AGENDA
Council on Postsecondary Education
Sunday, September 28, 2008
3 p.m. (ET)
Ballrooms I & II, Lexington Downtown Hotel & Conference Center
369 West Vine Street, Lexington, KY

<u>Page</u>

Oath of Office – Circuit Judge Ernesto Scorsone will administer the oath of office to four new CPE members

Welcome to Lexington – Lee Todd, President, University of Kentucky

Roll Call

CPE President's Report

Cross-Cutting Issues

Question 1 – Are more Kentuckians ready for postsecondary education?

Question 2 – Is Kentucky postsecondary education affordable for its citizens?

Question 3 – Do more Kentuckians have certificates and degrees?

Question 4 – Are college graduates prepared for life and work in Kentucky?

Question 5 – Are Kentucky's people, communities, and economy benefiting?

The Council Business

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

Good News from the Institutions

Other Business
Next Meeting – November 6-7, 2008, Morehead State University
Adjournment

MINUTES
Council on Postsecondary Education
May 23, 2008

The Council on Postsecondary Education met Friday, May 23, 2008, at 10 a.m. (ET) at the Council offices in Frankfort, Kentucky. Vice Chair Dan Flanagan presided in Chair Turner's absence due to a family illness.

The following members attended: Peggy Bertelsman, Dan Flanagan, John Hall, Phyllis Maclin (via interactive television from Paducah Community and Technical College), Donna Moore, Lisa Osborne, Ryan Quarles, Jim Skaggs, Mark Wattier, Joe Weis, and Jon Draud. Kevin Canafax and John Turner did not attend.

The minutes of these meetings were approved as distributed: April 13 CPE dinner meeting, April 14 CPE meeting, April 30 special CPE meeting, May 8 CPE dinner meeting, May 9 special CPE meeting.

Mr. Skaggs, chair of the Interim President Search Committee, thanked Ms. Bertelsman and Mr. Canafax for serving on the committee and for their support in the search for an interim president. He also thanked the Council staff who had been extremely cooperative, helpful, and supportive of the committee's task. He thanked the university presidents who provided special guidance and service and said that the committee's first conversations were with the presidents. He said that as the search took shape, requested information from many sources added insight and thoroughness of the search. The committee consulted with all of the public presidents and Gary Cox with the Association of Independent Kentucky Colleges and Universities as well as with national higher education leaders to get suggestions for interim president candidates as well as to gain insights on the essential skill sets that were most needed for the person filling this position. As the search evolved, the committee conducted the necessary search required, finally speaking with certain individuals who met this criteria. Mr. Skaggs added that the committee is recommending that the interim president cannot be a candidate for the permanent presidency. The Interim President Search Committee met May 20 and decided to recommend Richard A. Crofts as interim president.

Dr. Crofts answered several questions posed by the Council members related to his background and work experience.

MOTION: On behalf of the Interim President Search Committee, Mr. Skaggs moved that Richard A. Crofts be appointed as interim president of the Council on Postsecondary Education and authorized the Council's Executive Committee to execute a contract with Dr. Crofts. Ms. Bertelsman seconded the motion.

VOTE: A roll call vote was taken. The motion passed with all members present voting yes.

Dr. Crofts, a 1962 Georgetown College graduate, described higher education as his lifelong calling. He said that Kentucky is highly regarded across the nation and he looks forward to contributing to this important work. Dr. Crofts holds a doctorate in reformation history from Duke University. He most recently served as interim commissioner of higher education in Mississippi and has held positions as commissioner and deputy commissioner of higher education of the Montana University System, assistant to the chancellor of the Minnesota State University System, a commissioner of the Western Interstate Commission for Higher Education, and a member of the executive committee of the State

Higher Education Executive Officers. He has served in many capacities on university campuses, serving as vice president of academic affairs at Mankota State University, associate vice president for research and dean of the graduate school at East Tennessee State University, and department chair and full professor at the University of Toledo.

Mr. Hall reported that the Presidential Search Committee issued a request for proposals for search firms May 15. The deadline for submissions is June 4. The committee will meet June 9 to review submissions and hopes to select a search firm by June 30.

Sherron Jackson with the Council staff reported that the Committee on Equal Opportunities adopted at its April 21 meeting the *System Report 2003-06: The Kentucky Plan for Equal Opportunities*. The report shows that Kentucky's public colleges and universities have made steady progress in improving the status of African Americans in postsecondary education and highlights progress on seven objectives for public universities and four objectives for KCTCS related to increasing the enrollment, retention, graduation, and employment of African Americans. Key findings of the report include:

- The enrollment of African American undergraduates increased from an average of 7.0 percent in 1982 to 8.3 percent in 2006, surpassing the representation of African Americans in the total Kentucky population (7.3 percent).
- The enrollment of African Americans in graduate and professional school has experienced steady growth, but not in sufficient numbers to build the education pipeline needed in Kentucky, particularly in the areas of science, technology, engineering, and math.
- While challenges exist in retaining first-year students, the rate of retention of all African American undergraduates in the system has consistently grown, increasing from 71.5 percent in 2001 to 76.1 percent in 2005.
- The share of bachelor's degrees awarded to African Americans increased from 4.4 percent of the total in 1979-80 to 6.5 percent in 2005-06. While graduation rates of African Americans have gradually increased, the system graduated no more than 37.7 percent of the African Americans enrolled between 2002 and 2006.
- Representation of African Americans in the highest level of employment at postsecondary institutions increased 9.6 percent from 2001 to 2006. The largest increase was among professional staff, which grew from 6.7 percent of the total in 2001 to 7.9 percent in 2006. African Americans continue to have a relatively small representation among faculty.

The Council and the postsecondary institutions have multiple programs underway to continue the progress of African Americans in Kentucky's higher education system:

- A statewide diversity study, commissioned by the Council in March 2007, is being conducted by the Harvard Civil Rights Project. The final report on the study is expected to be completed by June 30, 2008.
- The Council's Committee on Equal Opportunities oversees Kentucky's desegregation and equal opportunities plans for postsecondary education. The Committee reviews progress and makes recommendations for equal opportunities policy improvements to the Council.
- The Governor's Minority Student College Preparation Program (GMSCPP) provides academic enrichment activities for middle and junior high school minority students to help prepare and encourage them to go to college. Of 580 GMSCPP participants from the 2002-03 and 2003-04 program, a total of 120 participants (20.7 percent) enrolled in college courses after graduating. In addition, 43 of the 120 students enrolled in dual credit programs as high school students.

- The Academically Proficient African American High School Junior and Senior Conference gives Kentucky's public and independent colleges and universities an opportunity to recruit academically promising students early in their junior and senior year. Participation at this conference reached an all-time high in 2007 with 300 African American juniors and seniors and 100 parents attending.
- Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) is a federally funded program that targets middle school students in low-income schools to help them prepare for college through a variety of services including extra instruction, college visits, mentoring, training for school personnel, and information for parents.
- The Southern Regional Education Board's Doctoral Scholars Program provides minority doctoral scholars with academic, personal, and financial support while earning their Ph.D. and assists with job placement after graduation. Since its inception, Kentucky's Doctoral Scholars Program has served 79 students. As of October 2007, the program has produced 34 graduates with 37 students currently enrolled. Kentucky public and independent colleges and universities also have access to over 400 program scholars for recruitment into faculty or administrative positions on their campus.

Mr. Jackson said that the CEO chair is working with the CPE chair to plan a joint meeting to receive the final report from the Harvard Civil Rights Project on the diversity study. That document would then become the foundation from which the Council staff and the institutions would develop diversity plans that reflect the needs of the individual institutions that would incorporate all ethnic minorities in Kentucky into a more broadly implemented diversity planning process for the Commonwealth. It would recognize the fact that Kentucky has made steady progress but there are things that continue to be done. This new approach would be the basis under which Kentucky will be able to make additional progress to equal opportunity and access to postsecondary education. The diversity planning process would be very supportive of the 2020 goals that the Council has established to double the number of graduates by year 2020

Ms. Maclin encouraged the Council members to attend the joint CEO/CPE meeting so they are better equipped to understand the challenges that continue to lie ahead for African Americans and other minorities in pursing postsecondary education in Kentucky.

Commissioner Draud reported on the work of the Kentucky Board of Education. Like the Council, the board is struggling with budget reductions for school districts as well as the agency budget. He has been impressed by the work of the Blue Ribbon Committee that is studying intervention strategies that have been successful in overcoming many of the obstacles to learning. He is establishing a task force to examine student assessment. The group will be composed of various education organizations and members of the General Assembly and will be facilitated by the Southern Regional Education Board. The task force will complete its work by the end of the year and plans to bring recommendations on assessment to the 2009 session of the General Assembly. He has appointed a committee to look at transportation issues. Governor Beshear recently appointed five new board members, and Mr. Draud is optimistic that the board will work together to help the children of Kentucky.

John Hayek, the Council's interim vice president for finance, reviewed a summary of the enacted, partially vetoed, and amended 2008-10 executive branch budget bill (HB 406). He said that probably the most significant amendment for postsecondary education was an additional $7.5 million to support translational research at the University of Louisville which was included in HB 514 which amended HB 406. He said that everyone should understand that the state is in a different economic environment now than last fall when the postsecondary and adult education budget recommendation

was presented to the Governor and the General Assembly. Information was provided on the difference between the Council's recommendation and what was eventually enacted and the net amounts allocated to the institutions. HB 406 included a 3 percent cut to the Council's core agency operations for FY09 and FY10. This is in addition to the 3 percent reduction taken in the current year from its original FY08 General Fund appropriation. He reported that the Council staff had received a request from the State Budget Director asking for the impact of current cuts and the impact on current operations if an additional 4.5 percent reduction is taken from the 2008-09 budget. If this additional cut is taken, the Council's budget will be down about 15 percent in 2009 from the enacted 2007-08 base budget. Mr. Hayek said that the information from the State Budget Director indicated that the institutions would be exempted from this additional 4.5 percent reduction but at this time Kentucky Adult Education would not be exempted. As the third largest provider of educational services in the state next to K-12 and postsecondary education institutions, the Council staff will have conversations about exempting adult education from this additional 4.5 percent funding cut for FY09.

Information was provided on non-budget actions related to postsecondary and adult education passed by the 2008 Kentucky General Assembly. Lee Nimocks with the Council staff called attention to Senate Bill 2 which directs the Council to establish a STEM Initiative Task Force with legislative representation and establishes the membership of the STEM Initiative Steering Committee. The steering committee provides oversight for the implementation of the STEM strategic and business plan and allocation of the Kentucky STEM Initiative Fund (which was not funded). The task force is attached to the Council for administrative services and will develop a statewide strategic plan and a business plan. The initial business plan is due December 30, 2008.

Ms. Nimocks said that another bill of interest is House Bill 694 related to institutional eligibility for the Kentucky Tuition Grant Program. Beginning with the 2011-12 school year, private postsecondary education institutions must be accredited by the Southern Association of Colleges and Schools or be reviewed and approved by the Council to remain eligibility as an institution in which a student may receive a Kentucky Tuition Grant. All costs associated with the institutional reviews will be the responsibility of the institution seeking approval by the Council.

RECOMMENDATION: That $300,000 in FY08 regional grant funds be granted to Eastern Kentucky University on the condition that EKU not expend any of these funds until successful completion of the regional grant process and that FY08-09 and FY09-10 regional grant money be conditional upon successful implementation of regional stewardship infrastructure plans, submission of a regional strategic plan approved by the area advisory committee, and submission of a progress report on regional grant proposals approved by the advisory committee and the Council no later than the January 2009 Council meeting date.

RECOMMENDATION: That the Council approve the regional grant proposal from Morehead State University and that FY08-09 and FY09-10 regional grant money be conditional upon successful implementation of the university's regional stewardship infrastructure plan, the identification of specific metrics of success for the regional grant proposal, and adequate progress on the regional grant proposal.

RECOMMENDATION: That the Council approve regional grant proposals from Kentucky State University, Murray State University, and Western Kentucky University and that FY08-09 and FY09-10 regional grant money be conditional upon successful implementation of regional stewardship infrastructure plans and adequate progress on regional grant proposals.

As part of House Bill 380 of the 2006 session of the General Assembly, the legislature requires an annual accountability report on the Regional Stewardship Program. The Council staff, working with university representatives, has developed guidelines for progress reports. In addition, all regional stewardship funds are made available through a memorandum of agreement that clearly outlines the goals that must be met to ensure continued funding. In order to ensure accountability, future 2009-10 regional grant funds will depend on successful implementation of the infrastructure plan submitted by the university as well as adequate progress on activities outlined in the revised regional grant proposal.

MOTION: Dr. Wattier moved that the three recommendations for regional stewardship program regional grants be approved. Ms. Bertelsman seconded the motion.

VOTE: The motion passed.

RECOMMENDATION: That the Council delegate authority to the Executive Committee to approve regional stewardship initiative grant proposals in June 2008.

Given that stewardship initiative proposals were not reviewed in time to allow for the required external review prior to the May 23 meeting and the $284,000 remaining in the initial grant pool will lapse June 30, 2008, the staff recommended that the Council authorize the Executive Committee to approve regional stewardship initiative grant proposals in June 2008. Mr. Wattier said that a proposal is expected from Northern Kentucky University. An Executive Committee meeting is planned for June 10, 2008.

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

VOTE: The motion passed.

RECOMMENDATION: That the Council approve the new guidelines for extended campus programs. These new guidelines were informed by the work of the Postsecondary Education Working Group on Access to Academic Programs.

The new guidelines read:

Institutions planning to offer programs outside their areas of geographic responsibility must consult with potential postsecondary partners in that region to ensure coordination and collaboration and to minimize unproductive competition. If there is opposition, the Council will decide how best to resolve the dispute.

These guidelines replace the guidelines approved by the Council at its November 8, 1999, meeting, which proved difficult to implement and were an obstacle to flexible delivery of programs meeting regional needs. In addition, the guidelines regarding distance education courses were outdated in light of the new strategic plan for the Kentucky Virtual Campus.

MOTION: Dr. Wattier moved that the new guidelines be approved. Ms. Bertelsman seconded the motion.

VOTE: The motion passed.

RECOMMENDATION: That the Council authorize institutional access to the $750,000 appropriated for the joint engineering programs to the University of Kentucky ($250,000 for civil and mechanical engineering programs with WKU), the University of Louisville ($125,000 for an electrical engineering program with WKU), and Western Kentucky University ($375,000 for civil and mechanical engineering programs with UK and an electrical engineering program with UofL).

Based on a review of the joint engineering programs in May 2007, a number of recommendations were made. A joint steering committee submitted a progress report to the Council May 2, 2008. Given progress made to date, the staff recommended that the current funding allocations be released to the institutions.

It was reported that Murray State University and the University of Louisville have decided to discontinue the effort to offer a joint program in electrical engineering.

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

VOTE: The motion passed.

In addition to these items, Dr. Wattier said that the Quality and Accountability Policy Group earlier in the day heard updates on the Kentucky Adult Learner Initiative and developmental education.

Mr. Hall reported that the Research, Economic Development, and Commercialization Policy Group met earlier in the day. Discussion topics included the Advanced Placement Enterprise of Kentucky (APEK) and the National Math and Science Initiative (NMSI) Grant, 2008-10 funding for Bucks for Brains, updates on the STEM Task Force and plans for the next Translational Research Forum, and the Kentucky Regional Optical Network (Internet2).

Ms. Bertelsman, chair of the Council's Program Audit Subcommittee, said that the subcommittee was created in 2006 as a result of questions from the external auditors regarding the Council's oversight of several programs that receive funding through the Council. The subcommittee's role is not to evaluate the programs but simply to talk with the Council staff assigned to the program to determine if the evaluative measures in place are appropriate, if the program undergoes an external review, and the need for and effectiveness of the program. The subcommittee hopes to review all of the programs by the end of calendar year 2009.

The Council will launch the KnowHow2GOKy college access initiative May 29 on the steps of the State Capitol in Frankfort. Invited guests include federal and state policy leaders and college access partners. Several students representing each of the target audiences will attend to share their college experiences and the importance of knowing how to go to college. This initiative is a multiyear, multimedia effort modeled after the national KnowHow2GO campaign developed by the American Council on Education, Lumina Foundation for Education, and the Ad Council. Ads encouraging high school students to take a tough curricula were viewed and are available on the KnowHow2GOKy web site at http://www.knowhow2goky.org.
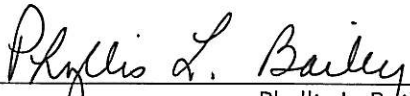
Mr. Flanagan said that the chair has appointed Donna Moore and Joe Weis to the P-16 Council. He thanked Ms. Maclin and Dr. Wattier for their service to this committee.

[The June and July CPE meetings were cancelled. The Council will meet in retreat August 17 and 18. The next regular meeting is September 28, held in conjunction with the 2008 Governor's Conference on Postsecondary Education Trusteeship.)

The meeting adjourned at 11: 50 a.m.

_____
Dan Flanagan
CPE Vice Chair

_____
Phyllis L. Bailey
Senior Associate, Executive Relations

MINUTES
Council on Postsecondary Education
Executive Committee
June 10, 2008

The Council on Postsecondary Education Executive Committee met Tuesday, June 10, 2008, at 2 p.m. (ET) at the Council offices in Frankfort, Kentucky. Vice Chair Dan Flanagan presided in Chair Turner's absence.

The following members participated: Peggy Bertelsman and Kevin Canafax via interactive television from Northern Kentucky University, Jim Skaggs via interactive television from Western Kentucky University, and Dan Flanagan by telephone. John Turner did not attend.

RECOMMENDATION: The staff recommends that the Executive Committee approve four 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 that improve economic prosperity, quality of life, or civic participation 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. Proposals for stewardship initiative funds cannot be considered until the institution's strategic plan for stewardship activities and the priority area proposal have been submitted and approved and its regional grant funds have been distributed.

Northern Kentucky University was the only comprehensive university that met this requirement by the October 1, 2007, deadline for the first round of funding. NKU was awarded $200,000 from that round of funding, and it is the only institution eligible for this second round of funding.

NKU submitted five proposals totaling $280,000. These were approved by its regional advisory committee. After Council staff and external reviewers evaluated the proposals, NKU decided to withdraw one of the proposals and revise two proposals based on reviewers' recommendations. The four proposals are:

1. Using Technology and the Environment to Entice Students and the Community into the World of Science - $55,000
2. Next Generation Business Platforms Mobile and Web 2.0 - $50,000
3. Addressing Community Health Needs: The Northern Kentucky Nursing Research Collaborative - $75,000
4. Northern Kentucky Center for Educator Excellence - $100,000

Ms. Bertelsman said that NKU should look at a regional approach in delivery of these programs and asked that Thomas More College and other area institutions be involved.

MOTION: Mr. Canafax moved approval of the four stewardship initiative proposals submitted by Northern Kentucky University. Ms. Bertelsman seconded the motion.

VOTE: A roll call vote was taken. Ms. Bertlesman, Mr. Canafax, and Mr. Skaggs voted yes. Mr. Flanagan could not vote due to his participation by telephone. The motion passed.

RECOMMENDATION: That the Executive Committee approve a salary for the interim president, Richard A. Crofts, of $25,416.67 per month for a period commencing June 16, 2008, and extending through December 31, 2008, with a provision for three one-month extensions; that an automobile be provided for his use; and that he receive standard benefits available to all state employees.
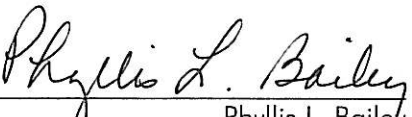
Dennis Taulbee with the Council staff said that at its May 23, 2008, meeting, the Council approved the appointment of Dr. Crofts as interim president and authorized the Council's Executive Committee to execute an employment agreement with Dr. Crofts. He said that the salary is presented by month and is an annual compensation of $305,000. The three one-month extensions could be adjusted if needed. The automobile provided to Dr. Crofts will be a standard fleet car.

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

VOTE: A roll call vote was taken. Ms. Bertlesman, Mr. Canafax, and Mr. Skaggs voted yes. Mr. Flanagan could not vote due to his participation by telephone. The motion passed.

The meeting adjourned at 2:25 p.m.

Dan Flanagan
CPE Vice Chair

Phyllis L. Bailey
Senior Associate, Executive Relations

MINUTES
Council on Postsecondary Education Retreat
August 17-18, 2008

The Council on Postsecondary Education met in retreat August 17 and 18, 2008, at Shaker Village at Pleasant Hill, Kentucky. Vice Chair Flanagan presided.

The following members attended August 17 and 18: Kevin Canafax, Chris Crumrine, Glenn Denton, Dan Flanagan, Phyllis Maclin, Donna Moore, Lisa Osborne, Paul Patton, Jim Skaggs, and Joe Weis. Peggy Bertelsman, John Hall, Pam Miller, John Turner, Mark Wattier, and Jon Draud did not attend. Richard A. Crofts, the Council's interim president, also attended.

Terry MacTaggart, senior fellow with the Association of Governing Boards, was the retreat facilitator.
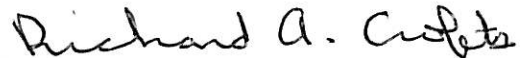
The retreat began August 17 at 5:30 p.m. with a reception and dinner. Dinner was followed by an opening session to discuss the plans for the following day.

Monday discussion topics were: (1) goals of postsecondary reform, (2) partnerships, (3) CPE leading effectively, and (4) measurements of success.

At 4:30 p.m., the members of the Council's Committee on Equal Opportunities joined the CPE members for a conversation about equal opportunity planning in Kentucky.

No action was taken at the retreat.

The retreat adjourned at 5:30 p.m. Monday, August 18.

Richard A. Crofts
Richard A. Crofts
Interim President

Phyllis L. Bailey
Phyllis L. Bailey
Senior Associate, Executive Relations

Statewide Study for Diversity Planning Report

ACTION: The staff recommends that the Council accept the statewide diversity study report presented by The Civil Rights Project and that the Council ask the Committee on Equal Opportunities, in consultation with the universities and KCTCS, to develop an approach for a statewide diversity plan to be considered by the Council in January 2009.

Statewide Diversity Study

At its July 2005 meeting the Council directed the Committee on Equal Opportunities (CEO) in collaboration with the institutions to conduct a study to determine the Commonwealth's compelling interest, if any, in developing a new statewide equal opportunities plan. The Council contracted with The Civil Rights Project, currently located at the University of California Los Angeles, to conduct the study under the direction of Dr. Gary Orfield.

The study is designed to provide insight on the basic legal and constitutional framework for engaging in diversity planning and to suggest a design of policies that would comply with the constitutional guidelines (established in the *Grutter*, *Gratz*, and *Bakke* cases) for race-conscious postsecondary education policies and the compelling interest and narrow tailoring requirements established by the cou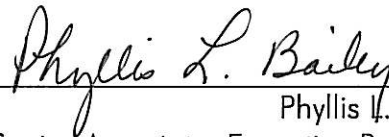rts. The results are to provide guidance on establishing diversity policies where consideration of race is not the primary focus.

Additionally, the study is to help identify appropriate characteristics for Kentucky's diversity plan – the areas to be evaluated, measured, and acted upon and the role of postsecondary education in improving the K-12 system, closing achievement gaps, increasing the development and graduation of highly qualified teachers, and improving the readiness of public school graduates for postsecondary education.

Dr. Orfield will join the Council at its September 28 meeting to provide an overview of the study findings.

Proposed Kentucky Diversity Plan

Since 1981, the year the U.S. Office of Civil Rights cited Kentucky for noncompliance with Title VI of the Civil Rights Act of 1964, the Council has implemented three plans and a Partnership Agreement to accelerate Kentucky's progress in the area of equal opportunities.

Developing and implementing a diversity plan to continue the work of providing access and equal opportunity is in keeping with the original responsibility assigned to the Council in 1981 and is the logical next phase of access and opportunity for postsecondary education.

The Council staff recommends that the Committee on Equal Opportunities, in collaboration with the universities and KCTCS, be directed to recommend to the Council a plan to develop a statewide diversity plan designed to assist the postsecondary education system in providing increased access to education and in serving all the people of the state equally without regard to race, color, religion, national origin, handicap, sex, or age.

Staff preparation by Sherron Jackson and Rana Johnson

Annual Report of the Association of Independent Kentucky Colleges and Universities

House Bill 191, passed in 2002, calls on the Association of Independent Kentucky Colleges and Universities to present an annual report to the Council about the condition of independent postsecondary education and suggest opportunities for more collaboration between the public and independent institutions. The legislation reserves a place on the Advisory Conference of Presidents for the AIKCU president, and it calls on the Council to consider the role and capacity of independent institutions when developing policies to meet the educational needs of the state. It also specifies that state resources may be used to contract with or assist independent institutions in meeting these needs.

