	<u>FY 2007-2008 General Fund Appropriation Reductions</u>
Postsecondary Education			
Council on Postsecondary Education	95,434,324	93,446,124	(1,988,200)
Eastern Kentucky University	80,230,200	77,837,400	(2,392,800)
Kentucky State University	28,349,000	27,525,700	(823,300)
Morehead State University	48,697,600	47,251,500	(1,446,100)
Murray State University	56,068,700	54,386,600	(1,682,100)
Northern Kentucky University	55,330,000	53,677,000	(1,653,000)
University of Kentucky	337,016,500	326,964,400	(10,052,100)
University of Louisville	191,346,100	186,288,900	(5,057,200)
Western Kentucky University	86,396,200	83,842,700	(2,553,500)
Kentucky Community and Technical College System	228,704,900	221,843,800	(6,861,100)
Kentucky Higher Education Assistance Authority	175,050,443	175,050,443	
Total-Postsecondary Education	1,382,623,967	1,348,114,567	(34,509,400)
Transportation Cabinet			
Aviation	865,700	840,100	(25,600)
Public Transportation	8,559,575	8,559,575	
Total-Transportation Cabinet	9,425,275	9,399,675	(25,600)
Statewide			
Capital Projects	11,103,000	11,103,000	
Budget Reserve Trust Fund	231,489,736	231,489,736	
Total-Statewide	242,592,736	242,592,736	0
GRAND TOTAL-EXECUTIVE BRANCH	9,361,824,916	9,296,562,500	(65,262,416)
Legislative Branch	57,287,141		
Judicial Branch	283,359,627		
GRAND TOTAL	9,702,471,684		

FY 08 Budget Shortfall

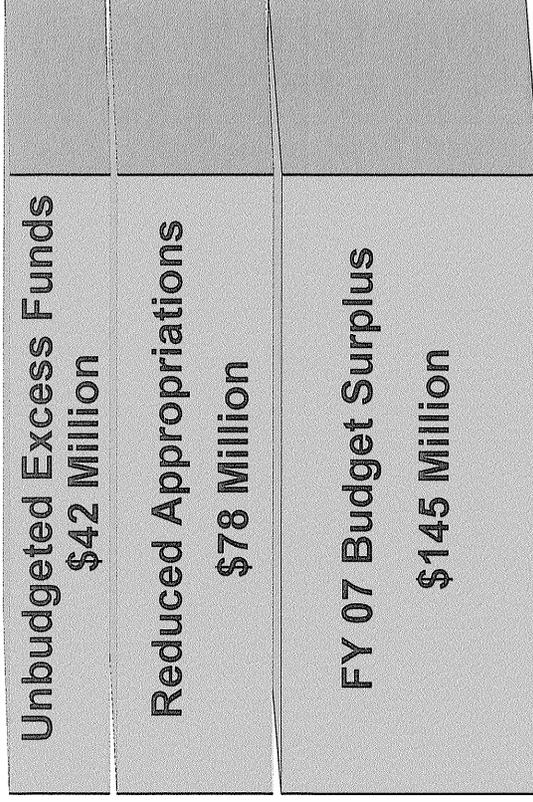
“The Problem”

**Total Budget Shortfall
\$434 Million**

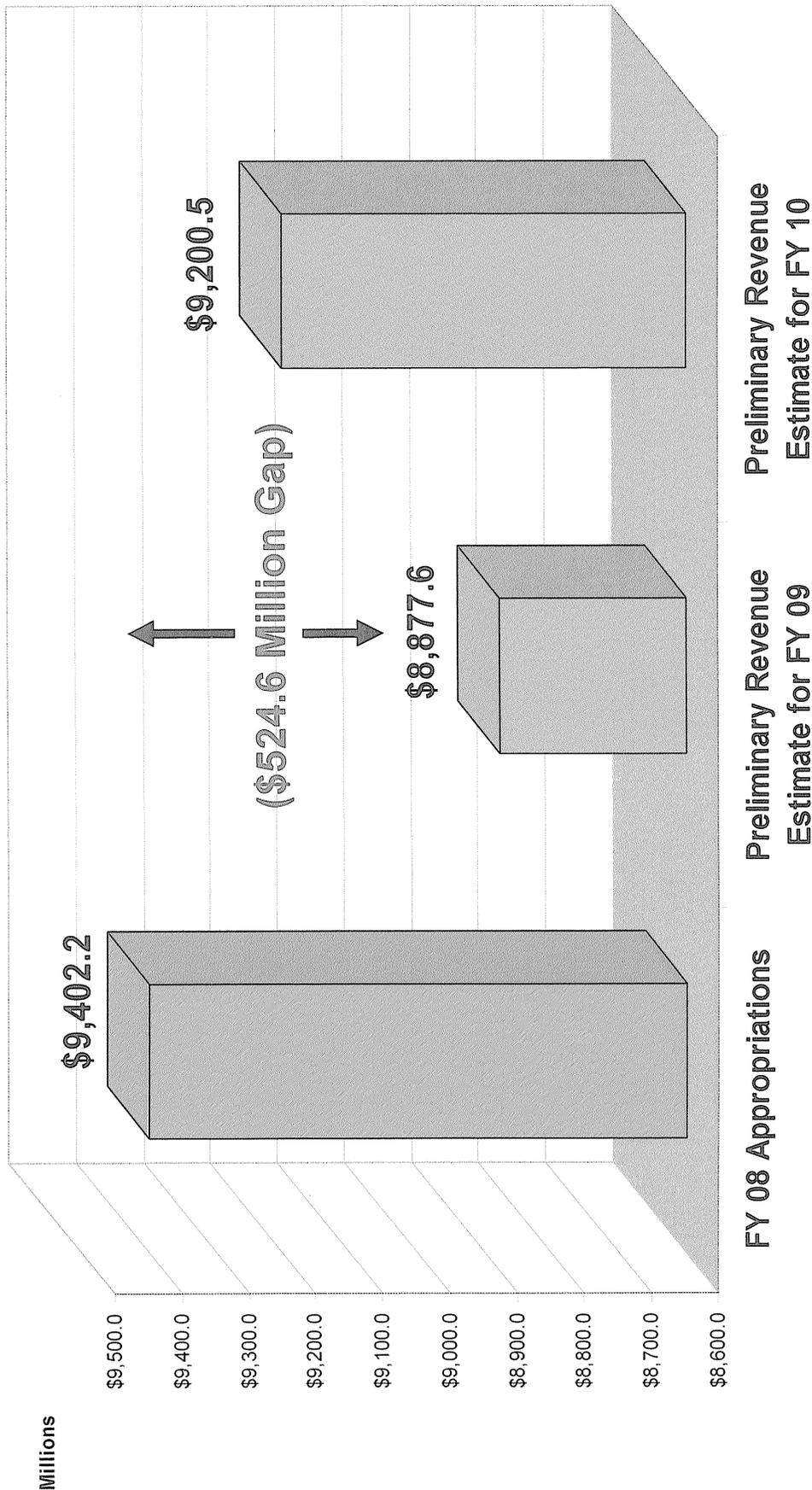


“The Solution”

← **Balance to be Addressed in Budget Recommendation**



Existing Spending Levels Are not Sustainable



**Council on Postsecondary Education
Budget and Finance Policy Group
February 1, 2008**

2008-10 Executive Budget Recommendation

At the time of this writing, the Executive Budget Recommendation for 2008-10 had not been introduced. Governor Beshear will present his proposed 2008-10 budget to the General Assembly Tuesday, January 29. An analysis will be provided at the February 1 meeting.

Council on Postsecondary Education
February 1, 2008

2008-10 Executive Budget Recommendation Summary

Fiscal Environment

- On Tuesday, January 29, 2008, Governor Beshear released his 2008-10 Executive Budget recommendation.
- Due to an unprecedented and challenging fiscal environment for the Commonwealth, the Governor recommended significant cuts in many areas of state government.
- Postsecondary and adult education received the worst-case scenario with a 12 percent budget reduction in 2008-10, which is in addition to the 3 percent reduction in FY08.
- Governor Beshear did mention that “if and when additional resources become available, higher education should be a top priority for new funds.”
- See **Attachment A** for additional details from the Executive Budget Briefing.

Institution Operations

- The Executive Budget for 2008-10 recommended a decrease in General Funds of 12 percent or approximately \$127 million in FY09 for postsecondary education institutions, which was flat-lined in FY10. This is in addition to the 3 percent cut or \$32.5 million reduction in 2007-08.
- With these budget cuts, General Fund support for public postsecondary education is reduced to pre-reform funding levels when adjusted for inflation.
- The Executive Budget did include \$60 million for the Bucks for Brains Endowment Match Program, \$33.3 million for UK, \$16.6 million for UofL, and \$10 million for the comprehensive universities.
- See **Attachment B** for details by institution.

Council Operations

- The Executive Budget also recommended a decrease of 12 percent for Council General Funds or approximately \$7 million.
- The recommendation cut funding for Council operations and eliminated or significantly reduced a number of pass-through programs and strategic initiatives and funding programs.
- See **Attachment C** for details.

Capital

- The Executive Budget included General Fund debt service for \$113.7 million in state funded capital projects; all but the replacement of Morehead’s boiler project were originally authorized in the 2006 session but vetoed.
- Included in the capital projects list for 2008-10 were \$13.9 million for capital renewal, \$10 million for information technology, and \$6 million for UK and UofL lab renovations and research equipment.
- The recommendation also allows the institutions to fund with agency bonds another \$519.5 million in capital projects.
- See **Attachment D** for details on the capital projects.

