



STRONGER by DEGREES



MEETING AGENDA

Friday, November 13, 2015

Gateway Community & Technical College, Florence, KY (Boone campus) - CAM Building, Room B123



Members, Council on Postsecondary Education

W. Bruce Ayers, Cumberland
Glenn D. Denton, Paducah (*chair*)
Maryanne Honeycutt Elliott, Louisville
Joe E. Ellis, Benton
Dan E. Flanagan, Campbellsville
Joe Graviss, Versailles (*vice chair*)
Mark Guilfoyle, Crestview Hills
Dennis M. Jackson, Paducah
Brenda H. McGown, Bowling Green

Pam Miller, Lexington
Donna Moore, Lexington
Elizabeth Ruwe, NKU (*student*)
Marcia Milby Ridings, London
Robert H. Staat, UofL (*faculty member*)
Sherrill B. Zimmerman, Prospect
Stephen Pruitt, Commissioner of Education (*ex officio, nonvoting*)

Robert L. King, CPE President

The Council on Postsecondary Education is Kentucky's statewide postsecondary and adult education coordinating agency charged with leading the reform efforts envisioned by state policy leaders in the *Kentucky Postsecondary Education Improvement Act of 1997*. The Council does not discriminate on the basis of race, color, national origin, sex, religion, age, or disability in employment or the provision of services, and provides, upon request, reasonable accommodation, including auxiliary aids and services necessary to afford individuals with disabilities an equal opportunity to participate in all programs and activities.

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AGENDA

Council on Postsecondary Education

Friday, November 13, 2015

9:00 AM

Gateway Community & Technical College, Florence, KY (Boone campus) - CAM
Building, Room B123

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Next meeting - February 11-12, 2016, Council Retreat & Meeting, UK Lexmark Center, Lexington

Minutes
Council on Postsecondary Education
September 29, 2015

The Council on Postsecondary Education met Friday, September 29, 2015, at 1:30 a.m., ET, at Marriott Griffin Gate Resort and Spa in Lexington, Kentucky. Chair Glenn Denton presided.

WELCOME

Mr. Denton called the meeting to order and welcomed everyone. He gave several remarks on the 2015 Governor's Conference on Postsecondary Education Trusteeship.

ROLL CALL

The following members were present: Bruce Ayers, Glenn Denton, Joe Ellis, Dan Flanagan, Mark Guilfoyle, Dennis Jackson, Brenda McGown, Donna Moore, Marcia Ridings, Robert Staat, and Sherrill Zimmerman. Kevin Brown (interim Kentucky Department of Education Commissioner), and Maryanne Elliott did not attend.

OATH OF OFFICE

Vince Riggs, Fayette County Circuit Court Clerk, administered the oath of office to new members, Dr. Bruce Ayers, Ms. Brenda McGown, and Mr. Mark Guilfoyle.

RESOLUTION

The Council proposed and approved the following resolution in relation to the 2015 Governor's Conference on Postsecondary Education:

Be it resolved that the 2015 Governor's Conference on Postsecondary Education Trusteeship has just concluded and that it is the sense of the Council that it was an overwhelming success, that it was meaningful with strong content and continuing education opportunities, and that it has added value to Kentucky's Postsecondary Education community;

Therefore, be it resolved that the Council wishes to express its appreciation and thanks to President Bob King and the entire CPE staff for a job very well done.

**PERFORMANCE
PRESENTATION –
MURRAY STATE
UNIVERSITY**

President Robert O. Davies provided the Council with an update on MuSU's progress toward achieving its performance goals as set forth in the state's Strategic Agenda. MuSU's board chair, Harry Lee Waterfield, gave remarks on Murray State University's strategic planning process. MuSU provost, Tim Todd, joined at the table as well. Following the presentation, Dr. Davies answered questions from the members regarding the requirements of university internships, and ways the institution is measuring the success and/or failure of the programs designed to elevate those whom are underprepared for college, come from low-income families, or are underrepresented minorities. Ms. Miller also complemented Dr. Davies on their retention rates of first-year students.

**2016-20 STRATEGIC
AGENDA PLANNING
UPDATE**

Ms. Zimmerman, chair of the 2016-20 Strategic Agenda Steering Committee, and Lee Nimocks, vice president for policy, planning and operations, provided an update to the council on the work of the committee. The update included work completed at the committee meetings, the work completed by the metrics

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advisory committee, and the work still left to be done. The Steering Committee expects to present the Council with a draft of the plan at the November 13, 2015 meeting, and be voted on by the Council at the February 12, 2016 meeting.

**PERFORMANCE
PRESENTATION –
MOREHEAD STATE
UNIVERSITY**

President Wayne Andrews provided the Council with an update on MoSU's progress toward achieving its performance goals as set forth in the state's Strategic Agenda. Jill Ratliff, MoSU's Assistant Vice President for Academic Affairs/Institutional Effectiveness was also at the table. Following the presentation, Dr. Andrews answered questions from the members regarding how the early college program has impacted their six-year graduation rate. Mr. King complemented MoSU on its diminishing gap of graduation rates for underrepresented minorities.

**APPROVAL OF
MINUTES**

**ACTION: 2015-16
AGENCY OPERATING
BUDGET**

Mr. Shaun McKiernan, CPE's senior associate of budget and finance, and Dr. Bill Payne, associate vice president for budget and finance, presented the staff recommendation that the council approve the 2015-16 CPE Agency Operating Budget. The enacted 2014-16 biennial budget (HB 235) called for a 5% reduction in General Fund support for most of CPE, as it did for most state agencies. The Council's total agency budget includes sources of revenue other than state General Fund, including tobacco settlement funds, cigarette tax revenue, trust funds, federal funds, and agency receipts. From an accounting and budgetary perspective, these funds are channeled through the Council to the appropriate institutions and organizations. Council staff proposed an FY 2015-16 total agency operating budget as follows: Operations, 7M; Kentucky Adult Education programs, 18.6M, Statewide Educational Programs and Services, 17.3M, and Debt Service, 28.5M.

MOTION: Mr. Miller moved that Council approve the 2015-16 CPE Agency Operating Budget be approved as presented. Dr. Staat seconded the motion.

VOTE: The motion passed.

**CAPITAL PROJECT
REQUESTS**

The CPE has statutory responsibility to review and approve public college and university capital projects costing \$600,000 or more and equipment items costing \$200,000 or more, regardless of fund source, that have been approved by an institution's governing board. During the interim, capital projects are evaluated under KRS 45.760 (6), (7), and KRS 45.763.

Dr. Payne and Mr. McKiernan presented the University of Louisville's request for authorization for two privately-funded capital projects: (1) a new Herman and Heddy Kurz Visitors Center; and (2) a new soccer practice field. The anticipated cost of each of these projects is \$2,000,000. According to request documents, the Visitors Center will be the centerpiece of a new main entrance

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to campus (off I-65), it will serve as a meeting place for members of the campus community and outside guests, and it will provide a venue for university staff to direct visitors to appropriate locations, such as the sports park, main campus, and research park. The new soccer field will replace McDonald's field (currently located at the planned site of the new Kurz Visitors Center) and will be constructed near Lynn Stadium. The UofL Athletic Association approved the soccer field project this past June, and the Board of Trustees approved both projects in July.

Mr. McKiernan also presented Kentucky Community and Technical College System's request for authorization for a new Pikeville Technology Center that will be located at Big Sandy Community and Technical College. The new 15,000 square foot center, expected to cost \$4,500,000, will include classroom and lab space and a high-bay training area to house the Kentucky Regional Telecommunications Training Program. Sources of funding for this project include a mix of federal funds (i.e., \$3,278,000 or 73% of total project cost) and agency funds (i.e., \$1,222,000 or 27%). The KCTCS Board of Regents approved the project at its September 18, 2015 meeting.

Both projects requested by the University of Louisville and the project requested by KCTCS meet the statutory requirement that sources of funding for interim projects must be at least 50 percent federal or private funds.

MOTION: Ms. Ridings moved that the Council approve interim authorization for two privately-funded capital projects at the University of Louisville (a Visitors Center, \$2,000,000 and a Soccer Practice Field, \$2,000,000) and one primarily federally-funded capital project at Big Sandy Community and Technical College (Technology Center; \$4,500,000). Mr. Flanagan seconded the motion. The motion passed.

**KENTUCKY/INDIANA
TUITION RECIPROCITY
AGREEMENTS**

Tuition reciprocity agreements are contractual arrangements between two or more states that allow citizens of a defined region in one state to enroll at identified institutions (or in specified programs) in another state (and vice versa) for a reduced tuition charge. Students attending an out-of-state institution under such an agreement may also receive special treatment for admission purposes. In general, the advantages of reciprocity agreements include:

- Broader educational access and opportunity for citizens in a region.
- Reduction in unnecessary duplication of academic programs.
- Cost reduction by utilizing academic programs in other states.

The current reciprocity agreement between Kentucky and Indiana will expire on June 30, 2017. Council staff were contacted by state representative James Tipton and asked to explore the possibility of amending the current agreement to allow Spencer County residents to attend Indiana University Southeast as reciprocity students. All parties to the agreement have approved this change. Spencer County, Kentucky is adjacent to both Jefferson and Shelby counties, which already are included in the agreement.

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Dr. Payne and Mr. McKiernan presented to the council the revised Kentucky/Indiana reciprocity agreement which was modified to include Spencer County, Kentucky.

MOTION: Dr. Ayers moved the Council approve addition of Spencer County, Kentucky, to the tuition reciprocity agreement with Indiana. Ms. Miller seconded the motion. The motion passed.

**ACTION: NEW
ACADEMIC PROGRAMS**

KRS 164.020 (15) empowers the Council on Postsecondary Education to define and approve the offering of all postsecondary education technical, associate, baccalaureate, graduate, and professional degree, certificate, or diploma programs in the public postsecondary education institutions.

Dr. Jay Morgan, CPE's vice president of academic affairs and student success, presented the staff recommendation that the Council approve the following new academic programs:

- Eastern Kentucky University: Bachelor of Science in Biomedical Science; Master of Science in Athletic Training
- University of Kentucky: Bachelor of Science in Neuroscience
- University of Louisville: Doctor of Nursing Practice

MOTION: Ms. Miller moved that the Council approve the new academic programs as presented. Dr. Ellis seconded the motion. The motion passed.

**CPE PRESIDENT'S
REPORT TO THE
COUNCIL**

A written report from President King was provided in the agenda book. Highlights included updates on the dates selected for the 2016 Student Success Summit; the Kentucky Department of Education's selection of its new commissioner, Stephen Pruitt, who takes office on October 16, 2015; and advocacy efforts for the 2016 legislative session.

**COMMISSIONER OF
EDUCATION REPORT**

Interim Commissioner Kevin Brown was not available to attend the September 29 meeting. He provided a written report in the agenda book.

**COMMITTEE ON
EQUAL
OPPORTUNITIES
REPORT**

Dr. Rana Johnson, CPE's chief diversity officer, provided an update on the activities of the Committee on Equal Opportunities. Highlights included the planned sessions and speaker of Diversity Summit scheduled for November 9, 2015, and the scheduled dates of the 2016 GMSCPP Statewide conference.

**COMMITTEE
APPOINTMENTS**

Chair Denton made the following committee appointments:

- Ms. Miller to the Budget Development Work Group, which discusses and analyzes data related to the long-term fiscal needs of the system and work on an operating and capital budget recommendation for 2016-18. This appointment replaces Arnold Taylor, whose term on the Council expired.

