# BUILDING A STRONGER, SMARTER BUDGET FOR HIGHER EDUCATION IN KENTUCKY

## ATTACHMENTS

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Postsecondary Education

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ATTACHMENT A

# Model Criteria for Benchmark Selection
# Comprehensive Institutions

| *Measures* |
|---|
| Student Mix: |
| (1) Total Headcount<br>(2) Total full-time equivalent (FTE) students<br>(3) Undergraduate FTE as % of total FTE<br>(4) Undergraduate headcount as % of total headcount<br>(5) Full-time undergraduate headcount age 25 or older as % of total undergraduate headcount<br>(6) Total minority students as % of total headcount<br>(7) ACT at 25th percentile<br>(8) ACT at 75th percentile<br>(9) Percent first-time full-time freshmen receiving federal grant aid<br>(10) Institutional aid as % of total E&G expenditures<br>(11) Student faculty ratio |
| Program Mix: |
| (12) Category A undergraduate degrees as % of total undergraduate degrees conferred<br>(13) Category B undergraduate degrees as % of total undergraduate degrees conferred<br>(14) Category C undergraduate degrees as % of total undergraduate degrees conferred<br>(15) Undergraduate degrees as % of total degrees conferred<br>(16) Medicine degrees as % of total degrees conferred<br>(17) Pharmacy degrees as % of total degrees conferred<br>(18) Dentistry degrees as % of total degrees conferred<br>(19) Law degrees as % of total degrees conferred |
| Research and Stewardship of Place: |
| (20) Research expenditures as percent of total E&G expenditures<br>(21) Public Service expenditures as % of total E&G expenditures<br>(22) Locale (degree to which an institution is rural or urban location)<br><br>Category A (General Studies, Education, Business)<br>Category B (Agriculture, Sciences, Computers)<br>Category C (Fine Arts, Architecture, Engineering, Health) |

ATTACHMENT B

# Benchmark Institutions Approved for 2006-2010

## Western Kentucky University

| Institution | State |
|---|---|
| Ball State University | IN |
| California State University-Chico | CA |
| California State University-Fresno | CA |
| Central Missouri State University | MO |
| Eastern Illinois University | IL |
| Eastern Michigan University | MI |
| Florida Atlantic University-Boca Raton | FL |
| Indiana State University | IN |
| Middle Tennessee State University | TN |
| Montclair State University | NJ |
| Northern Arizona University | AZ |
| Oakland University | MI |
| Southwest Missouri State University | MO |
| Stephen F. Austin State University | TX |
| Towson State University | MD |
| University of Northern Iowa | IA |
| Western Illinois University | IL |
| Wichita State University | KS |
| Youngstown State University | OH |

## Eastern Kentucky University

| Institution | State |
|---|---|
| Arkansas State University-Main Campus | AR |
| California State University-Chico | CA |
| Central Missouri State University | MO |
| Eastern Michigan University | MI |
| Indiana State University | IN |
| Kennesaw State University | GA |
| Minnesota State University-Mankato | MN |
| Northern Michigan University | MI |
| Sam Houston State University | TX |
| Sonoma State University | CA |
| The University of Tennessee-Chattanooga | TN |
| University of Massachusetts-Boston | MA |
| University of Michigan-Flint | MI |
| University of North Carolina at Greensboro | NC |
| University of Northern Iowa | IA |
| University of Southern Indiana | IN |
| University of Wisconsin-Oshkosh | WI |
| Western Carolina University | NC |
| Wichita State University | KS |

## Northern Kentucky University

| Institution | State |
|---|---|
| California University of Pennsylvania | PA |
| Eastern Michigan University | MI |
| Florida Atlantic University-Boca Raton | FL |
| Indiana State University | IN |
| Kean University | NJ |
| Oakland University | MI |
| Purdue University-Calumet Campus | IN |
| Salem State College | MA |
| SUNY College at Buffalo | NY |
| University of Tennessee-Chattanooga | TN |
| University of Akron-Main Campus | OH |
| University of Massachusetts-Boston | MA |
| University of Michigan-Flint | MI |
| University of Nebraska at Omaha | NE |
| University of Southern Maine | ME |
| Western Connecticut State University | CT |
| Wichita State University | KS |
| William Paterson University of New Jersey | NJ |
| Youngstown State University | OH |

## Morehead State University

| Institution | State |
|---|---|
| Angelo State University | TX |
| Arkansas State University-Main Campus | AR |
| Central Missouri State University | MO |
| Clarion University of Pennsylvania | PA |
| Delta State University | MS |
| Eastern Washington University | WA |
| Edinboro University of Pennsylvania | PA |
| Fort Hays State University | KS |
| Frostburg State University | MD |
| Indiana State University | IN |
| Lamar University | TX |
| Lincoln University | MO |
| Mansfield University of Pennsylvania | PA |
| Southeast Missouri State University | MO |
| The University of Tennessee-Chattanooga | TN |
| The University of Tennessee-Martin | TN |
| University of Nebraska at Kearney | NE |
| Western Carolina University | NC |
| Western Illinois University | IL |

## Murray State University

| Institution | State |
|---|---|
| Central Connecticut State University | CT |
| Central Missouri State University | MO |
| Eastern Illinois University | IL |
| Eastern Washington University | WA |
| Frostburg State University | MD |
| Indiana State University | IN |
| Northwest Missouri State University | MO |
| Oakland University | MI |
| Pittsburg State University | KS |
| Plymouth State University | NH |
| Rhode Island College | RI |
| Southeast Missouri State University | MO |
| Stephen F. Austin State University | TX |
| The University of Tennessee-Chattanooga | TN |
| The University of Tennessee-Martin | TN |
| University of Montevallo | AL |
| University of Nebraska-Omaha | NE |
| Western Carolina University | NC |
| Western Illinois University | IL |

## Kentucky State University

| Institution | State |
|---|---|
| Alcorn State University | MS |
| Angelo State University | TX |
| Cameron University | OK |
| Castleton State College | VT |
| Delaware State University | DE |
| Delta State University | MS |
| Eastern New Mexico University-Main Campus | NM |
| Francis Marion University | SC |
| Grambling State University | LA |
| Lincoln University | MO |
| Midwestern State University | TX |
| Nicholls State University | LA |
| Savannah State University | GA |
| Southeastern Oklahoma State University | OK |
| Southern Arkansas University Main Campus | AR |
| Sul Ross State University | TX |
| The University of Texas-Pan American | TX |
| University of Maryland-Eastern Shore | MD |
| University of North Carolina at Pembroke | NC |

ATTACHMENT C

# University of Kentucky
# (Benchmark Selection Criteria)

*Mandate of House Bill 1:*

*A major comprehensive research institution ranked nationally in the top twenty (20) public universities at the University of Kentucky by 2020.*

Criteria for benchmark selection metrics:

1. Those independently collected at the national level.
2. Those local measures that address UK's "higher purpose" of improving the overall quality of life and economic prosperity of Kentuckians.