Financial Aid

- Kentucky’s two major need-based student financial aid programs, the College Access Program (CAP) and the Kentucky Tuition Grant Program (KTG), were spared from spending reductions in the Executive Budget recommendation in both years of the 2008-10 biennium.
- The Kentucky Educational Excellence Scholarship (KEES), the merit-based program, was reduced by approximately \$13 million in 2008-10.

Executive Budget Briefing

Governor Steven L. Beshear

FY 2008 - 2010
January 29, 2008

General Fund

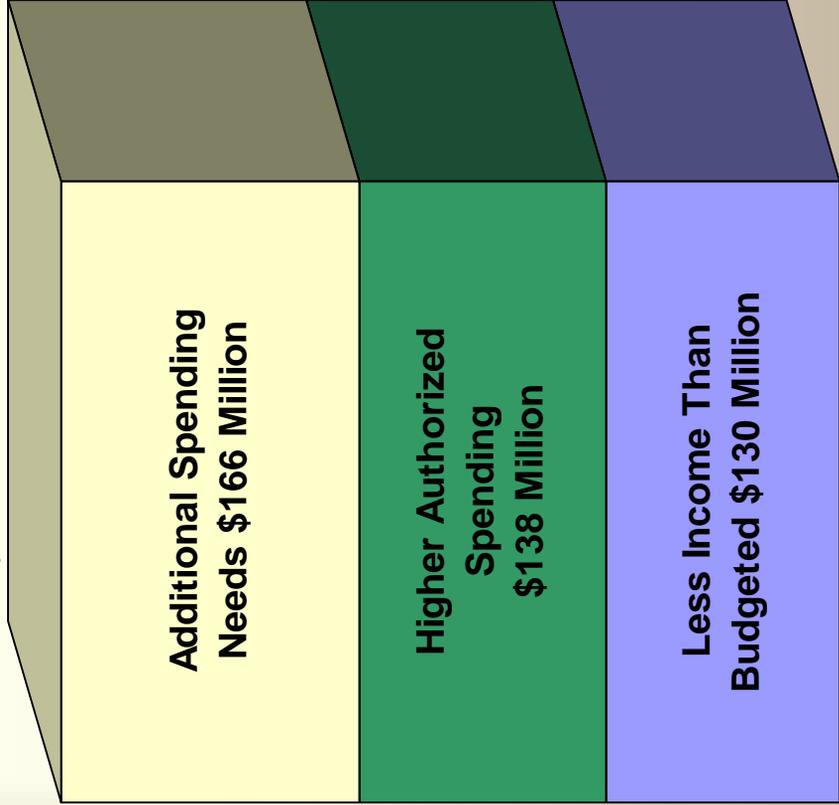
CFG Revenue Estimates

	<u>FY07</u> Actual	<u>FY08</u> Estimate	<u>FY09</u> Estimate	<u>FY10</u> Estimate
Sales & Use	2,817.7	2,897.6	2,969.1	3,057.5
Individual Income	3,041.5	3,370.0	3,472.8	3,629.7
Corporation Inc & LLET*	999.8	644.5	622.3	619.2
Coal Severance	222.0	223.7	223.7	224.0
Cigarette & OTP	177.4	179.7	179.3	178.2
Property	492.5	497.0	518.9	542.3
Lottery	186.6	187.5	191.5	195.0
Other	<u>636.3</u>	<u>633.1</u>	<u>646.0</u>	<u>650.4</u>
Total General Fund	8,573.8	8,633.0	8,823.6	9,096.3
% Increase	2.4%	0.7%	2.2%	3.1%

FY 08 Outlook in Early January

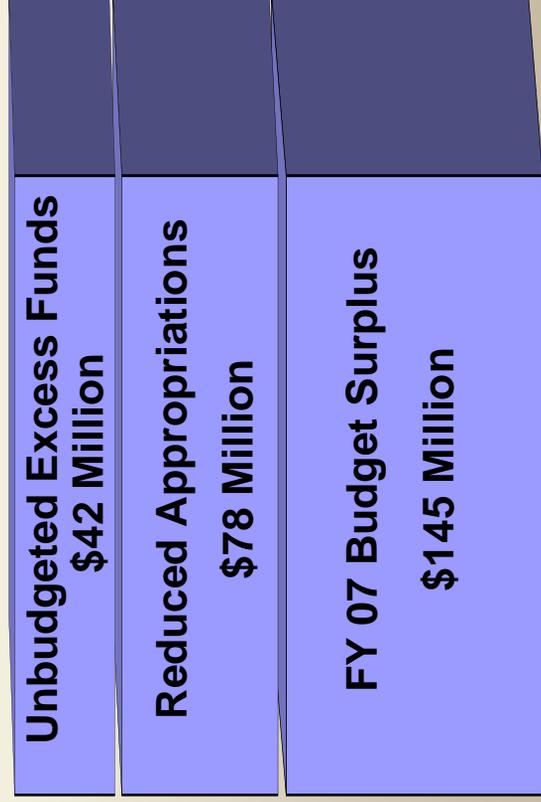
“The Problem”

Total Budget Shortfall
\$434 Million



“The Solution”

Balance to be Addressed in Budget Recommendation



Budget Approach

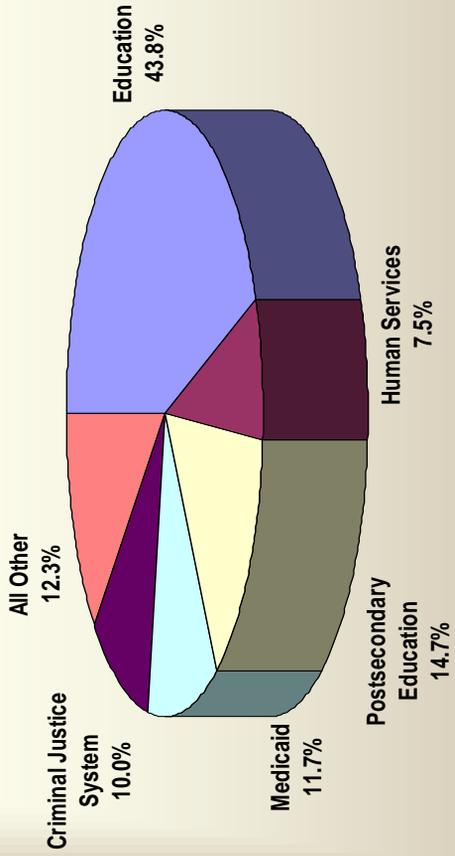
- Assessed the Gap Between Existing Spending Levels and Projected Revenues
- Identified Additional Resources
- Identified “Needs” for Additional Spending
- Determined Reduction Levels Necessary to Balance
- Identified Priorities for Preserving Funding
- Evaluated Impacts of Potential Reductions

Postsecondary Education

- Need-Based Student Financial Aid Not Reduced
- Restore Vetoed Projects from 2006
- Authorize All University Agency Fund Bond Projects Requested
- Authorize \$60 Million for "Bucks for Brains"

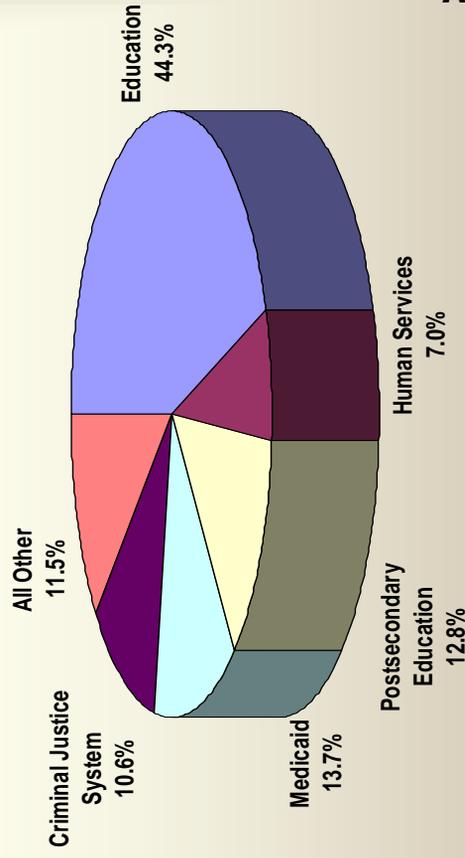
Where Does the General Fund Go?