HB 191 builds on a growing spirit of collaboration and partnership between independent postsecondary education and the state that began in the early 1970's with the establishment of the Kentucky Tuition Grant Program, a need-based tuition equalization and financial aid program reserved for independent college students. The grant program now serves more than 10,000 lower-income Kentucky students at Kentucky's nonprofit independent colleges and universities, helping them meet the cost of education and encouraging greater postsecondary choice and access.

That spirit of cooperation was reflected more symbolically in the early 1980's when the Council on Public Higher Education was renamed the Council on Higher Education. The new name signified the Council's licensing responsibilities for independent colleges and its broader mandate to ensure maximum use and coordination of all of the state's postsecondary resources, public and independent, to better meet educational needs of the state.

The relationship between the independent sector and the Commonwealth has strengthened in subsequent years. In 1992, independent institutions began voluntarily participating in the Council's unit-record data system, providing the state a more comprehensive understanding of college-going patterns, retention and graduation rates, and degrees awarded. Kentucky remains one of only a handful of states that benefits from this type of data exchange. The independent institutions are partners in promoting college-going through the KnowHow2GoKY campaign, Project Graduate, Gear Up, and GoHigherKy.org, one of the state's college access Web sites. AIKCU also is involved in a number of statewide boards and initiatives, including the Education Professional Standards Board, Kentucky Higher Education Assistance Authority, Distance Learning Advisory Committee, and a number of CPE task forces and committees.

The 20 members of the Association of Independent Kentucky Colleges and Universities embrace Kentucky's Public Agenda for Postsecondary and Adult Education and the Council's vision of reaching the national average of bachelor's degree attainment rates by 2020. Kentucky's independent institutions are committed to working cooperatively with the Commonwealth and its public colleges and universities to attain these goals.

The 2008 AIKCU report to the Council on Postsecondary Education will focus on recent activities of the independent sector designed to address the Public Agenda goals, enhance educational opportunities from preschool through graduate school, and improve the quality of life for all Kentuckians.

Kentucky Adult Education Grant Allocations
Fiscal Year 2008-09

KYAE is required by the Workforce Investment Act (WIA) Title II, the Adult Education and Family Literacy Act, to award grants to eligible providers through a competitive process based on the law and the "twelve considerations" or principles that guide the selection process. Kentucky, like some other states, had delayed issuing a competitive RFP in the hopes that WIA would be reauthorized, at which point a new competitive process would be required to reflect the provisions of the new law. However, WIA has not been reauthorized since its passage in 1998, and it has been five years since a competitive adult education RFP process has been held in Kentucky.

Each year since the last competitive process in 2003, providers have been asked to submit a "continuation proposal" that is, in fact, a description of how each program will continue to deliver adult education services under its existing contract. However, with the introduction of the *New Framework for Kentucky Adult Education* in 2006, which initiated policies focusing on quality and rebalancing the system between enrollment and instruction, it was time to establish new contracts with the providers that reflected these new goals and priorities.

The first step in this process was for KYAE to write a Request for Proposals (RFP) that the U.S. Department of Education (DOE) would approve as meeting the federal policies and guidelines it has established for selecting local providers and awarding grants. KYAE worked with DOE to produce a proposal that addressed the basic requirements of an adult education program and that was as clear as possible for applicants. The terms used and the questions asked were reviewed with DOE. KYAE sought approval to issue multi-year contracts at the end of the RFP process, but was denied due to the lack of WIA reauthorization.

Grant readers were trained in all aspects of the RFP, the scoring method, and the entire review process. There were three layers of review for each proposal. First, every application was read by three readers. Second, the readers met and discussed what they felt were the strengths of each proposal. If information was missing or inadequate, those comments were noted. Third, the review groups met with Sarah Hawker, KYAE vice president, and Reecie Stagnolia, KYAE associate vice president, to present their recommendations and comments.

Programs were then notified that they were (1) approved based on their proposal (64 counties); (2) approved, but additional information was needed to clarify points in their proposal or budget (13 counties); (3) approved, but required technical assistance in certain areas identified from the proposal (11 counties); or (4) not approved because their proposal lacked sufficient information (32 counties). This process resulted in the need to reissue the

RFP in those counties, as required by the federal selection process when there is not an approved proposal. During the 2003 process, 29 counties were rebid.

Final decisions were complete after the clarifying information was received and reviewed, the rebid proposals were submitted, and the three layers of review completed. Of the proposals submitted for 120 counties, five fiscal agents changed. In four counties the change occurred because the current fiscal agent chose not to apply. Only one county has a new fiscal agent due to competition.

Having an adult education system of diverse providers is one of the greatest strengths of Kentucky Adult Education. Students with different styles, goals, and experiences can find a place to be comfortable and learn within the KYAE system.

The distribution of Kentucky Adult Education fiscal agents for 2008-09 is:

- 59 boards of education (59 counties)
- 15 KCTCS institutions (28 counties)
- 3 educational cooperatives (26 counties)
- 2 four-year universities (3 counties)
- 1 unit of local government (1 county)
- 3 community-based organizations (3 counties)

The attached table lists each Kentucky county, the fiscal agent receiving the adult education grant, and the grant award to each county to provide core adult education services in fiscal year 2008-09.

Contracts are being issued outlining the responsibilities of each county fiscal agent and providing the approval to begin the flow of funds. These contracts incorporate by reference the activities proposed in the county's RFP, compliance with all state and federal statutes, and KYAE policies.

During the fiscal year, KYAE continuously monitors and supports county programs in meeting the terms of their contract which includes performance measures for student enrollment, achievement, and accountability requirements.

KYAE 2008-09
County Funding Levels

County	Fiscal Agent	Total FY 2008-09 Core Services
Adair	Adair County Board of Education	$172,551
Allen	Allen County Board of Education	$157,663
Anderson	Anderson County Board of Education	$108,381
Ballard	Western Kentucky Educational Cooperative	$68,634
Barren	Barren County Board of Education	$299,543
Bath	Bath County Board of Education	$114,896
Bell	Southeast Kentucky Community and Technical College	$335,866
Boone	Boone County Board of Education	$420,424
Bourbon	Bourbon County Board of Education	$126,510
Boyd	Ashland Community and Technical College	$327,514
Boyle	Danville Independent Board of Education	$174,963
Bracken	Maysville Community and Technical College	$68,423
Breathitt	Kentucky Valley Educational Cooperative	$169,828
Breckinridge	Cloverport Board of Education	$152,528
Bullitt	Bullitt County Public Schools	$377,435
Butler	Butler County Board of Education	$128,991
Caldwell	Caldwell County Board of Education	$92,496
Calloway	Western Kentucky Educational Cooperative	$212,387
Campbell	Newport Independent Board of Education	$513,193
Carlisle	Western Kentucky Educational Cooperative	$60,000
Carroll	Jefferson Community and Technical College	$83,708
Carter	Kentucky Educational Development Corporation	$241,819
Casey	Somerset Community College	$170,586
Christian	Hopkinsville Community College	$384,629
Clark	Winchester/Clark County Literacy Council	$219,005
Clay	Clay County Board of Education	$314,189
Clinton	Clinton County Board of Education	$116,688
Crittenden	Western Kentucky Educational Cooperative	$82,295
Cumberland	Cumberland County Board of Education	$82,192
Daviess	Owensboro Community and Technical College	$543,712
Edmonson	Edmonson County Board of Education	$114,930
Elliott	Kentucky Educational Development Corporation	$79,745
Estill	Estill County Board of Education	$164,590
Fayette	Bluegrass Community and Technical College	$1,224,698
Fleming	Fleming County Board of Education	$116,619
Floyd	Big Sandy Community and Technical College	$429,499
Franklin	Franklin County Public Schools	$273,798
Fulton	Western Kentucky Educational Cooperative	$64,379
Gallatin	Jefferson Community and Technical College	$62,100
Garrard	Garrard County Board of Education	$121,099
Grant	Gateway Community and Technical College	$152,494
Graves	Western Kentucky Educational Cooperative	$260,049

County	Fiscal Agent	Total FY 2008-09 Core Services
Grayson	Grayson County Board of Education	$228,827
Green	Green County Board of Education	$115,482
Greenup	Kentucky Educational Development Corporation	$258,808
Hancock	Hancock County Board of Education	$69,067
Hardin	Hardin County Board of Education	$481,305
Harlan	Southeast Kentucky Community and Technical College	$346,893
Harrison	Harrison County Board of Education	$121,237
Hart	Hart County Board of Education	$179,650
Henderson	Henderson Community College	$264,420
Henry	Henry County Board of Education	$106,384
Hickman	Western Kentucky Educational Cooperative	$60,000
Hopkins	Madisonville Community College	$351,132
Jackson	Jackson County Board of Education	$157,767
Jefferson	Jefferson County Board of Education	$3,435,300
Jessamine	Jessamine County Schools	$219,042
Johnson	Big Sandy Community and Technical College	$222,176
Kenton	Gateway Community and Technical College	$815,068
Knott	Kentucky Valley Educational Cooperative	$178,030
Knox	Knox County Board of Education	$365,331
Larue	Larue County Board of Education	$98,768
Laurel	Laurel County Literacy Council, Inc.	$480,054
Lawrence	Lawrence County Board of Education	$164,797
Lee	Kentucky Valley Educational Cooperative	$102,490
Leslie	Kentucky Valley Educational Cooperative	$146,394
Letcher	Kentucky Valley Educational Cooperative	$269,423
Lewis	Maysville Community and Technical College	$149,289
Lincoln	Kentucky Educational Development Corporation	$212,423
Livingston	Western Kentucky Educational Cooperative	$73,056
Logan	Logan County Board of Education	$217,041
Lyon	Western Kentucky Educational Cooperative	$77,849
Madison	Eastern Kentucky University	$418,986
Magoffin	Magoffin County Board of Education	$165,383
Marion	Marion County Board of Education	$140,984
Marshall	Marshall County Board of Education	$205,909
Martin	Kentucky Educational Development Corporation	$138,675
Mason	Maysville Community and Technical College	$117,963
McCracken	West Kentucky Community and Technical College	$367,878
McCreary	Somerset Community College	$203,635
McLean	McLean County Fiscal Court	$77,026
Meade	Elizabethtown Community and Technical College	$163,193
Menifee	Kentucky Educational Development Corporation	$74,059
Mercer	Kentucky Educational Development Corporation	$135,987
Metcalfe	Metcalfe County Board of Education	$105,901
Monroe	Monroe County Board of Education	$127,164
Montgomery	Montgomery County Board of Education	$172,654
Morgan	Morehead State University	$160,351
Muhlenberg	Madisonville Community College	$291,651

County	Fiscal Agent	Total FY 2008-09 Core Services
Nelson	Bardstown Independent Board of Education	$208,706
Nicholas	Maysville Community and Technical College	$63,720
Ohio	Owensboro Community and Technical College	$193,090
Oldham	Oldham County Board of Education	$243,017
Owen	Owen County Board of Education	$85,741
Owsley	Kentucky Valley Educational Cooperative	$62,410
Pendleton	Pendleton County Schools	$96,462
Perry	Kentucky Valley Educational Cooperative	$310,846
Pike	Pike County Board of Education	$676,074
Powell	Powell County Board of Education	$143,396
Pulaski	Pulaski County Board of Education	$504,281
Robertson	Maysville Community and Technical College	$60,000
Rockcastle	Christian Appalachian Project, Inc.	$176,376
Rowan	Morehead State University	$159,576
Russell	Russell County Board of Education	$162,626
Scott	Scott County Board of Education	$169,690
Shelby	Jefferson Community and Technical College	$199,948
Simpson	Simpson County Board of Education	$110,071
Spencer	Spencer County Board of Education	$73,507
Taylor	Campbellsville Independent Board of Education	$181,339
Todd	Todd County Board of Education	$109,175
Trigg	Trigg County Board of Education	$93,771
Trimble	Jefferson Community and Technical College	$62,028
Union	Western Kentucky Educational Cooperative	$105,729
Warren	Bowling Green Technical College	$510,594
Washington	Washington County Board of Education	$85,672
Wayne	Wayne County Board of Education	$213,664
Webster	Western Kentucky Educational Cooperative	$107,521
Whitley	Whitley County Board of Education	$338,278
Wolfe	Kentucky Valley Educational Cooperative	$81,571
Woodford	Woodford County Board of Education	$123,302

State P-16 Council Update

The State P-16 Council has met twice since the Council on Postsecondary Education's last meeting.

At the June State P-16 Council meeting, members reviewed the recommendations of the Kentucky Department of Education's Dual Credit Task Force and discussed priority actions. Based on the greatest immediate needs and the unlikely availability of additional state funding, attention was drawn to five attainable priorities:

1. Developing transitional mathematics courses for high school seniors identified as underprepared based on the grade 11 ACT assessment.
2. Supporting the P-20 Data Work Group to obtain data on participation, outcomes assessment, and costs of dual credit and other college-level learning opportunities, and development of dual credit policies and guidelines based on data-based research.
3. Coordinating the work regarding Career Pathways from high school through college, credit transfer between two- and four-year institutions, and identification of a statewide core of dual credit courses.
4. Increasing the pool of dual-credit instructors by establishing written policies regarding dual credit instructors, specifying conditions under which postsecondary faculty may teach high school students, and standardizing and clarifying requirements for adjunct college faculty status so high school teachers can teach courses for college credit.
5. Increasing access to college credit opportunities for high school students through a combination of delivery and statewide tuition and funding policies.

Council members heard an update of an initiative by mathematics faculty across the state to develop online mathematics readiness assessments for use at all Kentucky postsecondary institutions and for early intervention in middle and secondary schools.

Council members also were briefed on the annual report of Kentucky's Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) program, which focused on the earmarks and creation of a "college-going culture" in Kentucky's middle and high schools. Staff drew Council members' attention to five national initiatives to improve students' readiness for college (GEAR UP, Project Lead The Way®, State Scholars, the National Math and Science Initiative, and the Appalachian Math and Science Partnership). Collectively, these initiatives are awarded several million dollars in federal, state, and private funding. By identifying and mapping the schools and districts where these initiatives are sited (and where they are not), state policymakers can increase their impact. By linking student achievement data from school to college, the state can scale up lessons learned and best practices developed in these programs for the benefit of all Kentucky students. Council members agreed that both the state and local P-16 councils should be engaged in the planning, implementation, and oversight of these large-scale postsecondary readiness initiatives.

Members were given an overview and demonstration of Kentucky's College Access initiative, KnowHow2GOKy. Tom Prather, executive vice president of the newly formed NewCities Institute, and Carolyn Witt Jones of the Partnership for Successful Schools reported on the merging of these two organizations and their agenda to enlist both employers and civic leaders across the state in raising the level of educational attainment and economic development in the Commonwealth.

Members also received copies of the *Education Week* profile of Kentucky's P-16 Council. *Ed Week* joined the Education Commission of the States and the National Center for Public Policy and Higher Education to study P-16/20 councils as an emerging structure in many states for bridging the K-12 and postsecondary sectors. The three organizations plan to release a fuller report in the fall.

Three local councils (Big Sandy, Central Kentucky, and Kentucky River) were awarded funding to implement additional initiatives. The Kentucky River Area P-16 Council will convene representatives of local councils throughout the year to share data, research, and best practices.

At the September meeting five new P-16 Council members were introduced. Donna Moore (who will chair the State P-16 Council in 2008-09) and Pam Miller represent the Council on Postsecondary Education. Billy Harper represents the Kentucky Board of Education. Lorraine Williams represents the Education Professional Standards Board. Richard Crofts is CPE's interim president.

Staff reported on the recent release of ACT scores for graduating seniors, scores for the first statewide administration of the ACT to all public school juniors, and the College Board's release of Advanced Placement and SAT scores. Since the June meeting, CPE and KDE staff, together with ACT staff, conducted six regional symposia with postsecondary and district leaders to identify how to use the data generated by the Educational Planning and Assessment System (EPAS) and the ACT, now administered to all public school students in the Commonwealth at grades 8, 10, and 11, respectively, for the benefit of students. Superintendents were shown how early diagnostic data can guide school and district planning and direct appropriate instructional intervention and academic and career guidance. College presidents and provosts were shown how early student achievement and career interest data can be used for long-range enrollment management and to increase the college readiness of potential college applicants.

Kentucky fielded a team attending both the National Association of System Heads annual P-16 Summer Institute in July and Achieve Inc.'s annual American Diploma Project Network Leadership Team in September. As an early ADP partner state, Kentucky committed to aligning standards, graduation requirements, assessments, and accountability policies with the demands of college and careers.

Council members also heard an update on the development of P-20 data-sharing capacity.

Staff preparation by Dianne M. Bazell

<u>**August 6-7, 2007, Kentucky Board of Education Meeting, Frankfort, KY**</u>

Highlights of the meeting were as follows:

➢ *BOARD ACCEPTS REPORT FROM BLUE RIBBON PANEL ON INTERVENTIONS IN LOW-PERFORMING SCHOOLS*

At the August 6-7 Kentucky Board of Education meeting, the board accepted the report from the Blue Ribbon Panel on Interventions in Low-Performing Schools. The panel was composed of a diverse group of stakeholders from across the state with the charge to:

- determine the best possible strategies for intervention and make recommendations on findings.
- make recommendations for how the Kentucky Department of Education may intervene and provide assistance differently to dramatically improve student achievement in the lowest-performing schools and districts.
- make recommendations for a legislative package to deal with the lowest performing schools and districts.

The major recommendations that came forward were:

- Provide the document titled "Promising Practices from Kentucky High Performing Schools and Districts" and the Promising Practices Framework to low-performing schools and districts as a resource from which to choose those practices that best fit their situation.

- Implement Kentucky Department of Education (KDE) assistance using "A Systemic Model of Intervention and Support" that would consist of the following steps:

  o initial determination of level of assistance
  o assignment of schools and districts to the level of intervention model based on the intervention and level of assistance needed
  o determination of personnel/team needed to implement interventions/support
  o ongoing monitoring of intervention model for timely implementation and success

- Address governance as a crucial centerpiece of any legislative proposal, including a recommendation that low student academic performance be added to the existing statute as grounds for removal of a superintendent or school board

member. Other recommendations for legislative action consisted of more specificity in terms of the composition of the team that will be assisting the school and the establishment of a set of tools that would be available to the team, such as reduction of class size, compensation incentives to recruit and retain teachers and coaching and mentoring programs for teachers, administrators, schools and districts. Also addressed was the need for regulatory changes to provide additional clarification of the process and recommended areas for which additional appropriations will be required.

The board authorized KDE staff to move forward with immediate implementation of those recommendations that can be put in place this fall along with the drafting of a legislative package for those items requiring additional authority that would be considered by the General Assembly in the 2009 session.

For more information on the content of this report, contact Elaine Farris at (502) 564-5130 or via e-mail at Elaine.Farris@education.ky.gov.

➢ *ASSESSMENT AND ACCOUNTABILITY REGULATIONS CONSIDERED*

The Kentucky Board of Education took action on two assessment and accountability regulations and reviewed one other regulation in this area. The board gave final approval to the following:

- 703 KAR 5:070, Procedures for the inclusion of special populations in the state-required assessment and accountability programs (Final) – Proposed changes reflect the current assessment and accountability system and new technologies, incorporate federal requirements for students with limited English proficiency and remove repetitive language or language found in other current regulations. Relative to LEP students, conditions and limits on the use of a scribe for LEP students that only have a Program Services Plan and no diagnosed special education needs were added. The use of a scribe is limited to students that have not reached proficiency in English and have not completed two full school years in a United States school. Also, a listing of accommodations for use on state assessments for students with language barriers, separate from students with disabilities appears in the regulation. Two new definitions, Simplified Language and Oral Native Language Support, were added to provide more guidance.

- 703 KAR 5:080, Administration Code for Kentucky's Educational Assessment Program (Final) – The new Commonwealth Accountability Testing System (CATS) required that appropriate testing practices be updated. The most substantive change requires that classroom materials with content or strategies for solving problems be covered or removed during test administration.

  The final versions of these two regulations, as approved by the Kentucky Board of Education, will have a public hearing on September 23, 2008 at 10:00 a.m. in the State Board Room, First Floor, Capital Plaza Tower, Frankfort, Kentucky.

Department staff anticipates receiving additional feedback from the School, Curriculum, Assessment and Accountability Council and other stakeholders as part of the hearing process. Any substantive changes or information will be discussed with the board during the Hearing Officer's Report at its October meeting.

703 KAR 5:140, Requirements for school and district report cards was reviewed at the August meeting and will come back for final approval at the October 6-7, 2008 meeting. Amendments being considered include changing the primary means of publication of the report card to the Internet rather than printing and mailing, although printed copies shall be supplied upon request; eliminating requirements for the expanded school and district report cards and altering the data indicators of teacher quality to remove redundancy and include indicators required by No Child Left Behind.

For more information on these three regulations, contact Ken Draut at (502) 564-2256 or via e-mail at Ken.Draut@education.ky.gov or Rhonda Sims at Rhonda.sims@education.ky.gov.

➤ *KENTUCKY ADOLESCENT LITERACY PLAN APPROVED BY BOARD*

Since adolescent literacy is a Kentucky Board of Education priority, a statewide adolescent literacy plan was developed and brought forward for approval by department staff. With support from a grant issued by the National Association of State Boards of Education, Kentucky has had the opportunity to engage key stakeholders in formulating the plan. The plan is organized into the following areas:

- Teacher Preparation/Certification
- Professional Development
- Instructional Resources
- Data Informed Decision Making
- Support Structure

The Kentucky Adolescent Literacy Task Force will be reconvening to review the work plan for implementing the state plan's recommendations and the result of that meeting will come back before the board in October.

For more information on the Adolescent Literacy Plan, contact Jamie Spugnardi at (502) 564-9850 or via e-mail at Jamie.Spugnardi@education.ky.gov or Cindy Parker at (502) 564-2106 or via e-mail at Cindy.Parker@education.ky.gov.

➢ *BOARD OFFICERS ELECTED AND COMMITTEES FORMED FOR 2008-09*

As part of the August meeting, the Kentucky Board of Education re-elected Joe Brothers of Elizabethtown as its chair and elected C.B. Akins of Lexington as its vice-chair. Their terms are for one year, but they can be re-elected.

The following standing committees were also appointed in August:

Management Committee
Doug Hubbard, Chair
Austin Moss
Kaye Baird
Steve Neal
C.B. Akins

Curriculum, Instruction and Assessment Committee
Judy Gibbons, Chair
Dorie Combs
Jeanne Ferguson
Brigitte Ramsey
Billy Harper

Next Meeting: October 6-7, 2008, Frankfort, KY

Tuition and Mandatory Fee Policy and
2009-10 Tuition Setting Process Update

Over the past several months, Interim President Crofts has had numerous discussions with various stakeholders, including institutional presidents, Council members, and executive and legislative leadership, on the Council's tuition and mandatory fee policy and tuition setting process. The discussions focused primarily on (1) potential changes to the fundamental objectives outlined in the Council's current Tuition and Mandatory Fee Policy, (2) identifying an appropriate process for setting tuition and mandatory fees in 2009-10 and beyond, and (3) construction of a timeline for completion of the process and final approval of tuition and fee rates for 2009-10.

The attached draft Tuition and Mandatory Fee Policy and 2009-10 tuition setting process is submitted to the Council for review and discussion. The final action on the tuition policy, process, and timeline is expected at the November 7, 2008, Council meeting. Actual tuition decisions for the 2009-10 academic year will be made in early spring of 2009.

Highlighted below is a brief summary of the draft recommended changes.

Tuition Policy

With a few notable exceptions, the fundamental objectives of the draft Tuition and Mandatory Fee Policy are similar to the 2008-09 version. Recommended changes to the policy include matching the language used for funding adequacy to that of HB 1, including a stronger statement on affordability, providing more details on the alignment of financial aid, requesting an annual review of efficiencies and cost management strategies, and adding a statement on the importance of attracting out-of-state students to Kentucky.

Tuition Setting Process and Timeline for 2009-10

Based upon discussion with key stakeholders, a phased tuition setting process is being proposed for 2009-10. A major goal of this new process is to greatly expand the amount of time spent discussing and exchanging tuition related data and information between and among Council staff, institutional staff, and Council members. Sharing this information over a longer period of time should lead to greater understanding of key issues and data and provide several opportunities for feedback and direction prior to any formal tuition recommendations being adopted by the Council.