Goals consistent with the House Bill 1 mandate:

1. A comprehensive array of undergraduate, graduate, and professional programs, many with national prominence.
2. Attracting and graduating outstanding students capable of making significant contributions to their professions and communities.
3. A distinguished faculty whose research, service, scholarship, and teaching are exemplary.
4. The discovery, dissemination, and application of new and significant knowledge.
5. Diversity of thought, culture, gender, and ethnicity that creates communities of learning and appreciation at the university and beyond.
6. Improvements to the health and educational, social, economic, and cultural well being of the citizens of the Commonwealth.

Indicators for selection consistent with goals:

- Total & federal research dollars
- Endowment assets
- Annual giving
- Faculty academies membership
- Faculty awards
- Number of doctoral students produced
- Number of postdoctoral appointments
- Undergraduate SAT scores

Data analyses:

*TheCenter* at the University of Florida will be the source of data elements. *TheCenter* annually tracks eight of the nationally comparable indicators and utilizes the indicators to rank U.S. public and independent research universities. *TheCenter* data and consequent rankings will be used to select benchmark institutions for UK based on the House Bill 1 mandate.

ATTACHMENT D

# BENCHMARKS
## University of Kentucky

| Institution | State |
|---|---|
| University of California - Los Angeles | CA |
| University of Michigan - Ann Arbor | MI |
| University of North Carolina - Chapel Hill | NC |
| University of Wisconsin - Madison | WI |
| University of Florida | FL |
| University of Illinois - Urbana-Champaign | IL |
| University of Minnesota - Twin Cities | MN |
| University of Virginia | VA |
| Ohio State University | OH |
| University of Washington - Seattle | WA |
| Pennsylvania State University | PA |
| University of Arizona | AZ |
| University of Iowa | IA |
| University of Maryland - College Park | MD |
| Michigan State University | MI |
| Texas A&M University | TX |
| North Carolina State University | NC |
| Purdue University | IN |
| University of Georgia | GA |

# University of Louisville
# (Benchmark Selection Criteria)

*Mandate of House Bill 1:*

To establish the University of Louisville as a *premier, nationally recognized metropolitan research university* known for success in advancing the intellectual, social, and economic development of our community and the Commonwealth. By using legislative language of "premier, nationally recognized," the Kentucky General Assembly directed UofL to become a leading, or foremost, institution among metropolitan research universities over an unspecified time frame.

Criteria for benchmark selection metrics:

1. Independently collected data at the national level.
2. Local and national measures (such as those required for AAU and Phi Beta Kappa designation) that address UofL's goal of becoming a premier, nationally recognized metropolitan research university.
3. Universities located in metropolitan areas, or major urban statistical areas, with an academic health sciences center with programs that drive the life sciences industry in their communities.
4. Universities with schools of medicine and engineering.
5. Universities that are not land grant universities.

Goals consistent with the House Bill 1 mandate:

With the ***Challenge for Excellence*** as its road map for reaching its HB 1 goals, UofL will achieve the goal of national preeminence by focusing on a metropolitan mission and a 200-year tradition of serving the citizens and institutions in its nine county service area.

1. A focused array of undergraduate, graduate, and professional programs, many with national prominence.
2. Commitment to excellence in educational programs.
3. Building extramurally funded research activities and infrastructure.
4. Commitment to being an open, diverse, and accessible university.
5. A university fully engaged within our community and state through partnerships and collaborations.
6. An institution accountable to its constituents (state taxpayers, students, donors, etc.).

Indicators consistent with goals:

- Quality undergraduate programs.
- Undergraduate ACT scores.
- Student retention and graduation rates.
- Nationally ranked research and graduate/professional programs.
- National Cancer Institute Cancer Center Designation.
- Endowed chairs and professorships in key fields.
- Number of doctoral graduates.
- Total and federal research funding.
- Endowment assets.
- Number of business start-ups and incubations from university research activity.
- Number of patents and licenses based upon university research.
- National leader for linking research to the needs of its community and Commonwealth.

Data analyses:

*The Center* data at the University of Florida will be used for comparison with urban institutions included in the annual study. This analysis is commonly referred to as the "Lombardi study." Additional data sources will include Integrated Postsecondary Education Data System (IPEDS) and the university's internal accountability system, Balanced Scorecard, which also incorporates many of the same Lombardi and IPEDS data elements.

**Comparison of 2004-06 Model Calculations with FY 2006-08 Potential Changes**
Once benchmarks are selected, the Council staff surveys all benchmark institutions to gather data needed to have comparable data on total public funds. The total public funding levels include tuition and fee revenue and state appropriations less debt service and legislatively mandated programs. The purpose of netting these funding items out is to ensure comparability (some institutions have debt service in the data and some do not, so it is all taken out) and to zero in on funding that is to be used for instructional purposes (legislatively mandated programs with no instructional components are taken out to focus on instructional funds).

**Attachment C2** details the current model calculations and compares that approach with the changes under consideration in the Comprehensive Funding Review. The major changes include:

- Process for benchmark selection is less subjective and has stricter adherence to statistical model.
- Standard funding level is more appropriate statistically than the measure of central tendency.
- Since the standard funding level may be higher than the benchmark average, there is no need to inflate.
- More accurate calculation for tuition revenue and implementation of state share/student share policy (see **Attachment C3** for white paper on this policy issue).
- Reduced need for phase in of recommendation - manage this with better benchmarks and standard funding level.

**Performance Component**
The Council staff is working on a recommendation regarding a new performance component in the funding model. **Attachment C4** details possible performance indicators that are being considered. The indicators will be consistent with the Key Indicators that will be revised in July 2005. **Attachment C5** details the most recent draft of possible changes in the Key Indicators accountability system for the Public Agenda.

General approach under consideration:
- Select 3 or 4 indicators to measure performance: (1) relative to benchmarks (Attachment C3), and (2) possibly progress toward goals of Key Indicators (Attachment C4).
- Determine percentage of recommendation to be dedicated to earned performance funds (3% - 4%?).
- Build earned performance funding into recommendation and Funding Distribution Methodology.