FY 2006 – 2008
(Enacted 2006)



Total = \$18.1 Billion

FY 2008 – 2010



Total = \$18.5 Billion

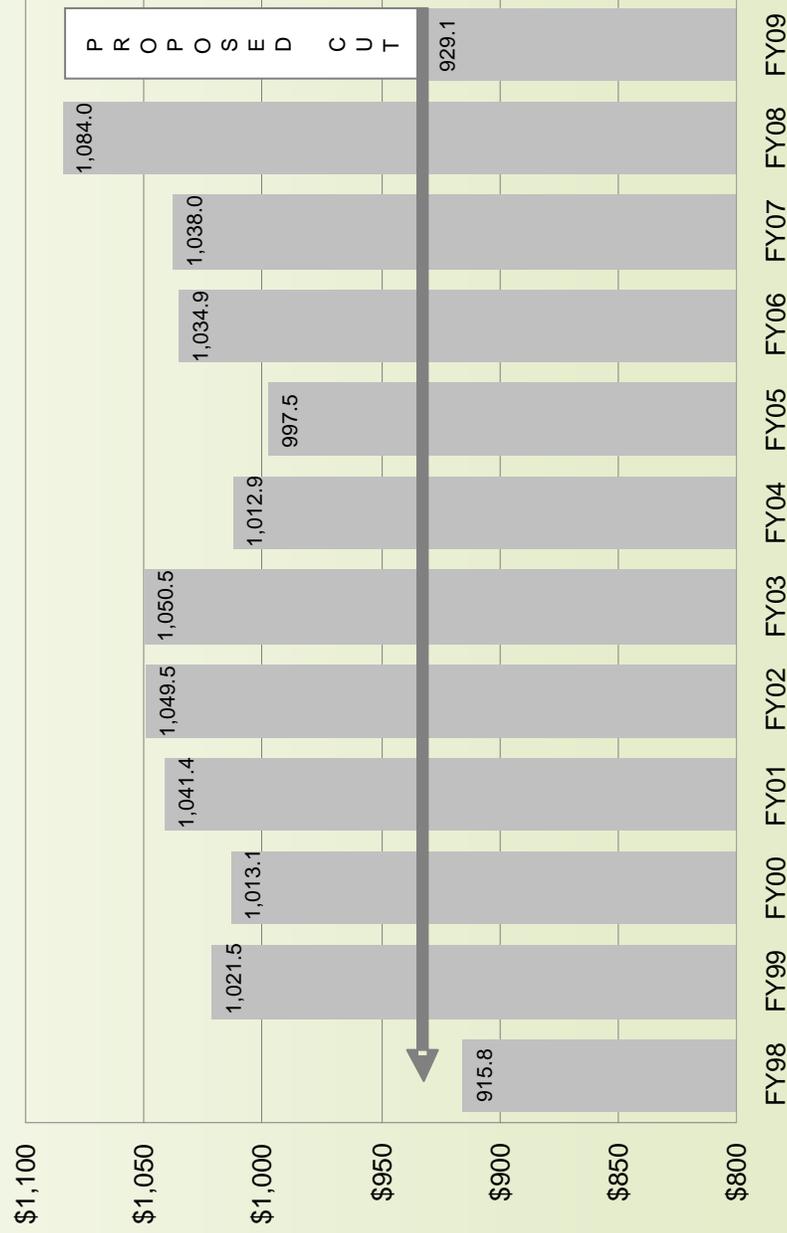
Note: Debt Service is reflected in "All Other" in Finance Cabinet in biennium after appropriated

Capital Investment Program

- Honoring Prior Commitments
 - Restore Vetoed Bond Projects from 2006
 - \$100 Million for School Facilities Construction
 - \$18 Million to Complete Statewide Public Safety Communications Network
- Investing in Critical Needs
- Providing Flexibility for Universities
 - Authorize ALL Requested Agency Bond Projects

Governor's recommended FY09 General Fund appropriations to postsecondary institutions

In millions, inflation adjusted to 2008 dollars



Source: Council on Postsecondary Education

**Analysis of HB 406 2008-10 Executive Budget
State General Fund Appropriations**

	FY08			FY 09		FY10	
	Enacted	Revised for 3% Cut	Difference From Enacted	Executive Budget Recommendation	Difference From 2007-08 Enacted	Executive Budget Recommendation	Difference From 2007-08 Enacted
Institutions							
Eastern Kentucky University	80,230,200	77,837,400	(2,392,800)	70,264,500	(9,965,700)	70,284,300	(9,945,900)
Kentucky State University	28,349,000	27,525,700	(823,300)	24,513,100	(3,835,900)	24,512,100	(3,836,900)
Morehead State University	48,697,600	47,251,500	(1,446,100)	42,456,600	(6,241,000)	42,331,800	(6,365,800)
Murray State University	56,068,700	54,386,600	(1,682,100)	48,030,900	(8,037,800)	48,030,900	(8,037,800)
Northern Kentucky University	55,330,000	53,677,000	(1,653,000)	50,068,200	(5,261,800)	50,077,700	(5,252,300)
University of Kentucky	337,016,500	326,964,400	(10,052,100)	290,879,100	(46,137,400)	290,912,400	(46,104,100)
University of Louisville	191,346,100	186,288,900	(5,057,200)	172,600,700	(18,745,400)	172,406,400	(18,939,700)
Western Kentucky University	86,396,200	83,842,700	(2,553,500)	74,815,500	(11,580,700)	75,103,600	(11,292,600)
KCTCS	228,704,900	221,843,800	(6,861,100)	196,246,900	(32,458,000)	196,246,900	(32,458,000)
Total Institutions	1,112,139,200	1,079,618,000	(32,521,200)	969,875,500	(142,263,700)	969,906,100	(142,233,100)
CPE	89,017,300	87,029,100	(1,988,200)	52,090,800	(36,926,500)	61,814,700	(27,202,600)
KHEAA	175,050,400	175,050,400	0	165,750,300	(9,300,100)	166,266,300	(8,784,100)
Total Postsecondary Education	1,376,206,900	1,341,697,500	(34,509,400)	1,187,716,600	(188,490,300)	1,197,987,100	(178,219,800)

**Analysis of HB 406 2008-10 Executive Budget
State General Fund Appropriations**

	FY 09			FY 10		
	CPE Recommendation	Executive Budget Recommendation	Difference	CPE Recommendation	Executive Budget Recommendation	Difference
Institutions						
Eastern Kentucky University	87,222,000	70,264,500	(16,957,500)	92,077,500	70,284,300	(21,793,200)
Kentucky State University	30,469,500	24,513,100	(5,956,400)	31,869,200	24,512,100	(7,357,100)
Morehead State University	52,968,200	42,456,600	(10,511,600)	55,645,800	42,331,800	(13,314,000)
Murray State University	60,021,900	48,030,900	(11,991,000)	63,371,600	48,030,900	(15,340,700)
Northern Kentucky University	63,851,300	50,068,200	(13,783,100)	69,398,500	50,077,700	(19,320,800)
University of Kentucky	359,544,800	290,879,100	(68,665,700)	375,412,800	290,912,400	(84,500,400)
University of Louisville	207,528,100	172,600,700	(34,927,400)	220,332,400	172,406,400	(47,926,000)
Western Kentucky University	93,360,100	74,815,500	(18,544,600)	98,372,900	75,103,600	(23,269,300)
KCTCS	253,051,300	196,246,900	(56,804,400)	278,978,900	196,246,900	(82,732,000)
Total Institutions	1,208,017,200	969,875,500	(238,141,700)	1,285,459,600	969,906,100	(315,553,500)
CPE	91,706,300	52,090,800	(39,615,500)	207,071,600	61,814,700	(145,256,900)
KHEAA	297,077,800	165,750,300	(131,327,500)	312,198,200	166,266,300	(145,931,900)
Total Postsecondary Education	1,596,801,300	1,187,716,600	(409,084,700)	1,804,729,400	1,197,987,100	(606,742,300)

**Council Operations
2008-10 General Funds Budget**

	Revised 2007-08 General Fund	2008-09 CPE Request	2008-09 Executive Budget Recommendation	Difference	2009-10 CPE Request	2009-10 Executive Budget Recommendation	Difference
Council on Postsecondary Education		(A)	(B)	(A-B)	(C)	(D)	(C-D)
Base operations	\$8.9 M	\$10.4 M	\$8.7 M	(\$1.7 M)	\$11.0 M	\$8.7 M	(\$2.3 M)
Pass-through programs	\$6.2 M	\$6.4 M	\$4.4 M	(\$2.0 M)	\$6.6 M	\$4.4 M	(\$2.2 M)
Strategic initiatives and incentive funding programs							
Kentucky Adult Education	\$25 M	\$27 M	\$22 M	(\$5 M)	\$29 M	\$22 M	(\$7 M)
Research Challenge Trust Fund					\$16 M	\$0	(\$16 M)
Reg Univ Excell Trust Fund					\$4.3 M	\$0	(\$4.3 M)
Technology Initiative Trust Fund	\$6.0 M	\$10.1 M	\$6.8 M	(\$3.3 M)	\$19.4 M	\$6.8 M	(\$12.6 M)
Physical Facilities Trust Fund	\$22.5 M				\$67.1 M	\$9.7 M	(\$57.4 M)
Post. Workforc Dev Trust Fund	\$1.2 M	Transferred	Transferred		\$1.1 M	\$0	(\$1.1 M)
Science & Tech Funding Prgm	\$10.6 M	\$19.6 M	\$8.2 M	(\$11.4 M)	\$19.6 M	\$8.2 M	(\$11.4 M)
Regional Stewardship	\$3.6 M	\$2.1 M	\$1.5 M	(\$.6 M)	\$2.1 M	\$1.5 M	(\$.6 M)
Research Support	\$3 M	Transferred	Transferred		Transferred	Transferred	
Special Initiatives Funding Prgm	\$1 M	\$9.1 M	\$0	(\$9.1 M)	\$9.1 M	\$0	(\$9.1 M)
Performance Funding Program	\$1 M	\$6 M	\$.5 M	(\$5.5 M)	\$21 M	\$.5 M	(\$20.5 M)
GEAR UP	\$0	\$1 M	\$0	(\$1 M)	\$1 M	\$0	(\$1 M)
Subtotal	\$73.9 M	\$74.9 M	\$39 M	(\$35.9 M)	\$189.7 M	\$48.7 M	(\$ 141 M)
Total	\$89.0 M	\$91.7 M	\$52.1 M	(\$39.6 M)	\$207.3 M	\$61.8 M	(\$145.3 M)