The preliminary timeline for the 2009-10 tuition setting process contains broad categories of activities and anticipated completion dates, including Council action on the revised Tuition and Mandatory Fee Policy (November 2008), exchanges of tuition related data and information gathered by Council staff and institutional representatives (December 2008), campus presentations regarding uses and impact of tuition revenue (January 2009), submission of institutional tuition recommendations to the Council president (February 2009), and final Council action on 2009-10 tuition and mandatory fee rates (March 2009).

Based upon feedback from executive and legislative leadership, the Council staff also recommends an increase in the required minimum tuition and fee charge for nonresident, undergraduate students, from a multiple of 1.75 times the resident rate to a multiple of 2.0 times the resident rate. Any institutions desiring to assess nonresident rates less than the 2.0 multiple would need an exception from the Council.

Recommendations for Future Tuition Decisions

Council staff anticipates that the phased tuition setting process and extended timeline for the 2009-10 tuition setting process will carry forward into 2010-11 and 2011-12. However, a recommendation that has been discussed with institutional chief budget officers and campus presidents is to return to a two-year cycle for setting tuition, the timing of which is still to be determined. The anticipated benefits of moving to a multi-year approach include increased stability of rates over the biennium, enhanced ability of students and their families to plan for increases in college costs, and more lead time for planning and budgeting at the institutional level.

A review of Kentucky's past approaches to tuition setting reveals that the tuition policies, guiding principles, and tuition setting guidelines used over the past decade do not contain explicit statements about the state's long-term policy preferences for resident, undergraduate tuition and mandatory fees. The Council staff recommends that the Council, along with institutional presidents and executive and legislative leadership, engage in a policy discussion to develop a long-term tuition rate philosophy that will guide resident, undergraduate tuition rates moving forward and avoid unintended consequences over the next decade.

Staff preparation by John Hayek and Bill Payne

Council on Postsecondary Education
Tuition and Mandatory Fee Policy

The Council on Postsecondary Education is vested with authority under KRS 164.020 to determine tuition at public postsecondary institutions in the Commonwealth of Kentucky.

Fundamental Objectives

- Advance HB 1 Goals

In discharging its responsibility to determine tuition, the Council seeks to balance the affordability of postsecondary education for Kentucky's citizens with the sufficiency of institutional funding to accomplish the goals of the *Kentucky Postsecondary Education Improvement Act of 1997* (HB 1) and the Public Agenda.

- Funding Adequacy

HB 1 acknowledges that Kentucky shall have a seamless, integrated system of postsecondary education strategically planned and adequately funded to enhance economic development and quality of life. The Council has determined that tuition rates will be examined for their role in ensuring the adequacy of 'total public funds' to support the goals of postsecondary education reform.

- Affordability and Access

Since broad educational attainment is essential to a vibrant state economy and to intellectual, cultural, and political vitality, the Commonwealth of Kentucky seeks to ensure that postsecondary education is broadly accessible to its citizens. The Council is committed to ensuring that college is affordable and accessible to all academically qualified Kentuckians. The Council believes that no citizen of the Commonwealth who has the drive and ability to succeed should be denied access to the benefits of a college education because of the inability to pay for it through a reasonable combination of financial aid including savings, family contributions, work, grants, and loans.

- Alignment with Financial Aid

In order to ensure affordability and access, the Council recognizes that careful attention must be given to balancing the level of tuition with federal, state, and institutional programs of scholarships and grants. Careful and comprehensive attention must be given to the adequacy and effectiveness of student financial aid programs taking into account (1) the ability to pay in terms of family and individual income; (2) institutional differences in the "discounted" tuition rate; (3) the extent of reliance on loans to finance a college education; and (4) the need to bring more students into the postsecondary education system, i.e., adult learners, part-time students, and students from low-income and minority backgrounds.

- Productivity

In advancing the goals of HB 1, the adequacy of institutional funding is measured against the resources, services, and educational impact which the funds produce. The Council seeks to encourage the productive use of all revenue, including tuition and mandatory fees, and General Fund appropriations. Public postsecondary education institutions should closely review academic and administrative programs to ensure the highest level of productivity and inform the Council on the findings at least annually.

- Balancing Goals

Kentucky's goals of increasing educational attainment, promoting research, assuring access and quality, and promoting productivity must be carefully balanced in the context of current needs, resources, and economic conditions. The Council recognizes the challenge inherent in balancing these goals. The Council has concluded that during periods of relative austerity, the proper alignment of the state's limited financial resources requires increased attention to the goals of HB 1 and the Public Agenda.

- Shared Benefits and Responsibility

Postsecondary education and increased educational attainment confer benefits upon the public at large in the form of a strong economy and an informed citizenry and upon individual students in the form of an elevated quality of life, broadened career opportunities, and increased lifetime earnings. The Council believes that the responsibility for funding postsecondary education services is properly shared among the state, students, and families.

- Out-of-State Students

The Council recognizes the importance of attracting students from outside of Kentucky in order to help advance the reform goals of HB 1. However, the Council is also sensitive to the fact that nonresident undergraduate students should pay a larger proportion of the cost if they choose to attend public postsecondary education in Kentucky.

- Reciprocity

The Council affirms its commitment to providing low-cost access to Kentucky students that live near the border of other states by negotiating reciprocity agreements with these bordering states.

Council on Postsecondary Education
2009-10 Tuition Setting Process

Based upon discussions with key stakeholders, including institutional presidents and board chairs, Council members, and executive and legislative leadership, highlighted below are some important elements to consider in discharging the Council's responsibility, a note on the nonresident multiplier for 2009-10, and the general description of a revised tuition setting process and timeline for 2009-10.

Council staff has shared this information with institutional presidents and chief budget officers and is in the process of soliciting their feedback and advice. Based on the Council discussion and ongoing conversations with campus administrators, Interim President Crofts will submit a final draft for consideration at the November 7, 2008, Council meeting.

- Rational, Transparent, and Fair

The Council seeks to design a process for the discharge of its responsibility to determine tuition which is rational, transparent, and fair. In this context:

- A rational approach is one that is well aligned with state goals for public postsecondary education in Kentucky.
- A transparent approach is one that clearly articulates the rationale for its selection, is explicit about any underlying assumptions related to its function, and provides ample opportunity for stakeholder comment during its development.
- A fair approach is one that is impartial and recognizes that tuition rates and rate increases need not be the same for all institutions.

- Data Driven

The approach to tuition setting shall be responsive to relevant data and to public discourse on tuition policy issues. Council and public postsecondary education institutional staff will be responsible for providing such data as the Council may deem appropriate to a meaningful evaluation of the tuition and fee requests.

- Nonresident Tuition Rates for 2009-10

Staff recommends that nonresident undergraduate tuition and mandatory fee charges shall be not less than two times higher than Council approved resident rates for the 2009-10 academic year. Any institution desiring to assess a nonresident rate that is less than two times the resident rate should request an exception to this policy as part of its tuition rate recommendation. This is an increase from the 1.75 multiple used in 2008-09.

- Communication with a Goal Toward Consensus Building

Determining tuition and mandatory fee rates for 2009-10 will be a phased process whereby relevant data and information will be exchanged between the Council and representatives of the public postsecondary institutions over a five month period, starting in November 2008 and ending with action on tuition rates in March 2009.

- Description of Tuition Setting Phases

Phase I - Council staff will review with the Council historical funding information related to state support and previous tuition decisions. Institutional staff members will share with the Council information related to the impact of previous budget decisions on institutional operations, as well as highlight various cost management and efficiency strategies used to address issues of quality and productivity. At the end of Phase I, Council members will be aware of the history of budget and tuition decisions and be able to assess the cost management and productivity strategies of the institutions. The Council may by direct action or consensus convey general direction to the institutions.

Phase II - Council staff will exchange with institutional staff data related to the fundamental tuition objectives, with particular attention to funding adequacy, affordability, access, financial aid, and productivity. Institutional staff will exchange with Council staff data and information related to changes in fixed costs, the use of new tuition revenue, estimated student enrollment, student debt, tuition discounting strategies including the use of need- and merit-based student financial aid, and the involvement of students and the community in the tuition setting process. At the end of Phase II, Council members will know what each institution needs beyond efficiencies and productivity increases in order to meet increases in fixed costs and high priority strategic investments. The Council may by direct action or consensus convey general direction to the institutions.

Phase III - Council staff will meet several times with each institution to discuss data collected and exchanged during Phases I and II, in addition to other data and information pertinent to the tuition setting process. The Council president will report to the Council on the status of these discussions. At the end of Phase III, the Council will have a solid understanding of where each institution stands related to key tuition fundamentals including funding adequacy, affordability, access, financial aid, and productivity. The Council may by direct action or consensus convey general direction to the institutions.

Phase IV - Council staff will solicit and review draft tuition recommendations from the institutions. Again, the Council president will report to the Council on the status of these draft recommendations. The Council may by direct action or consensus convey general direction to the institutions.

Phase V - Council staff makes a recommendation to the Council on 2009-10 tuition and mandatory fee rates and the Council takes action.

- Timeline for 2009-10 Tuition Setting Process

Phase I

Nov. 2008   Council takes action on revised tuition policy for 2009-10; Council staff reviews historical data, and institutional staff reviews the impact of previous year budget and cost management/productivity strategies on institutional operations.

Phase II

Dec. 2008   Council staff shares with institutional staff updated data and information related to funding adequacy, affordability, access, financial aid, and productivity.

Dec. 2008   Institutional staff shares with Council staff updated data and information related to fixed cost increases, use and impact of additional tuition revenue, financial aid, and student debt.

Jan. 2009   Institutions share information with the Council on the use and impact of additional tuition revenue.

Phase III

Jan.- Feb.   Council and institutional staff meet to discuss tuition data and
2009   information. The Council president updates the Council on these discussions.

Phase IV

Feb. 2009   Institutions share draft tuition recommendations with the Council president. The Council president updates the Council on the draft recommendations.

Phase V

March 2009   The Council takes action on 2009-10 tuition and mandatory fee rates.

Council on Postsecondary Education
Recommendations for Future Tuition Decisions

Two additional recommendations surfaced during discussions of the tuition policy and tuition setting process. The first is to get the Council to move back to a multi-year approach to setting tuition rates and the second is to establish a long-term tuition philosophy to help parents and institutional representatives better budget and plan for the future.

Tuition Setting Process for 2010-11 and 2011-12

Council staff anticipates that the phased tuition setting process and extended timeline for the 2009-10 tuition setting process will carry forward into 2010-11 and beyond. However, a recommendation that has been discussed with institutional chief budget officers and campus presidents is to return to a two-year cycle for setting tuition, the timing of which is still to be determined. Thus, after setting the 2009-10 rates in March 2009, the next round of tuition setting would be for both 2010-11 and 2011-12. The anticipated benefits of moving to a multi-year approach include increased stability of rates over the biennium, enhanced ability of students and their families to plan for increases in college costs, and more lead time for planning and budgeting at the institutional level.

The timing of when the multi-year approach would take effect needs to be discussed. However, one scenario might be to wait until after the General Assembly enacts the 2010-12 budget in April 2010. Another scenario might be to set target or final tuition rates along with the Council's 2010-12 budget recommendation in November 2009. Of course, if the enacted budget was dramatically different than forecasted or if the state budget changed significantly within the biennium, the Council could always consider mid-biennial changes.

Long-Term Tuition Rate Philosophy

A review of Kentucky's past approaches to tuition setting reveals that the tuition policies, guiding principles, and tuition setting guidelines used over the past decade do not contain explicit statements about the state's long-term policy preferences for resident, undergraduate tuition and fees. The Council staff recommends that the Council, along with institutional presidents and executive and legislative leadership, engage in a policy discussion to develop a long-term tuition rate philosophy that will guide resident, undergraduate tuition rates moving forward and avoid unintended consequences over the next decade. This longer-term view of tuition would likely provide greater predictability to the general public in terms of anticipated increases in college costs, as well as to institutional staff in terms of effective budgeting, planning, and providing a stable revenue stream needed to achieve HB 1 reform goals by 2020.

According to a tuition policy survey published by SHEEO in 2006, about half of all higher education agencies categorized their tuition philosophy as expressly supporting specific levels of tuition for undergraduate students. Some states, such as Illinois, Minnesota, Pennsylvania, and Tennessee, will vary this philosophy by sector.

GED_® Testing Program Regulation

> **ACTION: The staff recommends that the Council approve the proposed amendment to the administrative regulation titled 785 KAR 1:010 GED Testing Program and file the administrative regulation with the Legislative Research Commission.**

Overview

Kentucky Adult Education, a unit of the Council on Postsecondary Education, is charged with the responsibility of administrative oversight for the state's GED testing program.

The GED tests cover five subject areas which in total are called a test battery. The test battery is usually given over two days in three sub-sessions. One battery is required per examinee and each battery may only be used 15 times in a calendar year. In Kentucky, during fiscal year 2007-08, 12,885 individuals took one or more parts of the test battery.

Currently, the test fee is $40 for the entire battery of five tests or $10 per individual test or retest. GED testing is provided across the state at 42 testing centers. These testing centers are located at public and nonprofit educational institutions. They provide this service locally, supported financially only by the GED test fee established in regulation. The fee is intended to be set at a rate that covers all of the costs or expenditures associated with providing this service.

A mid-year analysis revealed that the GED test fee is not sufficiently covering costs intended for centers to break even and, in fact, there are centers operating at a deficit so large that they are considering closing. Careful financial analysis was performed and showed that a moderate fee increase (outlined in the proposed regulation change) is needed for testing centers to continue operation without suffering fiscal hardship and possible closure.

Rationale

A fiscal year 2007-08 expenditure-revenue analysis of nine testing centers showed deficits ranging from $919 for a small testing center to $82,668 for a larger testing center covering multiple counties. Testing center fiscal agents (community colleges, universities, boards of education) have been absorbing these operating deficits to continue access to testing.

Staff recommends increasing the test fee over a period of two years to $60 for the battery of five tests and $30 per sub-session retaken for the following reasons:

- The test fee in Kentucky has not increased since 2005.
- The cost of testing materials has increased from $40 per test battery in 1994 to $200 per battery in 2008, a 400 percent increase. Since the test fee in Kentucky was last changed in 2005, GED Testing Service has increased the charge for each battery $25, a 14 percent increase.
- The annual testing center fee has gone from $50 in 1994 to $175 in 2008, a 350 percent increase. This annual fee has increased $25 since 2005, a 17 percent increase.
- The test fee increase in 2005 allowed for fixed costs of $37, meaning the testing centers had only $2 to $3 to cover supplies, administration, differences in examiner salaries (depending on the contracting entity), and any inflationary increases. At mid-year 2008, there are several testing centers in danger of closing due to budget reductions, increasing testing costs, or eliminated or reduced in-kind contributions.
- The Kentucky test fee for all examinees must cover the cost for accommodated testing for students with disabilities, which may include testing in a private room, extended time, etc. This is required by the Americans with Disabilities Act and GED Testing Service® and cannot be provided at a higher test fee. Accommodated testing will normally cost twice as much as a full test session or approximately $1,000. Over the past seven years, the average number of accommodated tests per year is 70.

In an effort to control costs and increase efficiencies at the testing centers, Kentucky Adult Education instituted three new statewide policies effective July 1, 2008, to help testing centers become more financially viable and to preserve access. These policies require prepayment of the test fee, a penalty for not keeping the scheduled test appointment, and proof of test readiness for those retesting. Kentucky Adult Education is continuing to identify and implement policies that will preserve access while increasing efficiencies.

The nationwide average fee charged by states is $60. Test fees range from $13 to $250. Test fees in West Virginia are $50, Ohio $65, Tennessee and Indiana $60.

Staff recommends increasing the test fee to:

- $50 with a sub-session fee of $25 on July 1, 2009.
- $55 with a $25 sub-session fee on July 1, 2010.
- $60 with a $30 sub-session fee on July 1, 2011.
- The sub-session retest fee would not exceed the total test fee regardless of the number of sub-sessions taken.

The $10 fee increase for first-time test-takers from $40 to $50 would, based on the number of FY 07-08 first-time test-takers, produce a statewide increase of $104,930 for 42 testing centers serving 156 sites. Based on the 3,891 test-takers who took one retest last year, the $15 increase from $10 per subtest to $25 per subtest would generate increased statewide revenue from $38,910 to $97,275 for the 42 testing centers. What these increases would

produce for any individual test center would depend on how many first-time test-takers and how many retesters they would serve.

KYAE will continue to charge $25 for the issuance of a duplicate GED diploma. Post-secondary institutions, employers, and the military require the GED transcript as proof of education. KYAE proposes to increase the cost of a duplicate transcript from $5 to $10 for the following reasons:

- The transcript fee has not been increased since 1990.
- The volume of transcript requests has increased from 2,581 in 2000 to a projected 13,664 this year, a 420 percent increase. The 1990 fee does not cover the staff and material cost to process this volume of requests.

Staff preparation by B.J. Helton and Sarah Hindman Hawker

1   COUNCIL ON POSTSECONDARY EDUCATION

2   (Amendment)

3   785 KAR 1:010. GED® Testing Program.

4   RELATES TO: KRS 151B.125

5   STATUTORY AUTHORITY: KRS 151B.023, 151B.410[, EO 2004-725]

6   NECESSITY, FUNCTION, AND CONFORMITY: KRS 151B.410(1) requires the Kentucky

7   [Department for] Adult Education program [and Literacy] to administer a statewide adult

8   education and literacy program, and to promulgate [necessary] administrative regulations to

9   effect this mandate [and administer a statewide adult education and literacy system throughout

10 the state. KRS 151B.023 requires Kentucky [the Department for] Adult Education [and

11 Literacy] to implement a [the] twenty (20) year state strategy to reduce the number of adults at

12 the lowest levels of literacy and most in need of adult education and literacy services. KRS

13 151B.125 recognizes the Tests of General Educational Development or GED Tests [test] for high

14 school equivalency purposes in Kentucky. [EO 2004-725 abolished the Department for Adult

15 Education and Literacy and transferred its duties to the Council on Postsecondary Education.]

16 This administrative regulation establishes the procedure for testing an adult for the GED

17 diploma.

18 Section 1. Test Purpose. The GED Tests [test] shall provide a valid means of measuring the

19 educational achievement of an adult who is a non-high school graduate and of comparing the

20 adult's competency to [with] that of high school graduates. The tests [test] shall be a high school

21 level battery consisting of five (5) comprehensive examinations covering:

1 (1) Language arts, writing;

2 (2) Social studies;

3 (3) Science;

4 (4) Language arts, reading; and

5 (5) Mathematics.

6 Section 2. Test Centers. Official GED Testing Centers shall be established under contract with

7 the GED Testing Service. Kentucky Adult Education shall authorize the location of these

8 centers.

9 Section 3. Test Scores. (1) Kentucky Adult Education shall:

10 (a) Administer the scoring of the tests;

11 (b) Accept scores as official if reported by:

12 1. A state, territorial, or provincial department of education;

13 2. A GED Testing Center;

14 3. The GED Testing Service_®; or

15 4. The Defense Activity for Non-traditional Education Support, DANTES, (as the

16 repository of score reports issued by the U.S. Armed Forces Institute).

17 (2) An applicant shall achieve [score] the minimum standard score on each subtest and

18 the minimum overall average score on the Official GED Tests [Test] as set by GED Testing

19 Service. If an applicant passes the five (5) subtests with a minimum standard test score on each

20 subtest, but does not attain an overall average standard score, the student [he] shall be eligible to

21 retake any subtest [in an attempt to raise the overall standard score].

22 Section 4. GED Diploma. Kentucky Adult Education shall provide a high school

23 equivalency diploma to an applicant who meets all the provisions of this administrative

1   regulation and the eligibility requirements established by 785 KAR 1:130.

2   Section 5. Test Fees.

3   (1) Effective July 1, 2009, the testing fee shall be a uniform fee of:

4   (a) fifty (50) [forty (40)] dollars, if the applicant is taking all five (5) subtests in a test

5   session; or

6   (b) Twenty-five (25) [ten (10)] dollars per sub-session [subtest] . [The testing fee shall be a

7   uniform fee of forty (40) dollars per test or ten (10) dollars per subtest.]

8   (2) Effective July 1, 2010, the testing fee shall be a uniform fee of:

9   (a) fifty-five (55) dollars, if the applicant is taking all five (5) subtests in a test session; or

10 (b) Twenty-five (25) dollars per sub-session.

11 (3) Effective July 1, 2011, the testing fee shall be a uniform fee of:

12 (a) sixty (60) dollars, if the applicant is taking all five (5) subtests in a test session; or

13 (b) thirty (30) dollars per sub-session.

14 (4) A person who retests shall be assessed the fee contained in (1)(b), (2)(b), or (3)(b) of this

15 Section as appropriate to the date of the re-test, but subject to the limitation that the total amount

16 assessed shall not exceed the limit contained in (1)(a), (2)(a), or (3)(a) of this Section regardless

17 of the number of sub-session retests attempted.

18 (5) A request for a duplicate transcript or diploma shall be in writing and shall carry the

19 signature, birth date, and Social Security number of the examinee and shall be accompanied by

20 the payment of:

21 (a) A ten (10) [five (5)] dollar processing fee assessed for the issuance of a duplicate

22 transcript request; or

23 (b) A twenty-five (25) dollar fee assessed for the issuance of a duplicate diploma.

_____   _____

John Turner   Date

Chair

Council on Postsecondary Education

APPROVED AS TO FORM:

_____   _____

Dennis L. Taulbee   Date

General Counsel

Council on Postsecondary Education

PUBLIC HEARING: A public hearing on 785 KAR 1:010: GED® Testing Program shall be held on November 25, 2008 at 10:00 a.m. at the Council on Postsecondary Education, Conference Room A. Individuals interested in being heard at this hearing shall notify this agency in writing by November 18, 2008, five working days prior to the hearing, of their intent to attend. If no notification to attend the hearing is received by that date, the hearing may be cancelled.

This hearing is open to the public. Any person who wishes to be heard will be given an opportunity to comment on the proposed administrative regulation. A transcript of the public hearing will not be made unless a written request for a transcript is made.

If you do not wish to be heard at the public hearing, you may submit written comments on the proposed administrative regulation.

Send written notification of intent to be heard at the public hearing or written comments on the proposed administrative regulation to the contact person.

CONTACT PERSON:

B. J. Helton, Senior Associate and GED Administrator
Kentucky Adult Education
Council on Postsecondary Education
1024 Capital Center Drive, Suite 250
Frankfort, Kentucky 40601
Phone: 502-573-5114, ext. 102
Fax: 502-573-5436
Email: bj.helton@ky.gov

REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT
785 KAR 1:010. GED® Testing Program

Administrative Regulation *785 KAR 1:010. GED Testing Program.*

Contact person:

B. J. Helton, Senior Associate and GED Administrator
Kentucky Adult Education
Council on Postsecondary Education
1024 Capital Center Drive, Suite 250
Frankfort, Kentucky 40601
Phone: 502-573-5114, ext. 102
Fax: 502-573-5436
Email: bj.helton@ky.gov

(1) Provide a brief summary of:

(a) What this administrative regulation does: This administrative regulation, 785 KAR 1:010. GED Testing Program, establishes a testing program for the General Educational Development diploma (GED), authorizes the creation of testing centers, sets minimum standards for successful completion of the GED Tests, and establishes fee for the tests and for securing duplicate copies of test scores and diplomas.

(b) The necessity of this administrative regulation: KRS 151B.023 authorizes the Council to administer a statewide adult education and literacy program. The GED Tests is an integral part of the adult education and literacy program.

(c) How this administrative regulation conforms to the content of the authorizing statutes: The administrative regulation conforms explicitly to the authorizing statutes.

(d) How this administrative regulation currently assists or will assist in the effective administration of the statutes: The administrative regulation provides guidance to students and to the testing centers who offer the GED Tests. The GED Tests are administered by approved testing centers who operate under the direction of the Kentucky Adult Education program, and through a contract with the GED Testing Service®.

(2) If this is an amendment to an existing administrative regulation, provide a brief summary of:

(a) How the amendment will change this existing administrative regulation: Test fees are increased from forty dollars ($40.00) to fifty ($50) dollars effective July 1, 2009 for students taking the entire series of five (5) tests. This fee, then increases to fifty-five ($55) dollars on July 1, 2010, and sixty ($60) effective July 1, 2011. Test fees for each of the three (3) sub-sessions will increase from ten dollars ($10.00) to twenty-five ($25) dollars effective July 1, 2009 and then to thirty ($30) dollars on July 1, 2011. The fee for a duplicate transcript increases from five dollars ($5.00) to ten ($10) dollars.