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- Dr. Ayers to the Committee on Equal Opportunities, which oversees the Commonwealth's desegregation and equal opportunities plans for postsecondary education. The Committee reviews institutional progress and makes recommendations for equal opportunities policy improvements to the Council. This appointment replaces Arnold Taylor, whose term on the Council expired.
- Ms. Moore to the Executive Committee, to expire on January 31, 2016, which reviews all agency budget and personnel matters, including an annual audit of the agency, evaluation of the CPE president, and other activities assigned by the Council. This appointment replaces Arnold Taylor, whose term on the Council expired.
- Mr. Graviss, Ms. Moore, Mr. Flanagan, and Ms. Elliott to the 2016 CPE retreat committee. This committee will meet to discuss the content for the annual retreat of the Council to be held on February 11-12, 2016.

RESOLUTIONS

The Council presented a resolution to: Arnold Taylor, CPE's council member whose term expired; and Tammy Powers and Donnie Begley, both of whom were long-term retirees of Kentucky Adult Education. Each was recognized for his or her commitment to postsecondary education and the Commonwealth of Kentucky.

REPORTS FROM INSTITUTIONS

Reports from the institutions were provided in the agenda book.

NEXT MEETING

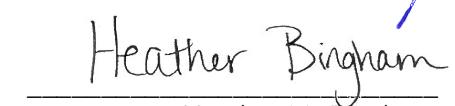
The next Council meeting is November 12-13, 2015, at the Gateway Community & Technical College in Florence, Kentucky.

ADJOURNMENT

The meeting adjourned at 3:25 p.m., ET.



Robert L. King
CPE President



Heather M. Bingham
Associate, Executive Relations

Council on Postsecondary Education
November 13, 2015

Executive Committee Report

The Executive Committee received the Financial Statements and Auditor's Report for fiscal year-end, June 30, 2015 at its November 13, 2015 Executive Committee meeting.

Chair Denton will present these results to the full Council, and a hard copy will be provided to all members.

Staff preparation by Heather Bingham

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CPE President's Report to the Council

Entrepreneurship Conference Set Next Week at EKU

The Council on Postsecondary Education and Eastern Kentucky University will sponsor the inaugural [E³ Conference – Education and Entrepreneurship as Economic Engines](#) on Nov. 19. Dr. Holden Thorp, Washington University in St. Louis provost, will serve as keynote speaker. He will discuss higher education's "...to-do list that includes the greatest problems of our time: cure diseases, deliver those cures; find and invent; inspire students; describe the world; and replace conflict with understanding."

Sessions include a CEO roundtable to discuss the differences between credentials and skill sets, and the value of each in the job market; how Kentucky universities currently cultivate innovation; fostering start-up communities; and investigating the different innovations, disruptions, and economic drivers that will occur in Kentucky throughout the next 20 years.

STEM Is Focus of Regional Faculty Development Workshops

The Council is pleased to join with Kentucky Campus Compact to co-sponsor a series of professional development workshops to strengthen science education. The workshops will feature staff from the SENCER Center for Innovation located at UNC Asheville. SENCER (Science Education for New Civic Engagements and Responsibilities) is a project supported by the National Science Foundation. The first of these workshops was hosted by Northern Kentucky University last month and others will be announced for the spring semester.

The workshops feature hands-on demonstrations of the pedagogical techniques employed by SENCER, including techniques for connecting STEM learning to civic engagement. SENCER focuses on getting more students interested in STEM fields, helping students connect STEM learning to their other studies, and strengthening students' understanding of science and their capacity for responsible work and citizenship.



More than 230 Attend GEAR UP Kentucky's First School Counseling and Advising Institute

GEAR UP Kentucky hosted its first Kentucky School Counseling and Advising Institute in October at the Northern Kentucky University METS Center, Erlanger. The two-day, statewide institute was designed to mobilize P-20 educational professionals to collaborate in the effective delivery of early and ongoing advising for postsecondary preparation, access and success. More than 230 education professionals attended, representing every stage of the education pipeline.

Featured keynote speakers included Mr. Greg Darnedier, senior advisor to the Secretary of Education on the College Access Initiative at the U.S. Department of Education, and Mr. Ranjit Sidhu, president and CEO, National Council for Community and Education Partnerships (NCCEP). Other featured speakers included:

- Aaron Thompson, executive vice president, Council on Postsecondary Education;
- Prichard Committee on Academic Excellence Student Voice Team;
- Brett Zyromski, director, School Counseling Program at Northern Kentucky University and co-founder of the National Evidence-Based School Counseling Conference; and
- Amanda Ellis, associate commissioner for Next Generation Learners, Kentucky Department of Education.

Kentucky Sends Team to Reach Higher White House Convening

A Kentucky team led by Aaron Thompson attended a White House convening on Strengthening School Counseling and College Advising at the University of North Florida last week, in support of President Obama's Opportunity Agenda and the First Lady's Reach Higher Initiative. The invitation-only event was coordinated by the National Consortium for School Counseling and Postsecondary Success and brought together nearly 500 delegates from 35 state teams representing K-12, higher education, and others.

Kentucky's participants, in addition to Thompson, included:

- Jimmy Adams, executive director, Educational Professional Standards Board;
- Amanda Ellis, associate commissioner for Next Generation Learners, Kentucky Department of Education;
- Dreama Gentry, executive director, Office of Education Partners, Berea College, and vice chair, Kentucky College & Career Connection (Ky3C) Coordinating Board;
- Bruce Brooks, executive director, GEAR UP Kentucky;
- Susan Hopkins, director of outreach services, Kentucky Higher Education Assistance Authority;
- Tye Mortensen, president, Kentucky Association for College Admission Counseling; and
- Brett Zyromski, associate professor, school counseling program director and clinical director, Department of Counseling, Social Work and Leadership, Northern Kentucky University.

Commonwealth College Holds Fall Summit

The Commonwealth College's Fall Summit convened over 40 people from the universities and KCTCS for collaborative learning and problem-solving. Topics included financial aid for adults in competency-based programs, learning and student tracking tools, marketing and the Council's strategic agenda. Commonwealth College partner institution, Western Kentucky University, will begin enrolling students in the Competency-based Advanced Manufacturing program Dec. 1. University of Louisville's [B.S. in Organizational Leadership & Learning with a concentration in Healthcare Leadership program](#) will enroll in 2016. Morehead State University recently joined the consortium and expects to enroll students in its RN-BSN program next year.

Impact 10 Conference Focused on Addressing and Preventing Sexual Violence on Campuses

The Council joined with numerous campuses to co-sponsor the first Impact 10 Conference held last week at Georgetown College. This "Not Just Another Title IX Conference" was planned by administrators, counselors, students, risk management professionals, Title IX officers and other representatives from 10 Bluegrass-region colleges and universities. The focus of the conference was effectively addressing and preventing sexual violence on Kentucky's campuses. Colleges and universities involved include Asbury University, Berea College, Bluegrass Community and Technical College, Centre College, Eastern Kentucky University, Georgetown College, Kentucky State University, Midway University, Transylvania University, and the University of Kentucky.



'Game Changers' Is Topic of Student Success Summit Set for April 4-5

Planning is underway for the next Student Success Summit set for April 4-5 at the Louisville Marriott East. Confirmed speakers include Freeman Hrabowski, president of University of Maryland, Baltimore County and chair of President Obama's Advisory Commission on Educational Excellence for African Americans; and Blane Harding, director of the Center for Student Cultural Diversity at University of Nevada, Reno. The theme of the summit, "Student Success Game Changers: Practical and Proven Strategies for Elevating Your

Student Success Game," points to the pragmatic advice to be offered during sessions focused on data-supported strategies for increasing student success.

Staff Notes

Congratulations to Rana Johnson, Ph.D., who was recently named Faculty Mentor of the Year by Compact for Faculty Diversity. She was nominated by SREB Scholar Michael Mejia, a Ph.D. candidate in clinical health psychology at the University of Kentucky. The award was presented at a luncheon on Oct. 31 at the 2015 Institute on Teaching and Mentoring in Arlington, Virginia.



Left to right: Dr. Ansley Abraham, director of the SREB Doctoral Scholars Program, Dr. Rana Johnson, CPE and Michael Mejia, UK Doctoral Scholar.

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November 13, 2015

Kentucky Commissioner of Education Report

MESSAGE FROM THE NEW COMMISSIONER OF EDUCATION

Dear Council on Postsecondary Education Members,

I am pleased to submit my first report to the Council on Postsecondary Education. On October 6, the Kentucky Board of Education ratified my contract and my first day on the job was October 16. I am truly honored to be chosen for this job and look forward to collaborating with you and the other shareholders in the state to prepare students for success in the 21st century.

As a former classroom teacher, state administrator, and vice president for a nationally-known education non-profit, I have always focused on students and that will not change here. If we keep what is best for students in the forefront of our discussions, there is no limit to the difference we can make for our young people as well as in the economic development of the state.

I look forward to partnering with the Council on Postsecondary Education and building on the great work that has already occurred as well as addressing the new initiatives we will move forward in the future.

Sincerely,

Stephen L. Pruitt, Ph.D.
Commissioner of Education

STATE BOARD SETS FUNDING PRIORITIES

In order to meet deadlines for submission of the budget, the Kentucky Board of Education approved its funding priorities for the 2016 legislative session at its October meeting.

Acknowledgement was made early in the discussion that funding of the Kentucky Teachers' Retirement System (KTRS) would be the central education focus but board members emphasized that it is essential to maintain the current SEEK per pupil funding level. In addition, agreement was reached on the following priorities:

- Expand career and technical education and college/career readiness opportunities including support for local area vocational centers, project-based learning, dual credit and debt service to upgrade career and technical education equipment
- Expand preschool eligibility to the 200 percent of poverty level

- Develop new state assessments in science and social studies, an enhanced item pool for English/language arts and math assessments and administration of online K-PREP assessments
- Increase SEEK transportation funding to the 80 percent level
- Support low-achieving schools through Education Recovery staff

The board also agreed to make the capital budget request a priority, which includes improvements at the Kentucky School for the Blind, Kentucky School for the Deaf and FFA Training Center.

ASSESSMENT RESULTS REVIEWED

Associate Commissioner Rhonda Sims came before the Kentucky Board of Education on October 6 to summarize the 2015 test results and to clarify the role of the percentile rank process as part of Kentucky's continuous improvement model. She explained that this process was used to set the standard or cut score for the school and district classifications of Needs Improvement, Proficient or Distinguished and noted that the percentile rank process provides a concrete goal with the locked overall score that is not dependent on how other schools or districts perform.

Sims went on to explain that to see how the overall scores of schools and districts compare for the current and prior year and their associated rank by level, an accountability tab is available in the Open House section of the KDE website at <http://openhouse.education.ky.gov/Data>.

Relative to good news on the accountability results, Sims highlighted the following:

- The four-year adjusted cohort graduation rate has gone from 86.1 in 2013 to 87.5 in 2014 and 87.9 in 2015.
- The percentage of graduates college- and/or career-ready was at 47.2% in 2012, 54.1% in 2013, 62.5% in 2014 and 66.8% in 2015.
- 355 schools and 47 districts were classified as Distinguished and 349 schools and 73 districts were classified as Proficient.
- 10 schools exited Priority status and two Distinguished schools that are in Priority status were noted as "monitoring only".

BOARD UPDATED ON NOVICE REDUCTION WORK

Associate Commissioners Kelly Foster and Amanda Ellis brought the Kentucky Board of Education up-to-date on the latest Novice Reduction work that has been rolled out with school districts. This work is designed to reduce the number of students scoring in the Novice category on the state assessment and also address the achievement gap.

The following was shared:

- KDE has hired a Novice Reduction Coordinator and five regional Novice Reduction Coaches.