**COUNCIL ON POSTSECONDARY EDUCATION
2008-10 CAPITAL PROJECTS RECOMMENDATIONS**

Revised: January 29, 2008

Institution/Project Name	Vetoed	Council Recom	Ex. Budget Recom	2008-10 Executive Budget Recommendation		
				State Bonds	Other Funds	Total
GENERAL FUND PROJECTS						
University of Kentucky						
1 Expand and Upgrade Livestock Disease Diagnostic Center-Phase II	X	X	X	\$ 13,500,000	\$	13,500,000
Eastern Kentucky University						
1 EKU-UK Dairy Research Project-Meadowbrook Farm	X	X	X	5,300,000		5,300,000
Kentucky State University						
1 Expand and Renovate Betty White Nursing Building	X	X	X	4,900,000		4,900,000
Morehead State University						
1 Business Continuance Datacenter	X		X	\$ 2,500,000	\$	2,500,000
2 Replace Power Plant Pollution Control System & Boiler Tube			X	5,700,000		5,700,000
Subtotal				\$ 8,200,000	\$ -	\$ 8,200,000
Western Kentucky University						
1 Renovate Science Campus-Phase III	X	X	X	9,000,000	6,000,000	15,000,000
2 Construct Materials Characterization Center/ICSET-Ph II	X	X	X	4,500,000	600,000	5,100,000
3 Replace Ford College of Business-Grise Hall Phase I	X		X	5,800,000		5,800,000
Subtotal				\$ 19,300,000	\$ 6,600,000	\$ 25,900,000
Kentucky Community and Technical College System						
1 Cynthiana-Licking Valley Campus-Phase II-Maysville CTC	X		X	\$ 1,000,000	\$	1,000,000
2 Construct Carrollton Campus-Jefferson CTC	X		X	12,000,000		12,000,000
3 Energy and Advanced Technology Center-Madisonville CC	X		X	4,000,000		4,000,000
4 Advanced Technology Center-Owensboro CTC - Completion	X	X	X	14,055,000		14,055,000
5 Rowan County Campus-Planning and Design (Maysville CTC)	X		X	1,500,000		1,500,000
Subtotal				\$ 32,555,000	\$ -	\$ 32,555,000
Statewide Pools - CPE						
1 Capital Renewal and Maintenance Pool	X	X	X	\$ 13,927,000	\$	13,927,000
2 Information Technology and Equipment Acquisitions	X	X	X	10,000,000		10,000,000
3 Research Support/Lab Renovation & Equipment	X	X	X	6,000,000		6,000,000
Subtotal				\$ 29,927,000	\$ -	\$ 29,927,000
Total - General Fund Projects				\$ 113,682,000	\$ 6,600,000	\$ 120,282,000

Notes:

- 1 Language is included in the Executive Budget to allow Murray State University to spend \$15 million authorized by the 2006 G. A. to complete the Chemistry building.
- 2 The Executive Budget, with exception of the MoSU Boiler Plant project, only addresses the projects authorized by the 2006 session of the G.A but vetoed.

**COUNCIL ON POSTSECONDARY EDUCATION
2008-10 CAPITAL PROJECTS RECOMMENDATIONS**

Institution/Project Name	Vetoed	Council Recom	Ex. Budget Recom	2008-10 Executive Budget Recommendation		
				Agency Bonds	Other Funds	Total
AGENCY BOND PROJECTS						
University of Kentucky						
1 Construct New Housing		X	X	\$ 28,000,000	\$	28,000,000
2 Renovate Blazer Hall Cafeteria	X	X	X	2,800,000		2,800,000
3 Renovate Student Center Food Court		X	X	2,675,000		2,675,000
4 Sanitary Sewer Expansion		X	X	10,000,000		10,000,000
5 Upgrade Existing Dorms for Housing			X	7,000,000		7,000,000
Subtotal				\$ 50,475,000	\$ -	\$ 50,475,000
University of Louisville						
1 Construct - HSC Research III (Additional)		X	X	\$ 15,800,000	\$	15,800,000
2 Construct - HSC Parking Structure II	X	X	X	30,700,000		30,700,000
3 Expand - Student Activities Center		X	X	9,960,000		9,960,000
4 Construct - Westside Dining Facility		X	X	5,370,000		5,370,000
5 Expand & Renovate Dental School		X	X	38,700,000	\$ 4,000,000	42,700,000
6 Construct HSC Parking Structure III		X	X	38,735,000		38,735,000
7 Purchase Central Station Property		X	X	9,000,000		9,000,000
Subtotal				\$ 148,265,000	\$ 4,000,000	\$ 152,265,000
Eastern Kentucky University revised						
1 Renovate Residence Hall		X	X	\$ 10,000,000	\$	10,000,000
2 Construct New Student Housing	X	X	X	21,000,000		21,000,000
Subtotal				\$ 31,000,000	\$ -	\$ 31,000,000
Kentucky State University						
1 Construct Parking Structure	X	X	X	\$ 7,000,000	\$	7,000,000
Morehead State University						
1 Capital Renewal & Maintenance Pool - Auxiliary		X	X	\$ 1,383,000	\$	1,383,000
2 Construct Campus Recreation Center	X	X	X	39,000,000		39,000,000
3 Renovate Alumni Tower Residence Hall		X	X	4,631,000		4,631,000
4 Construct Food Svcs Facility in Housing Complex		X	X	8,251,000		8,251,000
5 Construct Parking Structure		X	X	7,000,000		7,000,000
6 Renovate Mignon Tower Residence Hall		X	X	5,682,000		5,682,000
7 Comply with ADA - Auxiliary		X	X	2,727,000		2,727,000
Subtotal				\$ 68,674,000	\$ -	\$ 68,674,000

**COUNCIL ON POSTSECONDARY EDUCATION
2008-10 CAPITAL PROJECTS RECOMMENDATIONS**

Institution/Project Name	Vetoed	Council Recom	Ex. Budget Recom	2008-10 Executive Budget Recommendation		
				Agency Bonds	Other Funds	Total
AGENCY BOND PROJECTS						
Murray State University						
1 Replace Franklin Hall	X	X	X	\$ 15,000,000	\$	15,000,000
2 Replace Richmond Hall - Add'l		X	X	1,923,000		1,923,000
3 Renovate White Hall		X	X	9,600,000		9,600,000
4 Complete Capital Renewal: H&D Pool \$600,000		X	X	7,617,000		7,617,000
5 Renovate Regents Hall		X	X	10,200,000		10,200,000
6 Abate Asbestos H&D Pool		X	X	1,423,000		1,423,000
7 Renovate Curris Center T'Room & Food Service Equip	X	X	X	908,000		908,000
8 Complete ADA Compliance H&D Pool \$600,000		X	X	744,000		744,000
9 Renovate Buildings H&D Pool \$600,000		X	X	605,000		605,000
10 Complete Life Safety Projects H&D Pool \$600,000		X	X	388,000		388,000
Subtotal				\$ 48,408,000	\$ -	\$ 48,408,000
Northern Kentucky University						
1 Acquire & Renovate Residence Halls (Current Year Auth)	X	X	X	\$ 23,500,000	\$	23,500,000
2 Construct Parking Garage #4		X	X	11,500,000		11,500,000
3 Construct/Acquire New Residence Hall		X	X	30,000,000		30,000,000
4 Renovate/Expand Norse Commons	X	X	X	7,000,000		7,000,000
Subtotal				\$ 72,000,000	\$ -	\$ 72,000,000
Western Kentucky University						
1 Van Meter Hall Renovation	X	X	X	\$ 18,400,000	\$ 2,760,000	\$ 21,160,000
2 Ivan Wilson Fine Arts Center Expansion Ph I	X	X	X	9,200,000	1,380,000	10,580,000
3 Acquire Property and Construct Parking Lots	X	X	X	4,600,000	690,000	5,290,000
4 Expand Preston Center	X	X	X	11,500,000	1,725,000	13,225,000
5 Renovate Downing University Center Phase III		X	X	46,000,000	2,000,000	48,000,000
6 Renovate Garrett Conference Center Phase I		X	X	4,000,000	6,300,000	10,300,000
7 Subtotal				\$ 93,700,000	\$ 14,855,000	\$ 108,555,000
Total Agency Bond Authority				\$ 519,522,000	\$ 18,855,000	\$ 538,377,000

Notes:

1 The Executive Budget includes all agency bond projects requested by postsecondary education institutions in the 2008-10 biennial request.

**Council on Postsecondary Education
February 1, 2008**

Draft 2006-07 Accountability Report

Each year, the Council submits an accountability report to the Office of the Governor, SCOPE, and the Legislative Research Commission as directed by KRS 164.020(3). The purpose of the report is to inform policymakers and the public of the systemwide and institutional progress made in advancing the goals of the *Kentucky Postsecondary Education Improvement Act of 1997* (HB 1) and the Public Agenda for Adult and Postsecondary Education. The Council staff presents this draft of the 2006-07 accountability report for your comments and consideration.