(b) The necessity of the amendment to this administrative regulation: Several of the testing centers created by the Kentucky Adult Education program have indicated that they are losing money as a testing center and that they will decline to serve as a testing center unless they are able to increase fees. Testing centers need to provide examiners each time a test is offered and pay for the cost of the tests from the fees they charge.

(c) How the amendment conforms to the content of the authorizing statutes: The amendment conforms exactly to the authorizing statute.

(d) How the amendment will assist in the effective administration of the statutes: Test centers are expected to recover their costs in administering the test from the fees charged to students who take the GED Tests. The prospect of losing test centers because they are unable to recover costs is imminent and could seriously impair the Kentucky Adult Education program's ability to implement the statutes requiring the administration of a statewide adult education and literacy program. By providing for a gradual increase in fees, students will better be able to understand their costs, and testing centers will better be able to predict revenue from this service.

(3) List the type and number of individuals, businesses, organizations, or state and local governments affected by this administrative regulation: The primary individuals and organizations affected by this regulation are the testing centers who administer the GED Tests, the adult education providers who refer students to the testing centers, and the GED test-takers.

(4) Provide an assessment of how the above group or groups will be impacted by either the implementation of this administrative regulation, if new, or by the change if it is an amendment: GED test-takers will have to pay increased fees both for individual subject matter tests and for the five (5) part comprehensive test, but they will continue to be served by the same testing centers. If a number of testing centers close, GED test-takers will be severely inconvenienced.

(5) Provide an estimate of how much it will cost to implement this administrative regulation:

(a) Initially: No additional cost to the test centers or to the Kentucky Adult Education program is anticipated.

(b) On a continuing basis: No additional cost is contemplated. Test centers currently pay for the costs in excess of fees earned.

(6) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation: Student fees.

(7) Provide an assessment of whether an increase in fees or funding will be necessary to implement this administrative regulation, if new, or by the change if it is an amendment: Yes. The purpose of this amendment is to change the fee structure, and to avoid the prospect of severe cuts in services.

(9) TIERING: Is tiering applied? Tiering is not appropriate under these circumstances.

Transfer Policy Brief

In October 2007, the Council on Postsecondary Education published *Double the Numbers: Kentucky's Plan to Increase College Graduates*. The plan projects Kentucky will need 800,000 adults with at least a bachelor's degree in the year 2020 to reach the national average in educational attainment, as mandated by the *Kentucky Postsecondary Education Improvement Act of 1997* (HB 1). The plan establishes five essential strategies for ramping up degree production, which includes enrolling more first-time students in the Kentucky Community and Technical College System and transferring them to a four-year program. The Council has developed a policy brief focusing on two- to four-year transfer. The purpose of this policy brief is to provide a snapshot of current statewide transfer initiatives, transfer data analysis, barriers to transfer, and strategies that will produce the dramatic increases in transfer required to meet the Double the Numbers goal of 11,300 transfers in 2020.

Policy Brief Highlights and Next Steps

<u>Motivate more KCTCS students to attain a bachelor's degree</u>. A statewide outreach campaign is underway to inform KCTCS students of the long-term financial and personal benefits of attaining a bachelor's degree. KnowHow2GOKy.org includes a new transfer student handbook in print and online formats. The Council is working with institutions to target areas of interest to transfer students such as business, education, and STEM fields.

<u>Improve advising services</u>. The new Kentucky Academic Advising Association is a professional network for institutional academic advisors focused on expanding transfer advising. An online transfer course equivalency system, redLanternU.select, that informs advisors and students of what credits will and will not transfer, is being expanded beyond its current 12,000 student accounts. The Council promotes joint admission and joint enrollment policies that allow students to be simultaneously admitted to a university and KCTCS and enroll in courses that count toward both associate and bachelor's degrees. The Kentucky Association of Collegiate Registrars and Admissions Officers (KACRAO) is piloting electronic transcript exchange between KCTCS and four-year institutions to support transfer.

<u>Remove financial barriers for part-time and full-time students</u>. While all public institutions have transfer scholarships, the requirements and amounts vary and the funds available are comparatively small. A statewide financial aid program for transfer students is needed. State and institutional aid must be restructured and expanded to increase access to current programs and create new assistance with relocation, housing, childcare expenses, and transportation costs.

Create more flexible and convenient modes of learning. Online bachelor's degrees provide an alternative learning format for transfers to complete a four-year degree. The Kentucky Virtual Campus offers a comprehensive list of associate degrees that transfer completely to online bachelor's degree programs for students who have work and personal obligations. The Council will work with institutions to make academic support services such as advising, registration, billing, parking, and library access more convenient for students.

Create more transfer pathways between technical and applied four-year programs. Kentucky's Applied Associate Degree Transfer Policy (2002) guarantees that the general education courses taken as part of an AAS degree program will transfer and count toward the lower-division general education requirements at public universities. The Council required all public universities to develop a completer degree in 2004 which allows students with any associate degree to complete a bachelor's degree within approximately the normal hours required for a bachelor's degree. In addition, career pathway advising guides are being developed in technical fields to identify seamless pathways for students to obtain a bachelor's degree. The Council will work with the institutions to increase the number and use of these tools.

Improve the understanding and application of the General Education Transfer Policy. The statewide General Education Transfer Policy guarantees that general education coursework will transfer between public postsecondary institutions. Despite the fact that data show that Kentucky's public universities accept the vast majority (90 to 93 percent) of transfer credits from KCTCS transfer students, too many individual incidents of noncompliance with state transfer policies occur among Kentucky's public postsecondary institutions. The Council will establish a Transfer Rights and Responsibilities policy including a state-level appeals process and conduct annual workshops for key institutional transfer personnel to ensure consistent application of the General Education Transfer Policy at all public institutions.

Increase accountability. The Kentucky Transfer Feedback Report provides annual data critical to evaluating whether or not institutions are meeting the key indicators for transfer improvement in the state accountability system. However, in preparing the policy brief it became clear that the Council needs to collect more transfer data. For example, efforts should be made to account for students who transfer to out-of-state and proprietary institutions while continuing to live or work in Kentucky. In addition, the Council will conduct a follow-up survey to identify actual barriers for students who transferred from KCTCS but have not yet completed a bachelor's degree at a Kentucky public four-year institution.

Create an alternative pathway to course-based transfer. Several states have created a competency-based system that allows students to acquire credits toward a degree by directly demonstrating required competencies rather than completing courses covering material they have already mastered through training, work, and life experiences. Through standardized credit for prior learning assessments, the Council will work toward development of a competency-based approach to transfer as an alternative to the current course-based system.

Staff preparation by Adina O'Hara and Kim Arington

2007-08 Degree Completions

A record number of degrees and other credentials were awarded at Kentucky's public postsecondary institutions in 2007-08. As one of the primary measurements of success toward the 2020 goals, it is important to note that the number of bachelor's degrees awarded increased by 2 percent over 2006-07. The overall number of bachelor's degrees awarded, 15,036, exceeds the goal of 14,835 established for the public institutions for the academic year 2008.

Overall, all of the institutions conferred more bachelor's degrees than they had in any previous year with the exception of Morehead State University and the University of Louisville. There also were record numbers of certificates, diplomas, and associate degrees awarded at KCTCS with 8.6 percent more credentials awarded than in the previous year. The majority of the growth at KCTCS once again was in certificates, which were up 15.3 percent while the number of associate degrees conferred remained virtually unchanged. There was a decline in diplomas awarded compared to the previous year.

The completion data from the independent institutions are not yet available and will be distributed at a future Council meeting.

Highlights:
- 2007-08 was the largest graduating class in the history of Kentucky postsecondary education with 45,904 degrees and credentials conferred at the public institutions. This represents a 4.5 percent increase over the number awarded in 2006-07 and a 78.6 percent increase over the number conferred in 2000-01.
- In 2007-08, 15,036 bachelor's degrees were awarded, an increase of 2.0 percent over the previous year and a 26.0 percent increase since 2000-01.
- Murray State University, Northern Kentucky University, and the University of Kentucky all awarded 4 to 5 percent more bachelor's degrees than they did in 2006-07.
- Kentucky State University awarded 231 bachelor's degrees in 2007-08, which represents a 19.7 percent increase over the previous year. This is the highest percentage growth in bachelor's degrees awarded from Kentucky's public universities this year.
- Fewer master's degrees were conferred in 2007-08 than in 2006-07 or 2005-06. Northern Kentucky University and Western Kentucky University were the only institutions that conferred more master's degrees in 2007-08 than they did in 2006-07.
- A record number of doctoral degrees were awarded at the University of Kentucky and the University of Louisville.

Staff preparation by Charles McGrew

Total Degrees and Other Credentials Awarded by Level

Kentucky Public Institutions

1998/99 - 2007/08

Institution/Level	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
Universities										
Eastern Kentucky University										
Certificates			17	7	5	2	1		1	
Associate	237	226	201	181	195	241	241	252	210	189
Baccalaureate	1,762	1,663	1,639	1,572	1,664	1,678	1,787	1,980	1,979	2,030
Post-Baccalaureate Certificate		2		11	4	7	5	12	6	
Master's/Specialist	405	437	390	373	462	623	657	835	687	621
Total Degrees Awarded	*2,404*	*2,328*	*2,247*	*2,144*	*2,330*	*2,551*	*2,691*	*3,079*	*2,883*	*2,840*
Kentucky State University										
Associate	69	71	62	74	70	66	50	51	50	37
Baccalaureate	193	222	207	219	210	214	229	198	193	231
Master's/Specialist	29	23	29	40	41	42	52	31	47	47
Total Degrees Awarded	*291*	*316*	*298*	*333*	*321*	*322*	*331*	*280*	*290*	*315*
Morehead State University										
Associate	137	136	136	143	145	123	125	143	128	149
Baccalaureate	911	971	927	907	887	991	1,038	1,055	1,072	973
Master's/Specialist	267	288	319	322	398	359	373	406	408	385
Total Degrees Awarded	*1,315*	*1,395*	*1,382*	*1,372*	*1,430*	*1,473*	*1,536*	*1,604*	*1,608*	*1,507*
Murray State University										
Certificates				3	1	1				
Associate	27	31	31	22	31	32	38	20	19	17
Baccalaureate	1,057	1,274	1,225	1,284	1,290	1,440	1,373	1,521	1,550	1,632
Master's/Specialist	478	458	502	550	583	573	570	570	566	540
Total Degrees Awarded	*1,562*	*1,763*	*1,758*	*1,859*	*1,905*	*2,046*	*1,981*	*2,111*	*2,135*	*2,189*
Northern Kentucky University										
Certificates	1	2			1		1	1		4
Associate	223	202	222	267	287	214	237	272	258	226
Baccalaureate	1,163	1,142	1,186	1,259	1,374	1,421	1,529	1,584	1,624	1,706
Post-Baccalaureate Certificate						8	3	8	4	3
Master's/Specialist	211	229	196	210	292	352	380	376	395	466
Post-Master's Certificate						7	14	12	43	10
Subtotal	*1,598*	*1,575*	*1,604*	*1,736*	*1,954*	*2,002*	*2,164*	*2,253*	*2,324*	*2,415*
Law	112	112	81	93	101	102	137	136	141	150
Total Degrees Awarded	*1,710*	*1,687*	*1,685*	*1,829*	*2,055*	*2,104*	*2,301*	*2,389*	*2,465*	*2,565*

Total Degrees and Other Credentials Awarded by Level

Kentucky Public Institutions

1998/99 - 2007/08 (continued)

Institution/Level	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
University of Kentucky										
Baccalaureate	3,285	3,187	3,239	3,488	3,338	3,373	3,285	3,519	3,613	3,775
Master's/Specialist	1,134	1,067	1,055	924	1,061	1,269	1,358	1,350	1,371	1,311
Doctoral	204	249	219	216	208	233	276	256	292	308
Subtotal	*4,623*	*4,503*	*4,513*	*4,628*	*4,607*	*4,875*	*4,919*	*5,125*	*5,276*	*5,394*
Law	134	139	129	108	126	127	137	141	122	161
Medicine	93	90	103	88	88	86	96	91	93	94
Dentistry	48	47	45	49	52	49	51	49	50	51
Pharm D	90	93	98	98	97	110	110	97	96	103
Subtotal	*365*	*369*	*375*	*343*	*363*	*372*	*394*	*378*	*361*	*409*
Total Degrees Awarded	***4,988***	***4,872***	***4,888***	***4,971***	***4,970***	***5,247***	***5,313***	***5,503***	***5,637***	***5,803***
University of Louisville										
Certificates	116	117	117	118	117	112	109	68	38	31
Associate	77	80	63	70	38	45	48	51	22	19
Baccalaureate	1,734	1,750	1,819	1,851	1,825	1,890	2,148	2,253	2,328	2,298
Post-Baccalaureate Certificate	16	11	12	32	31	25	16	78	105	109
Master's/Specialist	1,209	1,122	1,357	1,313	1,206	1,322	1,373	1,368	1,395	1,369
Post-Master's Certificate						3	4		4	4
Doctoral	78	76	65	90	89	106	112	144	135	151
Subtotal	*3,230*	*3,156*	*3,433*	*3,474*	*3,306*	*3,503*	*3,810*	*3,962*	*4,027*	*3,981*
Law	136	123	103	114	111	120	115	111	132	126
Medicine	133	127	145	131	133	137	145	139	142	146
Dentistry	71	60	67	76	79	73	73	77	72	71
Subtotal	*340*	*310*	*315*	*321*	*323*	*330*	*333*	*327*	*346*	*343*
Total Degrees Awarded	***3,570***	***3,466***	***3,748***	***3,795***	***3,629***	***3,833***	***4,143***	***4,289***	***4,373***	***4,324***
Western Kentucky University										
Certificates				2		44	73	99	64	69
Associate	248	273	273	270	276	315	299	300	258	240
Baccalaureate	1,909	1,753	1,695	1,903	1,878	2,116	2,166	2,313	2,383	2,391
Post-Baccalaureate Certificate									30	44
Master's/Specialists	527	514	514	517	658	774	797	724	822	835
Total Degrees Awarded	***2,684***	***2,540***	***2,482***	***2,692***	***2,812***	***3,249***	***3,335***	***3,436***	***3,557***	***3,579***

KENTUCKY COUNCIL ON
POSTSECONDARY EDUCATION

Total Degrees and Other Credentials Awarded by Level

Kentucky Public Institutions

1998/99 - 2007/08 (continued)

Institution/Level	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
Total Universities										
Certificates	117	119	134	130	124	159	184	168	103	104
Associate	1,018	1,019	988	1,027	1,042	1,036	1,038	1,089	945	877
Baccalaureate	12,014	11,962	11,937	12,483	12,466	13,123	13,555	14,423	14,742	15,036
Post-Baccalaureate Certificate	16	13	12	43	35	40	24	98	145	156
Master's/Specialist	4,260	4,138	4,362	4,249	4,701	5,314	5,560	5,660	5,691	5,574
Post-Master's Certificate						10	18	12	47	14
Doctoral	282	325	284	306	297	339	388	400	427	459
Subtotal	*17,707*	*17,576*	*17,717*	*18,238*	*18,665*	*20,021*	*20,767*	*21,850*	*22,100*	*22,220*
Law	382	374	313	315	338	349	389	388	395	437
Medicine	226	217	248	219	221	223	241	230	235	240
Dentistry	119	107	112	125	131	122	124	126	122	122
Pharm D	90	93	98	98	97	110	110	97	96	103
Subtotal	*817*	*791*	*771*	*757*	*787*	*804*	*864*	*841*	*848*	*902*
Total Degrees Awarded	**18,524**	**18,367**	**18,488**	**18,995**	**19,452**	**20,825**	**21,631**	**22,691**	**22,948**	**23,122**

Lexington Community College										
Certificate						5				
Associate	396	384	438	488	601	656				
Total	*396*	*384*	*438*	*488*	*601*	*661*				

UK Community Colleges		
Ashland	121	122
Elizabethtown	309	303
Hazard	272	271
Henderson	127	116
Hopkinsville	245	185
Jefferson	496	513
Madisonville	194	175
Maysville	116	107
Owensboro	205	250
Paducah	327	312
Prestonsburg	177	129
Somerset	229	258
Southeast	320	321
Total UK Community Colleges	*3,138*	*3,062*

Total Degrees and Other Credentials Awarded by Level

Kentucky Public Institutions

1998/99 - 2007/08 (continued)

Institution/Level	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
Kentucky Community and										
Technical College System										
Ashland Community and Technical College										
Diploma			101	112	115	143	108	126	136	120
Certificate			100	108	172	137	252	756	693	609
Associate			156	188	195	227	231	279	307	281
Total			*357*	*408*	*482*	*507*	*591*	*1,161*	*1,136*	*1,010*
Big Sandy Community and Technical College										
Diploma			116	133	43	240	178	248	108	129
Certificate			526	1,310	365	722	676	697	572	588
Associate			157	105	181	198	282	281	306	255
Total			*799*	*1,548*	*589*	*1,160*	*1,136*	*1,226*	*986*	*972*
Bluegrass Community and Technical College										
Diploma							433	311	364	339
Certificate							754	1,242	1,604	1,517
Associate							895	838	923	899
Total							*2,082*	*2,391*	*2,891*	*2,755*
Central Kentucky Technical College										
Diploma			222	158	183	317				
Certificate			13	46	329	493				
Associate			48	70	124	203				
Total			*283*	*274*	*636*	*1,013*				
Bowling Green Technical College										
Diploma			103	168	203	199	243	138	116	207
Certificate			151	92	324	281	260	633	888	950
Associate			2	12	48	94	115	123	138	153
Total			*256*	*272*	*575*	*574*	*618*	*894*	*1,142*	*1,310*
Elizabethtown Community and Tech College										
Diploma			81	93	86	77	73	105	71	109
Certificate			379	349	416	161	411	626	310	1,670
Associate			304	352	368	408	432	472	459	447
Total			*764*	*794*	*870*	*646*	*916*	*1,203*	*840*	*2,226*

Total Degrees and Other Credentials Awarded by Level

Kentucky Public Institutions

1998/99 - 2007/08 (continued)

Institution/Level	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
Gateway Community and Technical College										
Diploma			111	132	77	102	72	54	49	46
Certificate			99	177	94	189	389	397	357	408
Associate			11	21	22	23	43	94	123	177
Total			*221*	*330*	*193*	*314*	*504*	*545*	*529*	*631*
Hazard Community and Technical College										
Diploma			83	79	41	93	89	98	98	95
Certificate			47	63	106	399	533	532	439	596
Associate			259	313	272	306	336	324	354	370
Total			*389*	*455*	*419*	*798*	*958*	*954*	*891*	*1,061*
Henderson Community College										
Diploma						1			14	1
Certificate				18	43	81	72	129	142	130
Associate			87	124	139	165	154	164	163	176
Total			*87*	*142*	*182*	*247*	*226*	*293*	*319*	*307*
Hopkinsville Community College										
Diploma				14	26	11	29	21	6	35
Certificate			36	205	114	207	251	356	311	376
Associate			200	238	322	298	327	331	320	359
Total			*236*	*457*	*462*	*516*	*607*	*708*	*637*	*770*
Jefferson Community and Technical College										
Diploma			54	117	159	165	268	288	238	218
Certificate			72	178	427	586	982	1,574	1,525	2,104
Associate			392	422	470	631	691	847	854	869
Total			*518*	*717*	*1,056*	*1,382*	*1,941*	*2,709*	*2,617*	*3,191*
Madisonville Community College										
Diploma			114	28	132	67	73	93	72	75
Certificate			12	56	198	384	297	347	481	498
Associate			231	263	312	336	348	394	404	404
Total			*357*	*347*	*642*	*787*	*718*	*834*	*957*	*977*
Maysville Community and Technical College										
Diploma			129	100	64	145	138	120	243	149
Certificate			16	62	270	432	550	895	1,066	971
Associate			110	154	156	186	157	132	200	184
Total			*255*	*316*	*490*	*763*	*845*	*1,147*	*1,509*	*1,304*

Total Degrees and Other Credentials Awarded by Level

Kentucky Public Institutions

1998/99 - 2007/08 (continued)

Institution/Level	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
Owensboro Community and Technical College										
Diploma			83	73	38	91	100	82	135	114
Certificate			60	274	160	250	269	610	709	672
Associate			225	224	251	259	350	333	397	419
Total			*368*	*571*	*449*	*600*	*719*	*1,025*	*1,241*	*1,205*
Somerset Community College										
Diploma			133	110	153	140	122	106	144	206
Certificate			40	122	252	456	555	856	914	943
Associate			405	416	484	446	435	475	536	575
Total			*578*	*648*	*889*	*1,042*	*1,112*	*1,437*	*1,594*	*1,724*
Southeast Ky. Community and Tech. College										
Diploma			126	88	151	107	141	108	166	121
Certificate			48	333	259	250	648	537	381	356
Associate			345	371	419	417	445	435	434	394
Total			*519*	*792*	*829*	*774*	*1,234*	*1,080*	*981*	*871*
West Ky. Community and Technical College										
Diploma			153	203	234	328	243	232	341	282
Certificate			240	315	400	720	809	1,460	1,796	1,663
Associate			390	433	466	567	482	506	563	523
Total			*783*	*951*	*1,100*	*1,615*	*1,534*	*2,198*	*2,700*	*2,468*
Total KCTCS										
Diploma			1,609	1,608	1,705	2,226	2,310	2,130	2,301	2,246
Certificate			1,839	3,708	3,929	5,748	7,708	11,647	12,188	14,051
Associate			3,322	3,706	4,229	4,764	5,723	6,028	6,481	6,485
Total			*6,770*	*9,022*	*9,863*	*12,738*	*15,741*	*19,805*	*20,970*	*22,782*

KENTUCKY COUNCIL ON POSTSECONDARY EDUCATION

Total Degrees and Other Credentials Awarded by Level

Kentucky Public Institutions

1998/99 - 2007/08 (continued)

Institution/Level	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
Total Public Institutions										
Diploma			1,609	1,608	1,705	2,226	2,310	2,130	2,301	2,246
Certificates	117	119	1,973	3,838	4,053	5,912	7,892	11,815	12,291	14,155
Associate	4,552	4,465	4,748	5,221	5,872	6,456	6,761	7,117	7,426	7,362
Baccalaureate	12,014	11,962	11,937	12,483	12,466	13,123	13,555	14,423	14,742	15,036
Post-Baccalaureate Certificate	16	13	12	43	35	40	24	98	145	156
Master's/Specialists	4,260	4,138	4,362	4,249	4,701	5,314	5,560	5,660	5,691	5,574
Post-Master's Certificate			0	0	0	10	18	12	47	14
Doctoral	282	325	284	306	297	339	388	400	427	459
Subtotal	*21,241*	*21,022*	*24,925*	*27,748*	*29,129*	*33,420*	*36,508*	*41,655*	*43,070*	*45,002*
Law	382	374	313	315	338	349	389	388	395	437
Medicine	226	217	248	219	221	223	241	230	235	240
Dentistry	119	107	112	125	131	122	124	126	122	122
Pharm D	90	93	98	98	97	110	110	97	96	103
Subtotal	*817*	*791*	*771*	*757*	*787*	*804*	*864*	*841*	*848*	*902*
Total Degrees Awarded	***22,058***	***21,813***	***25,696***	***28,505***	***29,916***	***34,224***	***37,372***	***42,496***	***43,918***	***45,904***

Notes:

 - Includes certificates of less than one year, one but less than two years, and two but less than four years.

 - The UK Community Colleges awarded only Associate degrees.

 - Data for the Technical Colleges was not available prior to 2000/01.

 - Beginning with 2004/05, Lexington Community College and Central Kentucky Technical College are reported as Bluegrass Community and Technical College.

Source: Kentucky Council on Postsecondary Education Comprehensive Database.

September 23, 2008

KENTUCKY COUNCIL ON
POSTSECONDARY EDUCATION

Committee on Equal Opportunities Report

The Committee on Equal Opportunities met Monday, June 16, 2008, and met again in retreat August 18-19. The following information provides an update on initiatives, recurring activities, and discussions related to the implementation of the Kentucky Plan for Equal Opportunities, the Partnership with the U.S. Department of Education Office for Civil Rights, and the Committee on Equal Opportunities.

