

**MINUTES**  
**Council on Postsecondary Education**  
**November 5, 2007**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

STATEWIDE

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

ENGINEERING  
STRATEGY

and Affordability Policy Group:

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

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

VOTE ON AMENDMENT: The amendment passed.

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

DATA QUALITY  
POLICY

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

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

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

VOTE: The motion passed.

BUCKS FOR  
BRAINS TEN-  
YEAR REPORT

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

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

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

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

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

VOTE: The motion passed.

IEQ GRANT  
PROPOSALS

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

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

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

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

VOTE: The motion passed.

P-16 COUNCIL

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

COMMISSIONER  
OF EDUCATION  
REPORT

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

TUITION & FEES

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

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

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

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

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

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

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

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

VOTE: The motion passed.

COMMITTEE  
APPOINTMENTS

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

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

2008 MEETING  
CALENDAR

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

NEXT MEETING

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

ADJOURNMENT

The meeting adjourned at 11:55 a.m.

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Bradford L. Cowgill  
Interim President

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Phyllis L. Bailey  
Senior Associate, Executive Relations