This year, the Council changed the format of the report to enhance readability. Statewide and institutional indicators have been incorporated into one graphics-intensive document. When possible, ten years of trend data are displayed to illustrate progress made since the beginning of reform. However, the status of each indicator has been assigned based on change from last year: up arrows indicate improvement, down arrows indicate decline, and horizontal arrows indicate no change. More detailed information on statewide and institutional initiatives being implemented to move this agenda forward will be available on the Council's Web site: <http://cpe.ky.gov/planning/statusreports>.

The 2006-07 accountability report will be presented in final form at the next Council meeting for approval. The final report will be disseminated to members of the General Assembly, SCOPE, the Legislative Research Commission, the Governor's Office, and others. A limited number of printed copies will be mailed to the presidents, the Governor's Office, Council members, and legislative staff.

**Council on Postsecondary Education
February 1, 2008**

Legislative Update

A most recent chart listing bills that relate to postsecondary education will be distributed at the February 1 meeting. The Council staff will be available for discussion.

**Council on Postsecondary Education
February 1, 2008**

**Kentucky Plan for Equal Opportunities
2008 Degree Program Eligibility**

This assessment is an annual report card that describes institutional success in implementing strategies to achieve the objectives of the *1997-2002 Kentucky Plan for Equal Opportunities* that promotes compliance with Title VI of the Civil Rights Act of 1964.

Based on the success in enrolling, retaining, and hiring African Americans, more of Kentucky's public postsecondary institutions qualified for the most favorable category of eligibility for new programs in 2008 (21) compared to 2007 (19). Seven universities and 14 community and technical colleges qualify for automatic status in 2008 compared to seven universities and 12 community and technical colleges in 2007.

Seven universities are automatically eligible to propose new degree programs. No university received the quantitative or qualitative waiver status (evaluation of the University of Kentucky status is incomplete). Kentucky State University showed continuing progress on six of its seven Kentucky Plan objectives, while Western Kentucky University showed continuing progress on all objectives. Eastern Kentucky University, Murray State University, Northern Kentucky University, and the University of Louisville showed continuing progress on seven of eight Kentucky Plan objectives while Morehead State University showed progress on six objectives. Among the universities, the performance of two declined, three improved, two were unchanged, and one evaluation is incomplete.

In the Kentucky Community and Technical College System, 14 institutions are automatically eligible to propose new degree programs, compared to 12 in 2007. No institution received the quantitative waiver status; one institution received the qualitative waiver status. Maysville Community and Technical College is not eligible to propose new programs in 2008 because new programs were implemented in 2007 under a waiver provision. Maysville did not make sufficient progress on the Kentucky Plan objectives to be eligible in the current evaluation year. The number of KCTCS institutions (one) falling into the qualitative (least desirable) category did not change from 2007.

Eleven community and technical colleges (Ashland Community and Technical College, Bluegrass Community and Technical College, Bowling Green Technical College, Gateway Community and Technical College, Hazard Community and Technical College, Henderson Community College, Hopkinsville Community College, Jefferson Community and Technical College, Madisonville Community College, Somerset Community College, and West Kentucky Community and Technical College) showed progress on all Kentucky Plan objectives.

Three KCTCS institutions made progress on three Kentucky Plan objectives, one KCTCS institution showed continuous progress on two objectives, and one institution made progress on none of the objectives. Among the 16 institutions, four improved their performance, ten performed at the same level, and the performance of two decreased.

African Americans make up 5.4 percent of total black and white faculty (407 of 7,514) in the postsecondary system in Fall 2006 including 5.0 percent (276 of 5,497) at traditionally white four-year institutions, 4.4 percent (83 of 1,884) at KCTCS, and 36.1 percent (48 of 133) at Kentucky State University. Proportionately, African American faculty continue to have the greatest representation at Kentucky State University, while numerically, the University of Louisville employs the most. Over time, the University of Louisville has shown the greatest degree of consistency and progress when compared to the other institutions.

African Americans make up 9.5 percent of total black and white executive/administrative/managerial staff (130 of 1,372) in the postsecondary system including 6.4 percent (69 of 1,076) at traditionally white four-year institutions, 10 percent (25 of 250) at KCTCS, and 78.3 percent (36 of 46) at Kentucky State University.

African Americans make up 7.8 percent of total black and white professional staff (606 of 7,792) in the postsecondary system including 6.7 percent (447 of 6,719) at traditionally white four-year institutions, 8.8 percent (84 of 958) at KCTCS, and 65.2 percent (75 of 115) at Kentucky State University.

In fall 2006, Kentucky resident African Americans made up 8.3 percent of total black and white Kentucky resident undergraduate students (12,036 of 145,121) in the postsecondary system including 7.8 percent (5,765 of 73,513) at traditionally white four-year institutions, 8.8 percent (6,271 of 71,608) at KCTCS, and 52.8 percent (758 of 1,436) at Kentucky State University.

Following review of the evaluation results by the Committee on Equal Opportunities, the degree program eligibility status reports will be forwarded to the institutional presidents.

**POSTSECONDARY SYSTEM SUMMARY
DEGREE PROGRAM ELIGIBILITY STATUS
CALENDAR YEAR 2008**

The eligibility status of the institutions is determined through the application of the administrative regulation (13 KAR 2:060).

Postsecondary system performance

Eligibility Category	Universities		Community & Technical Colleges		Total	
	2008	2007	2008	2007	2008	2007
Automatic	7	7	14	12	21	19
Quantitative Waiver	0	1	0	2	0	3
Qualitative Waiver	0	0	1	1	1	1
Not Eligible/On Hold	1	0	1	1	2	1
Total	8	8	16	16	24	24

Performance by universities

Institution	Objectives Showing Continuous Progress	Total Objectives Evaluated	Degree Program Eligibility Status	
			2008	2007
Eastern Kentucky University	7	8	Automatic	Quantitative
Kentucky State University	6	7	Automatic	Automatic
Morehead State University	6	8	Automatic	Automatic
Murray State University	7	8	Automatic	Automatic
Northern Kentucky University	7	8	Automatic	Automatic
University of Kentucky	On Hold	8	On Hold	Automatic
University of Louisville	7	8	Automatic	Automatic
Western Kentucky University	8	8	Automatic	Automatic

Notes:

Universities (except Kentucky State University) have eight equal opportunity objectives. Kentucky State University has seven objectives (the objective related to enrollment of graduate students does not apply to KSU).

Automatic eligibility equals continuous progress in at least six of eight objectives. KSU is at least five of seven objectives.

Quantitative waiver equals continuous progress in five of eight objectives. New degree programs must be implemented under the waiver provisions during calendar year 2008. KSU is four of seven objectives.

Qualitative waiver equals continuous progress in four or fewer of eight objectives. New degree programs must be implemented under the waiver provisions during calendar year 2008. KSU is three or fewer of seven objectives.

INSTITUTIONAL DEGREE PROGRAM ELIGIBILITY CALENDAR YEAR 2008

The eligibility status of the institutions is determined through the application of the administrative regulation (13 KAR 2:060).

Performance by KCTCS Colleges

Institution	Objectives Showing Continuous Progress	Total Objectives Evaluated	Degree Program Eligibility Status	
			2008	2007
Kentucky Community and Technical College System			2008	2007
Ashland Community & Technical College	4	4	<i>Automatic</i>	Automatic
Big Sandy Community & Technical College	3	4	<i>Automatic</i>	Automatic
Bluegrass Community & Technical College	4	4	<i>Automatic</i>	Automatic
Bowling Green Technical College	4	4	<i>Automatic</i>	Automatic
Elizabethtown Community & Technical College	3	4	<i>Automatic</i>	Automatic
Gateway Community & Technical College	4	4	<i>Automatic</i>	Automatic
Hazard Community & Technical College	4	4	<i>Automatic</i>	Quantitative
Henderson Community College	4	4	<i>Automatic</i>	Automatic
Hopkinsville Community College	4	4	<i>Automatic</i>	Automatic
Jefferson Community & Technical College	4	4	<i>Automatic</i>	Automatic
Madisonville Community College	4	4	<i>Automatic</i>	Not Eligible
Maysville Community & Technical College	2	4	Not Eligible	Quantitative
Owensboro Community & Technical College	3	4	<i>Automatic</i>	Automatic
Somerset Community College	4	4	<i>Automatic</i>	Automatic
Southeast KY Community & Technical College	0	4	Qualitative	Qualitative
West KY Community & Technical College	4	4	<i>Automatic</i>	Automatic

Notes:

The community and technical colleges have four equal opportunity objectives.

Automatic eligibility equals continuous progress in at least three of four objectives.

Quantitative waiver equals continuous progress in two of four objectives. New degree programs must be implemented under the waiver provisions during the 2008 calendar year.

Qualitative waiver equals continuous progress in zero or one of four objectives. New degree programs must be implemented under the waiver provisions during the 2008 calendar year.

**Council on Postsecondary Education
February 1, 2008**

**Kentucky Plan for Equal Opportunities
2008 Degree Program Eligibility**

This assessment is an annual report card that describes institutional success in implementing strategies to achieve the objectives of the *1997-2002 Kentucky Plan for Equal Opportunities* that promotes compliance with Title VI of the Civil Rights Act of 1964.

Based on the success in enrolling, retaining, and hiring African Americans, more of Kentucky's public postsecondary institutions qualified for the most favorable category of eligibility for new programs in 2008 (23) compared to 2007 (19). All universities and 15 community and technical colleges qualify for automatic status in 2008 compared to seven universities and 12 community and technical colleges in 2007.