- The CEO adopted campus visit reports for West Kentucky Community and Technical College and Murray State University and requested that the institutions report at the October CEO meeting on their progress toward implementing the recommendations from the reports.
- The CEO received a status report from The Civil Rights Project on the Statewide Diversity Study. The suggested joint CPE/CEO meeting to receive the final report was cancelled and the contract was extended at no cost through September 30 to allow the consultants adequate time to complete the research.
- The Office for Civil Rights requested updated information on the status of commitments of the Partnership Agreement. All requested information was delivered to the OCR by close of business Friday, August 29, 2008. Council staff distributed copies of the status reports to the institutions September 8, 2008.
- The CEO will conduct a campus visit at Gateway Community and Technical College October 29-30, 2008, in conjunction with its regularly scheduled meeting.
- The CEO, in collaboration with the Kentucky Department of Education and the institutions, will sponsor fall ACT preparation workshops in selected areas of the Commonwealth. The target ACT test date is December 13, 2008.
- The remaining committee meeting for 2008 is October 29-30 at Gateway Community and Technical College.

Regional Stewardship Program Regional Grants: 2008-09 Funding Recommendations

---

ACTION: The staff recommends that the Council approve 2008-09 Regional Stewardship Program regional grant funding for Kentucky State University, Morehead State University, Murray State University, and Western Kentucky University.

At its May 23, 2008, meeting, the Council voted to approve regional grant proposals and to make FY 2008-09 and FY 2009-10 regional grant funding for Kentucky State University, Murray State University, and Western Kentucky University conditional upon successful implementation of regional stewardship infrastructure plans and adequate progress on regional grant proposals. Staff has reviewed the universities' infrastructure plan progress reports, finds that sufficient progress has been made, and recommends that FY 2008-09 grant funds of $300,000 be approved for each university.

Also at its May 23, 2008, meeting, the Council voted to approve the regional grant proposal from Morehead State University and to make FY 2008-09 and FY 2009-10 regional grant money conditional upon successful implementation of the university's regional stewardship infrastructure plan, the identification of specific metrics of success for the regional grant proposal, and adequate progress on the regional grant proposal. MoSU submitted metrics of success to the Council staff in July 2008. The staff has reviewed MoSU's infrastructure plan progress report, agrees that sufficient progress has been made, and recommends that FY 2008-09 grant funds of $300,000 be approved.

Progress reports on regional grant proposals are due June 15, 2009. The Council staff will review those progress reports and make funding recommendations for FY 2009-10 based on documentation of adequate progress.

Staff preparation by Jim Applegate and Melissa Bell

2008 Regional Stewardship Report to Kentucky General Assembly

House Bill 380, enacted during the 2006 session of the Kentucky General Assembly, authorizes the creation of the Regional Stewardship Program and requires an annual report to the legislature by September 1. The attached report was sent to the legislature and highlights the progress achieved between August 2007 and July 2008. Some of the major accomplishments over the past year include:

- Consistent progress on building institutional capacity to be better regional partners.
- Approval of strategic plans and regional grant proposals for four universities.
- Approval of stewardship initiative proposals to implement six diverse initiatives in northern Kentucky.

One of the major achievements of the Regional Stewardship Program has been the creation of stronger relationships between universities and regional community leaders. This has been achieved partly through regional advisory committees that have helped guide the universities through the process of regional strategic planning and priority setting. These committee members serve as champions of the program and can help others understand how universities can work with them to improve the quality of life in their regions.

This program has created a great deal of momentum and enthusiasm both on campuses and in communities. University faculty and staff are eager to work with community partners to address problems. Community leaders view Kentucky's universities as important resources. While the Regional Stewardship Program is relatively new, it is hopeful that it will make major improvements in the areas of education, health, the environment, and the economy that will benefit all Kentuckians.

Staff preparation by Jim Applegate and Melissa Bell

2008 Regional Stewardship Program Report
to the Kentucky General Assembly

Program Background and Overview

The 2006 General Assembly, through House Bill 380, created the Regional Stewardship Program, which is administered by the Council on Postsecondary Education. The bill authorized funding of $1.2 million in 2006-07 and $3.6 million in 2007-08 for a Regional Stewardship Program. The 2008 General Assembly authorized $3.0 million in 2008-2010 for the program.

Kentucky is still the first and only state with a publicly funded regional stewardship program, and we have emerged as a leader in the field. The Regional Stewardship Program has helped elevate the importance of this work among our comprehensive universities and their regional partners. Four of our institutions – Morehead State University, Northern Kentucky University, University of Kentucky, and Western Kentucky University – are among only 76 institutions in the country that have received the elective Community Engagement classification by The Carnegie Foundation for the Advancement of Teaching. In addition, Eastern Kentucky University has submitted to The Carnegie Foundation its 2008 documentation and application for inclusion in the elective Community Engagement classification.

The purpose of the Regional Stewardship Program is to better connect the state's comprehensive universities with partners outside the academy to address regional needs. In order to improve the quality of life in Kentucky and realize the goals of *The Kentucky Postsecondary Education Improvement Act of 1997* (House Bill 1), our comprehensive universities are striving to be more effective partners in addressing social, economic, environmental, and educational issues.

This report will 1) highlight the progress and accomplishments of the program over the past year, 2) outline quantitative indicators of regional stewardship, 3) summarize successful partnerships that have been formed between universities and community partners, and 4) address some of the challenges the program has faced as well as the program's next steps.

Progress and Accomplishments

There are three pools of funding in the Regional Stewardship Program. Each comprehensive university received $200,000 in infrastructure funds and $300,000 in regional grant funds over the past fiscal year. In addition, a $480,000 competitive pool of stewardship initiative funds was available to the universities.

Infrastructure funds support the development and maintenance of organizational structures, personnel, information systems, and community relationships directed toward the

identification of regional needs, opportunities, and stewardship priorities. Appropriate uses for these funds include expenditures for a stewardship coordinator, stewardship staff, and related operating expenses.

Regional grant funds support comprehensive university efforts to build intellectual capacity in stewardship priority areas. Regional grant funds can be used to recruit and retain full-time faculty or professional staff in areas of strategic benefit to an area of geographic responsibility, as identified in an institution's strategic plan for regional stewardship and its priority area proposal, and as endorsed by a region's stewardship advisory committee. Appropriate uses for these funds include start-up costs, salaries, benefits, travel, and other professional expenses as permitted by university policy for new faculty or professional staff positions in targeted priority areas.

Stewardship initiative funds support the creation of partnerships and the execution of engagement activities that promote regional or statewide economic development, livable communities, social inclusion, and creative governance, while helping to achieve the goals of House Bill 1 and the Public Agenda. It is a competitive pool of money available to universities that have met all the requirements for regional grant funds.

Infrastructure Funds

All comprehensive universities were required to submit plans to support the development and maintenance of organizational structures, personnel, information systems, and community relationships directed toward the identification of regional needs, opportunities, and stewardship priorities. The universities received $400,000 over the past biennium to implement these infrastructure plans.

All universities have established Regional Advisory Committees of local government and community leaders, business and industry representatives, education leaders, policy professionals, interest groups, and citizens from across the university's area of geographic responsibility. These committees work with the universities to identify regional priorities. In addition, these advisory committees must approve the regional grant proposals before they are submitted to the Council.

Some of the progress that institutions have made is highlighted below:

Eastern Kentucky University has created an Office of Regional Stewardship and has appointed its first Director of Regional Stewardship. EKU has assembled its Regional Advisory Board (Committee) and Faculty Advisory Committee to help guide its stewardship efforts. The Office of Regional Stewardship is coordinating efforts with local and regional resources, through social service centers, in each of the counties within its area of geographic responsibility to develop a comprehensive program to school and community safety programs; school and community health programs; education programs emphasizing attendance, retention,

remediation, and dual credit offerings; noncredit education programs; workforce development, including co-op, programs; and entrepreneurship development programs.

Kentucky State University added a new position, Assistant Provost for Outreach and Extended Programs, and a portion of that position's time is scheduled for regional stewardship. The assistant provost works with the stewardship director on several projects, including coordination of engaged learning activities and data collection, distance education and workforce development initiatives. KSU has also revised its promotion and tenure policies to reflect the importance of engagement activities. This policy change is crucial to institutionalizing this type of work and is essential to the sustainability of these efforts.

Morehead State University, in order to strengthen the link between engagement, service learning, and the academic mission of the university, moved the American Democracy Project; Learning Leadership Community; Campus Compact; and Septemberfest, a civic engagement event, under the Center for Regional Engagement. MoSU is also developing an online searchable database of regional assets, which will allow both faculty and citizens to identify potential partners or sources of information and technical assistance to solve a particular problem.

At Murray State University, the Office of Regional Stewardship, in conjunction with the Office of Service Learning and Civic Engagement, hosted an engagement conference in February 2008. The conference highlighted national speakers and provided an important professional development opportunity for the approximately 200 participants. Similar to Morehead's efforts, Murray State is working on a Web-based outreach directory that will inventory the university's engagement activities.

University- community partnership grants at Northern Kentucky University provide funding for faculty to address social, educational, health and civic needs through a partnership with community organizations that enriches the learning functions of the university while increasing the region's capacity to address challenges. In addition, the NKU's 2007-08 strategic planning process required each academic unit to address regional stewardship. The result has been more alignment with regional stewardship goals and an increase in interdisciplinary initiatives related to regional stewardship.

Western Kentucky University's Alive Center for Community Partnerships is the hub for university engagement activities. WKU has implemented a Student Engagement Activities Transcript that allows students to document their co-curricular activities and reflect upon the learning that occurred as a result of their participation. In addition, WKU emphasizes the importance of regional stewardship to all prospective employees by including the following phrase in all job postings: "WKU is committed to promotion of Stewardship and Student Engagement."

Regional Grant Funds

In addition to building institutional infrastructure to become more effective partners in community engagement, the Regional Stewardship Program provides regional grant funds for universities to build intellectual capacity in targeted priority areas.

<u>Northern Kentucky University</u> is on the forefront of regional stewardship efforts and submitted its regional grant proposal in August 2007. The $300,000 is being used to build capacity in four areas - early childhood and literacy, mathematics education, mental health, and technology assistance.

NKU is in the process of hiring two full-time faculty members, two half-time faculty members, and one graduate assistant in early childhood education to work with two faculty members who were previously hired with regional stewardship funds that will be matched with university and other funds. Their work will be focused on assisting early childhood educators in evaluating and choosing an assessment tool for kindergarten readiness, offering professional development workshops for these educators, and assisting in the creation of a plan that will lead to providing a caring adult in each child's life.

NKU has hired a full-time mathematics professor who will start in January 2009. In the meantime, two current math faculty have conducted a literature review of high school mathematics education and have promoted the findings on the Kentucky Center for Mathematics' Web site. They also conducted a literature review and needs assessment of professional development programs for math education for adult educators. They also provided workshops for secondary teachers on the use of technology in mathematics pedagogy.

In the field of mental health, NKU has established a clinic that serves regional clients and provides students with experiential learning opportunities. NKU is currently searching for a full-time director for this clinic.

NKU is employing eight interns per semester in the Infrastructure Management Institute to provide information technology assessments and create Web sites for regional businesses, nonprofits, and government agencies.

At its May 23, 2008, meeting, the Council on Postsecondary Education approved the regional grant proposals for FY 2008-2009 for Kentucky State University, Murray State University, and Western Kentucky University and approved 2009-10 regional grant funds contingent upon successful implementation of institutional infrastructure plans and adequate progress on regional grant proposals.

<u>Kentucky State University</u>, through its regional advisory committee, identified priorities in the areas of innovative economy, livable communities, social inclusion, and collaborative governance. In order to address these priority areas, KSU will hire a full-time coordinator for a new Center for Engaged Learning, Workforce, and Community Development; two half-time

positions for the new Institute in Mathematics, Science, and Technology; and four graduate assistants to work with the Office of Regional Stewardship and the Center for Engaged Learning, Workforce, and Community Development.

As part of the new Center for Engaged Learning, Workforce, and Community Development, KSU will establish a Workforce Development Technical Assistance Institute to assist businesses in addressing the skill levels of their employees and applying to the American Council on Education College Credit Recommendation Service, which deals with transferring organizational training into college-bearing credits. It will also increase engaged learning and internship experiences for students and encourage the creation of networks of community leaders, educators, elected officials, business owners, and service providers to facilitate entrepreneurship education and create business incubators. KSU also plans to create an interdisciplinary institute to build on STEM area programs and to provide seminars and public forums focused on the advantages of using a collaborative, regional approach to development.

In order to increase educational levels in the region, KSU plans to develop a pilot partnership with regional school districts to help prepare students for college, including offering site-based AP classes upon request. The university will also develop an Institute on Teaching and Learning to identify teachers and students in need of academic support and to create teams to assist local schools with increasing student performance.

To improve the livability of the region's communities, the university will maximize its existing environmental education initiatives through the schools and develop a graduate program in environmental education. To address the needs of the governmental sector, KSU will create more structured leadership development courses, workshops, and programs for students and provide professional development for staff of nonprofit organizations.

Murray State University: While the regional advisory committee identified four major priorities of educational attainment, job creation, collaborative partnerships, and quality of life, the committee decided to focus the university's regional grant funds on educational attainment to make a major impact in that area. MuSU will maintain a Center for Educational Leadership Training to focus on educational leadership development in the region and help raise public school academic performance. As part of this effort, Murray State University will host a superintendent leadership academy in conjunction with the West Kentucky Educational Coop, develop a master's degree in educational leadership, and create a volunteer mentor program that matches retired superintendents and principals with existing personnel.

To enhance learning opportunities in the region, MuSU will develop a cultural diversity awareness series to showcase regional and national artists and explore ways to promote cultural diversity. In addition, the university will offset the cost of travel and increase the accessibility of regional schools to help students develop an appreciation for different cultures and to explore career options by having faculty visit the schools and encouraging attendance at cultural events held on campus throughout the year.

In order to address the need for teachers in science, technology, engineering, and mathematics and increase student interest in the STEM fields, MuSU will hire an outreach coordinator to direct Project Lead The Way and develop a mentoring program that allows university students to work with seventh and eighth grade students after school and during the summer. The university will also host design competitions throughout the region and organize a "Girls in Engineering Day."

The university will take the lead in creating partnerships between business and educational institutions. As part of this process, two community liaisons will focus on ways to utilize university faculty and staff expertise to address the needs of the region's employers, including business and industry, public schools, community colleges, and community agencies. A Center for Entrepreneurship will be created by combining several outreach centers on campus into one unit through the College of Business and Public Affairs and a regional grant writer will be hired to assist in securing future funding for Regional Stewardship project work in the region.

Western Kentucky University and its regional advisory committee, through the regional planning process, identified four priorities: nurturing communities, education, health care, and economic development. WKU will support three major initiatives to address these priorities. The university will hire a nurse practitioner for WKU's Institute for Rural Health Development and Research Mobile Health and Wellness Unit and two full-time counselors dedicated to meeting the needs of adult students. It will use remaining funds to create an engaged department grant fund to allow for faculty release time to focus on engagement work in the region.

In order to enhance the Institute for Rural Health Development and Research's services, the university will hire a nurse practitioner to develop an adult immunization program against influenza and pneumonia; screen and provide treatment options for individuals with diabetes, elevated cholesterol, and high blood pressure; develop lifestyle programs tied to diabetes management, heart disease prevention and maintenance, diet and exercise, and smoking cessation; and assist adults to determine eligibility for various programs and services and provide assistance with completion of required forms.

Two new counselors will help assimilate adult learners into the campus and connect students to the offices and services they need. These counselors will serve as the primary point of contact for adult students and potential adult learners and will help with problems and questions. They will work flexible hours to ensure services are accessible to working adults and travel to WKU regional campuses to provide on-site assistance and consultation. They will also work with academic units to develop new programming for adult learners.

In order to stimulate engagement efforts and address regional needs, funds will be used for faculty release time to participate in specific projects identified by community partners. The staff of the ALIVE Center for Community Partnerships will conduct two workshops per semester for faculty, staff, and students to introduce the purpose, guidelines, and support structure for these grants. ALIVE Center staff will conduct two workshops per semester for community

partners to explain the concept of these grants. An official designation of WKU ALIVE Center for Community Partnerships Fellow will be created for faculty and staff who exhibit exceptional efforts toward collaboratively addressing regional needs. The ALIVE Center will publish biannual reports that highlight campus-community partnerships.

<u>Morehead State University</u>: At the May 23, 2008 meeting, the Council approved Morehead State University's regional grant proposal and made FY 2008-09 and FY 2009-10 regional grant funding conditional upon successful implementation of the institution's infrastructure plan, the identification of specific metrics of success for the regional grant proposal, and adequate progress on the regional grant proposal. Morehead submitted proposed metrics on July 15, 2008.

MoSU conducted seven community forums throughout the regions. From this input, four common themes emerged: education, economic development/ entrepreneurship, health, and community building. To address these needs, the university will use regional stewardship funds to provide the equivalent of 2.5 professors at half-time release to work on a pilot multi-year initiative with the Martin County School District; one full-time position and the equivalent of two professors at half-time release to promote economic development and entrepreneurship; one full-time faculty and release time for two current health professors to expand an existing health project in Martin County; and two graduate students and the equivalent of two professors with .25 release time for community building work in the region.

MoSU will develop a 21st Century School Improvement project focused on embedded teacher professional development, 21st century skills, project-based learning, and the integration of digital media. The project will initially focus on the Martin County School District. MoSU and the Martin County School District will form a team to conduct a comprehensive needs assessment; develop and implement an action plan using workshops, embedded professional development, a Web-based learning community, and assessment; and build capacity through coaching. In a related initiative, the university will hold a competition to encourage project-based learning skills and competitions and convene an expert panel to review project-based learning examples to be included in a 21st Century Skills Center digital repository.

In order to stimulate entrepreneurship and economic development in the region, MoSU will work with the Small Business Development Center to create a tourism/agri-tourism program to create a cluster of culture/heritage/agriculture tourist businesses; formalize efforts to identify specific industry clusters to focus on economic development efforts; and collaborate with the Extreme Entrepreneurs Tour to bring this nationally recognized program to high school students in the university's area of geographic responsibility.

MoSU also plans to enhance an existing health program located in Martin County. University personnel will conduct health screenings in conjunction with Martin County health partners. Early in the fall 2008 semester, MoSU will convene a group of educators, health professionals and high school counselors to determine the greatest health issues facing young people. Subsequently a play addressing those issues will be developed and staged.

Educational enhancement materials and post-performance 'talk back' sessions conducted by guidance counselors and health professionals that extend the performances and benefits into the classroom will be available to the schools. Nursing students of the Associate Degree Nursing Program will work with NewHope Clinic in Owingsville, which provides ongoing free primary care to 2,050 indigent patients in the region.

As part of its community building efforts, the university, through its Leadership Training Center, will provide leadership training materials for local government and nonprofit organizations and offer leadership workshops for government officials and nonprofit staff. Through the Environmental Education Center, MoSU will co-host a watershed plan development and best management practices workshop in conjunction with community partners. The university will also purchase initial materials for the implementation of Flying Project Wild. As part of this program the EEC center will be training teachers and non-formal educators across MoSU's area of geographic responsibility.

Eastern Kentucky University: Because Eastern Kentucky University did not hire a regional stewardship coordinator until the end of the 2007-08 academic year, their regional stewardship work has progressed more slowly than anticipated. EKU has not yet submitted a regional strategic plan. In addition, there was no letter of endorsement from the regional advisory committee stating agreement with the regional grant proposal.

Regional grant money must used to address needs identified in the strategic plan, which is developed by the regional advisory committee. Since no strategic plan was submitted, the regional grant proposal submitted by EKU could not be evaluated.

In the interest of promoting regional stewardship in eastern Kentucky and because the funds would lapse on June 30, 2008, the Council, at its May 23 meeting, decided to grant EKU $300,000 in 2008 regional grant money on the condition these funds not be expended until EKU submits a regional strategic plan that clearly demonstrates regional input and consensus, submits a new regional grant proposal that is developed with input from the regional advisory committee and endorsed by the committee, and provides specific metrics of success in terms of both outputs and proposed outcomes in the region.

Stewardship Initiatives

According to Council guidelines, stewardship initiatives funding supports specific public engagement activities that improve economic prosperity, quality of life, or civic participation while furthering the goals and mandates of House Bill 1 and the Public Agenda. These funds were distributed to the comprehensive universities on a competitive basis. Proposals for stewardship initiative funds were not considered until the institution's strategic plan for stewardship activities and regional grant proposal were submitted and approved and its regional grant funds were distributed. The original pool of funds was $600,000 for FY 2006-08 but, due to state budget cuts, was reduced to $484,000. Also, because of budget cuts, this funding pool was eliminated in FY 2008-10.

Because of Northern Kentucky University's pioneering work in the field, it was the only comprehensive university that was able to meet these requirements by the October 1, 2007, deadline for the first round of funding. NKU was awarded $200,000 for two initiatives from that round of funding for the following projects.

<u>Virtual CIO – Technology Stewardship for Small to Medium Organizations Including K-12, City and County Government and Business</u>
The Infrastructure Management Institute at NKU provides significant outreach to small- and medium-sized businesses, local governments, and regional nonprofits. The Virtual CIO program helps these businesses assess their information technology needs and offers cost-effective solutions that represent value for the organizations and provide learning experiences for NKU students. The Virtual CIO program is also concentrating on documenting the needs of and offering new, lower cost solutions to the P-12 community.

A series of networking events have been organized and delivered to targeted businesses, public schools and nonprofits. The primary goal of these events is to encourage and support collaboration and innovation across sectors and organizations. These seminars include such topics as data security, business continuance, talent force development, and Web development. In addition, a collaboration portal is being developed to provide organizations with the latest information on numerous aspects of IT services and best practices, as well as provide direct linkages to programs within the IMI.

<u>Summer Programs in Technology, Science, and World Cultures for Talented Youth in Northern Kentucky</u>
To address the economic competitiveness goal of Vision 2015, the region's strategic plan, NKU developed three summer camps to help talented youth develop critical thinking and creative problem-solving skills, increase their awareness of local educational and career opportunities in science and technology, and prepare them to be global citizens. The College of Informatics is committed to sustaining these programs as they represent a key component of recruiting regional high school students into the IT field.

The College of Informatics is sponsoring a series of information technology camps. These camps include a one-week residential camp for 20 eleventh graders and a one- week day camp for an additional 20 students. In addition, three computer camps will be offered in the fall of 2008-09, targeting high school students in Kenton County schools. Each camp has a corporate sponsor and includes a significant linkage to potential careers in IT. Students will also visit IT–related firms as well as the corporate sponsors' place of business.

The World Cultures Camp is sponsored by the College of Education and Human Services. Two week-long sessions were scheduled in the summer of 2008 for children entering grades three through five with the overall goal of inspiring cultural awareness and appreciation of people and their cultures at home and around the world. Each focused on the cultures of a new region or country each day with the goals of creating cultural awareness and

maintaining the inquiry and enthusiasm of the student participants. Activities included films, talks, demonstrations, computer, and creative learning activities.

NKU was also the only institution eligible to compete for the second round of stewardship initiatives funding. The following proposals were approved by the Council on Postsecondary Education's Executive Committee on June 10, 2008.

Using Technology and the Environment to Entice Students and the Community
Into the World of Science
NKU will give P-12 teachers Web access to chemistry demonstrations and experiments and conduct workshops for teachers, P-12 students, and community members related to the Ohio River and water quality. In order to achieve these objectives, NKU will develop an online chemistry demonstration database that will be available to faculty and local teachers for use in and out of the classroom. NKU will also host a two-day training in March 2009 for five northern Kentucky high schools on the Ohio River Valley Water Sanitation Commission Educational Foundation High School Curriculum. The curriculum provides a strong foundation for students who voyage aboard the PA Denny River Education Center, a floating classroom and laboratory for the Ohio River. NKU faculty will then lead 200 students from five high school classes that have implemented the ORSANCO Educational Foundation High School Curriculum on a four-hour boat ride where they will collect and assess water quality data from two monitoring sites. In addition, NKU faculty will develop and teach hands-on activities for two community programs that will be held aboard the PA Denny River Education Center, including a two-hour "Exploring the Ohio River" program for Elderhostel participants and a four-hour interactive boat ride for students participating in NKU's Fun with Science Camp.