- These Novice Reduction staff have received training and made contact with districts to implement strategies for closing achievement gaps.
- The Novice Reduction strategies were introduced to districts at the Continuous Improvement Summit in September.
- The interactive website for Novice Reduction was launched on October 1 and can be found at <http://education.ky.gov/school/stratclsgap/Pages/default.aspx>.
- KDE is piloting the Novice Reduction work with the following districts: Fayette, Lawrence, Jenkins Independent, Christian, Silver Grove Independent and Menifee.
- Novice Reduction staff are in the process of working with cooperatives and key partners to share this work and its intended outcomes.

Preparation by Kentucky Department of Education

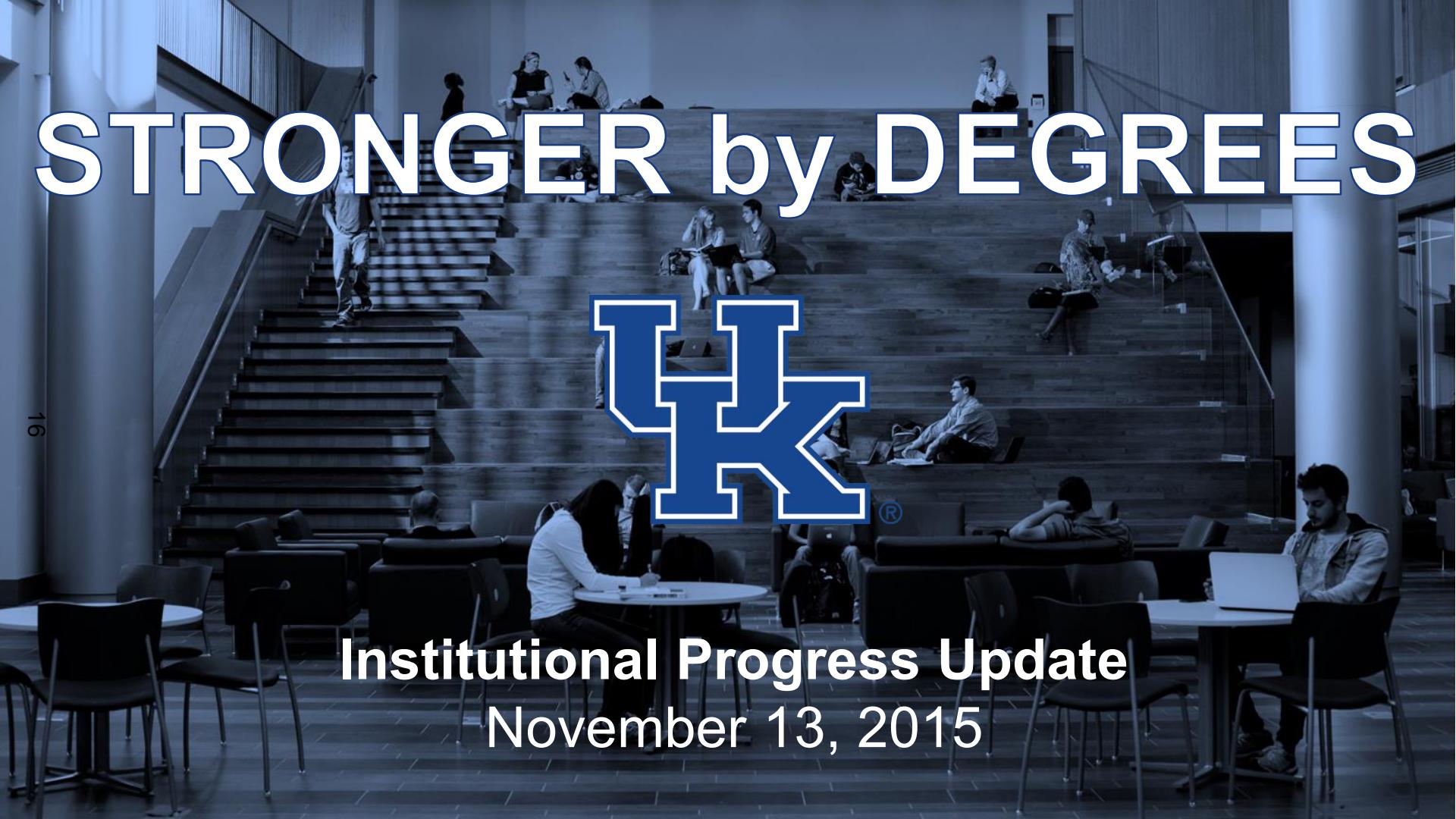
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Postsecondary Education Performance Presentation University of Kentucky

In February 2011, the Council on Postsecondary Education approved *Stronger by Degrees: A Strategic Agenda for Kentucky Postsecondary and Adult Education*. University of Kentucky staff will provide updates on their progress for the four focus areas of the Strategic Agenda.

Staff preparation by Heather Bingham

STRONGER by DEGREES



Institutional Progress Update
November 13, 2015

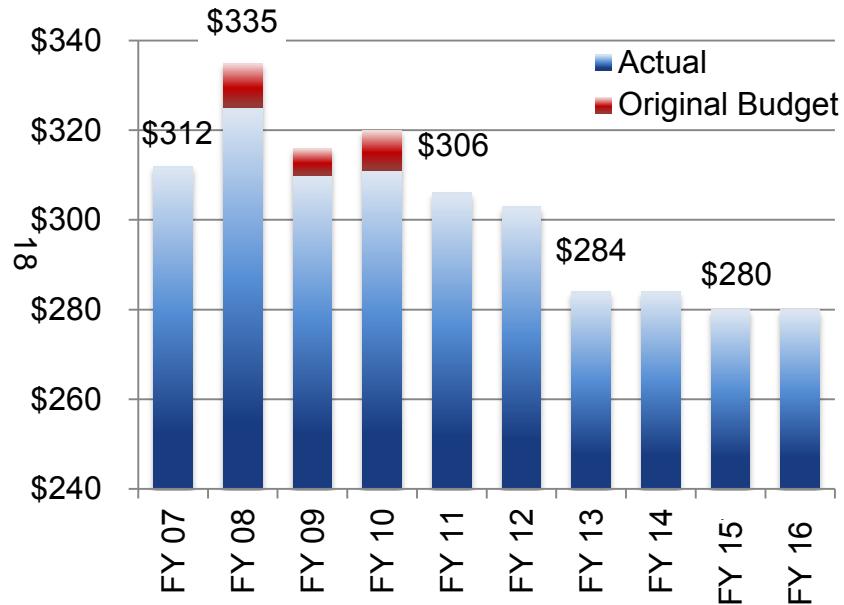


INSTITUTIONAL PROFILE

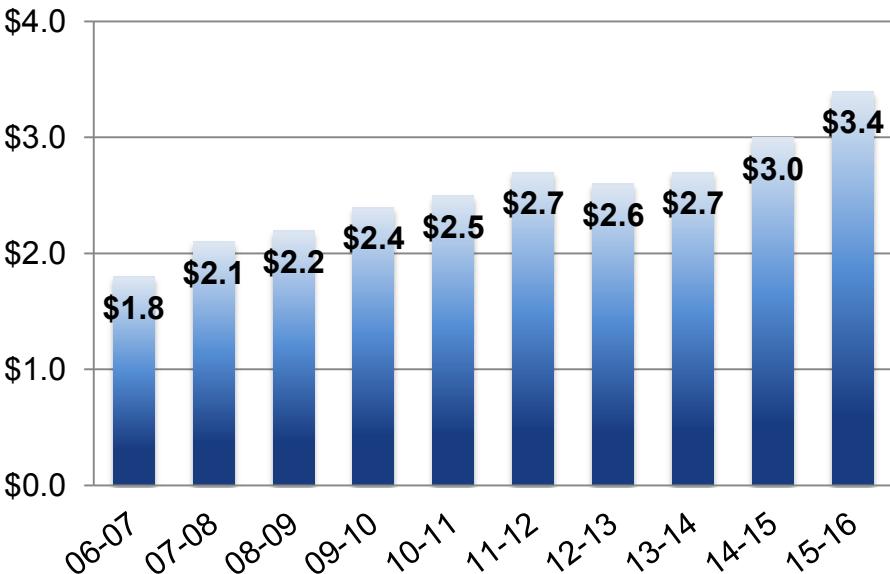


Institutional Profile

State Appropriations, net of debt service, in millions



University Operating Budget, in billions





Institutional Profile: Operations

Restricted Funds (11%)

Comes from: Research grants, endowment, gifts

Pays for: Research, student aid, public service

Auxiliary Funds (6%)

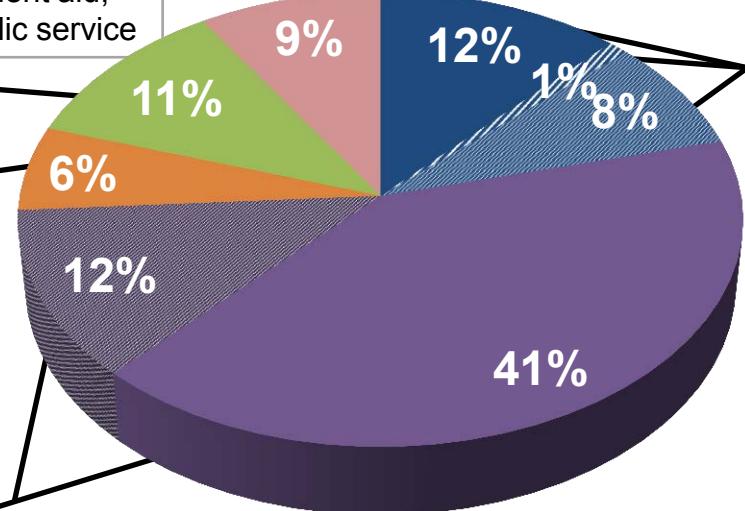
Comes from: UK Athletics, Housing, Dining, Parking, Student Center

Pays for: Auxiliary units pay all their expenses with self-generated revenue

Designated General Funds (53%)

Comes from: UKHC (41%), county appropriations, mandatory fees, course/program fees

Pays for: Public service, instruction, student services, academic support



Fund Balance (9%)

Comes from: Savings from prior years

Pays for: Capital projects, faculty start-up packages, pilot programs

Undesignated General Funds (21%)

Comes from: State Appropriations (8%), Tuition (12%), investment income, service assessments

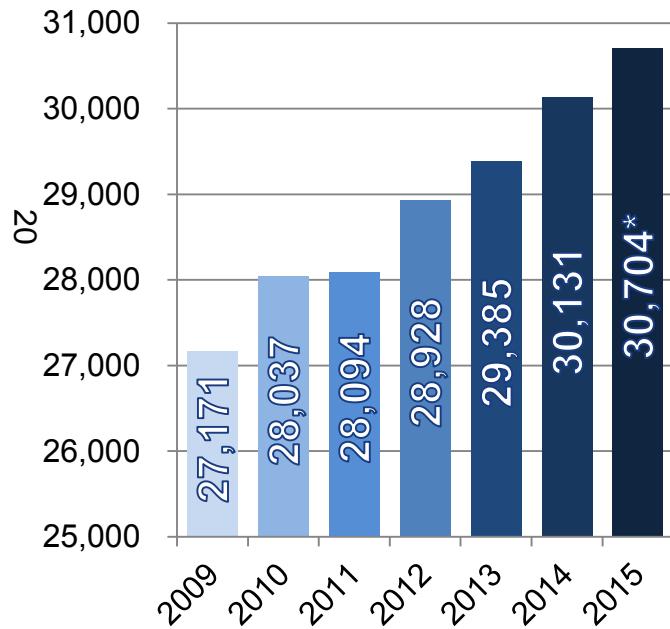
Pays For: Instruction, public service, utilities, administrative support, scholarships