All universities are automatically eligible to propose new degree programs. No university received the quantitative or qualitative waiver status (evaluation of the University of Kentucky status is incomplete). Kentucky State University showed continuing progress on six of its seven Kentucky Plan objectives, while Western Kentucky University showed continuing progress on all objectives. Eastern Kentucky University, Murray State University, Northern Kentucky University, and the University of Louisville showed continuing progress on seven of eight Kentucky Plan objectives while Morehead State University showed progress on six objectives. Among the universities, the performance of two declined, three improved, and three were unchanged.

In the Kentucky Community and Technical College System, 15 institutions are automatically eligible to propose new degree programs, compared to 12 in 2007. No institution received the quantitative waiver status; one institution received the qualitative waiver status. The number of KCTCS institutions (one) falling into the qualitative (least desirable) category did not change from 2007.

Eleven community and technical colleges (Ashland Community and Technical College, Bluegrass Community and Technical College, Bowling Green Technical College, Gateway Community and Technical College, Hazard Community and Technical College, Henderson Community College, Hopkinsville Community College, Jefferson Community and Technical College, Madisonville Community College, Somerset Community College, and West Kentucky Community and Technical College) showed progress on all Kentucky Plan objectives.

Four KCTCS institutions made progress on three Kentucky Plan objectives and one institution made progress on none of the objectives. Among the 16 institutions, five improved their performance, ten performed at the same level, and the performance of one decreased.

African Americans make up 5.4 percent of total black and white faculty (407 of 7,514) in the postsecondary system in Fall 2006 including 5.0 percent (276 of 5,497) at traditionally white four-year institutions, 4.4 percent (83 of 1,884) at KCTCS, and 36.1 percent (48 of 133) at Kentucky State University. Proportionately, African American faculty continue to have the greatest representation at Kentucky State University, while numerically, the University of Louisville employs the most. Over time, the University of Louisville has shown the greatest degree of consistency and progress when compared to the other institutions.

African Americans make up 9.5 percent of total black and white executive/administrative/managerial staff (130 of 1,372) in the postsecondary system including 6.4 percent (69 of 1,076) at traditionally white four-year institutions, 10 percent (25 of 250) at KCTCS, and 78.3 percent (36 of 46) at Kentucky State University.

African Americans make up 7.8 percent of total black and white professional staff (606 of 7,792) in the postsecondary system including 6.7 percent (447 of 6,719) at traditionally white four-year institutions, 8.8 percent (84 of 958) at KCTCS, and 65.2 percent (75 of 115) at Kentucky State University.

In fall 2006, Kentucky resident African Americans made up 8.3 percent of total black and white Kentucky resident undergraduate students (12,036 of 145,121) in the postsecondary system including 7.8 percent (5,765 of 73,513) at traditionally white four-year institutions, 8.8 percent (6,271 of 71,608) at KCTCS, and 52.8 percent (758 of 1,436) at Kentucky State University.

Following review of the evaluation results by the Committee on Equal Opportunities, the degree program eligibility status reports will be forwarded to the institutional presidents.

**POSTSECONDARY SYSTEM SUMMARY
DEGREE PROGRAM ELIGIBILITY STATUS
CALENDAR YEAR 2008**

Revised: January 31, 2008

The eligibility status of the institutions is determined through the application of the administrative regulation (13 KAR 2:060).

Postsecondary system performance

Eligibility Category	Universities		Community & Technical Colleges		Total	
	2008	2007	2008	2007	2008	2007
Automatic	8	7	15	12	23	19
Quantitative Waiver	0	1	0	2	0	3
Qualitative Waiver	0	0	1	1	1	1
Not Eligible/On Hold	0	0	0	1	0	1
Total	8	8	16	16	24	24

Performance by universities

Institution	Objectives Showing Continuous Progress	Total Objectives Evaluated	Degree Program Eligibility Status	
			2008	2007
Eastern Kentucky University	7	8	Automatic	Quantitative
Kentucky State University	6	7	Automatic	Automatic
Morehead State University	6	8	Automatic	Automatic
Murray State University	7	8	Automatic	Automatic
Northern Kentucky University	7	8	Automatic	Automatic
University of Kentucky	6	8	Automatic	Automatic
University of Louisville	7	8	Automatic	Automatic
Western Kentucky University	8	8	Automatic	Automatic

Notes:

Universities (except Kentucky State University) have eight equal opportunity objectives. Kentucky State University has seven objectives (the objective related to enrollment of graduate students does not apply to KSU).

Automatic eligibility equals continuous progress in at least six of eight objectives. KSU is at least five of seven objectives.

Quantitative waiver equals continuous progress in five of eight objectives. New degree programs must be implemented under the waiver provisions during calendar year 2008. KSU is four of seven objectives.

Qualitative waiver equals continuous progress in four or fewer of eight objectives. New degree programs must be implemented under the waiver provisions during calendar year 2008. KSU is three or fewer of seven objectives.

INSTITUTIONAL DEGREE PROGRAM ELIGIBILITY CALENDAR YEAR 2008

The eligibility status of the institutions is determined through the application of the administrative regulation (13 KAR 2:060).

Performance by KCTCS Colleges

Institution	Objectives Showing Continuous Progress	Total Objectives Evaluated	Degree Program Eligibility Status	
			2008	2007
Kentucky Community and Technical College System			2008	2007
Ashland Community & Technical College	4	4	<i>Automatic</i>	Automatic
Big Sandy Community & Technical College	3	4	<i>Automatic</i>	Automatic
Bluegrass Community & Technical College	4	4	<i>Automatic</i>	Automatic
Bowling Green Technical College	4	4	<i>Automatic</i>	Automatic
Elizabethtown Community & Technical College	3	4	<i>Automatic</i>	Automatic
Gateway Community & Technical College	4	4	<i>Automatic</i>	Automatic
Hazard Community & Technical College	4	4	<i>Automatic</i>	Quantitative
Henderson Community College	4	4	<i>Automatic</i>	Automatic
Hopkinsville Community College	4	4	<i>Automatic</i>	Automatic
Jefferson Community & Technical College	4	4	<i>Automatic</i>	Automatic
Madisonville Community College	4	4	<i>Automatic</i>	Not Eligible
Maysville Community & Technical College	3	4	<i>Automatic</i>	Quantitative
Owensboro Community & Technical College	3	4	<i>Automatic</i>	Automatic
Somerset Community College	4	4	<i>Automatic</i>	Automatic
Southeast KY Community & Technical College	0	4	Qualitative	Qualitative
West KY Community & Technical College	4	4	<i>Automatic</i>	Automatic

Notes:

The community and technical colleges have four equal opportunity objectives.

Automatic eligibility equals continuous progress in at least three of four objectives.

Quantitative waiver equals continuous progress in two of four objectives. New degree programs must be implemented under the waiver provisions during the 2008 calendar year.

Qualitative waiver equals continuous progress in zero or one of four objectives. New degree programs must be implemented under the waiver provisions during the 2008 calendar year.

**Council on Postsecondary Education
February 1, 2008**

P-16 Council Report: Focus on Alignment

Focus on Alignment

The creation of a state P-16 Council in 1999 has enabled Kentucky to address critical policy issues across sectors and agencies. The P-16 Council has focused heavily on alignment of K-12 and postsecondary curricular and assessment standards. From 2001 to 2004, Kentucky participated as a pilot state in the American Diploma Project. During that time, staff from the CPE, Kentucky Adult Education, and KDE; faculty from Kentucky's two- and four-year public and independent institutions; and business and labor representatives have helped identify benchmarks of college- and workplace-readiness.

In 2004, the CPE developed a statewide postsecondary placement policy whereby knowledge and skills in English and mathematics were correlated with ACT sub-scores. Incoming students were guaranteed placement in credit-bearing (and some higher level mathematics) courses at all of Kentucky's public institutions based on attainment of these ACT thresholds. These standards and an additional standard in reading were put into regulation in 2007. KYAE began revising its adult education curriculum to meet these college and skilled-workplace expectations. In 2006, the KDE revised its Core Content for Assessment standards in light of these expectations.

The standards-setting process for the 2006 revisions began in 2007. As a result, there is not yet a basis to draw correlations of recent CATS scores and postsecondary enrollment patterns, readiness, and performance. While studies of relationships between secondary and postsecondary assessment data have been undertaken, without student level performance data that can be connected across sectors, correlations between K-12 student assessments and postsecondary enrollment and success cannot be determined.

In 2004 and 2006, the CPE conducted a study of the effect of the CPE's minimum admissions policy on college performance and was able to show that students entering college with ACT sub-scores meeting the statewide threshold of preparedness were approximately twice as likely to persist to the sophomore year as those who do not. With the statewide administration of the ACT beginning in spring 2008, along with the EXPLORE and PLAN assessments administered to all Kentucky public school students in the eighth and tenth grades, respectively, Kentucky will, for the first time, have available student level learning assessment data calibrated to college-readiness expectations from middle school through college placement. The ability to correlate these data across both the K-12 and postsecondary sectors is critical to providing timely feedback to educators and policymakers regarding effective programs, instructional methods, and policies.

