

**MINUTES**  
**Council on Postsecondary Education**  
**Executive Committee**  
**January 12, 2005**

The Executive Committee of the Council on Postsecondary Education met January 12, 2005, at 11 a.m. at the Council offices in Frankfort. Interim Chair Ron Greenberg presided.

**ROLL CALL**

The following committee members were present: Peggy Bertelsman, Richard Freed, Ron Greenberg, and Joan Taylor. Dan Flanagan, a new appointment to the Council, also attended.

**APPROVAL OF  
MINUTES**

The minutes of the November 7, 2004, Executive Committee meeting were approved as distributed.

**2004-05  
STRATEGIC  
PLANNING  
PROCESS**

Sue Hodges Moore, Council executive vice president, gave an update on the 2004-05 strategic planning process. She said that the staff is seeking the advice of the Executive Committee as it moves through the final phases of the statewide public agenda-setting process and into the development of campus/Council action plans, mission parameters, and key indicators of progress. A schematic was distributed showing the relationship between the various elements of the strategic planning package.

The draft statewide public agenda reflects what was learned from the data analysis and heard from citizens and constituent groups across the state about the challenges facing Kentucky and its regions and what the postsecondary system can do to help address them. The staff plans to widely distribute the draft (by hard copy and Web access) for review and comment through the end of February. In addition, the staff is meeting with various constituent groups and organizations over the next two months to get feedback on the public agenda. The timeline calls for the Council to discuss the draft at its January 31 meeting and take action at the March meeting.

Dr. Moore said that at the November 2004 Council meeting, the Council members expressed sentiment for keeping the questions to five as the system's "brand." The framework for the draft public agenda is in keeping with that suggestion, and the document is so named, *Postsecondary Education and Kentucky's Future: The Five Questions We All Must Answer*. The five questions have been refined to move the issue of college affordability front and center and the two questions on student enrollment and progression have been combined into one question focusing squarely on the need for more certificates and degree holders in Kentucky. These refined five questions represent the new public agenda that will guide the work of

Kentucky's postsecondary education system into the second half of this decade:

1. Are more Kentuckians ready for postsecondary education?
2. Is Kentucky postsecondary education affordable for its citizens?
3. Do more Kentuckians have certificates and degrees?
4. Are graduates prepared for life and work in Kentucky?
5. Are Kentucky's communities and economy benefiting?

Each of the public universities, the Kentucky Community and Technical College System, the Association of Independent Kentucky Colleges and Universities, and the Council (including Kentucky Adult Education and the Kentucky Virtual University and Library) will draft an action plan to be implemented over the next four years. These plans will respond to the five questions outlined in the public agenda, to specific regional issues, and to the goals of House Bill 1. Each campus action plan for the public institutions will include three components: 1) mission parameters – broad guidelines within which the institution's individual mission statement must fit, 2) priorities for action – the institution's highest priority initiatives and activities over the period 2005 to 2010, and 3) key indicators that monitor institutional progress in implementing the public agenda and HB 1 goals. The development of the action plans will commence once the Council approves guidelines in March.

Statewide key indicators will be a part of the public agenda. The Council staff will work with the institutions throughout the spring of 2005 to develop the systemwide indicators as well as a set of key indicators for each institution for 2005 through 2010. A number of indicators will be common across all institutions, such as enrollment, retention, and degrees awarded. Some indicators will apply only to institutions within a particular sector (research, comprehensive, KCTCS). Each institution will have an opportunity to select two or three additional indicators specific to its mission and HB 1 from a menu of options. These additional indicators will become part of the universe of key indicators the Council tracks. The calendar for developing the statewide indicators will go through May and the institutional indicators will go through July. The goal-setting process for each indicator will take place after July.

The Council staff will visit each campus during January, February, and March for discussions with the president and others about the development of the campus action plans. The timeline calls for Council approval of the entire set of action plans in July. Between March and July, the Council will develop its action plan with the assistance of the staff.

Mr. Greenberg asked staff to request copies of the minutes of institutional board meetings to ensure that active internal

discussions are taking place regarding the development of the campus action plans. Dr. Moore said that these conversations should begin with the release of the public agenda in March and when guidelines are set, also in March, for the development of mission parameters. Substantive conversations also would take place this summer when the institutions are reviewing their respective mission statements.

COMPREHENSIVE  
FUNDING  
REVIEW  
PROGRESS  
REPORT

Dr. Layzell said that the staff is seeking advice from the Executive Committee on two recommendations it will take to the Council for consideration at the January 31 meeting: 1) preliminary benchmark selection model and 2) funding distribution methodology. The staff also will ask the Council to reaffirm the 2004-06 budget recommendation approved in November 2003.

Sandy Woodley, Council vice president for finance, reviewed the timeline outlining the action and discussion items that will be taken to the Council leading up to consideration of the 2006-08 budget recommendations in November 2005.

Since 1999 a benchmark model has been the basis for determining adequate base funding for the institutions. The staff recommends that this model be retained but improved to facilitate greater institutional mission differentiation. Each institution will have 19 peer institutions on its funding list. During the next two months, the Council staff will continue a process of model testing to determine if any additional revisions are needed. If necessary, the staff will present minor model revisions to the Council in March. Institutions will be given the opportunity to request and publicly justify substitutions within certain predetermined criteria regarding similarity constraints. All requests for substitutions will be discussed in an open hearing prior to the Council's final approval of benchmarks in May. The process of benchmark selection will be repeated every four years.

The Council first approved the Funding Distribution Methodology in November 2003 to address uncertainty regarding the distribution of funds when less than the Council's full recommended funding is available or when budget reductions are necessary. Several issues promoted a review of the methodology. The Council will consider the proposal that addresses these issues in March. If approved in March, the Council staff will recommend that the methodology be effective immediately.

Mr. Greenberg suggested that the Council consider adopting this model for the next four years and, at the same time, begin a parallel exploration of a new funding model. Then the Council would be better prepared to make better use of funds four or five years down the road.

2005  
LEGISLATIVE  
SESSION

Lee Nimocks with the Council staff reported on the 2005 legislative session. She said that former Council member Ken Winters was chosen chair of the Senate Education Committee. She

said that the budget situation is uncertain. The Governor is expected to roll out his comprehensive proposal during his State of the Commonwealth address February 2. The Council's budget staff has been working closely with the Governor's Office and the staff of the Legislative Research Commission to discuss the budget request and to remind them of the request the Council made in November 2003. A bill tracking chart was provided listing bills pertaining to postsecondary education. She said that the Inter-Alumni Council will host a legislative reception on the evening of February 16.

**NEXT MEETING** The next meeting of the Executive Committee is March 2 at 10 a.m. at the Council offices in Frankfort.

**ADJOURNMENT** The meeting adjourned at 12:35 p.m.



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Thomas D. Layzell  
President

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Phyllis L. Bailey  
Associate, Executive Relations