**Funding Distribution Methodology:**

**(1) Increase Allocation Method**


***Abstract*** *—*

- ***1st priority**: **Base adjustments**, includes only changes in debt service and UofL hospital contract (not M&O).*
- ***2nd priority**: **Proportional/Benchmark Equity** - remaining dollars, up to the current services increase over net base, will be split 50%/50% proportional increases (capped) and equity increases.*
- ***3rd priority**: **M&O -** if funds remain after priority 2 is funded, M&O on new facilities will be fully funded to the extent funds are available; funds remaining after M&O revert to priority 2.*
- *Proportional increase will be capped at the current services increase.*
- *The equity index will be calculated as the nominal dollar difference between current funding levels (net General Fund) and the full benchmark funding objective for each institution.*


This method is designed, if the CPE recommendation is not fully funded, to establish priorities and to distribute increases in recurring General Fund appropriations to the institutions among base adjustments, proportional increases, benchmark equity, and M&O for new facilities. The method may be used to distribute small or large amounts of new state appropriations, up to the total amount of the CPE biennial budget request.

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

**Priority 1 - Base adjustments** including changes in debt service and the UofL hospital contract. If additional funds are available, then

**Priority 2 - 50%/50% proportional percentage increases and benchmark equity:** of each dollar increase up to the Current Services increase over the net base appropriation for the institutions, half will be distributed according to a common percentage increase (proportional) and the other half will be distributed according the Equity Index (index of the nominal difference between current funding level and benchmark full funding level).

The proportional increase will be capped at the current services increase. If additional funds are available, then

**Priority 3 - M&O** will be fully funded (based on a pro rata share of M&O) to the extent funds are available after funding priorities 1 and 2. If funds remain after full funding of M&O, funds will revert again to priority 2.

**(2) Increase Following Reduction Method**

This allocation method is based on the following principles:

- If the state appropriation increase is less than or equal to a previous state appropriation reduction which occurred within the past two fiscal years to the reductions, each institution's appropriation will be restored on a pro rata basis to the extent possible.

- If the state appropriation increase exceeds the previous state appropriation reduction, the reductions to each institution will be restored and the remaining net increase will be allocated based on the Increase in State Appropriations Allocation Method described above.

**(3) Reduction Allocation Method**

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

*State Appropriation Reduction Following a State Appropriation Increase*

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

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

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

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

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

## BENCHMARKS

### University of Louisville

| Institution | State |
|---|---|
| SUNY Buffalo | NY |
| SUNY Stony Brook | NY |
| Temple University | PA |
| University of Alabama - Birmingham | AL |
| University of California - Irvine | CA |
| University of California - San Diego | CA |
| University of New Mexico | NM |
| University of Cincinnati | OH |
| University of Illinois - Chicago | IL |
| University of Iowa | IA |
| University of North Carolina - Chapel Hill | NC |
| University of Pittsburgh | PA |
| University of South Carolina - Columbia | SC |
| University of South Florida | FL |
| University of Utah | UT |
| Virginia Commonwealth University | VA |
| Wayne State University | MI |

ATTACHMENT G

# Model Criteria for Benchmark Selection
# Two-Year College System: KCTCS

| *Measures* |
|---|
| Student Mix: |
| (1) Total headcount<br>(2) Part-time headcount as % of total headcount<br>(3) Total full-time equivalent (FTE) students<br>(4) Percent first-time full-time freshmen receiving federal grant aid<br>(5) Institutional aid as % of E&G expenditures<br>(6) Full-time headcount age 25 or older as % of total headcount<br>(7) Total minority students as % of total headcount<br>(8) Student/faculty ratio |

| Program Mix and Size of System: |
|---|
| (9) Category A awards as percent of total awards conferred<br>(10) Category B awards as percent of total awards conferred<br>(11) Category C awards as percent of total awards conferred<br>(12) Number of institutions in the system<br>(13) Associate degrees as % of total degrees conferred<br>(14) Certificates as % of total degrees conferred |

ATTACHMENT H

| BENCHMARKS<br>KCTCS |
| --- |
| **State** |
| Arizona |
| Arkansas |
| Colorado |
| Georgia |
| Illinois |
| Indiana |
| Iowa |
| Kansas |
| Michigan |
| Minnesota |
| Nebraska |
| New Mexico |
| North Carolina |
| Ohio |
| Oregon |
| South Carolina |
| Virginia |
| Washington |
| Wisconsin |

# Statewide Capital Project Planning Priorities
# Priorities by Category (with evaluative criteria)

**Project Category: Capital Renewal, Maintenance, and Life Safety**

1. CPE request fund amount to be distributed to institutions on a matching basis.
2. There will not be a project listing in this category - the maintenance pool list will be used as in the past.

**Project Category: Education and General Projects (New, Expansion, or Renovation)**

1. The project directly supports HB 1 goals, the public agenda, and statewide economic development goals.
2. The project supports the institution's CPE approved mission and is a high priority.
3. The project provides for the completion of projects authorized in a prior biennium and which, if not funded, will compromise the viability of the phased facility (based on evidence of intent).
4. The postsecondary system Space Utilization Standards and Space Needs Model indicates a need for additional space or an explicit need to retool/remodel/replace existing space.
5. The project significantly reduces the capital renewal and maintenance burden and the institution has demonstrated good stewardship through evidence of facility renewal and facilities systems

**Project Category: Research and Economic Development (New, Expansion, or Renovation)**

1. The project directly supports HB 1 goals, the public agenda, and statewide economic development goals.
2. The project supports the institution's CPE approved mission and is a high priority.
3. The project provides for the completion of projects authorized in a prior biennium and which, if not funded, will compromise the viability of the phased facility (based on evidence of intent).
4. The postsecondary system Space Utilization Standards and Space Needs Model indicates a need for additional space or an explicit need to retool/remodel/replace existing space.
5. The project significantly reduces the capital renewal and maintenance burden and the institution has demonstrated good stewardship through evidence of facility renewal and facilities systems

**Note: The capital projects planning priorities model is implemented through a separate set of evaluation criteria.**

June 21, 2005

**Statewide Capital Projects Planning Priorities**
**Project Evaluation Score Sheet**

**Project Name** _____

The evaluation criteria assess the nature/intent of a project as described by the institution. They form the core factors that the system looks at to evaluate the relative position of each project as compared to the postsecondary system public agenda and CPE approved institution missions. All sub-criteria have equal weighting, except where specifically noted.