NKU faculty will also deliver a hands-on workshop for teachers, education and natural science students at NKU, and local watershed volunteers that will focus on specialized sampling and biological monitoring techniques, develop multiple lab modules that will bring high school chemistry classes to NKU labs to conduct experiments with instrumentation that would otherwise not be available to them, and create a summer research experience for five high school students who will be paired with current NKU research students. Faculty will also develop a new elective laboratory course, "Connecting Chemistry with Community," in which students will have a required minimum number of service hours where they take their projects to the community or work with the community at NKU.

Next Generation Business Platforms Mobile and Web 2.0
NKU's College of Informatics will provide information and education for Web 2.0 and mobile platforms to regional businesses, nonprofits, and public agencies. Web 2.0 refers to the business concept of using Internet technology to spark creativity, increase information sharing, and build collaboration. In addition, there is a shift away from voice-intensive cellular technology to data-intensive mobile broadband, and organizations must understand how this trend affects them.

In order to achieve these objectives, NKU will conduct a two-day Web 2.0 "university" at the NKU Mets Center that will include an executive track and a technical track, conduct a wireless "university" at the NKU Mets Center to educate organizations and businesses around the wireless platform, facilitate at least two student projects for Web 2.0/mobile applications with local organizations and share their stories as case studies, and provide continued education around Web 2.0 and wireless after this initial project.

Addressing Community Health Needs: The Northern Kentucky Nursing
Research Collaborative
The NKU Nursing Research Collaborative was established in 2006 to facilitate interdisciplinary relationships with local health care providers and nonprofit agencies. Through these partnerships, community-based interventions have been developed that will employ primary prevention strategies designed to improve the health status of northern Kentuckians. The NKNRC intends to use *Healthy Kentuckians 2010* and *Vision 2015 Goals* as benchmarks to mobilize a community-based interdisciplinary approach to research methods that describe health outcomes specific to northern Kentucky and apply research findings that ultimately improve the health status of northern Kentucky. NKU will use stewardship initiative funds to develop a solid organizational infrastructure with necessary administrative functions that support the growing capacity of the NKNRC.

Northern Kentucky Center for Educator Excellence
NKU will create a Northern Kentucky Center for Educator Excellence. The center's mission and major objective is to foster collaboration in the northern Kentucky region to recruit, support, and retain highly qualified educators who will meet or exceed national standards. To achieve its mission, the center will develop and implement regional guidelines for teacher preparation, create a regional plan for focused and relevant professional development and integrate the regional plan into district plans, and develop and implement a process for distributing incentives to recruit and retain top-quality teachers and teacher candidates in northern Kentucky.

In addition, center staff will develop and implement a regional plan to encourage teachers to aspire to National Board Certification and support them in the process of obtaining the certification, create a system to track teacher turnover, identify the reasons why teachers leave northern Kentucky schools, and use this information to make changes that will reduce teacher attrition, and develop and implement procedures to measure teacher excellence in terms of student learning. The center will also work to develop Future Educators of America chapters in all area high schools to encourage and support secondary students who aspire to become teachers.

Successful Partnerships

The Regional Stewardship Program is designed to stimulate regional development directly through program funds devoted to specific initiatives. However, it also serves to highlight the

importance and prestige of engaged research, teaching, and service, and catalyzes engagement work not directly supported by this funding program.

Comprehensive universities are currently involved in a number of successful partnerships. This report highlights just a few of these existing partnerships. With the Regional Stewardship Program, however, we expect to see an increase in the number of partnerships and the impact of these partnerships in the future.

Eastern Kentucky University
Through its provision of an Educational Extension Agent and the coordination of College of Education and Continuing Education and Outreach resources with Madison County School District resources, EKU is partnering with Madison County in the improvement of educational services designed to address attendance, retention, remediation, and dual credit offerings. The Education Extension Agent is also collaboratively designing programs that will facilitate reaching students at a younger age, promoting the importance of education, and developing educational opportunities suited to *local* needs, including math and literacy readiness, post-secondary readiness, vocational education, and career readiness.

These dual credit offerings are also being made available to Lincoln County high school students, and EKU is devising ways to broaden the reach of the offerings both to additional counties and throughout its service region via ITV and Web-based courses.

Kentucky State University
The Big Read of Frankfort brought students into the community to work with senior citizens in book discussion groups, theatrical performances, games and videotaping. The project is a partnership among Kentucky State University, the National Endowment for the Arts, Franklin County Public Schools, Paul Sawyier Public Library, several city and county governmental organizations, Frankfort/Franklin County Chamber of Tourism, the Frankfort's mayor's office, and several area senior citizen centers.

Reluctant or lapsed readers were attracted to the free books, supplemental materials, keynote speakers, games, opportunities for cultural enlightenment and lively discussion groups. The greatest impact on the community was the valuable collaboration and partnering opportunities that were created by bringing students into the community to work with senior citizens in book discussion groups, theatrical performances, games and videotaping. While KSU has been a part of the Frankfort community since 1886, many of the senior citizens have not had the opportunity to interact with the diverse student population on campus.

Morehead State University
MoSU has partnered with St. Claire Regional Medical Center and the University of Kentucky on a new $30 million Center for Health, Education and Research. The 90,237-square foot facility will house MoSU's departments of nursing and imaging sciences, UK's physician assistant and family nurse practitioner programs, and St. Claire Regional's family medicine clinic and health education center.

UK is working with MoSU and St. Claire Regional Medical Center with its College of Medicine in the Rural Physician Leadership Track, a plan to increase the number of physicians opting to practice in East Kentucky. Ten additional students will be recruited each year, and the first group will have its third and fourth years in the new building at St. Claire Regional.

The family medicine clinic will serve as the primary training site for the St. Claire Regional/UK family practice residency program. The comprehensive health education center will be designed to accommodate a wide range of continuing education/workshop programs, teleconferencing and telemedicine initiatives, specialized professional development/ enrichment opportunities for health care providers, and rural health research activities. The space for MoSU's departments of nursing and imaging sciences will include lecture and laboratory classrooms to support the associate and baccalaureate degree nursing programs, the radiologic technology program, and the sonography, computed tomography, and magnetic resonance program options. Space will also be provided for anticipated growth in these programs and the planned implementation of new master's degrees in nursing and in nuclear medicine. Similar space will be available to support UK's master's-level programs for physician assistants and advanced nurse practitioners.

Murray State University
Early in the fall 2007 semester, MuSU entered into a new three-year partnership with the Kentucky Association of Manufacturing. As an official sponsor of SmartKentuckysm, Murray State will partner with KAM to improve quality of life through education and training to prepare students for successful manufacturing careers. For example, academic departments at Murray State may utilize KAM contacts for feedback on academic offerings as well as on specifics that need to be taught in the classroom to keep students abreast of new manufacturing processes, standards, and management styles.

In addition, the university's Office of Sponsored Programs utilized KAM as a source of information that helped secure a federal U.S. Department of Labor grant for Community-Based Job Training for the area of geographic responsibility. Working in conjunction with Hopkinsville Community College as the lead institution, MuSU's Regional Stewardship and Outreach Office was instrumental in bringing the key leaders together to support the grant. As a result $2.3 million was secured to create Project ITEM (Industrial Talent Enhancement Model). This synergistic, regional approach brought together numerous partners to address capacity-building of manufacturers' critical training needs in the 18-county area of west Kentucky. The training partners currently include West Kentucky and Green River Workforce Investment Boards, Hopkinsville Community College, Henderson Community College, Madisonville Community College, West Kentucky Community and Technology College, Big Brothers/Big Sisters of the Southern Pennyrile, Pennyrile Industrial Managers Association, numerous Chamber of Commerce and Economic Development Corporations in the region as well as Murray State University and Kentucky Manufacturers Association.

ITEM training activities, as requested by regional manufacturers, incorporates a flexible, easily accessible, web-based training system with accelerated and targeted face-to-face instruction. Hands-on laboratory work for core and advanced training modules will be available at

various sites. ITEM will increase skills of the current workforce, serve the unemployed, underemployed or displaced worker, and encourage students in grades 6 through 12 to seek training through a mentoring program. ITEM will not only address the need to fill existing jobs in the region, but will enhance economic development efforts to increase manufacturing production levels and attract new industries to the region over the next three years.

Northern Kentucky University
CPE Regional Stewardship funds have allowed the university to better address one of the region's most compelling problems of early childhood education. Early childhood is the top priority of the region's Vision 2015 plan. The early childhood faculty who were funded by the CPE have been the lynchpin for establishing both research and consultation to the region's early childhood providers and stakeholders.

These consultations have helped identify common early childhood assessments, best practice for early childhood day care centers, and professional development opportunities. NKU faculty have been very visible and accessible in the community and have received much praise. Currently many of the early childhood practices identified by the NKU faculty are being not only put into practice but institutionalized via routine, professional development seminars and institutes.

Western Kentucky University
The Center for Entrepreneurship and Innovation at the Gordon Ford College of Business at WKU and the Lincoln Trail Innovation Center have been awarded a $400,000 contract by the Lincoln Trail Area Development District to develop and launch an Entrepreneurial Academy of Excellence in the Lincoln Trail region.

The Entrepreneurial Academy of Excellence will develop a year-round program to catalyze and support innovation, entrepreneurship and economic growth for the region. The Academy will assist current and future entrepreneurs to develop skills and tools to take their ideas for products and services from an idea stage to the business start up stage. The Academy will link entrepreneurs with the existing services of the Small Business Development Center and the Lincoln Trail Innovation Center to help participants gain access to resources and expertise needed to conduct feasibility studies, to develop business plans, and to raise capital for start up costs.

This is an important initiative to help support innovative efforts for economic development for the Lincoln Trail region by fostering an entrepreneurial community and nurturing entrepreneurs to translate their dreams into realities, at the same time creating jobs and a tax base for the region.

Key Indicators of Regional Stewardship

The CPE worked with the regional stewardship directors and others on each campus to devise quantitative key indicators of regional stewardship to supplement the qualitative elements of the program's annual report. CPE will use these data in its evaluation of the Regional Stewardship Program. In addition, these data will serve as the key indicators of engagement for CPE's annual accountability report centered around the five questions of the public agenda. More specifically, the data will be used to evaluate Question 5: Are Kentucky's People, Communities, and Economy Benefiting?

All universities will use Digital Measures, a faculty reporting software system, to collect these data in future years. The universities are currently at different stages in the process of implementing this software system. Using a faculty reporting software eliminates the need to collect regional stewardship data separately. Faculty will report their engagement efforts along with other information that is used for faculty activity reporting as well as promotion and tenure decisions.

The data reporting guidelines were finalized in April 2008. Because institutions were at different stages of data collection when the guidelines were finalized, this year's data are not a comprehensive baseline of regional stewardship activities. The data are included in this report simply to indicate the types and amount of data that will be available in next year's annual report to the General Assembly.

Regional Stewardship Key Indicators, Academic Year 2007-2008*

1. Boards, committees, and commissions	EKU	KSU	MoSU	MuSU	NKU	WKU
• Number of boards, committees, or commissions on which faculty and staff serve	251	62	334	212	301	175
• Number of faculty and staff serving on boards, committees, or commissions	216	35	146	110	193	86
• Number of board, committee, or commission memberships (both faculty and staff) by strategic area						
• Agriculture	8	5	37	35	1	11
• Arts, culture, and recreation	28	14	75	19	37	13
• Birth through preschool	1	0	12	23	8	4
• Economic development	26	4	56	13	11	0
• Environment	6	8	26	10	10	4
• Health care	145	3	58	16	34	19
• K-12	118	10	65	48	58	6
• Public safety	6	4	26	2	2	3
• Science and technology	49	13	26	15	37	17
• Social services	23	1	62	31	18	14
2. Publications and presentations related to public engagement						
• Number of engagement-related publications	352	3	130	164	47	58
• Number of publications and presentations by strategic area						
• Agriculture	6	0	25	49	N/A	25
• Arts, culture, and recreation	5	0	28	27	N/A	0
• Birth through preschool	3	0	9	6	N/A	0
• Economic development	12	0	22	29	N/A	1
• Environment	42	0	23	2	N/A	12
• Health care	218	3	24	2	N/A	2
• K-12	69	0	25	34	N/A	0
• Public safety	16	0	18	0	N/A	1
• Science and technology	27	0	33	8	N/A	2
• Social services	10	0	28	7	N/A	4

	EKU	KSU	MoSU	MuSU	NKU	WKU
3. Service learning courses						
• Number of service learning courses offered in academic year	12	N/A	55	38	56	76
• Enrollment in service learning courses in academic year	223	N/A	1593	765	N/A	592
• Estimated number of hours students collectively contributed to partner agencies/organizations	62615	N/A	78970	8400	N/A	25318
4. Engagement partnerships						
• Number of partnerships	481	12	351	41	226	44
• Number of faculty and staff involved in partnerships	713	18	155	43	116	32
• Number of students involved in partnerships	1401	647	1972	64	3167	1022
• Number of partnerships by strategic area						
• Agriculture	0	3	24	1	1	0
• Arts, culture, and recreation	17	2	72	1	21	4
• Birth through preschool	1	0	18	3	0	0
• Economic development	238	0	47	5	6	1
• Environment	5	2	28	0	20	8
• Health care	13	3	43	3	13	10
• K-12	51	0	114	24	104	1
• Public safety	55	0	24	0	2	0
• Science and technology	13	2	34	3	N/A	0
• Social services	24	0	69	1	7	1
• Number of partnerships by sector						
• Government	158	9	101	28	N/A	2
• Nonprofits	85	3	127	12	N/A	25
• Business and Industry	217	0	46	1	N/A	5
• Number of partnerships by type of engagement						
• Outreach Instruction to Children/P-12 Students	59	5	113	7	127	2
• Outreach Instruction to Teachers	3	1	63	2	35	0
• Outreach Instruction to Community-Based Organizations	37	0	63	8	0	5
• Research/Technical Assistance/Disciplinary Expertise	4	4	46	8	87	11
• Clinical Service	63	0	25	6	7	6
• General Public Events or Information Sessions	20	12	89	5	77	3
• Targeted Audience Events or Information Sessions	13	0	63	5	91	15

	EKU	KSU	MoSU	MuSU	NKU	WKU
• Number of partnerships by county	N/A	N/A			N/A	
• Allen						5
• Ballard				0		
• Barren						6
• Bath			63			
• Boyd			60			
• Breathitt			36			
• Butler						2
• Caldwell				0		
• Calloway				21		
• Carlisle				0		
• Carter			57			
• Christian				3		
• Crittenden				0		
• Daviess						1
• Edmonson						3
• Elliott			48			
• Fleming			44			
• Floyd			37			
• Fulton				0		
• Graves				7		
• Greenup			40			
• Henderson				0		
• Hickman				0		
• Hopkins				3		
• Johnson			39			
• Knott			35			
• Lawrence			40			
• Letcher			33			
• Lewis			38			
• Livingston				0		
• Logan						2

	EKU	KSU	MoSU	MuSU	NKU	WKU
• Number of partnerships by county	N/A	N/A			N/A	
• Lyon				0		
• Magoffin			38			
• Marshall				1		
• Martin			39			
• Mason			44			
• McCracken				4		
• Menifee			58			
• Montgomery			73			
• Morgan			66			
• Pike			37			
• Rowan			97			
• Simpson						4
• Trigg				0		
• Union				1		
• Webster				1		
• Wolfe			39			

Challenges, Opportunities, and Next Steps

The Regional Stewardship Program has served to enhance universities' relationships with community leaders and elevate the importance of stewardship activities on each campus. Randy Dunn, president of MuSU, has worked diligently to make regional stewardship a priority on his campus. In President Dunn's words, "I feel the distinct calling of the comprehensive state university is outreach to and stewardship of the place it is asked to serve." The program has created momentum and enthusiasm for tackling tough social, economic, health, and environmental problems, which is needed to improve the quality of life in the Commonwealth.

While the program focuses at the regional level, the whole state benefits. According to Arthur Green, Todd County Judge Executive and chair of WKU's Regional Stewardship Advisory Council, "The concept of the Regional Stewardship Program is one that ignores the boundaries of counties and political entities in order to meet the needs of the citizens of our region. WKU has embraced this concept and with the assistance of program funding, the possibilities are endless; however, to be successful we must ignore our boundaries and work together. With the knowledge obtained together we can realize the total of the possibilities of the commonwealth of Kentucky and these regional programs will expand to a greater network of community."

Although comprehensive data were not available for this year's report, one of the major accomplishments of the Regional Stewardship Program has been the creation of a data collection system to inventory engagement efforts and reward faculty and staff for their regional stewardship efforts. Based on a suggestion from Northern Kentucky University, all universities decided to utilize Digital Measures, a faculty activity reporting software system. Information about regional stewardship activities, including teaching, research, and outreach to the community, can be captured with this software. However, the software can be used for all types of faculty activity reporting, so the universities have incorporated engagement activities into existing faculty evaluation efforts, thus streamlining the process and eliminating the need to do separate reporting for engagement activities.

Because of the Regional Stewardship Program, there is an increased emphasis on regional planning and collaboration to implement those plans. In an era of tight resources, strategic planning and partnerships to implement these plans are critical to solving tough problems.

As with many state-funded programs, recent budget cuts have impacted our regional stewardship efforts. Infrastructure funds were rolled into each university's base funding, and the regional grants pool was preserved in CPE's budget for the 2008-10 biennium. However, the stewardship initiatives pool was cut from $600,000 to $484,800 in the 2006-08 biennium, and the pool has been eliminated for the upcoming biennium. Unfortunately, these cuts came at a time when regional advisory

committees, partner organizations, and the universities were building the momentum to address regional issues. These funding cuts have naturally created concerns about the sustainability of these efforts. But Kentucky's comprehensive universities are committed to the principles of regional stewardship and will work with their partners to achieve results with the funds that are available to them. In the future, the CPE and each university would like to expand this program to achieve its maximum impact and continue the momentum that has been built over the last two years.

2008-10 Research Challenge Trust Fund and Comprehensive University Excellence Trust Fund Program Guidelines

> **ACTION:** The staff recommends that the Council approve the attached 2008-10 Endowment Match Program Guidelines, Research University Capital Match Program Guidelines, and Comprehensive University Capital Match Program Guidelines.

With passage of the 2008-10 Budget of the Commonwealth (HB 406), the 2008 General Assembly authorized $50 million in General Fund supported bonds in 2008-09 for the Research Challenge Trust Fund (RCTF) to support the Endowment Match Program and a newly created Research Capital Match Program. In accordance with KRS 164.7917, these funds will be allocated two-thirds to the University of Kentucky ($33.3 million) and one-third to the University of Louisville ($16.7 million).

The 2008 General Assembly also authorized $10 million in bond funds in 2008-09 for the Comprehensive University Excellence Trust Fund (CUETF) to support Endowment Match Program activities or to fund capital projects at the comprehensive universities. These funds will be allocated among the comprehensive institutions based on their respective share of total 2007-08 General Fund appropriations, excluding debt service and specialized non-instructional appropriations. The resulting distribution is shown below.

Eastern Kentucky University	$2,365,000
Kentucky State University	633,000
Morehead State University	1,395,000
Murray State University	1,580,000
Northern Kentucky University	1,588,000
Western Kentucky University	2,439,000
Total CUETF	$10,000,000

HB 406 allows participating institutions flexibility to determine the amount of funds endowed in support of traditional Endowment Match Program activities and the amount used for capital projects. It requires the boards of trustees and boards of regents of the institutions to report these amounts to the secretary of the Finance and Administration Cabinet, the president of the Council on Postsecondary Education, the Capital Projects and Bond Oversight Committee, and the Interim Joint Committee on Appropriations and Revenue. There is a dollar-for-dollar matching requirement regardless of the option chosen.

Attached are the recommended guidelines that will govern the allocation and distribution of funds appropriated to the RCTF and CUETF, specify eligible uses and areas of concentration for the funds, and identify any reporting requirements. Changes to the Endowment Match Program Guidelines include elimination of the primary and secondary pools for the comprehensive universities (i.e., each institution's allocation will remain in the trust fund until matched), a change in the date after which gifts and pledges are eligible for state match, and inclusion of language allowing institutions flexibility to use RCTF and CUETF appropriations for capital projects.

Guidelines related to the Capital Match Program are new. Major features of the RCTF Capital Match Program guidelines include (a) the boards of trustees of the research institutions shall determine the amount of funds to be used for Endowment Match Program activities and the amount to be used for capital projects; (b) funds designated for capital expenditure at the research universities shall be used only for "research-related" capital projects; (c) there is a dollar-for-dollar matching requirement for RCTF funded capital projects; (d) the capital match must be cash (i.e., agency funds, private funds, federal or state grants, or other nonstate General Funds); and (e) RCTF funded capital projects must be complete projects as defined by KRS Chapter 45.

Major features of the CUETF Capital Match Program guidelines include (a) the boards of regents of the comprehensive universities shall determine the amount of funds to be used for Endowment Match Program activities and the amount to be used for capital projects; (b) the funds must be expended on an education and general facility; (c) there is a dollar-for-dollar matching requirement for CUETF funded capital projects; (d) the capital match must be cash (i.e., agency funds, private funds, federal or state grants, or other nonstate General Funds); and (e) CUETF funded capital projects must be complete projects as defined by KRS Chapter 45.

The staff recommends that the Council approve the attached 2008-10 Endowment Match Program Guidelines, 2008-10 RCTF Capital Match Program Guidelines, and 2008-10 CUETF Capital Match Program Guidelines.

Staff preparation by John Hayek, Sherron Jackson, and Bill Payne

Council on Postsecondary Education
Research Challenge Trust Fund and
Comprehensive University Excellence Trust Fund
2008-10 Endowment Match Program Guidelines

Introduction
Kentucky recognizes the importance of research to the economic well being of its citizens. The Endowment Match Program encourages private investment in public postsecondary education research activities to stimulate business development, generate increases in externally sponsored research, create better jobs and a higher standard of living, and facilitate Kentucky's transition to a knowledge-based economy. The program matches public money with private gifts to fund chairs, professorships, research scholars, staffs and infrastructure, fellowships and scholarships, and mission support at the public universities. This collaborative approach is critical to advancing Kentucky's research presence into national prominence.

Program Funding
State funding for the Endowment Match Program is appropriated to the Research Challenge Trust Fund (RCTF) for the research institutions and to the Comprehensive University Excellence Trust Fund (CUETF) for the comprehensive institutions. Both trust funds were created with passage of the *Kentucky Postsecondary Education Improvement Act of 1997* (HB 1).

To date, there have been four rounds of funding for the Endowment Match Program. The program received surplus General Fund appropriations of $110 million in 1998-99 and $120 million in 2000-01. The legislature debt funded another $120 million for the program in 2003-04. The 2008 General Assembly authorized $60 million in General Fund supported bond funds for the program in 2008-09, with $50 million appropriated to the Research Challenge Trust Fund and $10 million appropriated to the Comprehensive University Excellence Trust Fund. These appropriations differ from those of earlier rounds in that participating universities are provided flexibility to use their respective RCTF or CUETF allocations to establish or expand endowments in support of traditional Endowment Match Program purposes or to fund capital projects. There is a dollar-for-dollar matching requirement regardless of the option chosen.

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

The boards of trustees and boards of regents of the Commonwealth's public universities are responsible for the Endowment Match Program on their campuses. The boards shall review and approve all donations, gifts, and pledges that will be used to establish new endowments or expand existing endowments for which matching state funds will be requested. The boards will ensure that the purpose of the endowment and the source of funds comply with the Council's guidelines and serve the public good. Documentation of board approval must be submitted with each endowment request. In addition, the boards are to review and approve the Endowment Match Program reports that are to be submitted annually to the Council. Beginning with the 2008-09 RCTF and CUETF appropriations, the boards shall determine the amount of funds to be endowed in support of traditional Endowment Match Program activities and the amount to be used for capital projects. The boards will report these amounts to the secretary of the Finance and Administration Cabinet, the president of the Council on Postsecondary Education, the Capital Projects and Bond Oversight Committee, and the Interim Joint Committee on Appropriations and Revenue no later than June 30, 2009.

Allocation of Program Funds

In the 2008-10 Budget of the Commonwealth (HB 406), the 2008 General Assembly authorized $50 million in General Fund supported bond funds in 2008-09 for the Research Challenge Trust Fund to support the Endowment Match Program and a newly created Research Capital Match Program. In accordance with KRS 164.7917, these funds will be allocated two-thirds to the University of Kentucky and one-third to the University of Louisville, as shown below. These funds will remain in the trust fund until matched.