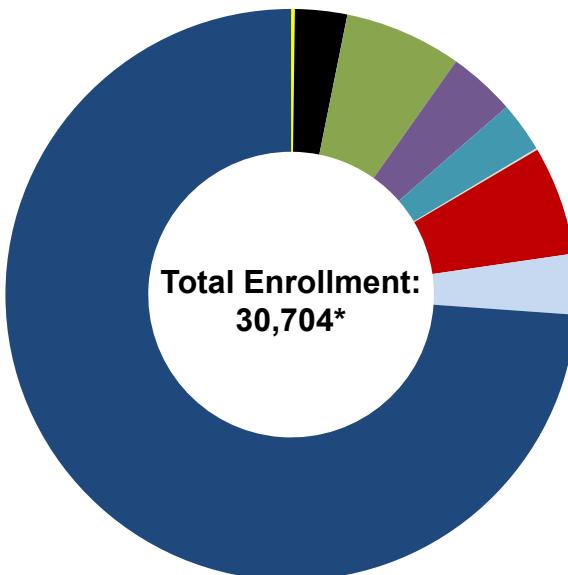


Institutional Profile: Institutional Enrollment

Overall Enrollment



Student Enrollment Demographics, Fall 2015*



*Preliminary data



Institutional Profile: 2015 First-Year Class

11%

Of first-year students are
African Americans

704

First-year students with an
ACT of 31 or higher

117

National Merit, Hispanic,
and Achievement Scholars

25.5

Average ACT for first-year
students

3.68

Average high school GPA
for first-year students



2011-15 Strategic Agenda

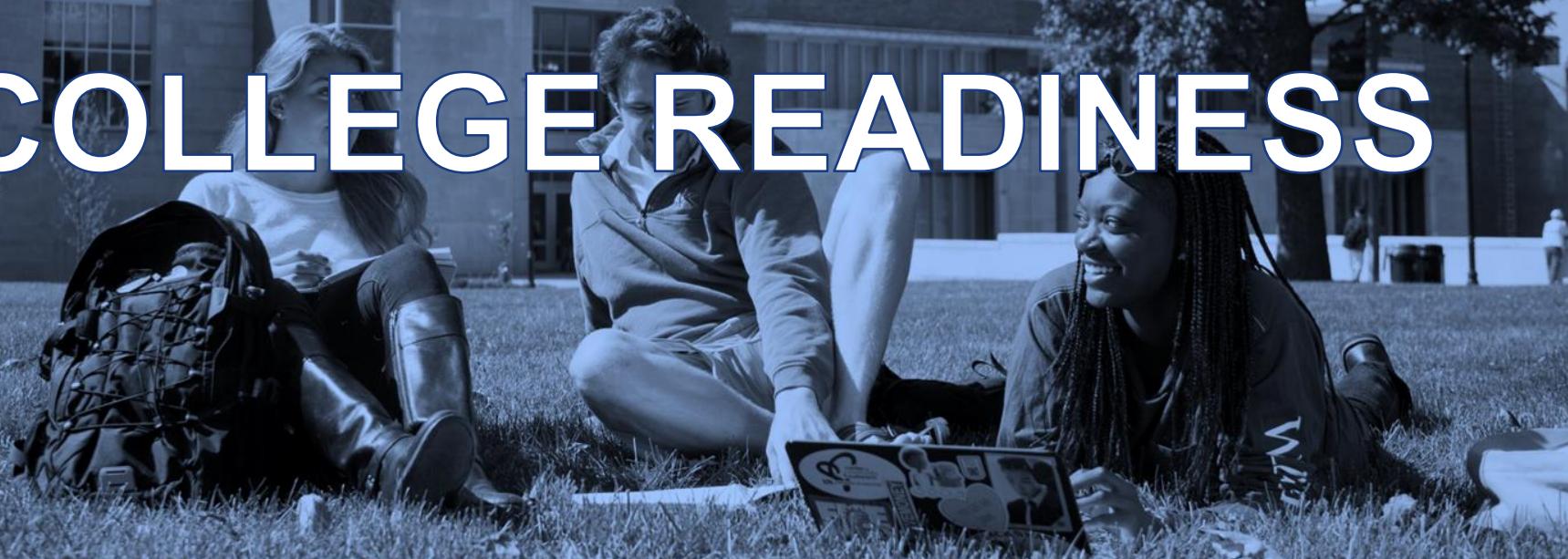
**COLLEGE
READINESS**

**STUDENT
SUCCESS**

**RESEARCH,
ECONOMIC, &
COMMUNITY
DEVELOPMENT**

**EFFICIENCY
&
INNOVATION**

COLLEGE READINESS





College Readiness

24

Performance Metric	Baseline*	2010-11*	2011-12*	2012-13**	2013-14	Target	Progress: Baseline to Target
New Teacher Excellence	23.7%	22.4%	21.9%	32.5%	34.9%	--	--

* Percent of teaching program graduates scoring in the top 15 percent nationally on Praxis II Practice of Learning and Teaching (PLT) licensure exams.

** Change for 2012-13 data: Percent of teaching program graduates scoring in the top 25 percent nationally on Praxis II Practice of Learning and Teaching (PLT) licensure exams.

Icons do not represent a global evaluation of institutional status on an indicator; they indicate change from baseline to targeted value only. Targets set through negotiation between CPE and institution. For more information on metrics, including definitions, visit: <http://dataportal.cpe.ky.gov/dashboard.shtm>





College Readiness

P-20 Innovation Laboratory

- Established to connect research and application to improve P12 outcomes
- Next Generation Leadership Academy has served 443 school leaders

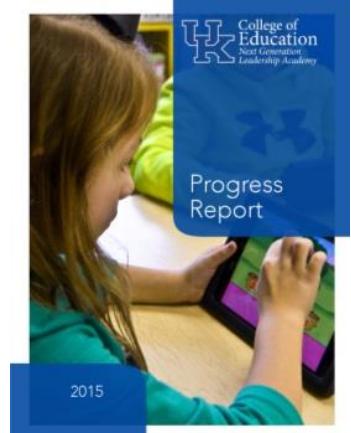
National Center for Innovation in Education

- \$4.2 million from the Gates and Hewlett Foundations
- Facilitating shifts to next generation learning across 13 states

Coursera

- Online learning to help current and incoming students prepare for the rigor of college coursework.

On-Campus Efforts



A black and white photograph of a graduation ceremony. In the foreground, rows of students wearing caps and gowns are seated facing a stage. On the stage, several people in academic regalia are standing behind a podium decorated with flowers. Numerous flags from various countries are displayed on tall poles in the background, creating a sense of international achievement.

STUDENT SUCCESS



Student Success

Performance Metric	Baseline	2010-11	2011-12	2012-13	2013-14	Target	Progress: Baseline to Target	
							27	Target
Degrees and Credentials (Total)	5,466	5,835	6,000	6,317	6,278	6,240	100%	
Bachelor's Degrees	3,521	3,712	3,735	4,022	3,988	4,000	97%	
Master's Degrees	1,211	1,307	1,231	1,299	1,263	1,450	22%	
Doctoral Degrees—Research/Scholarship	265	261	322	305	328	300	100%	
Doctoral Degrees—Professional Practice/Other	469	522	566	559	542	490	100%	

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Student Success: Retention and Graduation

28

463

Additional students
returned over Fall 2014

82.7%

First-to-Second Year
Retention

4,253

Is the largest cohort of
returning UK students



Student Success

Performance Metric	Baseline	2010-11	2011-12	2012-13	2013-14	Target	Progress: Baseline to Target	Icon
Bachelor's Graduation Rate	59.5%	59.1%	57.6%	60.4%	60.2%	61%	47%	
Low Income	56.6%	45.2%	42.7%	48.5%	47.8%	--	--	--
Non Low Income	64.1%	61.7%	60.4%	62.8%	62.9%	--	--	--
Underprepared	41.8%	43.8%	38.9%	35.8%	36.8%	--	--	--
Prepared	61.7%	60.2%	60.5%	62.3%	62%	--	--	--
Underrepresented Minority	44.5%	51.1%	50%	44.8%	45.2%	--	--	--
Non-Underrepresented Minority	60.5%	59.8%	58.4%	61.9%	61.9%	--	--	--

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Student Success: Retention and Graduation

Enhance the success of our increasingly diverse student body and help ensure timely degree completion and career planning through high-impact, student-centered support systems.

3

Enhance students' learning and their preparation for contributing to a rapidly changing world as leaders and scholars through the provision of new and innovative curricular offerings and state-of-the-art teaching.

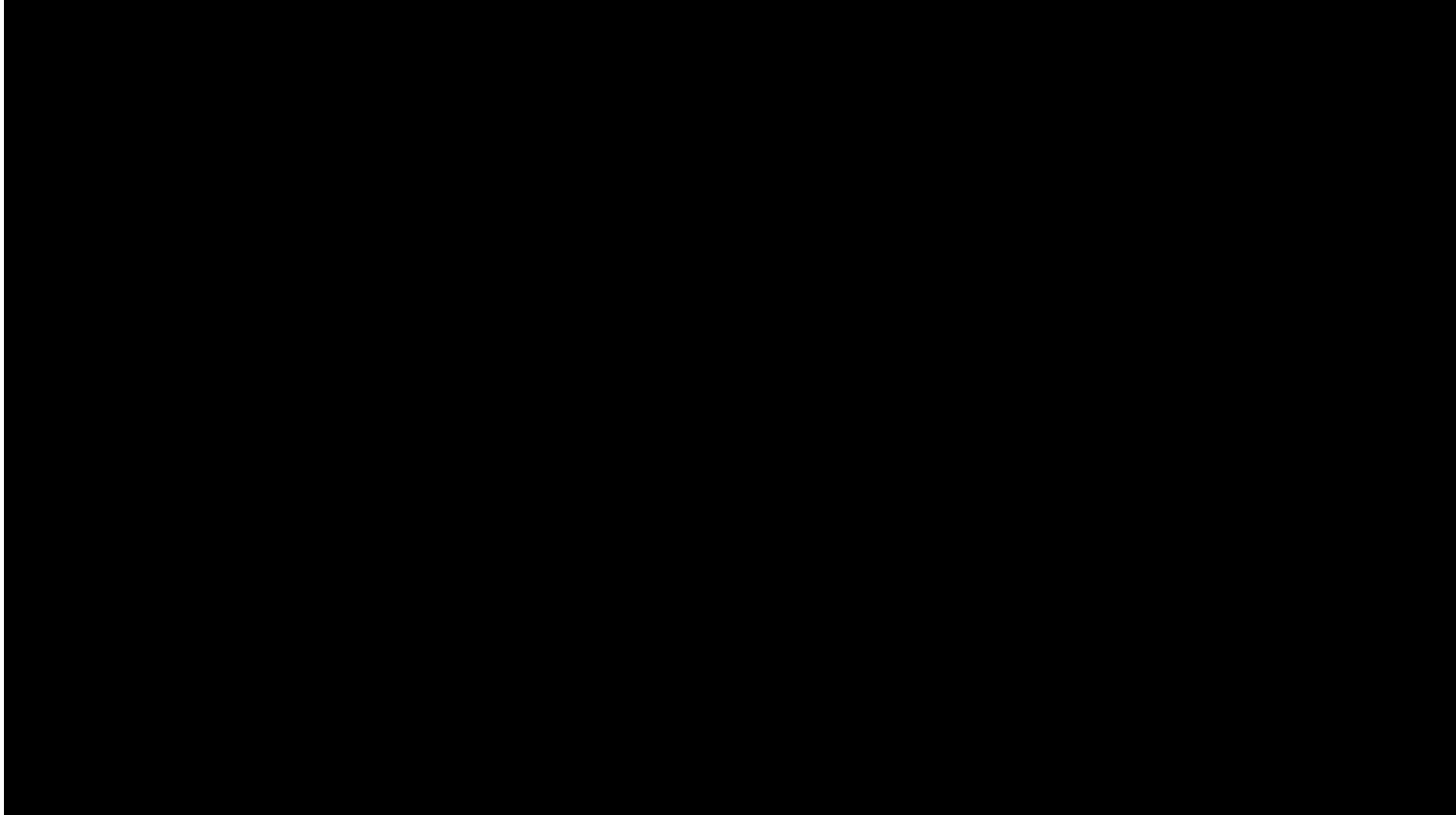
Enrich students' undergraduate education through transformational experiences of self-discovery and learning.