| | Points Allocation | |
|---|---|---|
| 1. *The project directly supports HB 1 goals, the public agenda, and the statewide economic development goals.* | | **25.00** |
| a. Extent to which the project provides space for student instruction, enrollment growth, or direct support of the CPE approved program of national distinction. | 6.25 | |
| b. Extent to which the project addresses space or infrastructure that directly supports statewide economic development goals. | 6.25 | |
| c. Extent to which the project addresses research in one of five new economy clusters, WFD, the RCTF, or RUETF goals of HB 1. | 6.25 | |
| d. Extent to which the project addresses space for applied research programs outside the new economy areas that address the economic and community needs of the institution's service area or workforce development. | 6.25 | |
| 2. *The project supports the institution's mission and is a high institutional priority.* | | **25.00** |
| a. Extent to which the project addresses a specific area identified by the Council approved mission parameters. | 7.00 | |
| b. Extent to which the project addresses an existing program, program expansion, enrollment growth, institution service region, or a specific need of the region as identified by the public agenda. | 2.00 | |
| c. Institutional project priority (Priority: #1 = 15 points; #2 = 12 points; #3 = 9 points; #4 = 6 points; and #5 = 3 points). | 15.00 | |
| d. Extent to which the project addresses public engagement, research, or economic development initiatives. | 1.00 | |
| 3. *Projects providing for the completion of facilities authorized during a previous biennium and which, if not funded, will compromise the viability of the phased facility (based on evidence of intent by the General Assembly, Governor, or CPE).* | | **20.00** |
| a. The Governor, General Assembly, CPE, or institution stated an intent to phase a project and Phase I has been authorized and funded (planning, programming, schematic design, or site acquisition). | 10.00 | |
| b. The project has not been authorized in a previous biennium but has been properly developed, programmed, has a schematic design, or is properly scoped. | 10.00 | |
| 4. *The postsecondary system Space Utilization Standards and Space Needs Model indicates a need for additional space or there is an explicit need to retool/remodel/replace existing space.* | | **20.00** |
| a. Extent to which the project is retooling the facility for a different use, remodeling, renovating, or replacing space. | 6.00 | |
| b. Extent to which the space needs model indicates a need for additional space for the use identified by the project request. | 10.00 | |
| c. The project is on the national historic register or has other official historic status. | 1.00 | |
| d. Extent to which construction of new space will free up space for a new use. | 3.00 | |
| 5. *The project significantly reduces the capital renewal and maintenance burden and the institution has demonstrated good stewardship through evidence of facility renewal and facilities systems maintenance exceeding the manufacturer's suggested system life* | | **10.00** |
| a. Extent to which the building system's history shows an average useful life of 90 percent or greater. | 4.00 | |
| b. Extent to which the project is upgrading systems that have offsetting economies or efficiencies. | 2.00 | |
| c. Extent to which the project is required for regulatory compliance; i.e., ADA, energy, fire, life safety, pollution/air quality, or earthquake; federal, state, or local regulation; or citation by state or federal government regulatory agency. | 2.00 | |
| d. Extent to which the project addresses structural or impending failure, flaws that have occurred as a result of improper design, construction, or materials failure. | 2.00 | |
| Total Score | | |

July 21, 2005

**Statewide Capital Projects Planning Priorities**
**Project Evaluation Score Sheet**

**Project Name** _____

The evaluation criteria assesses the nature/intent of a project as described by the institution. They form the core factors that the system looks at to evaluate the relative position of each project as compared to the postsecondary system public agenda and CPE approved institution missions. All sub-criteria have equal weighting, except where specifically noted.

| | Points Allocation | | Score A | Score B | Score C | Average |
|---|---|---|---|---|---|---|
| 1. *The project directly supports HB 1 goals, the public agenda, and the statewide economic development goals.* | | **25.00** | | | | |
| a. Extent to which the project provides space for student instruction, enrollment growth, or direct support of the CPE approved program of national distinction. | 6.25 | | | | | |
| b. Extent to which the project address space or infrastructure that directly supports statewide economic development goals. | 6.25 | | | | | |
| c. Extent to which the project address research in one of five new economy clusters, WFD, the RCTF or REUTF goals of HB1. | 6.25 | | | | | |
| d. Extent to which the project address space for applied research programs outside the new economy areas that address the economic and community needs of the institutions service area, or workforce development. | 6.25 | | | | | |
| 2. *The project supports the institution's mission and is a high institutional priority.* | | **25.00** | | | | |
| a. The project addresses a specific area identified by the Council approved mission parameters. | 7.00 | | | | | |
| b. Extent to which the project addresses an existing program, program expansion, enrollment growth, institution service region, or a specific need of the region as identified by the public agenda. | 2.00 | | | | | |
| c. Institutional project priority (Priority: #1 = 15 points; #2 = 12 points; #3 = 9 points; #4 = 6 points; and #5 = 3 points.) | 15.00 | | | | | |
| d. Extent to which project address public engagement, research, or economic development initiatives. | 1.00 | | | | | |
| 3. *Projects providing for the completion of facilities authorized during a previous biennium and which, if not funded, will compromise the viability of the phased facility. (Based in evidence of intent by G. A, Governor, or CPE.)* | | **20.00** | | | | |
| a. The Governor, G.A., CPE or institution stated an intent to phase a project and Phase I has been authorized and funded (planning, programming, schematic design, or site acquisition). | 10.00 | | | | | |
| b. The project has not been authorized in a previous biennia but has been properly developed, programmed, has a schematic design or is properly scoped. | 10.00 | | | | | |
| 4. *The postsecondary system Space Utilization Standards and Space Needs Model indicates a need for additional space or there is an explicit need to retool/remodel/replace existing space.* | | **20.00** | | | | |
| a. Extent to which the project is retooling the facility for a different use, remodeling, renovating, or replacing space. | 6.00 | | | | | |
| b. Extent to which the space needs model indicates a need for additional space for the use identified by the project request. | 10.00 | | | | | |
| c. The project is on the national historic register or has other official historic status. | 1.00 | | | | | |
| d. Extent ot which construction of new space will free up space for a new use. | 3.00 | | | | | |
| 5. *The project significantly reduces the capital renewal and maintenance burden and the institution has demonstrated good stewardship through evidence of facility renewal and facilities systems exceeding the manufacturer's suggested system life expectancies.* | | **10.00** | | | | |
| a. Extent to which the building systems history show an average useful life of 90% or greater. | 4.00 | | | | | |
| b. Extent to which the project is upgrading systems that have offsetting economies or efficiencies. | 2.00 | | | | | |
| c. Extent to which the project is required for regulatory compliance, i.e., ADA, energy, fire, life safety, pollution/air quality, or earthquake, federal, state or local regulation, or citation by state or federal government regulatory agency. | 2.00 | | | | | |
| d. Extent to which the project address structural or impending failure, flaws that have occurred as a result of improper design, construction, or materials failure. | 2.00 | | | | | |
| Total Score | | | | | | |