Most recently, in 2007 the CPE revised its High School Feedback Report format and reported on the class of 2004 using data files provided by ACT, Inc., the Educational Testing Service, the KDE, and the Kentucky Higher Education Assistance Authority, in addition to the CPE's Comprehensive Data Base. This involved ad hoc, one-time linking to the extent possible of specially generated files from each agency to provide district principals and superintendents school-specific information about their graduates' transition from high school to college. The report's highly usable format was well received by school and district leaders and postsecondary enrollment managers alike and garnered national recognition. Future reports ideally would include data from the Education Professional Standards Board to link teacher preparation with student learning. However, again, without unit-level data cleared through a shared data warehouse, regular reports of this nature will exceed staff capacity and remain limited by separate data sources.

The forum of the P-16 Council dramatically improved alignment of P-12 and college readiness standards, and collaboration among agency leaders and staff has never been greater. However, easily accessible and reliable cross-sector data continue to hamper evaluation of college readiness program effectiveness and joint accountability for student learning and achievement across educational systems to ensure that students meet the standards that have been set. The chief issue facing the partner agencies of the P-16 Council is the provision of cross-sector data capacity.

December Meeting Summary

At its December meeting, local council leaders reported on an October State Higher Education Executive Officers P-16 workshop. Kentucky was one of 11 states invited because of its cross-sector initiatives at both the state and local levels. The Northern Kentucky Partners in Education also reported on its recent summit convening business, legislative, and education leaders to address college- and workplace-readiness. Among the challenges local councils face is lack of funding for even minimal staff. Council members passed a motion that local P-16 councils be funded in the next state budget session.

Council members were presented with several initiatives to prepare high school students for college. Representatives of Fayette and Jefferson Counties International Baccalaureate Program described these programs in their districts, their positive effects on students, and the support required of teachers, parents, and district leaders to initiate and sustain them. CPE Interim President Brad Cowgill requested a study of the economics of the program to determine whether finances deter schools from adopting it. Kentucky Department of Education staff reviewed recommendations from the KDE Dual Credit Task Force, focusing particularly on the development of fourth-year transition courses in mathematics to prepare students for credit-bearing coursework in college.

Mathematics faculty from Northern Kentucky University, the University of Kentucky, and Eastern Kentucky University reported on the progress that mathematics faculty have made in

developing a set of online postsecondary placement assessments for developmental (pre-algebra), college algebra, and calculus for statewide use. This cross-institutional agreement regarding levels of college readiness is a direct outgrowth of Kentucky's participation in the American Diploma Project, the CPE's Postsecondary Placement Policy, and the Kentucky Early Mathematics Testing Program.

Staff members of P-16 partner agencies updated Council members on their respective data initiatives. The KDE is developing the Kentucky Instructional Data System, which will collect pre-K-12 student demographic and assessment data and later expand to include financial, certification, and postsecondary data. The CPE is developing the Kentucky Postsecondary Education Data System (KPEDS), a new database for postsecondary education which will migrate longitudinal data from a 30-year-old flat file database to a modern relational data warehouse and collect new data from Kentucky's postsecondary institutions.

Additional information about P-16 Council issues will be presented at the February 1 meeting.

Council on Postsecondary Education
February 1, 2008

Project Graduate

As part of the Council's College Access Outreach Initiative funded by the General Assembly in 2006, the Council announced a program called Project Graduate in late November 2007. This program will target adults with some college but no degree. This first phase focuses specifically on the more than 11,000 adult Kentuckians who have earned 90 or more credit hours.

All of Kentucky's public institutions are participating in Project Graduate, and the Council staff recently met with representatives from 11 independent AIKCU member institutions to discuss their participation in this effort.

The Project Graduate outreach consists primarily of a direct mail effort and a Web presence funded by the Council. The institutions will contact their former students using contact information from a data match also funded by the Council. Each institution is offering incentives to their former students to encourage them to finish their degree. Incentives vary by institution and include tuition assistance, application fee waivers, personal advising, and simplified admissions paperwork. Each campus has designated a Project Graduate advocate to ensure those who respond can take full advantage of incentives and quickly navigate the admissions process.

The Council staff developed the marketing materials that will be customized by each of the institutions and is providing funding for postage and printing. The Council also developed a Web site to support this initiative that provides information about incentives offered at each institution and contact information for response team representatives. This Web site is now live at <http://www.projectgraduate.org>.

Since the announcement of Project Graduate in November, the public interest in this initiative continues to rise. The Council staff has received multiple phone calls and e-mails from former students interested in participating. Media interest in the project includes inquiries or published articles from *USA Today*, *The Chronicle of Higher Education*, the *Lexington Herald-Leader*, *The Courier-Journal*, the *State Journal*, and other Kentucky news outlets.

On a larger scale, the statewide survey of adults with some college commissioned by the Council and conducted by Stamats, Inc., last fall will provide the framework for a broader outreach to adults with some college. The Council is continuing to work with Stamats, in partnership with the institutions, to develop a comprehensive outreach plan to reach this audience that will include a component to engage the business community in providing incentives or support for their employees to complete their degrees.

**Council on Postsecondary Education
February 1, 2008**

Kentucky Adult Learner Initiative

The Council has created an ambitious plan to double the number of bachelor's degree holders in the state by 2020. There are not enough traditional age students graduating from Kentucky high schools, entering college, and completing a bachelor's degree to meet the state's educational attainment goals. In addition, there are over 400,000 working-age adults who have completed college coursework but have not completed a degree; there are 786,000 people who have not completed high school or earned a GED. There must be greater focus on reaching, reengaging and raising the educational attainment levels of the nontraditional working-age population if Kentucky is to reach its goals for improved educational attainment and economic growth through a better prepared workforce.

Policy Framework to Support Adult Learners

With a \$500,000 grant from Lumina Foundation for Education, the Council will work with postsecondary institutions and other partners to create a policy framework that addresses both state- and institutional-level policies to support adult learners. Partners in this policy effort include:

- Association of Independent Kentucky Colleges and Universities
- Kentucky Association of Manufacturers
- Kentucky Board for Proprietary Education
- Kentucky Broadcasters Association
- Kentucky Cabinet for Economic Development
- Kentucky Chamber of Commerce
- Kentucky Education Cabinet
- Kentucky General Assembly
- Kentucky Higher Education Assistance Authority
- Kentucky Press Association

This multi-year initiative will begin with a statewide summit February 4-5, 2008, featuring national leaders with expertise in best practices in adult learning. After the summit, a policy work group consisting of postsecondary institutional representatives, legislators, state government agency representatives, business and industry representatives, and Council members will be established to draft policy recommendations to make postsecondary education in the state more adult friendly and encourage more adults to pursue degrees.

In conjunction with this policy development effort, the grant will support public institutions' efforts to assess and improve their capacity to support adult learners in achieving college

degrees. They will assess how adult friendly their campuses are and how they are perceived by their adult students. Based on the results of these assessments, universities will make policy and organizational changes to become more adult learner friendly. Initiative funds will support the development and maintenance of organizational structures, personnel, information systems, and business and community relationships to make the institutions more adult friendly.

Strategies for GED Graduates to Attend College

Close to 10,000 adults earn a GED each year. Most adults, regardless of educational background, face multiple barriers to entering or returning to postsecondary education. The GED graduate and the returning adult need support services, financial aid, nontraditional class structures and targeted advising to help them make a successful transition.

The GED graduate faces additional barriers created by an interruption in past educational experience and perceptions of the lack of value of a GED. Kentucky Adult Education is placing increased emphasis on the academic achievement of adult education students and attainment of higher scores on the GED to prepare graduates for success in postsecondary education and to contribute to reaching the state's 2020 education goals. Better preparation can reduce the amount of developmental coursework required of GED graduates, thus improving their perception of their ability to succeed. Less time in developmental coursework also reduces the financial burden of completing a degree. However, the perception of the lack of value of the GED as an educational credential must be addressed at the institutional and state levels. The GED should have parity with a high school diploma, especially in consideration of financial aid awards.

The Adult Learner Initiative provides a significant opportunity to identify and address the particular needs of returning adults and GED graduates who want to progress in their education. Raising the educational attainment of Kentuckians and the quality of the workforce in the Commonwealth depends greatly on succeeding in these efforts.

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Staff preparation by Melissa Bell and Sarah Hawker

**Council on Postsecondary Education
February 1, 2008**

Fall 2007 Enrollment Report

In fall 2007, Kentucky's public institutions continued to break enrollment records. Overall, 212,994 students enrolled in public universities and community and technical colleges, a 3.2 percent increase over fall 2006 and a 34.4 percent increase since postsecondary reform began in fall 1998.

Undergraduate enrollment increased by 3.5 percent while first-professional enrollment rose 2.4 percent. Graduate enrollment remained relatively flat (+.6 percent), and public institutions saw a noticeable decrease in post-doctoral students with 11.7 percent fewer than last year.

The Kentucky Community and Technical College System and Kentucky State University experienced the largest growth in undergraduate enrollment, up 7.3 percent and 7.2 percent, respectively. Undergraduate enrollment was flat at most institutions, while Murray State University and the University of Kentucky saw undergraduate enrollment decline.

The total undergraduate headcount of 188,171 was just shy of the 2007 enrollment goal of 189,797. The University of Louisville, Western Kentucky University, and KCTCS are the only institutions that met proposed enrollment goals for fall 2007.