Student Success: 15 to Finish

31





Student Success

32

Performance Metric	Baseline	2010-11	2011-12	2012-13	2013-14	Target	Progress: Baseline to Target
Transfers from KCTCS	1,829	2,126	1,986	2,087	2,123	1,920	100% 
Grants to low-income students in excess of direct costs*	\$1,178	\$1,424	\$334	\$184	\$148	\$1,180	0% 

*Average grant and scholarship aid received by full-time, in-state Pell grant recipients in excess of tuition, mandatory fees and book costs. Amounts reflect money to help pay indirect costs like room and board and transportation.

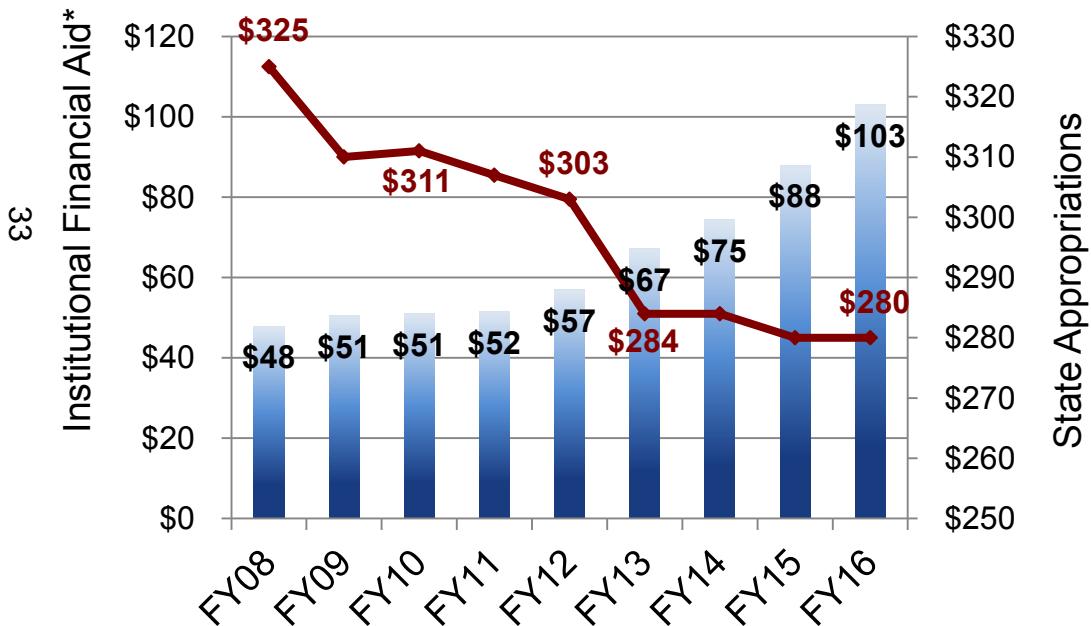
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Student Success: Access and Affordability

Institutional Financial Aid* and State Appropriations, in millions, 08-16



Tuition and Mandatory Fees Per Semester			
Fall Semester	UG Instate Rate*	Annual % Change	4 Year Average % Change
2003	\$2,274	14.40%	
2004	\$2,583	13.60%	
2005	\$2,906	12.50%	
2006	\$3,255	12.00%	13.10%
2007	\$3,548	9.00%	11.80%
2008	\$3,868	9.00%	10.60%
2009	\$4,062	5.00%	8.80%
2010	\$4,305	6.00%	7.30%
2011	\$4,564	6.00%	6.50%
2012	\$4,838	6.00%	5.80%
2013	\$4,983	3.00%	5.30%
2014	\$5,232	5.00%	5.00%
2015	\$5,390	3.00%	4.25%

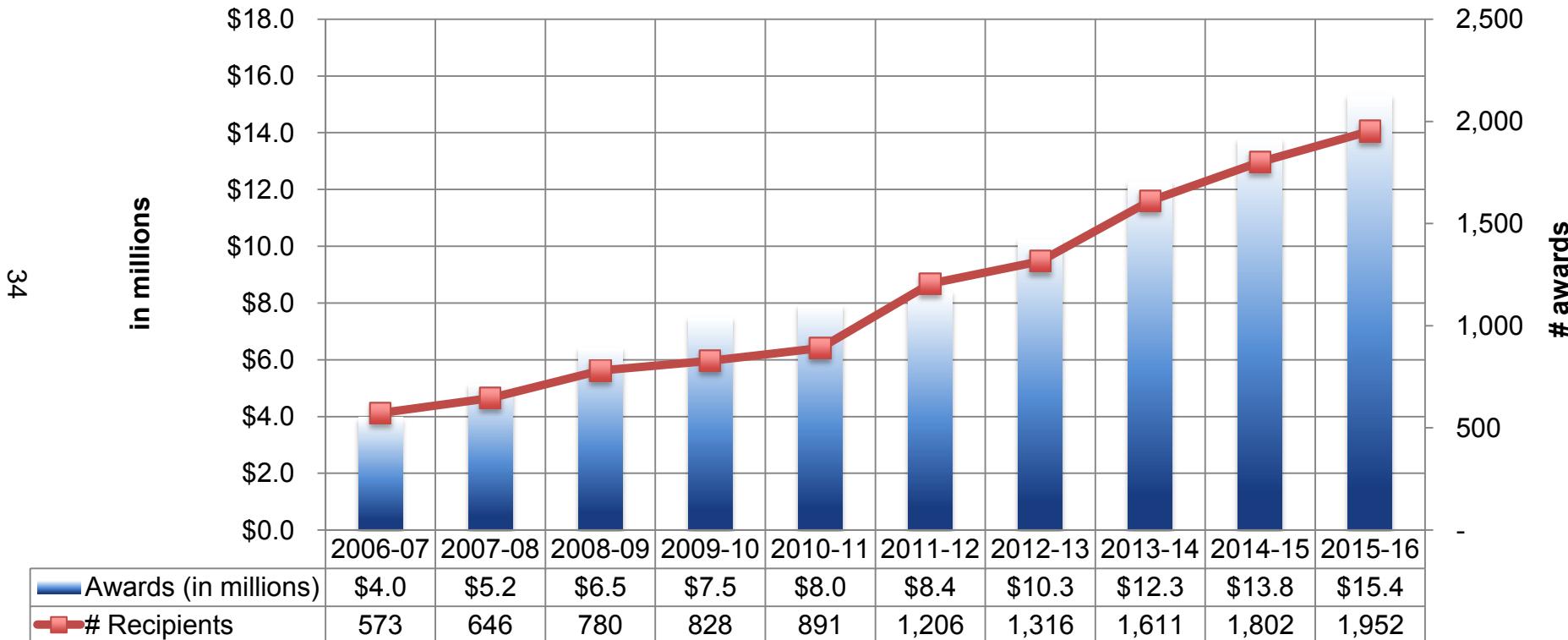
*Freshmen and Sophomores

*Unrestricted General Funds



Student Success: Access and Affordability

William C. Parker Scholarships, FY07 to FY16*

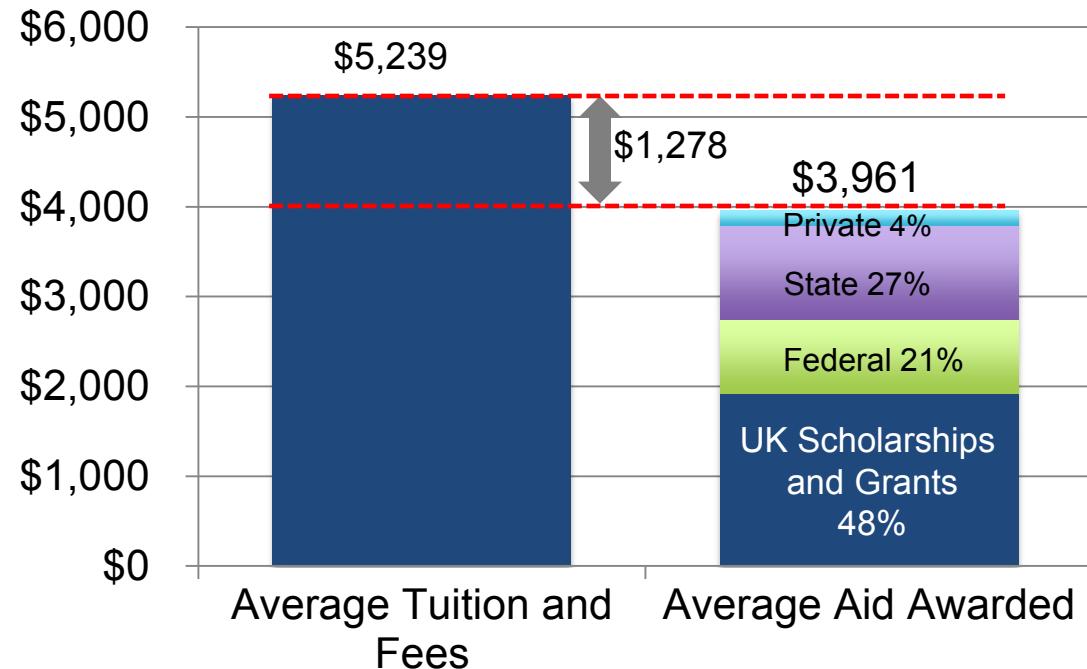
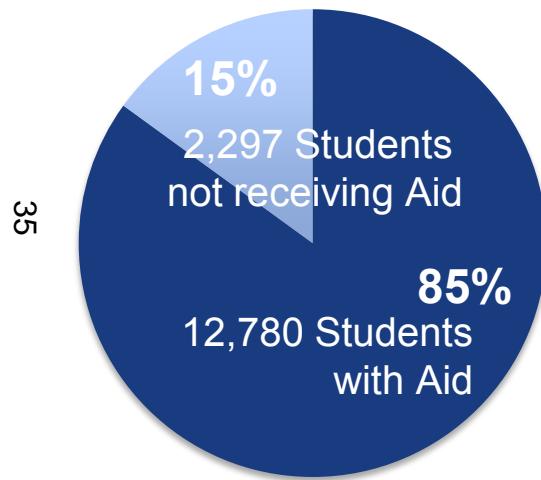


* Budgeted



Student Success: Access and Affordability

Undergraduate, Full-Time Resident Students Receiving Grants and Scholarship, Fall 2014





Student Success: The *Future* Lewis Honors College

Building a *Culture* of Philanthropy

Tom and Jan Lewis

- \$23 million to develop the Lewis Honors College

The Goal

- Establish one of the country's leading Honors College
- Grow the program to serve 10% of the undergraduate population

Gift Supports

- Programmatic offerings in the Honors College
- Personnel, including a dean, dedicated faculty and staff.





