

**Distance Learning Advisory Committee Meeting
Minutes – September 14, 1998**

The Distance Learning Advisory Committee (DLAC) met on September 14, 1998, at 8:00 a.m. in the Council conference room in Frankfort, Kentucky. Lee Todd, Jr., chairman, presided over the meeting.

Those members, or their representatives, present were Norma Adams, Kern Alexander, Wilmer Cody, Gary Cox, Gordon Davies, Virginia Fox, Merl Hackbart, Jeff Hockaday, Robert Kustra, Crit Luallen, Michael Moore representing Ronald Eaglin, Ronald Moore representing John Shumaker, James Nelson, Gary Ransdell, Allen Rose, George Reid, Lee Todd, Jr., Aldona Valicenti, James Votruba, Charles Wethington, and Nancy Ward representing Viola Miller.

Mr. Todd welcomed new members Ms. Crit Luallen, Secretary of the Cabinet and State Budget Director, Mr. Allen Rose, Secretary of the Workforce Development Cabinet; and Mr. Wilmer "Bill" Cody, Commissioner of the Kentucky Department of Education.

There being no corrections, the minutes of the previous meeting were approved as distributed.

Noting time constraints and the relative importance of items on the agenda, Mr. Todd asked that action items G through J be combined and moved forward to ensure that adequate time would be available for discussion of the items related to the CVU organizational structure and budget. He requested a motion to establish the CVU Academic Council and three new work groups recommended by staff.

RECOMMENDATION: That the DLAC approve establishing four new CVU groups -- a CVU Academic Council, a Financial Affairs Work Group, a Marketing Work Group, and a Bookstore Work Group.

MOTION: Mr. Nelson moved, seconded by Mr. Votruba, that the recommendation be approved.

VOTE: The motion passed.

Mr. Fowler presented the CVU Status Report. The information item and its associated attachments are found in agenda item D.

Mr. Todd asked Dennis Taulbee to present the discussion item relating to an organizational structure for the CVU/CVL.

Mr. Taulbee stated that at the July 13 DLAC meeting, it was understood that at least during its formative stages the CVU would remain a part of the Council and the CEO for the CVU would report to the president of the Council. He then presented for discussion a staff proposal for the long-term administration and governance of the CVU. The proposal

called for a freestanding, lay-dominated board that would have a relationship with CPE similar to that of the public institutions of postsecondary education.

There followed an extended discussion during which several issues, questions, and points of view were expressed. The following list highlights some of the major issues.

- What is the appropriate relationship between the CVU board and the Council?
- What is the appropriate composition of the CVU board?
- Should the CVU board mirror institutional boards in terms of both composition and authority?
- Some governance models may require changes in the statutes.
- Is it appropriate for the Council, a coordinating body, to operate a program such as the CVU?
- The governance of the CVU during its developmental stage may be different than that needed once it is operational.
- There are concerns about the CVU becoming a "free-standing" institution.
- The organization of the CVU should be consistent with the CVU policy statement that describes the respective roles of the institutions and of the CVU.

Mr. Davies noted the difficulty in recruiting a good CEO within the current limitations. His preference is that the CVU have a governing board with broad entrepreneurial responsibility. He said that he would welcome written comments regarding the CVU/CVL organizational structure.

With concurrence of the committee, Mr. Todd asked that the staff revise the discussion item and provide additional organizational alternatives for consideration at the October meeting.

Mr. Todd asked Ken Walker to present the discussion item related to the CVU budget for 1998-99 and 1999-2000. Mr. Walker acknowledged that many others had an influence in developing the draft budget, including the Technology Work Group, George Connick, Jim Nelson, Miko Pattie, and others.

Mr. Walker explained that the principal source of funding for the CVU comes from the Technology Trust Fund established by HB 1. He also noted that the Regional Postsecondary Education Centers also would be funded from the trust fund.

The primary points of discussion related to the large amount of funding required for operating the Commonwealth Virtual Library, the structural imbalance in the budget, and the need for CVU to generate an ongoing stream of revenue in addition to the state appropriation.

Mr. Nelson indicated that the Technology Work Group and the CVL steering committee are working to find the most cost-effective technology hardware and software solution to reducing the operating cost of the CVL. In addition, the on-going cost of the databases is an approximation and may actually be lower than projected.

Mr. Todd asked if priorities for the databases had been established. Mr. Nelson responded that the CVL Collections Committee is working to establish priorities but that for the most part they are dealing with aggregated databases. The vendors are being asked to price the cost for postsecondary education only, postsecondary plus P-12, postsecondary plus county libraries, and for all in combination.

Mr. Hackbart asked how the structural imbalance in the budget can be reduced or eliminated and indicated a need to develop a business plan for CVU. Mr. Walker indicated that the budget presented for action at the next meeting would be structurally balanced.

The discussion turned to CVU revenue issues. The most obvious source of support would be through collecting a share of the tuition generated by CVU students and/or the imposition of a CVU/Distance Learning fee. Mr. Walker noted that based on the experience in Maine, 20 percent of tuition revenue would be reasonable given the range of services to be provided by the CVU.

President Votruba said that we should not impose high tuition and fees on CVU students. Distance learners should not have to pay more than regular on-campus students.

Mr. Walker noted that earlier in the meeting the DLAC had authorized establishment of a Financial Affairs Work Group. This group will be convened promptly and the revenue issue will be a major agenda item.

The DLAC charged the staff with presenting a more structurally balanced and detailed budget at the next meeting.

Mr. Fowler announced that the next DLAC meeting would be held October 22 from 10 a.m. to 12 noon.

The meeting was adjourned at 9:15 a.m.