Total Headcount Enrollment by Level

Kentucky Public Institutions
Fall 1998 - Fall 2007

Institution/Level	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Universities										
Eastern Kentucky University										
Undergraduate	13,480	13,274	12,909	13,023	13,053	13,567	13,837	13,942	13,623	13,659
Graduate	1,922	1,914	1,748	1,890	2,195	2,384	2,346	2,277	2,140	2,180
Total Headcount	15,402	15,188	14,657	14,913	15,248	15,951	16,183	16,219	15,763	15,839
Kentucky State University										
Undergraduate	2,205	2,277	2,129	2,165	2,107	2,138	2,183	2,228	2,341	2,510
Graduate	98	116	125	149	146	168	152	158	159	186
Total Headcount	2,303	2,393	2,254	2,314	2,253	2,306	2,335	2,386	2,500	2,696
Morehead State University										
Undergraduate	6,743	6,645	6,755	7,268	7,712	7,929	7,762	7,549	7,515	7,625
Graduate	1,520	1,526	1,572	1,759	1,678	1,580	1,531	1,513	1,510	1,441
Total Headcount	8,263	8,171	8,327	9,027	9,390	9,509	9,293	9,062	9,025	9,066
Murray State University										
Undergraduate	7,349	7,299	7,492	7,776	8,088	8,385	8,371	8,585	8,607	8,361
Graduate	1,554	1,615	1,649	1,872	1,832	1,715	1,757	1,689	1,697	1,795
Total Headcount	8,903	8,914	9,141	9,648	9,920	10,100	10,128	10,274	10,304	10,156
Northern Kentucky University										
Undergraduate	10,643	10,672	10,859	11,288	12,164	12,223	12,070	12,107	12,668	12,725
Graduate	764	746	871	884	1,107	1,196	1,272	1,335	1,447	1,538
First-Professional	392	358	371	376	472	526	579	583	523	544
Total Headcount	11,799	11,776	12,101	12,548	13,743	13,945	13,921	14,025	14,638	14,807
University of Kentucky										
Undergraduate	17,157	16,847	16,899	17,284	17,878	18,190	18,492	18,732	19,328	18,830
Graduate	5,142	4,822	4,837	5,399	5,767	5,881	5,825	5,485	5,584	5,543
Post-Doctoral	197	209	256	240	232	284	295	224	282	228
First-Professional	1,410	1,397	1,380	1,365	1,388	1,408	1,427	1,485	1,506	1,543
House Staff	488	467	480	503	476	497	506	513	509	504
Total Headcount	24,394	23,742	23,852	24,791	25,741	26,260	26,545	26,439	27,209	26,648
University of Louisville										
Undergraduate	14,647	14,710	14,477	14,131	14,475	14,724	14,933	15,057	15,103	15,125
Graduate	4,293	4,168	4,374	4,302	4,677	4,795	4,802	4,667	4,655	4,469
Post-Doctoral	65	74	84	136	87	90	124	126	145	149
First-Professional	1,269	1,256	1,253	1,271	1,281	1,306	1,301	1,329	1,350	1,372
House Staff	583	585	580	554	569	549	565	581	588	574
Total Headcount	20,857	20,793	20,768	20,394	21,089	21,464	21,725	21,760	21,841	21,689

Total Headcount Enrollment by Level
Kentucky Public Institutions
Fall 1998 - Fall 2007 (continued)

Institution/Level	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Western Kentucky University										
Undergraduate	12,713	12,921	13,272	14,135	15,234	15,798	15,846	15,978	16,067	16,508
Graduate	2,169	2,202	2,244	2,444	2,584	2,593	2,667	2,667	2,597	2,757
Total Headcount	14,882	15,123	15,516	16,579	17,818	18,391	18,513	18,645	18,664	19,265
Total Universities										
Undergraduate	84,937	84,645	84,792	87,070	90,711	92,954	93,494	94,178	95,252	95,343
Graduate	17,462	17,109	17,420	18,699	19,986	20,312	20,352	19,791	19,789	19,909
Post-Doctoral	262	283	340	376	319	374	419	350	427	377
First-Professional	3,071	3,011	3,004	3,012	3,141	3,240	3,307	3,397	3,379	3,459
House Staff	1,071	1,052	1,060	1,057	1,045	1,046	1,071	1,094	1,097	1,078
Total Headcount	106,803	106,100	106,616	110,214	115,202	117,926	118,643	118,810	119,944	120,166
Kentucky Community and Technical College System	51,647	52,842	59,415	70,913	76,082	80,695	81,990	84,931	86,475	92,828
Total Public Institutions										
Undergraduate	136,584	137,487	144,207	157,983	166,793	173,649	175,484	179,109	181,727	188,171
Graduate	17,462	17,109	17,420	18,699	19,986	20,312	20,352	19,791	19,789	19,909
Post-Doctoral	262	283	340	376	319	374	419	350	427	377
First-Professional	3,071	3,011	3,004	3,012	3,141	3,240	3,307	3,397	3,379	3,459
House Staff	1,071	1,052	1,060	1,057	1,045	1,046	1,071	1,094	1,097	1,078
Total Headcount	158,450	158,942	166,031	181,127	191,284	198,621	200,633	203,741	206,419	212,994

Notes: Lexington Community College is included in KCTCS.
 Graduate data include doctoral students.

Source: Council on Postsecondary Education Comprehensive Database.
 January 30, 2008

**Council on Postsecondary Education
February 1, 2008**

**Kentucky Plan for Equal Opportunities
Statewide Diversity Study Status Report**

Dr. Gary Orfield, principal investigator for the Harvard Civil Rights Project, currently located at the University of California Los Angeles, will join the February 1 Council meeting via interactive television to provide an update on the status of the statewide diversity study, preliminary findings and possible recommendations, and implications of the June 28 U.S. Supreme Court decision in *Friends of McDonald v. Jefferson County School District*.

The study is scheduled to be completed June 30, 2008, and is intended to produce targeted research to inform diversity planning in Kentucky. The study will present recommendations on policies or changes in policy necessary at the Council and institutions to ensure that Kentucky complies with the standards articulated by the Supreme Court in the Michigan cases *Grutter* and *Gratz*, Kentucky law, and federal law. The U. S. Supreme Court ruling in *Friends of McDonald v. Jefferson County School District* explicitly excludes postsecondary education and allows *Gratz* and *Grutter* to remain the primary law.

What did CEO and the institutions ask HCRP to include in the study?

1. Identify the mission-based governmental interest that the Commonwealth, the Council, and each public postsecondary education institution has in developing and implementing a diversity plan, including a clear statement of the value of diversity and supporting facts that are sufficient to meet the requirements of the Michigan cases, Kentucky law, and federal law.
2. Assess the extent to which race-neutral alternatives would be workable in implementing each component of a diversity plan, tied directly to Kentucky results.
3. To the extent that actions taken under a diversity plan may include the necessary use of race or national origin, articulate the policies and policy changes necessary to ensure that the diversity plan is narrowly tailored as required by the Supreme Court, Kentucky law, and federal law.
4. Identify the appropriate characteristics for Kentucky's diversity plan, i.e., the areas to be evaluated, measured, and acted upon. Without being limited to these activities, the diversity plan should address the role of recruitment, admissions, financial aid, retention, support services, and integration of diversity values with academics, residential life, extracurricular activities, and other campus-based programs. It also should address the role of Kentucky public postsecondary education in improving the K-12 public school system, closing achievement gaps among groups of students, increasing the development and graduation of highly qualified teachers for work in Kentucky schools, and improving the readiness of public school graduates for postsecondary education.

What are the next steps?

- Complete surveys, interviews, and other research
- Final draft report due May 12, 2008
- Final report due June 10, 2008
- Presentation to CEO June 16, 2008
- Presentation to CPE July 18, 2008

**Council on Postsecondary Education
February 1, 2008**

STEM Task Force Update

A special meeting of the STEM Task Force will be held Wednesday, February 6, 2008, at the Frankfort Capital Plaza Hotel from 10 a.m. to 2 p.m. This meeting is co-sponsored by the Council on Postsecondary Education, the Midwestern Higher Education Compact (MHEC), and the Council of State Governments' Midwestern Office with funding from the Lumina Foundation for Education.

The STEM Task Force will meet to review the strategic action plans developed by the STEM Study Groups. Legislators have been invited to attend the luncheon and to interact with STEM Task Force members regarding the eight recommendations in the task force report released in March 2007 entitled *Kentucky's STEM Imperative: Competing in the Global Economy*.

Council on Postsecondary Education
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2008-10 County Profiles

The Council staff recently released the *2008-10 Kentucky Postsecondary Education County Profiles*. This publication brings together information from state, federal, and private sources to illustrate the relationship between education, the economy, and social issues in Kentucky. It contains graphs, maps, and tables that highlight some of the Commonwealth's more critical issues such as poverty, unemployment, and Medicaid. Profiles for each county, area development district, and postsecondary education service region include a wealth of information, such as:

- Educational attainment (including the percent with/without high school diploma and with/without a college degree).
- College readiness and participation (including the number of students entering or graduating college in 2006-07).
- Employment by sector.
- Undergraduate enrollment (including alumni residing in the county/region and fall 2006 enrollment by postsecondary institution).
- Financial aid (including number of awards and total state and federal aid dollars awarded).
- Graphs of important statistics (comparing county/region to state and national averages).

The report is available on the Council's data portal at <http://cpe.ky.gov/info/county/default.htm>

**Council on Postsecondary Education
February 1, 2008**

Nominating Committee Report

Kevin Canafax, chair of the Nominating Committee, will present recommendations for Council chair and vice chair to serve February 1, 2008, through January 31, 2009.