RESEARCH, ECONOMIC, and COMMUNITY DEVELOPMENT

37



Research, Economic, and Community Development

Physical presence in all 120 Kentucky counties through our extension network and clinical outreach programs.

38

Seventeen colleges and professional schools supported by a comprehensive research library system.



One of eight institutions with programs in Agriculture, Pharmacy, Engineering and Medicine on a contiguous campus.

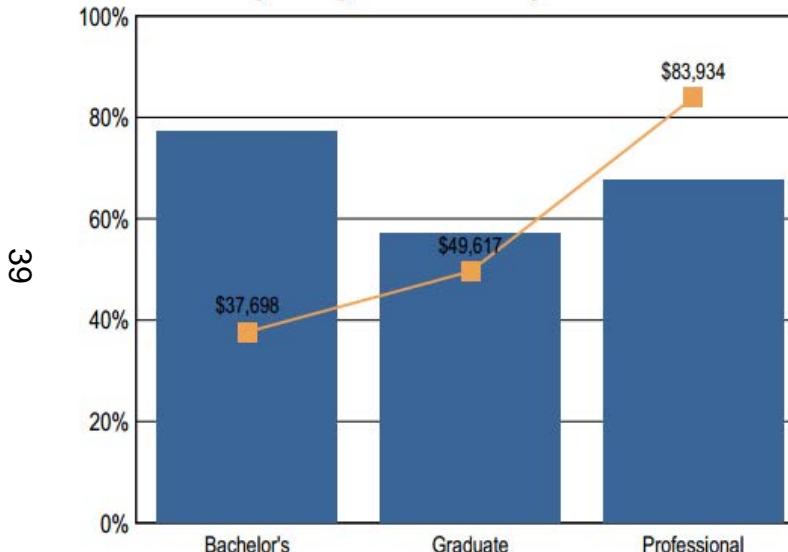
One of 22 institutions with: NCI-designation, Clinical Translational Science Award and Alzheimer's Disease Center.





Research, Economic, and Community Development

Academic Year 2008 Graduates' Employment Rates and Average Wages in Kentucky Five Years Out



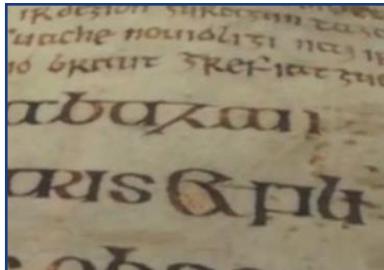
Average Wages After Graduation

Degree Type	UK Wages
Bachelor's degree	
Three Years Out	\$28,393
Graduate degree	
Three Years Out	\$42,793
Professional degree	
Five Years Out	\$49,617
Professional degree	
Three Years Out	\$61,997
Professional degree	
Five Years Out	\$83,934

37.8 percent of non-resident graduates from the University of Kentucky are working in Kentucky one year after graduation.



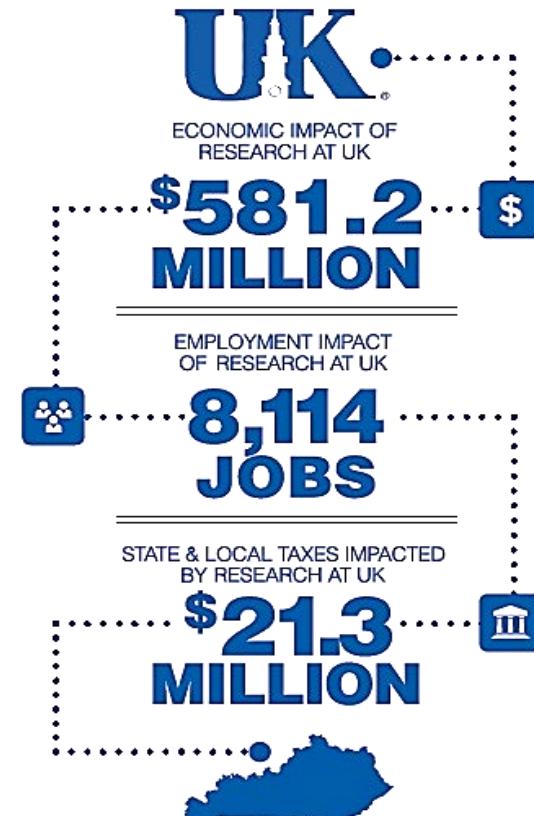
Research, Economic, and Community Development



Dr. Brent Seales is leading a group of international researchers that are utilizing new technology to virtually unroll ancient Herculaneum scrolls. He was recently featured in the *New Yorker* for his work, which was presented at the Herculaneum Summit this month.

The College of Design's House Boat to Energy Efficient Residence (HBEER) initiative is creating jobs lost during the 2008 recession. Expanding his prior work, Dr. Greg Luhun is helping rebuild communities (West Liberty) destroyed by natural disasters using the HBEER model.

The University of Kentucky was the first presenting sponsor for SOAR, providing \$300,000 in support and serving as a health and education advisor for the initiative's major objectives. Currently, UK has some 125 individual research projects in Appalachia.





Research, Economic, and Community Development

Performance Metric	Baseline	2010-11	2011-12	2012-13	2013-14	Target	Progress: Baseline to Target
Externally-Funded Research and Development Expenditures (in thousands)	\$241,700	\$247,745	\$232,437	\$235,882	\$227,865	\$290,000	0% 
STEM+H Degrees	1,979	2,186	2,232	2,390	2,501	2,356	100% 

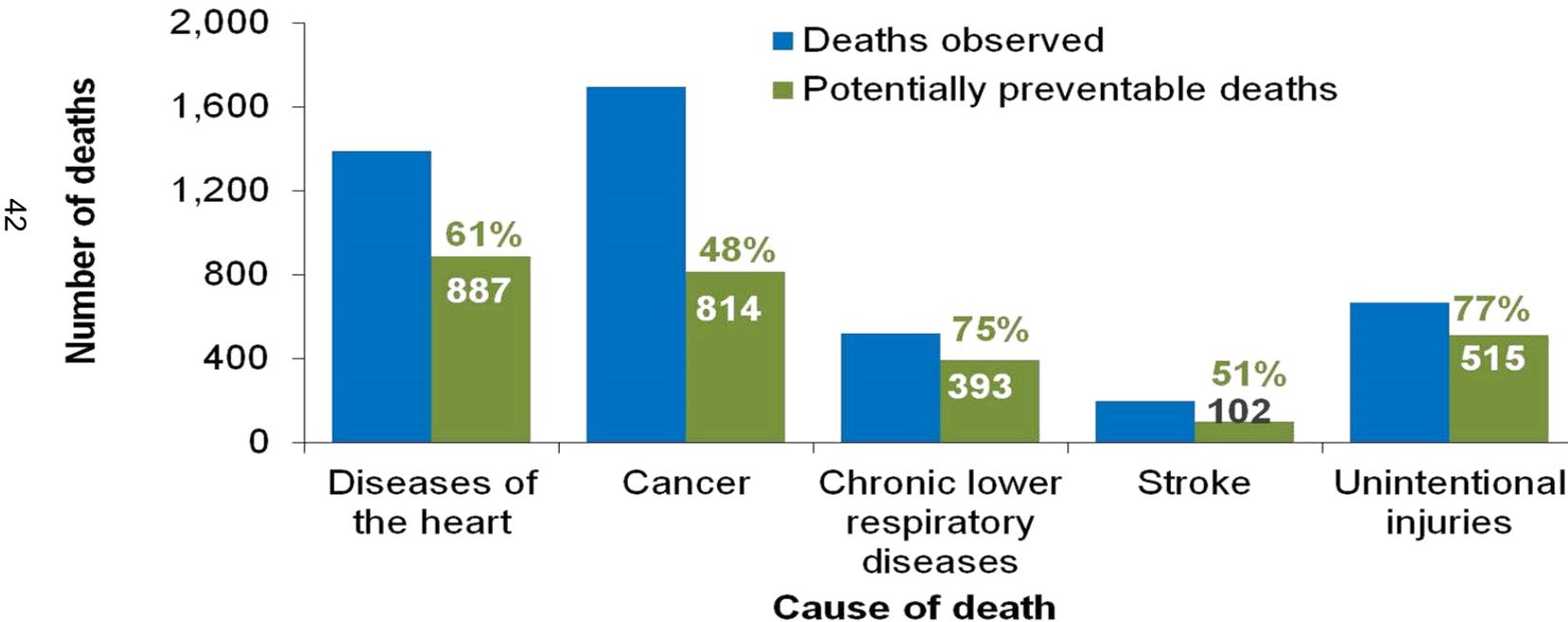
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Research, Economic, and Community Development

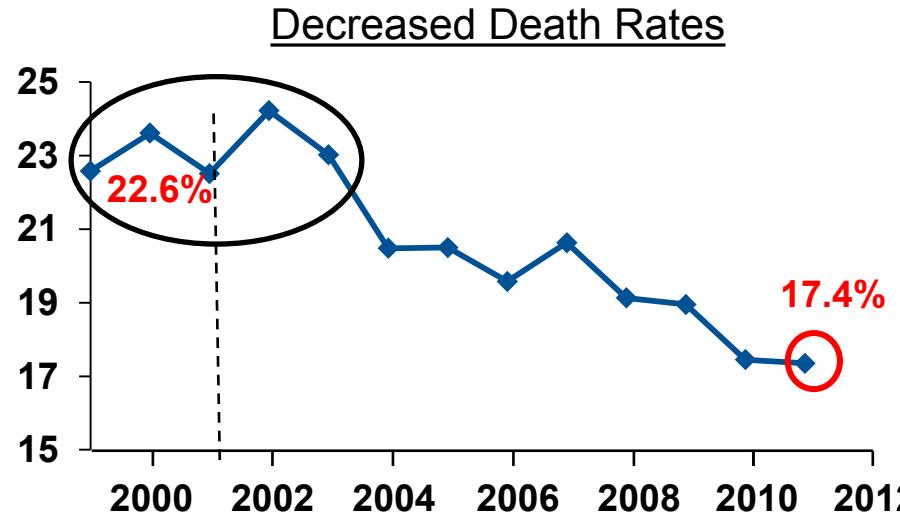
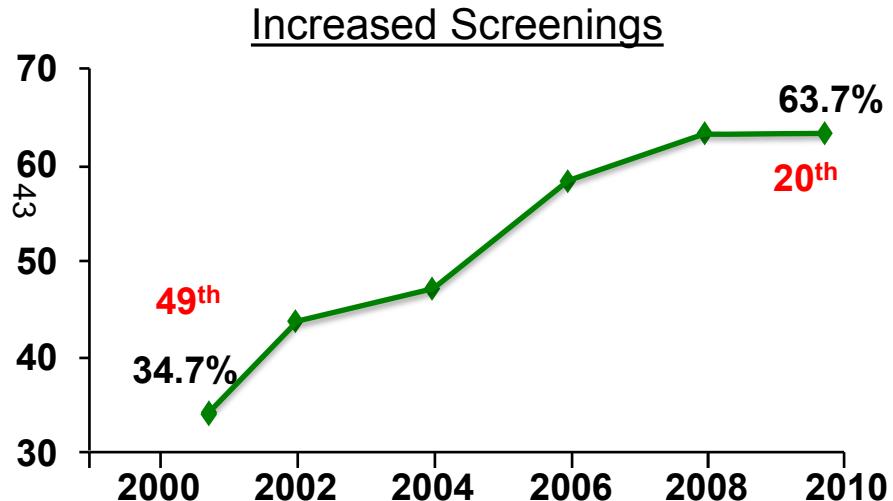
Annual number of deaths observed and potentially preventable for the 5 leading causes of death for persons aged <80 years, KY-05, 2009-2011





Research, Economic, and Community Development

Increased Statewide Colorectal Cancer Screening





Research, Economic, and Community Development

\$265 million multi-disciplinary research building focused on finding answers to Kentucky questions

- \$132.5 million from Kentucky
- \$132.5 million from UK and private donors



Builds on existing successes by fostering new synergies across disciplines

Connected to modern research facilities by the “Appalachian Translational Trail”





EFFICIENCY and INNOVATION



Efficiency and Innovation

Performance Metric	Baseline	2010-11	2011-12	2012-13	2013-14	Target	Progress: Baseline to Target
Online Learning (Percent of all credit earned through online learning)	3.7%	4.5%	5.9%	6.5%	7.4%	6.4%	100% 
Credits Earned By Degree Graduates*	139	139.7	140.1	140.2	139.5	-	--

*Credits earned by degree graduates includes all bachelor's degree graduates during the year. Online learning measures the percent of completed student credit hours delivered through distance learning. From baseline year through 2011-12, this metric measured credits "attempted". In 2012, the Council voted to change the metric to measure credits "earned", and this went into effect for academic year 2012-13.