# RESEARCH CHALLENGE TRUST FUND, ENDOWMENT MATCH PROGRAM (EMP) FUND, USES AND RESULTS (1997 - 2004)

| Year | RCTF Appropriations | RCTF Endowment Match Program (EMP) | Match Required | Match Pledge or Rec'd | Match Deficit | Total University Endowment | Benchmark Institutions Endowment Avg. | Difference from Benchmark Endowment Avg. |
|---|---|---|---|---|---|---|---|---|
| University of Kentucky | | | | | | | | |
| 1997 | | | | | | | | |
| 1998 | | | | | | | | |
| 1999 | | | | | | | | |
| 2000 | | | | | | | | |
| 2001 | | | | | | | | |
| 2002 | | | | | | | | |
| 2003 | | | | | | | | |
| 2004 | | | | | | | | |
| **TOTALS** | | | | | | N/A | N/A | N/A |

# RESEARCH CHALLENGE TRUST FUND, ENDOWMENT MATCH PROGRAM (EMP) FUND, USES AND RESULTS (1997 - 2004)

| Year | Investment Policy (%) | Investment Proceeds from EMP Funds* | Total Annual Expenditures from EMP Proceeds | EMP Proceeds Not Expended | Annual Expenditures for Endowed Chairs | Annual Expenditures for Endowed Professorships | Annual Expenditures for Endowed Fellowships and Scholarships | Annual Expenditures for Endowed Research Support |
|---|---|---|---|---|---|---|---|---|
| University of Kentucky | | | | | | | | |
| 1997 | | | | | | | | |
| 1998 | | | | | | | | |
| 1999 | | | | | | | | |
| 2000 | | | | | | | | |
| 2001 | | | | | | | | |
| 2002 | | | | | | | | |
| 2003 | | | | | | | | |
| 2004 | | | | | | | | |
| **TOTALS** | | | | | | | | |

*Capital Gains and Investment Proceeds.

# RESEARCH CHALLENGE TRUST FUND, ENDOWMENT MATCH PROGRAM (EMP) FUND, USES AND RESULTS (1997 - 2004)

| Primary EMP Areas of Focus | Description of EMP Areas of Focus | Total EMP Expenditures by Area of Focus | Total EMP Chairs by Area of Focus (No.) | Total EMP Professorships by Area of Focus (No.) | Total Fellowships/ Scholarships by Area of Focus |
|---|---|---|---|---|---|
| University of Kentucky | | | | | |
| 1 (Highest) | | | | | |
| 2 | | | | | |
| 3 | | | | | |
| 4 | | | | | |
| 5 | | | | | |
| 6 | | | | | |
| 7 | | | | | |
| 8 | | | | | |
| 9 | | | | | |
| 10 (Lowest) | | | | | |
| **TOTALS** | **N/A** | | | | |

# RESEARCH CHALLENGE TRUST FUND, ENDOWMENT MATCH PROGRAM (EMP) FUND, USES AND RESULTS (1997 - 2004)

| Primary EMP Areas of Focus | Businesses Created by Area of Focus (No., Name, Location, Description) | Products Developed by Area of Focus (No., Name, Location, Description) | Federal Funds Attracted by Area of Focus | Private Funds Attracted by Area of Focus (Match Excluded) | Selected Capital Budget Support by Area of Focus | Selected Base Budget Support by Area of Focus |
|---|---|---|---|---|---|---|
| University of Kentucky | | | | | | |
| 1 | | | | | | |
| 2 | | | | | | |
| 3 | | | | | | |
| 4 | | | | | | |
| 5 | | | | | | |
| 6 | | | | | | |
| 7 | | | | | | |
| 8 | | | | | | |
| 9 | | | | | | |
| 10 | | | | | | |
| **TOTALS** | **N/A** | **N/A** | | | | |

# REGIONAL UNIVERSITY EXCELLENCE TRUST FUNDS, USES AND RESULTS (1997 - 2004)

## EASTERN KENTUCKY UNIVERSITY

| Year | RUETF Appropriations | RUETF Endowment Match Program (EMP) | Match Required | Match Pledge or Rec'd | Match Deficiency | University Endowment | Benchmark Institutions Endowment Avg. | Difference from Benchmark Endowment Avg. |
|---|---|---|---|---|---|---|---|---|
| Eastern Kentucky University | | | | | | | | |
| 1997 | | | | | | | | |
| 1998 | | | | | | | | |
| 1999 | | | | | | | | |
| 2000 | | | | | | | | |
| 2001 | | | | | | | | |
| 2002 | | | | | | | | |
| 2003 | | | | | | | | |
| 2004 | | | | | | | | |
| **TOTALS** | | | | | | N/A | N/A | N/A |

# REGIONAL UNIVERSITY EXCELLENCE TRUST FUNDS, USES AND RESULTS (1997 - 2004)

## EASTERN KENTUCKY UNIVERSITY

| Year | Investment Policy (%) | Investment Proceeds from EMP Funds | Total Annual Expenditures from EMP Funds | EMP Proceeds Not Expended | Annual Expenditures for Endowed Chairs | Annual Expenditures for Endowed Professorships | Annual Expenditures for Endowed Fellowships and Scholarships | Annual Expenditures for Endowed Research Support |
|---|---|---|---|---|---|---|---|---|
| Eastern Kentucky University | | | | | | | | |
| 1997 | | | | | | | | |
| 1998 | | | | | | | | |
| 1999 | | | | | | | | |
| 2000 | | | | | | | | |
| 2001 | | | | | | | | |
| 2002 | | | | | | | | |
| 2003 | | | | | | | | |
| 2004 | | | | | | | | |
| **TOTALS** | | | | | | | | |

# REGIONAL UNIVERSITY EXCELLENCE TRUST FUNDS, USES AND RESULTS (1997 - 2004)

## EASTERN KENTUCKY UNIVERSITY

| Primary RUETF Areas of Focus | Description of RUETF Areas of Focus (By Expenditure From Highest to Lowest) | Total RUETF Expenditure by Area of Focus | Total RUETF Expenditures for Chairs by Area of Focus (No.) | Total RUETF Expenditures for Professorships by Area of Focus (No.) | Total RUETF Expenditures for Fellowships/ Scholarships by Area of Focus | Total RUETF Expenditures for Research Support by Area of Focus |
|---|---|---|---|---|---|---|
| Eastern Kentucky University | | | | | | |
| 1 (Highest) | | | | | | |
| 2 | | | | | | |
| 3 | | | | | | |
| 4 | | | | | | |
| 5 | | | | | | |
| 6 | | | | | | |
| 7 | | | | | | |
| 8 | | | | | | |
| 9 | | | | | | |
| 10 (Lowest) | | | | | | |
| **TOTALS** | N/A | | | | | |