University of Kentucky	$33,333,000
University of Louisville	16,667,000
Total RCTF	$50,000,000

Prior to issuance of bonds to support the RCTF, the board of trustees of each institution shall determine the allocation of funds to be used for the Endowment Match Program and the Research Capital Match Program and report that action to the secretary of the Finance and Administration Cabinet, the president of the Council on Postsecondary Education, the Capital Projects and Bond Oversight Committee, and the Interim Joint Committee on Appropriations and Revenue no later than June 30, 2009. For details regarding RCTF capital project request submission and approval procedures refer to page 8 of the 2008-10 Capital Match Program Guidelines for Research Universities.

The 2008 General Assembly authorized $10 million in General Fund supported bond funds in 2008-09 for the Comprehensive University Excellence Trust Fund to support the Endowment Match Program at the comprehensive universities, or to fund a capital project with other matching funds at the comprehensive universities, if the board of regents of the institution authorizes the use of the funds for that purpose. In keeping with KRS 164.7919, these funds will be allocated among the comprehensive institutions based on their respective share of total 2007-08 General Fund appropriations, excluding debt service and specialized

noninstructional appropriations. The resulting distribution is shown below. These funds will remain in the trust fund until matched.

Eastern Kentucky University	$2,365,000
Kentucky State University	633,000
Morehead State University	1,395,000
Murray State University	1,580,000
Northern Kentucky University	1,588,000
Western Kentucky University	2,439,000
Total CUETF	$10,000,000

If an institution's board authorizes use of CUETF funds for a capital project, the institution shall report the project to the Council on Postsecondary Education, the secretary of the Finance and Administration Cabinet, the Interim Joint Committee on Appropriations and Revenue, and the Capital Projects and Bond Oversight Committee, pursuant to KRS Chapter 45, no later than June 30, 2009. For details regarding CUETF capital project request submission and approval procedures refer to page 10 of the 2008-10 Capital Match Program Guidelines for Comprehensive Universities Guidelines.

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

- Gifts and pledges must be newly generated to be eligible for state match. Newly generated contributions are those received by the university after July 1, 2001.

- Gifts and pledges must be from external sources to be eligible for state match. External source contributions are those that originate outside the university and its affiliated corporations. Eligible sources of funding include, but are not limited to, businesses, non-governmental foundations, hospitals, corporations, alumni, or other individuals. Funds received from federal, state, and local government sources are not eligible for state match.

- General Fund appropriations and student-derived revenues (e.g., tuition and fees revenue) are not eligible for state match.

- The minimum institutional request amount is $50,000. A university may combine smaller donations from businesses, nongovernmental foundations, hospitals, corporations, alumni, or other individuals to meet the $50,000 minimum.

- All funds, both state and private, must be endowed. "Endowed" means only the investment earnings are eligible for expenditure, not the principal.

- Requests for state funds must identify the matching funds that are cash and the matching funds that are pledges.

- Pledges, or promises of future payment, are eligible for state match provided they are based on a written contract or agreement and include a payment schedule, which does not exceed five years from the initial pledge date. Pledge payment schedules showing receipts to date and scheduled future payments are to be included in the audited financial statements of either the institution or the foundation.

- If pledged funds are not received within five years of the initial pledge date, the university must replace the portion of private funds not received with another eligible cash gift or the unmatched portion of the state funds plus an allowance for accrued interest will revert to the trust fund for reallocation. In such cases, the timeframe for the replacement or return of state funds will be negotiated between Council staff and institutional representatives.

- University officials must notify the Council staff of unpaid pledges six months before the end of the five-year deadline or immediately when a gift has been revoked.

Uses of Program Funds

Investment earnings from the endowments can be used to support various activities including chairs, professorships, research scholars, research staff, graduate fellowships, undergraduate scholarships, research infrastructure, and mission support as described below.

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

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

Research Scholars: Salaries, benefits, and other personnel related expenses associated with nontenured medical school faculty who exhibit the potential to assume chair or professorship positions once tenure has been awarded. Research scholars should have clearly defined research agendas that relate specifically to the fields of study envisioned for the ultimate occupants of the chairs or professorships. Funding for this purpose is time limited. Each research scholar may be supported with endowment proceeds for a maximum of six years. At the end of that time, if the research scholar has not been appointed to the identified chair or professorship, university officials should fill the position with an appropriately qualified, tenured faculty member.

Research Staff: Salaries, benefits, and other personnel related expenses associated with full-time or part-time staff assistants who are directly linked to the research activities of an endowed chair or professor.

Graduate Fellowships: Fellowship stipends for outstanding graduate or professional students, which may include travel and other expenses as permitted by university policy.

Undergraduate Scholarships: At the comprehensive universities only, program funds can be used to support scholarships for outstanding undergraduate students, which may include travel and other expenses as permitted by university policy.

Research Infrastructure: Start-up and operating expenses that are directly linked to the research activities of an endowed chair or professor, including equipment, materials and supplies, and other research related expenses as permitted by university policy.

Mission Support: Program funds can be used to support research and graduate missions at all institutions, and programs of distinction or applied research programs approved by the Council at the comprehensive institutions. Consideration will be given to mission support activities such as: (1) expenditures that enhance the research capability of university libraries (i.e., books, journals, research materials, media, and equipment); (2) start-up costs, equipment, and supplies that support faculty, graduate student, or undergraduate student research activities; (3) funding for visiting scholars, lecture series, and faculty exchange; and (4) expenditures for the dissemination of research findings (i.e., nationally prominent publications and presentations at conferences, symposiums, seminars, or workshops). However, priority will be given to mission support expenditures that encourage the research related activities of faculty and students. Expenditures for general personnel expenses that are not directly linked to an endowed chair or professor do not qualify as mission support activities.

Use of Funds Requirements

- At the research universities only, at least 70 percent of program funds that an institution's board has designated for use under the traditional Bucks for Brains program must be endowed for the purpose of supporting chairs, professorships, research scholars, staffs, infrastructure, or fellowships that are directly linked to the research activities of an endowed chair or professor. No more than 30 percent of program funds may be endowed for the purpose of supporting mission support activities or fellowships that are not directly linked to the research activities of an endowed chair or professor. In addition, the number of research scholars funded through the match program may not exceed ten at the University of Kentucky and five at the University of Louisville. These numbers represent 20 percent of the number of filled match program chairs and professorships housed in each university's medical school as of July 1, 2004.

- At the comprehensive institutions only, at least 50 percent of program funds that an institution's board has designated for use under the traditional Bucks for Brains program must be endowed for the purpose of supporting chairs, professorships, research staffs, infrastructure, fellowships, or scholarships that are directly linked to the research activities of an endowed chair or professor. No more than 50 percent of program funds may be endowed for the purpose of supporting mission support activities or fellowships or scholarships that are not directly linked to the research activities of an endowed chair or professor.

Areas of Concentration

- At the research universities only, the Council expects state and private matching funds to be substantially directed toward supporting research that leads to the creation, preservation, or attraction of businesses that will increase the number of good jobs in Kentucky. For these purposes, "good jobs" are defined as jobs that yield income at or above the national per capita income.

- The Council recognizes that strong research programs are clustered around related academic disciplines and encourages campus officials to create a critical mass of scholars who can influence the nation's research and academic agenda.

- The Council recognizes that the boundaries of traditional disciplines are increasingly permeable and encourages the use of endowment funds for interdisciplinary, problem solving, or applied research activities.

- The Council recognizes the importance of cooperation between universities and corporations and encourages partnerships in the technologies, engineering, and applied sciences.

- At the research universities only, at least 70 percent of program funds that an institution's board has designated for use under the traditional Bucks for Brains program must be endowed for the purpose of supporting Research Challenge programs or academic disciplines contained within five new economy clusters: (1) human health and development, (2) biosciences, (3) materials science and advanced manufacturing, (4) information technologies and communications, and (5) environmental and energy technologies. These areas are of strategic benefit to Kentucky and are core components of the knowledge-based economy

- At the comprehensive universities only, at least 50 percent of program funds that an institution's board has designated for use under the traditional Bucks for Brains program must be endowed for the purpose of supporting Programs of Distinction or academic disciplines contained within the five new economy clusters (see paragraph above). Applied research programs outside the new economy areas that address local or regional economic and community needs also will be considered, subject to Council approval. For details regarding applied research program criteria and submission and approval procedures, refer to the addendum of the 2002-04 Endowment Match Program Guidelines.

- The Council recognizes the contribution of arts and humanities to quality of life and to economic development in the Commonwealth and is receptive to limited use of endowment funds in this area.

- Program funds cannot be used for positions that are primarily administrative. However, researchers or scholars with an active research program who may have an appointment such as department chair, center director, or dean are eligible.

- Program funds that an institution's board has designated for use under the traditional Bucks for Brains program cannot be used to fund capital construction projects.

Program Diversity

The Council on Postsecondary Education and participating universities are committed to ensuring the gender and ethnic diversity of Endowment Match Program faculty, professional staff, and financial aid recipients. The universities shall develop and implement plans calculated to achieve reasonable diversity in the recruitment and retention of women, African Americans, and other underrepresented minorities for positions funded by the Endowment Match Program, including scholarship and fellowship recipients. In addition, the universities shall report annually to the Council on Postsecondary Education the race and gender of program faculty, professional staff, and financial aid recipients.

Annual Reporting

Institutions will provide detailed annual reports describing how the state and matching funds are used by October 15 each year. These reports will include such items as the number of endowed chairs and professorships by name and incumbent, the specific support services attached to the chairs and professorships, the gender and race of program faculty, professional staff, and financial aid recipients, and the benefits of the program to the Commonwealth of Kentucky in terms of jobs, revenue growth, creation of wealth, and improved standards of living, or the capital projects built.

The reports also should identify institutional outcomes, such as increases in sponsored research directly attributed to the program, changes in the quality of students and measurable outcomes (retention, graduation, pursuit of advanced study, and employment), and the creation and profitable use of intellectual property.

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

2008-10 Research Challenge Trust Fund (UK and UofL)
Capital Match Program Guidelines - HB 406

Introduction
HB 406, Part I, Section K (8.a & 9), provides the research institutions flexibility to address research related capital needs through the Research Challenge Trust Fund. The program provides funds to UK and UofL for research-related capital projects.

Program Funding
This is the first time that Research Challenge Trust Funds have been allowed to be used in this manner.

Allocation of Program Funds
The board of trustees of each institution shall determine the allocation among the endowment match and capital match and report that allocation to the secretary of the Finance and Administration Cabinet, the president of the CPE, the Capital Projects and Bond Oversight Committee, and the Interim Joint Committee on Appropriations and Revenue. Refer to the Endowment Match Program guidelines for allocation of the HB 406 institutional appropriation.

Use of Funds Requirements
Funds shall be used for research related capital projects, including but not limited to laboratory renovation, fit-out of new and existing research space, and renovation of other research related space. See page 103 of HB 406.

Availability of Funds
The bond authority is provided in 2008-09 but a half-year of debt service is provided in 2009-10. Therefore, funds will ordinarily be available the second year of the biennium. Technically, the money can be available as early as July 2009. However, if the Finance and Administration Cabinet identifies funds to allow the debt to be issued earlier, the Council would encourage that action and possibly have access to funds earlier.

Matching Requirements
HB 406 (page 103) stipulates that the CPE shall require a dollar-for-dollar match. The match must be certified by the institution to the CPE and the Finance and Administration Cabinet before release of funds to an institution. The capital match must be cash, i.e., agency funds, private funds, federal or state grants, or other nonstate General Funds.

Identification of Projects

After the institution has identified the funds split, individual projects shall be submitted to the CPE and by the CPE to the secretary of the Finance and Administration Cabinet, the Capital Projects and Bond Oversight Committee, and the Interim Joint Committee on Appropriations and Revenue. Eligible research projects would be identified by the institution. A capital project must be a complete project as defined by KRS Chapter 45 (can be used in a stand alone fashion when complete).

KRS 45.750(1)(f) defines a capital project to mean regardless of source of cash or other consideration: (1) any capital construction item, or any combination of capital construction items necessary to make a building or utility installation complete, estimated to cost $600,000 or more in cash or other consideration; (2) any lease of real property space with an annual rental cost of $200,000 or more; (3) any item of equipment estimated to cost $200,000 or more in cash or other consideration; (4) any lease of an item of movable equipment if the annual cost of the lease is $200,000 or more or if the total cost of the lease-purchase or lease with an option to purchase is $200,000 or more; and (5) any new acquisition, upgrade, or replacement of an information technology system estimated to cost $600,000 or more in cash or other consideration.

Combining CR&M Pool Funds with RCTF Capital Match Program Funds

HB 406 does not have language prohibiting the use of funds from both pools to complete a capital project. However, such a combination must meet the defined guidelines of each pool and the funds must be matched separately and according to their separate specifications. For example, if a project to renovate an existing research lab also has deferred maintenance issues, the project can include funds from both pools.

Project Authorization

Following the application, review, and award process, the CPE shall report to the secretary of the Finance and Administration Cabinet, the Capital Projects and Bond Oversight Committee, and the Interim Joint Committee on Appropriations and Revenue. See page 103 of HB 406. This implies that the requirements of KRS 45.760 are waived.

2008-10 Comprehensive University Excellence Trust Fund
(Comprehensive Institutions)
Capital Match Program Guidelines - HB 406

Introduction
HB 406, Part II, Section J (3), provides that a regional or comprehensive public postsecondary institution may fund a capital project with CEUTF bond funds, if the board of regents of the institution authorizes the use of funds for that purpose. Projects are to be implemented pursuant to KRS Chapter 45.

Program Funding
This is the first time that CUETF funds have been allowed to be used in this manner.

Allocation of Program Funds
The board of regents shall determine the allocation among the endowment match and capital project and report that allocation to the CPE, the secretary of the Finance and Administration Cabinet, and the Capital Projects and Bond Oversight Committee. Refer to the Endowment Match Program guidelines for allocation of the HB 406 institutional appropriation.

Use of Funds Requirements
HB 406 does not place a limit on the type of capital project that can be funded by CUETF money. The Council identifies educational and general facilities as the focal point of these funds.

Availability of Funds
The bond authority is provided in 2008-09 but a half-year of debt service is provided in 2009-10. Therefore, funds will ordinarily be available the second year of the biennium. Technically, the money can be available as early as July 2009. However, if the Finance and Administration Cabinet identifies funds to allow the debt to be issued earlier, the Council would encourage that action and possibly have access to funds earlier.

Matching Requirements
HB 406 (page 104) stipulates that the CPE shall require a dollar-for-dollar match. The match must be certified by the institution to the CPE before release of funds to an institution. The capital match must be cash, i.e., agency funds, private funds, federal or state grants, or other nonstate General Funds. If the capital match is from private funds, the match may be used to support the capital project or any other purpose permitted under the Endowment Match Program Guidelines and supported by the donor. However, no more than 50 percent of a project's cost will be paid with funds from the state pool.

Identification of Projects
After the institution has identified the funds split, individual projects shall be reported to the CPE, the secretary of the Finance and Administration Cabinet, and the Capital Projects and Bond Oversight Committee. A capital project must be a complete project as defined by KRS Chapter 45 (can be used in a stand alone fashion when complete).

KRS 45.750(1)(f) defines a capital project to mean regardless of source of cash or other consideration: (1) any capital construction item, or any combination of capital construction items necessary to make a building or utility installation complete, estimated to cost $600,000 or more in cash or other consideration; (2) any lease of real property space with an annual rental cost of $200,000 or more; (3) any item of equipment estimated to cost $200,000 or more in cash or other consideration; (4) any lease of an item of movable equipment if the annual cost of the lease is $200,000 or more or if the total cost of the lease-purchase or lease with an option to purchase is $200,000 or more; and (5) any new acquisition, upgrade, or replacement of an information technology system estimated to cost $600,000 or more in cash or other consideration.

Combining CR&M Pool Funds with CUETF Program Funds
HB 406 does not have language prohibiting the use of funds from both pools to complete a capital project. However, such a combination must meet the defined guidelines of each pool and the funds must be matched separately and according to their separate specifications. For example, a project to upgrade a specific system or replace a building roof can include funds from both pools.

Project Authorization
Following the application, review, and award process, the institution shall report the project to the Council, the secretary of the Finance and Administration Cabinet, and the Capital Projects and Bond Oversight Committee. See page 144 of HB 406. This implies that the requirements of KRS 45.760 are waived.

Capital Projects Update

The following is a brief update on several capital or institutional infrastructure related issues.

2008-10 Capital Renewal Pool (HB 406)
The 2008 General Assembly restored a $13.9 million Capital Renewal and Maintenance (CR&M) Pool of matching funds to address critical upgrades and replacement of building systems (e.g., HVAC systems, electrical systems, roofs, etc.) that was vetoed following the 2006 session. Similar capital renewal pools of $20.6 million and $30 million were funded in the 1998-2000 and 2000-02 biennia, respectively. However, these pools provide only a small fraction of the resources needed to adequately upgrade and preserve what is increasingly an aging institutional infrastructure according to the comprehensive facilities assessment study completed in 2007.

According to HB 406, the Council shall determine the allocation of funding in the pool and report that allocation to the Secretary of the Finance and Administration Cabinet and the Capital Projects and Bond Oversight Committee. HB 406 stipulates that the Council shall require matching funds from the institutions. There is a varied institutional match for each $1 of pool funds. The match must be certified by the institution to the Council and the Finance and Administration Cabinet before release of funds to an institution.

Because the CR&M Pool represents a restoration of a capital project recommended by the Council in the 2006-08 biennial budget recommendation, the guidelines (attached) incorporate the related institutionally agreed allocation and match adopted in November 2005 by the Council. The CR&M Pool provides funding for individual projects at Kentucky's public postsecondary institutions to upgrade and replace building systems and infrastructure in education and general facilities.

Because of the timing of the availability of pool funds, institutions are encouraged to exercise early identification and implementation of CR&M projects. Early identification and completion of projects certified through the Council guidelines (process) will be reimbursed from the pool when funds become available.

Preserving and Protecting the Investment of Public Funds in State-Owned Facilities (SB 189)
Senate Bill 189, passed by the 2008 General Assembly, focuses on protecting the investment of public funds in state-owned facilities through planned maintenance, renewal, and renovation. SB 189 further recognizes that minimizing deterioration of state-owned facilities, limiting the effects of cost inflation associated with the deferral of necessary major

maintenance and repair, and ensuring that facilities comply with necessary health and safety requirements, requires a proactive policy to preserve and protect the public investment.

The General Assembly directed the Council on Postsecondary Education and the Office of the State Budget Director to produce and present to the Legislative Research Commission on or before December 1, 2008, a report with recommendations addressing the establishment and implementation of a process for funding deferred and future major capital renewal, maintenance, and renovation needs costing $600,000 or more each for facilities owned by the Commonwealth and operated by the postsecondary institutions.

The report will take into account comments from institutional representatives, the findings and recommendations of the postsecondary education Facility Condition Assessment and Space Study Project (VFA Report), best practices of other states, and postsecondary education organizations.

The process for completing the report includes:

July-December 2008	Meeting with Institutional Chief Budget Officers and Facilities Coordinators
August-December 2008	Meeting with Office of State Budget Director Staff
September 23, 2008	Status Report to the Capital Planning Advisory Board
Sept.-November 2008	Status Report to the Council on Postsecondary Education
December 1, 2008	Final Report to the Legislative Research Commission
Dec. 2008-Nov. 2009	Develop and Implement Strategy for 2010-12 Council Capital Request

The report should be useful as the Council develops and implements a strategy for its 2010-12 capital budget request.

Physical Facilities Trust Fund
2008-10 Capital Renewal Pool (HB 406)
DRAFT Guidelines

What is the Capital Renewal and Maintenance Pool?

The Capital Renewal and Maintenance (CR&M) Pool provides $13.9 million with a variable match for individual projects at Kentucky's public postsecondary institutions to upgrade and replace building systems and infrastructure in education and general facilities.

What have the funding levels been in the recent past?

A similar pool totaling $30 million with a $1 for $1 match was funded in 2000-02 and a $20.6 million pool with a $1 for $1 match was funded in 1998-2000.

How are the CR&M pool funds allocated?

The Council determines the allocation and reports that allocation to the secretary of the Finance and Administration Cabinet and the Capital Projects and Bond Oversight Committee. The pool restores a capital project authorized by the 2006 General Assembly. The related institutionally agreed allocation and match adopted by the Council in November 2005 will be used.

When will funding be available?

Funds ordinarily are available the second year of the biennium. The appropriations act provides a half year's debt service ($4.9 million) in 2009-10, a portion of which supports new bonds for the CR&M Pool. Technically, this means that the money <u>can</u> be available as early as July 2009. However, if the Finance and Administration Cabinet identifies funds to allow the debt to be issued earlier, the Council would encourage that action and possibly have access to funds earlier.

Are institutions required to match the funds?

HB 406 (page 128) stipulates that the Council shall require matching funds from the institutions. There is a varied institutional match for each $1 of pool funds. The match must be certified by the institution to the Council and the Finance and Administration Cabinet before release of funds to an institution.

How are CR&M projects identified?

Individual projects are submitted first by the institutions to the Council and subsequently by the Council to the secretary of the Finance and Administration Cabinet. Eligible projects are identified using the statewide facilities assessment and associated reports (VFA Study), Table 1-A of the 2008-10 Council capital recommendation, or by a submitted capital project that addresses the significant backlog of system replacement, upgrades, and modifications (building components, infrastructure, utility distribution systems, security systems, and other components in danger of failure) required for education and general facilities.

Can CR&M projects be advance funded?

Because of the timing of the availability of pool funds, institutions are encouraged to exercise early identification and implementation of CR&M projects. Early identification and completion of projects certified through the Council process will be reimbursed from the pool when funds become available.

Notes and Commentary

Highlights

- Flexibility is provided for an institution to identify a project that has risen to the position of critical since the appropriation bill was passed.
- A capital project must be a complete project (can be used in a stand alone fashion when complete). A capital project for the CR&M pool is not defined as a study.
- The capital match must be cash, i.e., agency funds, private funds, grants, or other non-state General Funds.
- The Council must determine whether the CR&M funds can be used in combination with B4B allocations to implement a project and, if so, which required match applies to the funds ($1 for $1 or the varied match). Possible types of capital project that may qualify are lab fit-up, minor office renovations, installation of lab infrastructure, etc.

The pool allocation and match are provided below:

Institution	Average Percent of Useful Life	% Share of E&G Space	Pool Allocation	Required Match
EKU	143.68	9.7	$1,353,200	$947,200
KCTCS	139.67	22.8	3,181,700	2,227,200
KSU	106.68	2.7	369,900	332,900
MoSU	141.30	5.0	696,700	487,700
MuSU	145.00	7.1	986,600	690,600
NKU	123.04	6.0	831,400	665,100
UK	183.53	24.7	3,445,500	2,067,300
UofL	140.47	14.8	2,058,200	1,440,700
WKU	146.41	7.2	1,003,700	702,600
Total		100.0%	$13,926,900	$9,561,300

Average Useful Life	Match Rates
1. Useful Life History: less than 90% of expected useful life	$1.00
2. Useful Life History: greater than 90% but less than 110% of expected useful life	0.90
3. Useful Life History: greater than 110% but less than 130% of expected useful life	0.80
4. Useful Life History: greater than 130% but less than 150% of expected useful life	0.70
5. Useful Life History: greater than 150% of expected useful life	0.60

Council on Postsecondary Education
September 28, 2008

2009 CPE Meeting Calendar

ACTION: The staff recommends that the Council approve the 2009 CPE meeting calendar.

The proposed meeting calendar (below) recommends eight Council meetings in 2009. The meetings are scheduled on Thursdays and Fridays, beginning about 1 p.m. Thursday, continuing with dinner Thursday night, and concluding Friday about noon. About half of the meetings during the year will be held on a college campus.

When Council meetings are held at a college or university, Thursday afternoon will be used by the campuses to share information about their programs and services, conduct tours of the campus, and provide other events or activities. A dinner will be held Thursday night. Council policy group meetings and the full Council meeting will be held on Friday morning.

When the Council meets in Frankfort, members will meet informally for a work session Thursday afternoon and possibly hold the policy group meetings. A dinner for Council members will be planned for Thursday night with a full Council meeting Friday morning.

Details will be provided prior to each meeting and will be posted on the Council's Web site at http://cpe.ky.gov/about/cpe/meetings/2009+CPE+meetings.htm.

The proposed dates are:

> January 15-16, 2009
> March 5-6, 2009
> May 21-22, 2009
> July 23-24, 2009
> August 20-21, 2009 (CPE member retreat)
> September 10-11, 2009 (trusteeship conference)
> October 1, 2009 (one-day meeting)
> November 5-6, 2009

Staff preparation by Phyllis L. Bailey

2008-09 Agency Operating Budget

ACTION: The staff recommends that the Council approve the Fiscal Year 2008-09 agency operating budget.