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Efficiency and Innovation: Capital Investment

Student Center

- \$201 million; opening in January 2018
- \$20 million private gift from Bill Gatton

UK Athletics

- \$171 million for Commonwealth and the Nutter Center

Academic Science Building

- \$112 million; opening in Fall 2016
- \$65 million gift from UK Athletics

Gatton College of Business and Economics

- \$65 million; phase I complete, phase II opening in Fall 2016
- Financed through private giving

College of Law

- \$65 million; design phase initiated

School of Art and Visual Studies

- \$15 million; opened in Fall 2015





Efficiency and Innovation: Housing

Collaborating with EdR to Rebuild our Residential Communities

Project Scope

- Up to \$500 million investment
- Potential for up to 9,000 beds
- 100 percent equity investment by EdR

88

Progress to Date

- \$422 million in 14 facilities
- 6,500 beds; 200+ active learning spaces

Demand

- Application rate for new beds in Fall 2015 was 132% of capacity
- More than doubled the number of LLP participants in two years





Efficiency and Innovation: Dining

Collaborating with Aramark to Rebuild our Dining and Retail Venues

Project Scope

- 15-year, \$250 million partnership
- Focus on quality, nutrition, cost, people, and community



Progress to Date

- \$32 million to build “The 90”
- \$5 million “Food Connection at UK”

Demand

- More affordable dining plans
- 30% increase in the number of plans purchased



STRONGER by DEGREES



Institutional Progress Update
November 13, 2015

Council on Postsecondary Education
November 13, 2015

2016-18 Postsecondary Education Budget Recommendation Executive Summary

During the decade of the 2000s, no state in the nation made more progress on key measures of student success than did Kentucky, due in large part to sizable state investment in public higher education, including increased appropriations for campus operations, trust funds, capital projects, and student financial aid. Since 2009, however, the rate of improvement on those same metrics has slowed considerably, coinciding with onset of the Great Recession and the postsecondary institutions sustaining seven budget cuts over the past eight years. In nominal terms, the postsecondary institutions lost \$173.5 million or about 16 percent of their combined net General Fund appropriations between fiscal years 2007-08 and 2014-15.

Even though the recession ended several years ago, Kentucky is one of only a handful of states that has not begun reinvesting in higher education (CBPP, 2015). Members of the higher education community believe that reinvestment in Kentucky higher education is absolutely necessary for state colleges and universities to maintain quality academic programming, to sustain responsive and effective student support services, to regain the state's leadership position in rate of improvement on key student success measures, to alleviate stresses on institutional operating budgets and tuition and fee increases, and to recruit and retain prominent research and instructional faculty.

For the past eight months, Council staff has worked collaboratively with campus presidents, provosts, chief budget officers, institutional research directors, and members of the Council's Budget Development Work Group to develop the 2016-18 postsecondary education budget recommendation outlined below. Staff is pleased to proclaim that all nine public institution presidents and the Council president endorse the recommendation in its entirety.

The Council's 2016-18 budget recommendation contains four major funding categories, including: (a) institutional operating funds; (b) strategic investment and incentive trust funds; (c) capital construction and information technology; and (d) the CPE agency budget.

Institutional Operating Funds

General Fund appropriations for institutional operations, along with tuition and fee revenue, support education and general (E&G) expenditures on campus, including faculty and staff salaries and benefits, student financial aid, utilities, building maintenance, libraries, student support services, and numerous other operating expenses. In addition to these uses, operating funds are also used to pursue specialized activities and initiatives that further goals of *The Postsecondary Education Improvement Act of 1997* (HB 1) and objectives of the Council's 2011-15 Strategic Agenda for Kentucky Postsecondary and Adult Education.

The Council's 2016-18 operating funds request seeks preservation of the existing General Fund appropriation for postsecondary education and includes an additional budget request for restoration of half of the state funding cuts imposed since 2007-08. If authorized, the entire amount of requested restoration funds will be subject to performance criteria. In addition, funding for five special initiatives, including Centers for Research Excellence at the research universities, an equity adjustment at two comprehensive universities, funding for student recruitment and retention activities and land grant program matching funds at Kentucky State University, and a tuition stabilization fund at KCTCS, is requested.

Specifically, CPE staff recommends increased operating funds appropriations of:

- \$43.4 million in 2016-17 and \$86.7 million in 2017-18 to support a new performance funding approach that provides financial incentives for institutions to accelerate improvement on key student success measures.
- \$6.0 million in 2016-17 and \$12.0 million in 2017-18 to establish or expand Centers for Research Excellence at the University of Kentucky and the University of Louisville.
- \$7.9 million in 2016-17 and \$15.8 million in 2017-18 to address disparities in state support among institutions in the comprehensive sector.
- \$2.7 million in 2016-17 and \$1.8 million in 2017-18 to support student recruitment and retention activities at Kentucky State University.
- \$2.7 million in 2016-17 and \$2.7 million in 2017-18 to provide a sufficient amount of state funds to meet federal matching requirements for Kentucky State University's land grant program.
- \$1.8 million in 2016-17 and \$3.5 million in 2017-18 to support lower tuition and fee increases at Kentucky Community and Technical College System institutions in the upcoming biennium.

See the Institutional Operating Funds agenda item for more detail regarding these requests.

Strategic Investment and Incentive Trust Funds

The Kentucky Postsecondary Education Improvement Act of 1997 (HB 1) created six Strategic Investment and Incentive Trust Funds to bring about change and improvement in Kentucky colleges and universities by providing strategic financial incentives for institutions to pursue desired state goals for postsecondary education. When the General Assembly authorizes appropriations for trust fund programs, they are typically maintained and administered by the Council, but represent resources that are passed through to postsecondary institutions based on compliance with Council approved guidelines and procedures.

For the 2016-18 biennium, Council staff recommends \$11.9 million in debt service and \$125.0 million in bond funds to support a fifth round of funding for the Bucks for Brains program. These funds will be allocated between two programs, \$120.0 million for the

Endowment Match Program and \$5.0 million for the Workforce Development Match Program, and three trust funds, as described below.

CPE staff recommends trust fund appropriations of:

- \$9.5 million in 2017-18, recurring in subsequent years, to pay debt service on a \$100.0 million bond issue to support Endowment Match Program activities and initiatives at the University of Kentucky and the University of Louisville.
- \$1.9 million in 2017-18, recurring in subsequent years, to pay debt service on a \$20.0 million bond issue to support Endowment Match Program activities and initiatives at the comprehensive universities.
- \$478,000 in 2017-18, recurring in subsequent years, to pay debt service on a \$5.0 million bond issue to support Workforce Development Match Program activities and initiatives at KCTCS institutions.

If authorized and appropriated, it is anticipated that these funds will be placed in the Research Challenge Trust Fund (RCTF), the Comprehensive University Excellence Trust Fund (CUETF), and the Workforce Development Trust Fund (WDTF), respectively, pending eventual distribution to postsecondary institutions in accordance with Council approved guidelines.

The \$100.0 million requested for the research universities will be allocated one-third to the University of Louisville and two-thirds to the University of Kentucky, in accordance with statutory provisions of the RCTF. The requested \$20.0 million for the comprehensive universities will be allocated based on each institution's share of sector net General Fund appropriations in keeping with statutory provisions of the CUETF. KCTCS officials will determine how \$5.0 million allocated to their sector will be distributed among institutions.

See the Strategic Investment and Incentive Trust Funds agenda item for more information regarding the trust fund request.

Capital Construction and Information Technology

Every biennium, the Council makes a budget recommendation to the Governor and General Assembly that identifies anticipated capital construction and information technology and equipment needs of Kentucky's public postsecondary institutions. Two years ago, CPE staff recommended that the Council and elected leadership of the Commonwealth commit to a multi-biennia capital investment strategy that would more appropriately balance spending on asset preservation and renovation projects, while continuing to provide sufficient funding for new and expanded space to accommodate anticipated enrollment growth and research space needs. This balanced approach was recommended by a 2007 VFA study of over 700 existing E&G facilities and expected needs at public colleges and universities in Kentucky.

The principal components of this funding category include bond issue and debt service requests for: (a) asset preservation and renovation; (b) new and expanded space; and (c) information technology and equipment.

For 2016-18, CPE staff recommends bond issues totaling \$600.0 million to support asset preservation and renovation projects and new and expanded space projects at state colleges and universities. This amount represents the second installment of a \$1.8 billion total capital investment, requested over three biennia. Staff also proposes \$40.0 million for information technology initiatives and equipment purchases for the upcoming biennium.

Specifically, CPE staff recommends capital construction and information technology appropriations of:

- \$25.3 million in 2017-18, recurring in subsequent years, to pay debt service on a \$288.0 million bond issue to finance asset preservation and renovation projects during the 2016-18 biennium.
- \$27.4 million in 2017-18, recurring in subsequent years, to pay debt service on a \$312.0 million bond issue to finance new and expanded education and general and research space during the 2016-18 biennium.
- \$5.2 million in 2017-18, recurring in subsequent years, to pay debt service on a \$40.0 million bond issue to finance information technology initiatives and equipment purchases during the 2016-18 biennium.

If capital construction and information technology funding is authorized and appropriated, the requested \$600.0 million for asset preservation and renovation and new and expanded space will be allocated among institutions using an agreed upon formula that assigns each institution a \$15.0 million base allocation (i.e., a total of \$135.0 million for nine institutions), with the remaining \$465.0 million distributed based on each institution's share of VFA Study assessed need (55 percent), FTE students (26 percent), total public funds (12 percent), and extramural research and development expenditures (7 percent).

The requested \$40.0 million for information technology and equipment will be divided into two components, \$6.75 million for statewide initiatives and \$33.25 million for campus based initiatives, with the latter component allocated among institutions using an agreed upon formula that assigns each institution a \$750,000 base allocation (i.e., a total of \$6.75 million for nine institutions), with the remaining \$26.5 million distributed based on each institution's share of system total spending on instruction.

Institutionally Funded Capital Projects. In addition to the aforementioned requests for state General Fund supported capital projects, staff recommends that the Council continue to endorse and support institutionally funded capital projects that further the goals of HB 1 and objectives of the Council's 2011-15 Strategic Agenda. Specifically, staff recommends the following agency funded projects:

- Authorization of \$1.0 billion in agency bonds to finance capital projects on postsecondary campuses during the upcoming biennium. This funding level represents all anticipated agency bond funded projects submitted by the campuses.