# REGIONAL UNIVERSITY EXCELLENCE TRUST FUNDS, USES AND RESULTS (1997 - 2004)

## EASTERN KENTUCKY UNIVERSITY

| Primary RUETF Areas of Focus | Businesses Created by Area of Focus (No., Name, Description) | Products Developed by Area of Focus (No., Name, Description) | Federal Funds Attracted by Area of Focus | Private Funds Attracted by Area of Focus (Match Excluded) | Capital Budget Support by Area of Focus | Base Budget Support by Areas of Focus |
|---|---|---|---|---|---|---|
| Eastern Kentucky University | | | | | | |
| 1 | | | | | | |
| 2 | | | | | | |
| 3 | | | | | | |
| 4 | | | | | | |
| 5 | | | | | | |
| 6 | | | | | | |
| 7 | | | | | | |
| 8 | | | | | | |
| 9 | | | | | | |
| 10 | | | | | | |
| **TOTALS** | N/A | N/A | | | | |

# 2000-02 ACTION AGENDA PROGRAM GUIDELINES

## *Introduction*

The Action Agenda Program in the Regional University Excellence Trust Fund will support specific efforts by the comprehensive universities to achieve the aspirations set forth in the *Kentucky Postsecondary Education Improvement Act of 1997*, *2020 Vision*, and the Council's *1999-2004 Action Agenda.* Institutions are expected to design, develop, and implement distinctive approaches to achieving the goals of postsecondary education including leading more Kentuckians to seek and obtain postsecondary education, smoothing the transition from high school to postsecondary education, and improving the quality of life for children and the elderly.

This program has a $10 million appropriation in 2001-02 to be allocated among the comprehensive universities as specified in House Bill 502.

| **Comprehensive Universities** | **2001-02** |
|---|---|
| Eastern Kentucky University | $2,433,000 |
| Kentucky State University | 732,000 |
| Morehead State University | 1,435,000 |
| Murray State University | 1,659,000 |
| Northern Kentucky University | 1,414,000 |
| Western Kentucky University | 2,327,000 |
| **Total** | **$10,000,000** |

### A. Uses of Action Agenda Program Funds

**1.** Activities should be directed toward initiatives that will help achieve the goals of *The Postsecondary Education Reform Act of 1997, 2020 Vision,* and the *Action Agenda*.

**2.** Each comprehensive university shall submit a single proposal addressing the planned use of these funds. The proposal may include multiple initiatives.

**3.** Examples of initiatives that may be funded include efforts to:

➢ Address issues of teacher quality, pre-service training, and in-service professional development as identified by the Teacher Quality Task Force recommendations. (Note: The 2000-02 Appropriations Bill encourages the Council to allocate $4 million of the Action Agenda Program funds to initiatives addressing teacher quality issues. Senate Bill 77 stipulates conditions that postsecondary education institutions

must meet in order to qualify for funds for the purposes of teacher education or model programs of teaching and learning.)

- Collaborate with other education entities.

- Aid in the recruitment and retention of students by increasing the awareness of an institution and its academic offerings among populations within its region.

- Increase the cultural and racial diversity among students, faculty, and staff.

- Provide services for persons with disabilities.

- Implement projects that address community problems and quality of life issues.

- Increase the effective use of information technology for instructional purposes only.

- Determine the level of student satisfaction with their learning and employer satisfaction with their college-educated workforce.

**4.** Proposals will be reviewed by the Council based on the criteria listed above.

## B. Annual Reporting for 2000-02

Proposals will include outcomes-based performance indicators, benchmarks, and evaluation criteria.

## Council on Postsecondary Education
## General Fund Capital Project Priorities

| System Priority | Institution/Project Name | General Funds |
|---|---|---|
| **Project Category: E&G and Postsecondary Ed Center Projects** | | |
| 1 | MoSU Construct Center for Health, Education, and Research (1) | 15,000,000 |
| 2 | KCTCS Construct Science/Allied Health Bldg Jefferson Communi | 25,557,000 |
| 3 | KCTCS Construct Allied Health/Tech Ed Bldg, Somerset CC Laur | 13,815,000 |
| 4 | NKU Renovate Old Science Building (1) | 15,000,000 |
| 5 | MuSU Construct New Science Complex Phase III(1) | 15,000,000 |
| 6 | WKU Renovate Science Campus, Phase III (2) | 7,000,000 |
| 7 | NKU Construct Health Innovation Center (3) | 30,900,000 |
| 8 | KSU Hathaway Hall Renovation, Phase III (1) | 4,920,000 |
| 9 | EKU Construct Science Building (1) | 83,243,000 |
| 10 | NKU Construct Center for Informatics (2) | 33,500,000 |
| 11 | UK Construct Gatton Building Complex (2) | 62,235,000 |
| 12 | EKU/UK Dairy Research Project (Meadowbrook) (2) | 5,300,000 |
| 13 | UofL Renovate Life Sciences Building (4) | 18,240,000 |
| 14 | KCTCS Construct Emerging Tech Cntr West KY Comm & Tech (1) | 16,518,000 |
| 15 | WKU Replace College of Education - Tate Page Hall Building (1) | 35,000,000 |
| 16 | UK Construct Law School Building (3) | 70,161,000 |
| 17 | MoSU Renovate & Add to Student Center, Phase II (2) | 16,800,000 |
| 18 | KSU Expand & Renovate Betty White Nursing Building (2) | 4,900,000 |
| 19 | WKU Replace Ford College Business - Grise Hall Building (3) | 38,000,000 |
| 20 | KCTCS Construct Mt Zion Campus Phase II Gateway CTC (4) | 36,523,000 |
| 21 | UK Construct Medicine/Dentistry Building (5) | 202,410,000 |
| 22 | MoSU Renovate Combs Classroom Building (3) | 6,000,000 |
| 23 | KSU Expand & Renovate Bradford Hall (3) | 27,500,000 |
| 24 | NKU Rennovate University Center (4) | 8,700,000 |
| 25 | KSU Renovate Jackson Hall (4) | 1,628,000 |
| 26 | EKU Renovate Donovan/Donovan Annex/Mattox Hall (4) | 19,900,000 |
| 27 | KCTCS Construct Tech Drive Campus Phase III Ashland CTC (5) | 14,833,000 |
| 28 | MoSU Renovate & Expand Baird Music Hall (4) | 10,200,000 |
| 29 | MuSU Construct Public Safety Building (2) | 2,000,000 |
| 30 | UofL Construct Belknap Research & Classroom Building (5) | 66,420,000 |
| 31 | MoSU Renovate & Expand Camden Carroll Library, Phase I (5) | 6,000,000 |
| 32 | KSU Hill Student Center - 3rd Floor Build-Out (5) | 600,000 |
| 33 | WKU Construct Owensboro Advanced Technology Center (5) | 12,536,000 |
| 34 | EKU Construct Danville Postsecondary Education Center (3) | 11,000,000 |
| 35 | MuSU Construct Agriculture Tech Telecommunications Center (4) | 23,000,000 |
| 36 | EKU Construct University Activity Center, Phase II (5) | 15,400,000 |
| 37 | MuSU Construct MadisonvillePostsecondary Education Center (5 | 25,000,000 |
| 38 | NKU Relocate Master Plan Infrastructure (5) | 6,130,000 |
| | *Total - (E&G) General Fund Projects Requested* | *$ 1,006,869,000* |
| **Project Category: Research & Economic Development Projects** | | |
| 1 | UK Construct Biological/Pharmaceutical Complex, Phase II (1) | 79,892,000 |
| 2 | UofL Construct HSC Research Facility IV (1) | 69,680,000 |
| 3 | UofL Renovate Medical Dental Research Building, Phase IV (2) | 19,800,000 |
| 4 | UK Construct Bio-Medical Research Building (4) | 95,000,000 |
| 5 | WKU Construct Materials Characteristics, Phase II (4) | 4,500,000 |
| 6 | MuSU Construct New Breathitt Veterinary Center (3) | 25,000,000 |
| 7 | UofL Construct Center for Predictive Medicine (3) | 13,000,000 |
| | *Total - (R&ED) General Fund Projects Requested* | *$ 306,872,000* |
| | System Total - Top 45 General Fund Projects Requested | *$ 1,313,741,000* |