The 2008 General Assembly enacted House Bill 406 providing appropriations to the Council of $87,384,700 for FY 2008-09.

General Fund	$53,946,000
Tobacco Settlement Funds	5,586,100
Restricted Funds	8,753,200
Federal Funds	19,099,400
TOTAL	$87,384,700

The FY 2008-09 agency operating budget details revenues (including appropriations, anticipated appropriation increases, and carry-forward amounts) and expenditures proposed for FY 2008-09, and presents comparative information from FY 2007-08.

The Council operates four major budget areas: (1) operations, (2) pass-through programs, (3) strategic investment and incentive funding programs, and (4) federal programs. Within each of these major areas, additional financial and narrative detail is provided. The operations budget is presented as a consolidation of agency operations, KYVC/KYVL (excluding databases and other contracts), and Kentucky Adult Education. Pass-through programs represent funds for which the Council has been designated as the receiving agency but are intended for programs and activities conducted by outside entities. Strategic investment and incentive funding programs include both trust funds and funding programs.

The proposed budget is divided into five sections:

Section 1	Agency Summary
Section 2	Operations
Section 3	Pass-Through Programs
Section 4	Strategic Investment and Incentive Funding Programs
Section 5	Federal Funds

Budget Highlights

The Council's budget for FY 2008-09 should be reviewed in the context of the state's austere financial and budget climate. Since mid-year of FY 2007-08, the state imposed three budget reductions on state agencies.

The first budget reduction decreased General Funds to the Council by 3 percent ($1,988,200), as well as the reduction of $250,000 in restricted agency funds, and $1.2 million in accumulated interest earnings on Council trust funds.

The second budget reduction occurred as the Governor and the General Assembly developed the 2008-10 biennial budget. The Council's budget for FY 2008-09 was reduced by another $5,163,900 in General Funds and another $200,000 in accumulated interest earnings on Council trust funds.

The third budget reduction was applied to the FY 2008-09 budget in the form of "efficiency savings" imposed by the appropriations bill (HB 406) enacted by the 2008 General Assembly. This resulted in a further reduction in General Funds of $1,369,000. Kentucky Adult Education programs were exempt from this cut, but all other Council programs received a 4.5 percent General Fund reduction.

Highlighted below are noteworthy facts on the recommended Council budget for 2008-09.

Operations
- To help better manage costs, there was an organizational transfer of Kentucky Virtual Campus and Virtual Library technology contracts for databases, software licenses, computer hubs, and courier services from operations to the Technology Trust Fund.
- Approximately 79 percent of the operations budget is for salaries and fringe benefits for Council employees.
- The three rounds of budget cuts for operations, including the mid-year 2007-08, the enacted 2008-10, and the 2008-09 efficiency cuts, totaled approximately $500,000, and necessitated a current reduction of eight full-time staff, an 8 percent decrease.
- The cuts of recurring General Funds to support Council staff positions at previous levels, in addition to other personnel vacancies that historically occur throughout the year, provide unique challenges in terms of making sure all General Funds used for operations do not lapse while at the same time trying to effectively manage unnecessary accumulations of one-time, nonrecurring funds.
- Most other operations budget items, such as rent, utilities, travel, office supplies, etc., were basically flat-lined for 2008-09.

Pass-Through Programs
- Budget reductions over the past year resulted in funding decreases to several programs including the Professional Education Preparation Program, the Governor's

Minority Student College Preparation Program, the Autism Training Center, the SREB Doctoral Scholars, and the Washington Internship Program.

- Budget reductions also resulted in the elimination of recurring General Funds for several pass-through programs including Metroversity Consortium, Telecommunications Consortium, and Kentucky Rural Development Center.
- Kentucky's contract spaces program (veterinary and optometry seats at out-of-state institutions) was increased in 2008-09. The veterinary medicine program will receive funding for 10 new seats each year of the biennium.

Strategic Investment and Incentive Funding Programs

- Included in the 2008-09 budget is the authorization for the fourth round of Bucks for Brains (Endowment Match Program) which totals $60 million.
- In addition, the University of Louisville received $7.5 million to support translational research.
- The Ovarian Cancer Screening program increased from $775,000 to $975,000 per year.
- As stated in the operations section, there was an organizational transfer of Kentucky Virtual Campus and Virtual Library technology contracts for databases, software licenses, computer hubs, and courier services from operations to the Technology Trust Fund.
- General Fund budget reductions resulted in significant funding decreases to KYVC/VL programs and services, with negative statewide implications for access.
- Statewide strategic science and technology investments and the return on these investments will be reduced in 2008-09 due to a nearly 20 percent cut in funding for programs administered by the Kentucky Science and Technology Corporation.
- The 2008-09 budget also eliminated two strategic initiatives, including recurring money for the performance funding pilot, as well as funds for the Principal Leadership Institute.

Federal Programs

- The Council will operate three federal programs in FY 2008-09: Kentucky Adult Education, GEAR UP Kentucky, and the Improving Educator Quality State Grant Program.

Eastern Kentucky University
Highlights & Achievements
www.eku.edu

- EKU was ranked among **"America's Best Colleges" by forbes.com**, the web site for the popular business magazine. Of the 569 public and private colleges and universities recognized, EKU claimed the 428th spot, good for third among Kentucky's public universities. Because there are more than 4,000 college campuses nationwide, the ranking essentially places Eastern among the top 10 percent of colleges and universities.

- *U.S. News & World Report* has again ranked EKU among the **top Southern Master's Universities in the 2009 edition of "America's Best Colleges."** Eleven states comprise the Southern region in the magazine's rankings. Also, the University's graduate **occupational therapy program** has been named one of "America's Best" by *U.S. News & World Report*. The program ranked No. 24 in the country in the magazine's "America's Best Graduate Schools 2008" edition.

- EKU's alliance with Siemens Building Technologies will result in even more energy cost savings than first anticipated. When the agreement was announced in April, the performance savings contract was announced at $22 million. The University learned recently that the figure has grown to $27 million, which would make it the **largest Siemens sustainability project in Kentucky and one of the largest in the nation**. This project is being funded without additional taxpayer dollars. Costs associated with the improvements will be financed by energy savings guaranteed by Siemens.

- EKU **exceeded its Capital Campaign goal of $25 million more than 13 months earlier** than the target date of completion.

- A **new ride-sharing system** at EKU is helping students, staff and faculty reduce costs while preserving the environment. EKU Rides (www.rides.eku.edu), a social carpooling system powered by Zimride Inc., enables members of the University community to safely and efficiently join existing rides or add rides of their own. This new feature at EKU has attracted national attention from *University Business* magazine and from AASCU.

- The **National Science Foundation has awarded a grant of $378,616** to EKU to examine the potential impact of climate change on fires and the ecology of forests in northwestern Asia and compare that to recent research suggesting that climate change has altered fire regimes in the western U.S. The research project is directed by Dr. Neil Pederson in EKU's Department of Biological Sciences.

- The **University's Aviation Program** is returning to Madison County after operating the flight portion of the program out of the Montgomery County Airport the past several years. The new fixed-base operator at the Madison County Airport has agreed to purchase two new training aircraft for the University's use. These planes are the same kind that the U.S. Air Force Academy uses in its flight-training program.

- Twenty-eight students are enrolled in the **new doctoral degree program in Educational Leadership and Policy Studies**.

Kentucky State University has enjoyed many very positive events and activities over the 2007-2008 Academic year that will have a ripple effect into 2009 and beyond. Some say that the first impression is the most important. If that is ones opinion, then the fact that KSU was named again by the Princeton Review's 2009 Best Colleges in the Southeast. Additionally, KSU, for the second straight year was named by U.S. News and World Report as on of the best baccalaureate universities in the South. It also ranked KSU as one of the top historically black colleges or universities in the nation. These recognitions were brought about through the efforts of the faculty, staff, the Board of Regent, the President and most importantly, the students. These groups were the catalyst behind the positive things, some of which occurred at KSU during the past academic year.

Increased Grant Activity – Kentucky State University's grant receipts increase by 16 percent over the previous academic year (from $7.5 million to $8.7 million). These monies are spread across 67 projects

Federal Higher Education Act money –
- KSU was able to acquire an additional $900,000 in capacity building money from the federal Title III program. The amount of the federal money received was based in part on the academic performance of KSU students.
- KSU was included in the recently passed reauthorization act of the Higher Education Act for new funding. This funding may be used for Masters level program development and expansion in the areas of science, math, and computer science.

Upward Bound Program – Back on the KSU Campus – The Upward Bound program serves a maximum of 50 participants. First generation and low income students must comprise two-thirds of the participants; and one-third must be either first generation or low income. Additionally, 30% must be 9th graders at high risk for academic failure. All 50 participants have to be in the Franklin County school system.

Dedication of New Residence Hall and Renovated Classroom Building –
- Whitney M. Young Jr. Residence Hall – This 150 bed residence is the start of KSU's goal to build or acquire approximately 400 new beds over the next five to six years.
- Hathaway Hall Classroom Building – The renovation of this classroom building adds to the smart technology capacity of the university.

Kentucky State University recently participated in the 2008 White House Initiative on Historically Black Colleges or Universities (HBCU). Dr. Carl Smith, Director of the KSU concert choir was selected as one of the directors of the HBCU choir which represented the 105 HBCU's across the United States. This choir, which also included four KSU students, performed at the John F. Kennedy Center for the Arts in Washington, D.C.

Lastly, Kentucky State University's partnership with the Magnolia Shrimp Company is starting to produce results. This research project evolves around mass producing marine shrimp in an indoor setting. This work will add another potential "crop" to Kentucky farmers who are transitioning from growing tobacco.

Update from Morehead State University

1. Ground was broken recently for the $30 million health, education and research building, a partnership of Morehead State University, St. Claire Regional Medical Center and the University of Kentucky.

2. Animal science students, East Kentucky veterinarians and the horse industry are benefitting from the recent opening of MoSU's equine medical education center which includes a surgical suite and other treatment facilities.

3. MoSU has been notified of approval of a federal GEAR-UP grant in excess of $10.1 million to help prepare East Kentucky middle and high school students for college.

4. President Wayne D. Andrews has been reappointed by Gov. Steve Beshear as one of four Kentucky representatives on the Southern Regional Education Board.

5. Dr. Cathy Gunn, dean of the College of Education, has been appointed by Gov. Beshear to the Education Professional Standards Board.

6. This year's freshman class has highest ACT composite average in our history at 21.6.

7. The University has purchased its first hybrid vehicle and is converting several campus delivery services to electric-powered carts as part of a campus-wide effort to be "greener".

8. We are projecting a fall enrollment increase of about one-half percent.

9. Morehead State is listed for the fifth consecutive year among top tier master's degree institutions in the South in America's Best Colleges by U.S. News and World Report.

10. For the fourth year in a row, MoSU's intercollegiate student-athletes have won the Ohio Valley Conference Institutional Academic Achievement Banner, giving us our ninth award in the 22 years it has been presented.

11. Dr. Doug Dennis, chair and professor of biological sciences, has received a grant of $184,333 from the National Institute of Health (NIH) for research into the conversion of bacterial polymers into biodegradable plastics. The University's first postdoctoral researcher is co-investigator. Several undergraduate students also will be involved in the David Magrane Molecular Biology Laboratory.

12. A lake above the Arctic Circle in Canada near the Haughton Crater is being named for Morehead State University has a result of work by Charles Mason, professor of geoscience, as a member of the research team for the NASA-Haughton-Mars project.

Global reach

MSU took the lead, through mathematics and statistics professor Dr. Renee Fister, in a partnership with Marymount University, Dominion University and the University of Tennessee in a grant for a study on the enhancement of the scope of viable vaccination and therapeutic strategies for cholera, a disease that, while rare in developed countries, is a real threat in nations with poor sanitation systems.

Crisis response

The MSU Mobile Emergency Telecommunications Lab (METL) was deployed to Texas in the wake of Hurricane Ike. MSU researcher, Mark Garland, used the equipment to create a mobile communications source for Internet and cellular use for emergency response units.
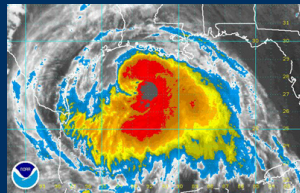
Green research

MSU's Center for Reservoir Research recently marked the 20th anniversary of its long-term monitoring program and the 400th monitoring cruise. The program provides a base of physical, chemical and biological data to researchers striving to understand the function of reservoirs in the environment.

18 YEARS

Ranked among the nation's best by *U.S.News America's Best Colleges* for 18 consecutive years.

Named one of "America's Best Colleges" by Forbes.com. **Forbes**

Olympic Spirits

MSU graduate student, Emily Hoskins, was a gold medal winner at the 2008 Paralympic Games in Beijing, China.

Brad White, sculptor and MSU grad, was one of 30 artists worldwide to be invited to show his work in Beijing during the Olympics.

Kermit Quisenberry, MSU alum, was tapped to referee soccer in Beijing during the Summer 2008 Olympics.

ESPN MSU basketball program listed 30th on ESPN All-Time Rankings.

Callahan Hall Renovation Saves Millions of Dollars, Opens Full

NKU opened its newest residence hall this Fall when 400 students moved into James P. Callahan Hall. The building, was formerly a home for the elderly. Rather than build a new residential facility, NKU saved between $5 million and $7 million by purchasing and renovating the building, which increases the university's housing capacity to 12 percent of the student body, or roughly 1,850.

Callahan Hall features two learning communities: an Honors Community and an Entrepreneurship Wing. It houses an incubator for the NKU Entrepreneurship program that will allow students to set up a business in their living space.

The building is the first residential facility to ever open at full occupancy at NKU. In fact, NKU students interested in university housing were again put on a waiting list. The university was forced to place some students in local hotels until NKU could accommodate them.

And the renovation had the additional benefit of removing an eyesore from the City of Highland Heights.

$15 Million Gift Will Help NKU Meet Vision 2015 Goals

The Carol Ann and Ralph V. Haile, Jr./US Bank Foundation matched the largest single-source gift to a public university in Kentucky history in August with a $15 million investment in the NKU College of Business.

The money will be used to enhance student and faculty recruitment and retention and help to internationalize the College.

The gift positions NKU to meet critical regional business needs - including the Vision 2015 goal of creating 50,000 new high-pay jobs by 2015.

Last-Dollar Scholarship Program Increases Enrollment From Urban Core

NKU's partnership with Holmes and Newport high schools to provide last-dollar scholarship funding to students from those schools is paying dividends.

As an example, 35 incoming students from Holmes High School enrolled at NKU this fall, compared to just 12 in 2006.

Overall, 24% of students in the Holmes and Newport high school senior classes enrolled at NKU - up from just 16.1% in 2006.

PACES to Keep NKU On High-Efficiency Pace

As evidence of NKU's commitment to accelerating efforts that contribute to more efficient and effective operations, the President's Advisory Committee for Efficiencies and Savings (PACES) has begun its working to coordinate the formation, implementation and documentation of initiatives to enhance NKU's efforts to be good stewards of limited resources.

PACES seeks out creative cost-management ideas and is developing a campus-wide process for calculating, tracking and documenting cost savings.

NKU's Center for Integrative Natural Science and Mathematics Makes Learning Fun and Takes Math and Science Education Off-Campus and Into Schools

When Nobel Prize winner Stephen Sharp was asked when knew he wanted to be a scientist, he said he knew in the fourth grade. Most of his colleagues, he said, say the same thing.

The Center for Integrative Natural Science and Mathematics (CINSAM) at NKU seeks out those young scientists-in-waiting and exposes them to new worlds and new opportunities.

In fiscal year 2008 alone, CINSAM had contacts with 11,775 students, teachers and community members, ranging from week-long teacher workshops to hands-on science camps for elementary, middle and high school students.

Nearly 650 local teachers attended workshops and in-service opportunities developed and presented by CINSAM.

Since 2004, CINSAM has worked closely with eight schools in the six counties immediately south of Boone, Kenton and Campbell, resulting in tremendous gains in statewide science tests. The most impressive result was in "School 5," where in 2003 test scores were at about 55 on an accountability index. After CINSAM engagement, in 2007 those scores were more than doubled to nearly 115 on the index. All eight schools showed gains during this period.

CINSAM Crime Scene Investigation (CSI) camps have spurred several communities to develop their own programs with guidance and assistance from CINSAM. Fort Thomas, Augusta and Pendleton County all have their own CSI camps now, expanding the reach and number of students served by 300%.

Female high school students who attended a CINSAM engineering camp showed remarkable gains in their knowledge and interest in engineering careers. For example, students indicated a 375% increase in knowledge about rapid prototyping and a 200% increase in knowledge about arc welding.

Campus Success

- UK received a record number of undergraduate applications for Fall 2008 - 11,120, up 4.7 percent from last year.
- According to preliminary enrollment figures, there are 4,044 students in UK's 2008-2009 freshman class, up from 3,865 last year. This brings undergraduate enrollment to 18,995 and overall enrollment to 26,901.
- Minority enrollment increased significantly - the number of African-American freshmen reached an all time high of 341, a 32 percent increase over last year.
- The number of Governor's Scholars and Governor's School for the Arts Scholars in UK's first-year class hit a record high of 389, compared to 348 last year.
- Transfer student enrollment increased by nearly 100 students to 940.
- Based on preliminary analysis, 81 percent of Fall 2007 freshmen returned in Fall 2008 – a retention rate of 81 percent, a record high for UK and up 4.5 percentage points from a year ago. This is the result of the Provost's "War on Attrition", a series of strategic investments in faculty and staff and in student services.

Student Success

- UK had 20 research papers accepted to the most recent National Conference on Undergraduate Research. The University of Michigan had 16. The University of Texas-Austin had 17.
- UK electrical engineering senior Donnie Keathley of Pikeville received a $10,000 scholarship from the Astronaut Scholarship Foundation (ASF) on September 18. The 19 Astronaut Scholarships are the largest monetary award given in the United States to science and engineering undergraduate students based solely on merit. Mr. Keathley's research is focused on photonics and optical-based devices. Inspired by his semester in Malaysia, Keathley co-founded Symbios, a networking group for research students in different disciplines. Already the co-author of two journal articles, he hopes to continue his career as a university research professor.

Research Success

- Dr. Stephen Dobson in Entomology became the first UK professor to receive a prestigious Bill & Melinda Gates Foundation grant. The $5.3 million award will allow Dr. Dobson to further his research in reducing mosquito populations. His studies have implications for world health but also local impact as he works to commercialize his research and develop a new business in central Kentucky.
- Dr. Lisa Cassis in Nutritional Sciences (Medicine) and her colleagues received a $10 million federal grant to study nutritional aspects of diabetes and cardiovascular disease.
- Dr. Robert Yokel (Pharmacy) and his colleagues received a $2.5 million grant from the Environmental Protection Agency to study the health impact of nanoparticles dispersed in the environment.

Serving Kentucky

- Each year, the Lexington Venture Club conducts an annual survey, showing which local companies received venture funding. Last year, 55 local companies received $64.5 million in funding; 32 of the companies had UK connections.
- State and local government officials, including Kentucky Governor Steve Beshear, joined representatives from the UK College of Agriculture on September 12 to break ground on a $28.5 million expansion and renovation of UK's Livestock Disease Diagnostic Center. The Diagnostic Center is a full-service animal health facility. Its faculty and staff handle one of the largest case loads in the nation, seeing 60,000 clinical cases and performing 5,000 animal autopsies every year. The laboratory also protects public health by diagnosing many zoonotic diseases that can potentially cross over into the public sector. Construction is expected to be complete by 2010.

As with other schools in Kentucky, the fall semester is underway at the University of Louisville. Again this year, we welcomed the best academically-prepared freshman class in our history. With an average ACT score of 24.4, our freshman class includes 60 percent of our students from outside Louisville and Jefferson County. This year's freshman class is also the largest in UofL's history, which creates many challenges in relation to classroom space deficiency (UofL is one of two schools the CPE space study shows with a current classroom space deficiency). Although the growth in our freshman class is a tremendous positive and needed to meet our commitment to the "double the numbers" objective set for us by the CPE, such scheduling and space problems produce great challenges for our students, faculty, and staff.

Over the last several months, the University of Louisville has announced several major research grants, including an $11.1 million to the James Graham Brown Cancer Center, and a $10.3 million grant to our Multidisciplinary Birth Defects Center in our School of Dentistry. We have been awarded another significant grant for our Cardiology program, and an announcement is forthcoming, pending final budget negotiations.

Last year, the University of Louisville achieved a fundraising record – raising $86.6 million and we are over $100 million as we move through the initial phase of our capital campaign – the largest annual fundraising ever – as we prepare for our next major capital campaign.

The University of Louisville continues to successfully incubate and nurture start-up companies from our research laboratories, and with the creation of NUCLEUS, the University has become more engaged in recruiting new life science companies to our community. We are hopeful that an incentive package by the Kentucky Economic Development Finance Authority that a company we met with during the BIO Conference in San Diego to relocate to Kentucky. Initially, this will mean 150 high-tech, high-paying jobs in our city. The attractiveness of Louisville for the company is two-fold: 1) The convenience of UPS and its overnight delivery system necessary for the timely transportation of stem cells; and 2) The opportunity to work with one of our distinguished faculty members who developed an applicable stem-cell research platform.

One local newspaper in our community has extensively covered an investigation into allegations of financial impropriety by a former dean at the University of Louisville. The University brought the allegations to the Federal authorities – the investigation continues. Subsequent to this, an allegation was made by a reporter that a Ph.D. degree at the University of Louisville had been inappropriately awarded to an individual who previously had a contractual relationship with the former dean. The individual in question had completed their coursework for the Ph.D. at another institution but researched, wrote, and defended his dissertation at UofL when the former dean came to UofL. We have appointed a blue-ribbon panel that includes individuals like former Supreme Court Justice Martin Johnstone, to do a review of the allegations and to report back to the Board as soon as possible. In addition to this blue-ribbon panel, I have order an audit of the College of education and Human Development's financial records, I have ask for a faculty senate review of the university's grievance policies , and an independent audit by Cotton & Allen of the university's business practices relating to research administration. The university is also working with both faculty and staff senate's to review the grievance process for any employee who believes the university policies have been violated and feel comfortable bringing those concerns forward through approved and sanctioned university procedures. The Board is prepared to take appropriate action based on facts. It is unfortunate that SACS allowed itself to be quoted on this issue.

WKU ENROLLMENT INCREASES TO 19,785; NUMBER OF AFRICAN-AMERICAN FIRST-TIME FRESHMEN UP 19.6%

Enrollment at WKU has increased for the 11th consecutive year to 19,785 students, including an increase of 19.6 percent in the number of African-American first-time freshmen. WKU has 500 African-American first-time freshmen, an increase of 82 over last fall. WKU's total fall enrollment is up 520 students (2.7 percent) from fall 2007 with the number of first-time freshmen up 209 students (6.7 percent) to 3,323. The number of international first-time freshmen is up 51 students (42 percent) to 171.

WKU STUDENTS EARN NATIONAL SCHOLARSHIPS

Two WKU students received prestigious Barry M. Goldwater Scholarships. Jacob Vervynckt and Rachel Wiggington were two of 321 students chosen nationally for the 2008-09 scholarships. Brooke Shafar, a May 2008 graduate, received a 2008-09 J. William Fulbright Scholarship to teach English in Germany and conduct research on German cinema.

HEATHCO OPENS WORLD HEADQUARTERS IN WKU CENTER

HeathCo, which has captured by far the largest market share in specialty electrical products such as motion-activated lighting, door chimes and wireless lighting controls, has located its headquarters in WKU's Center for Research and Development. About 42 percent of the current 60-plus employees have WKU degrees and the company plans to add 50 more jobs in the near future. HeathCo has also developed partnerships with the science and business colleges at WKU to engage students and faculty.

WKU APPOINTS ITS FIRST SUSTAINABILITY COORDINATOR

WKU graduate Christian Ryan-Downing has been appointed as the University's first Sustainability Coordinator. Ryan-Downing will help identify and develop opportunities for reducing the University's environmental footprint, and operational costs, through campus initiatives that reduce waste and use energy, water, and other resources more efficiently.

NEW CENTURY OF SPIRIT CAMPAIGN TOPS $124 MILLION

WKU's "New Century of Spirit" capital campaign has passed $124.2 million. The goal is to raise $200 million by 2012.