# Recommended Capital Projects for FY '07 - '08

| System Priority | Institution/Project Name | Total Scope | General Funds | Other Funds | Estimated Debt Service |
|---|---|---|---|---|---|
| **Project Category: Current Infrastructure Repairs/Replacement/Improvements** | | | | | |
| 1 | Capital Renewal, Replacement and Maintenance Pool | $ 15,000,000 | $ 15,000,000 | | $ 1,578,000 |
| 2 | Information Technology/Instructional Equipment Purchase Pool | 25,000,000 | 25,000,000 | | 5,035,000 |
| | *Total - Infrastructure, Repairs, Replacement & Improvements* | *$ 40,000,000* | *$ 40,000,000* | *$ -* | *$ 6,613,000* |
| **Project Category: E&G and Postsecondary Ed Center Projects** | | | | | |
| 1 | MoSU Construct Center for Health, Education, and Research (1) | $ 20,000,000 | $ 15,000,000 | $ 5,000,000 | $ 1,578,000 |
| 2 | KCTCS Construct Science/Allied Health Bldg Jefferson Community (2) | 25,557,000 | 25,557,000 | | 2,687,000 |
| 3 | KCTCS Construct Allied Health/Tech Ed Bldg, Somerset CC Laurel (3) | 13,815,000 | 13,815,000 | | 1,453,000 |
| 4 | NKU Renovate Old Science Building (1) | 15,000,000 | 15,000,000 | | 1,578,000 |
| 5 | MuSU Construct New Science Complex Phase III(1) | 15,000,000 | 15,000,000 | | 1,578,000 |
| 6 | WKU Renovate Science Campus, Phase III (2) | 7,000,000 | 7,000,000 | | 737,000 |
| 7 | NKU Construct Health Innovation Center (3) | 20,085,000 | 20,085,000 | | 2,111,200 |
| 8 | KSU Hathaway Hall Renovation, Phase III (1) | 4,920,000 | 4,920,000 | | 520,000 |
| 9 | EKU Construct Science Building (1) | 54,107,950 | 54,107,950 | | 5,687,500 |
| 10 | NKU Construct Center for Informatics (2) | 23,075,000 | 23,075,000 | | 2,289,300 |
| 11 | UK Construct Gatton Building Complex (2) | 79,289,750 | 40,452,750 | 38,837,000 | 4,252,300 |
| 12 | EKU/UK Dairy Research Project (Meadowbrook) (2) | 5,300,000 | 5,300,000 | | 559,000 |
| 13 | UofL Renovate Life Sciences Building (4) | 18,240,000 | 18,240,000 | | 1,918,000 |
| 14 | KCTCS Construct Emerging Tech Cntr West KY Comm & Tech (1) | 16,518,000 | 16,518,000 | | 1,737,000 |
| 15 | WKU Replace College of Education - Tate Page Hall Building (1) | 35,000,000 | 22,750,000 | 12,250,000 | 2,391,350 |
| | *Total - (E&G) General Fund Projects Requested* | *$ 352,907,700* | *$ 296,820,700* | *$ 56,087,000* | *$ 31,076,650* |
| **Project Category: Research & Economic Development Projects @ 100%** | | | | | |
| 1 | UK Construct Biological/Pharmaceutical Complex, Phase II (1) | $ 79,892,000 | $ 79,892,000 | | $ 8,399,000 |
| 2 | UofL Construct HSC Research Facility IV (1) | 69,680,000 | 69,680,000 | | 7,325,000 |
| 3 | WKU Construct Materials Characteristics, Phase II (4) | 4,500,000 | 4,500,000 | | 476,000 |
| 4 | MuSU Construct New Breathitt Veterinary Center (3) | 16,250,000 | 16,250,000 | | 1,708,200 |
| | *Total - (R&ED) General Fund Projects Requested* | *$ 170,322,000* | *$ 170,322,000* | *$ -* | *$ 17,908,200* |
| **Project Category: Project Planning and Design** | | | | | |
| 2 | UK Construct Bio-Medical Research Building (4) | $ 95,000,000 | | | $ 7,600,000 |
| | *Total - Planning & Design* | *$ 95,000,000* | *$ -* | *$ -* | *$ 7,600,000* |
| | **System Total - General Fund Projects Recommendation** | ***$ 658,229,700*** | ***$ 507,142,700*** | ***$ 56,087,000*** | ***$ 63,197,850*** |
| | ***Total Estimated Annual Debt Service Amount*** | | | | ***$ 55,597,850*** |

# Council Accomplishments

By James Applegate
Vice President for Academic Affairs

Vigorous discussion and debate of the issues raised in this report will help the Council implement Kentucky's public agenda for postsecondary education. That discussion should also acknowledge the accomplishments of postsecondary education since the institution of reform and the creation of a stronger Council on Postsecondary Education to coordinate that reform. Many of these accomplishments are the direct result of Council efforts.

First, the Council's leadership in creating a public agenda for Kentucky postsecondary education and the agenda's accountability system organized around the five questions is, in itself, a highly innovative framework that has received national attention and served as a model for other states. The National Center for Public Policy and Higher Education has profiled Kentucky's agenda and its reform progress three times in its national publication *Crosstalk* (www.highereducation.org). No other state effort has received this level of attention. Council representatives have been invited to assist states and higher education groups across the country (e.g., in New England, South Carolina, Minnesota, Ohio, California, and Hawaii) in implementing this model. The nation is watching Kentucky to see if this comprehensive public agenda, focusing postsecondary education on state needs rather than institutions, can succeed.

The Council has implemented specific initiatives that have been recognized for their success. In cooperation with the Kentucky Board of Education, the Council created the State P-16 Council in 1999 to create a seamless system of education. Since that time the P-16 Council's work, supported by the CPE, has resulted in Kentucky's selection to participate in important national initiatives (e.g., the American Diploma Project). National organizations like the business/education group *Achieve* (www.achieve.org), the Education Trust (www.edtrust.org), and the Southern Regional Education Board (www.sreb.org) have recognized Kentucky's success in aligning P-12 and postsecondary standards, increasing college going, and improving teacher quality. The Council funded creation of a network of 21 local P-16 councils across the state to bring business, government, and education leaders together to implement grassroots programs that have improved education attainment levels in communities throughout Kentucky.

As part of its P-16 effort, the Council applied for two successful federal GEAR UP grants to support college going by low income students in Kentucky (www.cpe.ky.gov). The Council's two successful grant applications provide $63 million dollars for GEAR UP programs for students, teachers, and parents in low income middle and high schools. The Council marshaled $31.5 million of matching state support for the program from Kentucky's colleges, P-12 schools, state agencies, and the private sector.

Already, student achievement gains in these low income GEAR UP schools are exceeding state averages and soon the first GEAR UP students will enter college.

The Council's work in adult education increased enrollment by 135 per cent in four years and almost doubled the percentage of GED completers going on to college. The Council's success in focusing adult basic education on college going is unique in the nation. It has been identified as a national model in a number of national studies and by the federal Department of Education.

The Council recently focused attention on affordability issues. To date, despite budget cuts and tuition increases, Kentucky postsecondary education remains among the most affordable in the nation and the Council is committed to keeping it that way. Its work led to Kentucky's selection as a participating state in the Lumina Foundation funded national *Changing Directions* initiative to improve policies in this area. In spring 2006 the Council will approve policies that strategically link tuition, public funding, and affordability measures. This work promises to again make Kentucky a national model for creating coherent policies that ensure the affordability of college for its citizens.

The Council's primary focus since 1998 has been on increasing the number of Kentuckians with college degrees. National research clearly shows that those states with more educated populations are healthier and more prosperous. The many programs the Council has put in place to increase enrollment, retention and graduation have had dramatic impact. Since 1998, total postsecondary enrollment has increased 25 per cent. For the first time a Kentucky ninth grader's chance for college exceeds the national average. In the past decade, the college participation of minority young adults rose from 15 to 32 percent. The six year graduation rate in the public system rose form 36.7 percent in 1998 to 44.3 percent in 2004: a dramatic improvement though still below the national average.

To increase the efficiency of the system the Council implemented a new process for approving new academic programs and increasing the productivity of current programs. Since 2000, the Council has assessed the more than 1000 programs offered by the system resulting in the closure of 220 non-productive programs and the restructuring of 316 programs to increase their degree production and contribution to state needs.

The Council's focus on collaboration to increase efficiency and effectiveness has produced statewide strategies in engineering and public health as well as new programs to support transfer from KCTCS to the universities. The results include more accredited joint and collaborative programs and more graduates in engineering and public health, improved transfer programs in key areas such as education and business, and the delivery of targeted courses that better meet the workforce needs of Kentucky.

Council-led innovations in the use of the web and distance education have dramatically increased access for all Kentuckians primarily through the virtual university and library. KYVU enrollments have grown from 235 learners in 1999 to 55,964 learner in 2005. Learners enroll in over 5,000 course sections. In 2004-05 over 11.1 million searches were done on the virtual library, up from 3.1 million in 1999-2000. Kentuckians access the library from colleges, public libraries and schools across the state. It saves the state an estimated $10 million annually through its combined purchasing power for databases. Both the university and the library provide extensive services to the P-12 sector.

The Council has led national efforts to better assess the quality of the education provided by postsecondary institutions. Its focus on quality resulted in Kentucky being selected by the authors of *Measuring Up*, the national report card on higher education, as the first pilot state to develop a measure of state success in educating college students who can compete effectively on competitive and licensure exams and demonstrate competency in areas important to success in a knowledge-based economy. Kentucky was highlighted in the 2002 and 2004 *Measuring Up* report card for its work (www.highereducation.org). The current budget request funds an ongoing statewide assessment of student learning developed from this work that, when implemented, will make Kentucky the only state to regularly assess the quality of the postsecondary education being provided its students. To improve quality, the Council also funds programs that involve more than 5,000 faculty in programs that improve their use of technology and learning assessments, advising, and their ability to teach the increasingly diverse types of students coming to college.

In addition to its support of the institutions' efforts to increase research and economic development activities (i.e., Bucks for Brains), the Council has managed a highly successful economic development program of its own in cooperation with the Kentucky Science and Technology Corporation (www.kstc.com). This program, supporting entrepreneurs, business start-ups, and product commercialization since 2002 has made 660 investments. Since the inception of the programs the state's investment of $25.3 million has been leveraged to a value of more than $254.9 million. There have been 120 new companies formed and 1542 new jobs created. Twenty-nine contracts have been made with $394,089 in actual return of investment from two companies; three new patents and 56 other invention disclosures and patent applications are in process. The number and quality of investment requests is growing. In short, the Council is successfully managing, with KSTC, an important part of the state's economic development portfolio directly linked to the research capacity of postsecondary education.

ONE MISSION: BETTER LIVES
KENTUCKY
Council
on postsecondary education