- Authorization of \$5.2 billion in agency, federal, private, and other fund source authority to address life safety, major maintenance, equipment acquisitions, infrastructure repair and upgrades, and new construction on postsecondary campuses during the upcoming biennium. This funding level represents all anticipated agency, federal, private, and other fund source financed projects submitted by the campuses.
- Authorization for nine projects (one at each institution) to improve energy efficiency in campus buildings, including energy equipment acquisitions and infrastructure repair and upgrades.

See the Capital Construction and Information Technology agenda item for more detail about the capital projects request.

CPE Agency Budget

The recommended agency budget for 2016-18 includes additional budget requests for five existing expenditure categories: (1) Agency Operations; (2) Adult Education; (3) Student Aid and Assistance; (4) Technology and Academic Support; and (5) Research and Economic Development.

CPE staff recommends increases in agency budget appropriations of:

- \$827,700 in 2016-17 and \$1,237,500 in 2017-18 for Agency Operations, which supports personnel and operating expenses associated with the Council's statewide coordinating board function.
- \$1.4 million in 2016-17 and \$2.6 million in 2017-18 for Adult Education statewide coordination and local program providers, which support increased GED completion in 120 counties throughout the Commonwealth.
- \$419,900 in 2016-17 and \$602,700 in 2017-18 for Student Aid and Assistance programs administered by CPE, which includes anticipated tuition and fee increases for Contract Spaces and two additional SREB Doctoral Scholars program participants.
- \$152,500 in 2016-17 and \$309,200 in 2017-18 to support inflationary increases for Technology and Academic Support programs coordinated by CPE, including the Kentucky Virtual Campus, Kentucky Virtual Library, and Kentucky Postsecondary Education Network.
- \$149,400 in 2016-17 and \$302,900 in 2017-18 to support inflationary increases for Research and Economic Development initiatives funded through CPE, including Kentucky Science and Technology Corporation (KSTC) programs.

Commonwealth College. The Agency Budget also includes a request each year of the biennium for Commonwealth College, a new online, competency-based program designed to increase the number of adults with bachelor's degrees in high-demand, occupational areas. This program was developed by CPE staff and campus officials in response to the

Adult Learner Degree Attainment Initiative, contained in HB 265 (2012). Council staff recommends funding to support start-up infrastructure and implementation costs, faculty professional development, technology, marketing and outreach efforts and strategic partnerships.

- Council staff recommends General Fund appropriations of \$2,420,000 in 2016-17 and \$2,420,000 in 2017-18 for Commonwealth College.

Debt Service. The Agency Budget will also include requests for annual debt service associated with requests for \$288.0 million in bond funds to support asset preservation and renovation projects, \$312.0 million in bond funds to support new and expanded facilities space, and \$40.0 million in bond funds to support an Information Technology and Equipment pool for the postsecondary system, as well as, debt service on multiple bond issues totaling \$125.0 million for the Bucks for Brains program.

See the CPE Agency Budget agenda item for more information about the agency request.

Endorsements

CPE staff recommends that the Council review and adopt the following endorsements:

- The Council on Postsecondary Education will fully support and endorse any funding that the Governor and General Assembly can provide to help the postsecondary institutions defray the cost of state mandated KERS cost increases.
- The Council will actively support and endorse any funding that the Governor and General Assembly can provide to help the postsecondary institutions cover the cost of 403(b) Plan increases.
- The Council will strongly support and endorse any funding the Governor and General Assembly can provide for Kentucky's need-based aid programs administered by KHEAA, including the College Access Program (CAP) and the Kentucky Tuition Grant (KTG).

See the Institutional Operating Funds agenda item for more information regarding these endorsements.

Staff preparation by Bill Payne, Sherron Jackson, Shaun McKiernan, and Scott Boelscher

Public Institution Presidents' Endorsement
2016-18 Postsecondary Education Budget Recommendation
November 4, 2015

All nine presidents of Kentucky's Advisory Conference of Presidents, working in collaboration with Council on Postsecondary Education staff, are pleased to endorse in its entirety the 2016-18 postsecondary education budget recommendation described herein:

Preamble

- Whereas, in 1997, the Commonwealth of Kentucky established aggressive goals for its public postsecondary system, including the aim of achieving the national average of educational attainment, defined as working age adults with a bachelor's degree or higher, by the year 2020; and
- Whereas the state made substantial investments in public higher education during the first decade of reform, including increased appropriations for campus operations, trust funds, capital projects, and student financial aid; and
- Whereas, during the decade of the 2000s, no state in the nation made more progress on key measures of student success than did Kentucky, due in large part to the investment of public funds resources; and
- Whereas, according to a 2011 study conducted by NCHEMS (Kelly, 2011), between 2000 and 2009, Kentucky's rate of improvement among all states ranked:
 - #1 in percent of adults 25-64 with college degrees;
 - #2 in percent of adults 25-44 with college degrees;
 - #1 in six-year graduation rates at baccalaureate institutions;
 - #3 in three-year graduation rates at community and technical colleges; and
 - #5 in total undergraduate credentials produced (behind only much larger states with substantially larger populations); and
- Whereas, between fiscal years 2007-08 and 2014-15, Kentucky's public colleges and universities sustained seven budget cuts in eight years, losing a total of \$173.5 million or 16.0 percent of their combined net General Fund appropriations; and
- Whereas, during this same time period, the number of full-time equivalent students attending state colleges and universities increased by 10,218 students or 7.0 percent, and inflation as measured by the Higher Education Price Index grew by 14.7 percent; and

- Whereas, as these data show, over the past eight years, state General Fund support for Kentucky's public postsecondary institutions has not kept pace with inflation and enrollment growth, resulting in marked decreases in real state funding per student; and
- Whereas the adoption of tuition and fee ceilings every year since 2008-09 has limited the ability of public colleges and universities to fully offset reductions in state General Fund support, or cover inflationary and fixed cost increases, during this period; and
- Whereas the combination of budget cuts, enrollment growth, and modest increases in tuition and fees over the past eight years has reduced the amount of inflation adjusted, total public funds revenue per student available to most postsecondary institutions; and
- Whereas Kentucky's rate of improvement on key student success measures and progress toward attainment of other HB 1 goals have slowed considerably since 2009, due in large part to the aforementioned reductions in real public funds resources per student; and
- Whereas, according to a recent Center on Budget and Policy Priorities report, Kentucky is one of only a handful of states that has not begun reinvesting in higher education as state and national economies have improved following the end of the Great Recession; and
- Whereas Kentucky is one of only three states in the nation—joining Oklahoma and West Virginia—that has continued to cut per student funding for higher education each of the last two years (Mitchell & Leachman, 2015); and
- Whereas, last year, Kentucky had the largest dollar reduction in per student funding of any state in the nation (i.e., -\$179 per student) and tied with West Virginia as the state with the largest percentage decrease in higher education funding (i.e., -2.3 percent); and
- Whereas, according to recent econometric analyses (Bollinger, 2015)¹, if educational attainment in Kentucky was at the national average, the state would garner up to an additional \$530 million per year in income tax revenue; and
- Whereas, if educational attainment in Kentucky was at the national average, the state could reduce Medicaid costs by as much as \$200 million annually (Bollinger, 2015)² and Kentucky's citizens could save nearly \$200 million per year in health care related costs (Bollinger, 2015)³; and
- Whereas, if educational attainment in Kentucky was at the national average, the state could move over 33,000 households off of food stamps and reduce income assistance rolls by 20,000 citizens, generating cumulative cost savings of about \$110 million per year for these social programs (Bollinger, 2015)⁴.

Therefore, be it resolved, that Council staff and campus presidents believe that reinvestment in Kentucky higher education is absolutely necessary to maintain quality academic programming and student support services, to regain Kentucky's leadership position in rate of improvement on key student success measures and support continuing progress toward attainment of other

HB 1 goals, to alleviate pressure on institutional operating budgets and tuition and fee increases, and to enable state colleges and universities to recruit and retain prominent research and instructional faculty.

For these reasons, the campus presidents are unified in their support of the Council's 2016-18 biennial budget recommendation for postsecondary and adult education and strongly encourage the elected leadership of the Commonwealth to fund the request in its entirety.

Budget Recommendation

The Council's 2016-18 budget recommendation will be comprised of four major funding categories, including: (a) operating funds; (b) trust funds; (c) capital projects; and (d) the Council's agency budget.

Operating Funds

General Fund appropriations for institutional operations, along with tuition and fee revenue, support Education and General (E&G) expenditures on campus, including faculty and staff salaries and benefits, student financial aid, utilities, building maintenance, libraries, student support services, and numerous other operating expenses. In addition to these uses, Operating Funds are also used to pursue specialized activities and initiatives that further goals of *The Postsecondary Education Improvement Act of 1997* (HB 1) and objectives of the Council's *2011-15 Strategic Agenda for Kentucky Postsecondary and Adult Education*.

The Council's 2016-18 Operating Funds request will seek preservation of the current state appropriation for postsecondary education and include an additional budget request for restoration of half of the state funding cuts imposed since 2007-08. If authorized, the entire amount of requested restoration funds will be subject to performance criteria. In addition, funding for five special initiatives, including Centers for Research Excellence at the research universities, an equity adjustment at two comprehensive universities, funding for student recruitment and retention activities and Land Grant Program matching funds at Kentucky State University, and a tuition stabilization fund at KCTCS, will be requested.

Specifically, CPE staff will recommend increased Operating Funds appropriations of:

- \$43.4 million in 2016-17 and \$86.7 million in 2017-18 to support a new performance funding approach that provides financial incentives for institutions to accelerate improvement on key student success metrics.
- \$6.0 million in 2016-17 and \$12.0 million in 2017-18 to establish or expand Centers of Research Excellence at the University of Kentucky and the University of Louisville.
- \$7.9 million in 2016-17 (NKU \$5.3 million, WKU \$2.6 million) and \$15.8 million in 2017-18 (NKU \$10.7 million, WKU \$5.1 million) to address differences in state support among institutions in the comprehensive sector.

- \$2.7 million in 2016-17 and \$1.8 million in 2017-18 to support student recruitment and retention activities at Kentucky State University.
- \$2.7 million in 2016-17 and \$2.7 million in 2017-18 to provide a sufficient amount of state funds to meet federal matching requirements for Kentucky State University's land grant program.
- \$1.8 million in 2016-17 and \$3.5 million in 2017-18 to support lower tuition and fee increases at Kentucky Community and Technical College System institutions in the upcoming biennium.

Trust Funds

The Kentucky Postsecondary Education Improvement Act of 1997 (HB 1) created six Strategic Investment and Incentive Trust Funds to bring about change and improvement in Kentucky colleges and universities by providing strategic financial incentives for institutions to pursue desired state goals for postsecondary education. When the General Assembly authorizes appropriations for trust fund programs, they are typically maintained and administered by CPE staff, but represent resources that are passed through to postsecondary institutions based on compliance with Council approved guidelines and procedures.

For the 2016-18 biennium, Council staff will recommend \$11.9 million in debt service and \$125.0 million in bond funds to support a fifth round of funding for the Bucks for Brains program. These funds will be allocated between two programs, \$120.0 million for the Endowment Match Program and \$5.0 million for the Workforce Development Match Program, and three trust funds, as described below.

CPE staff will recommend Trust Fund appropriations of:

- \$9.5 million in 2017-18, recurring in subsequent years, to pay debt service on a \$100.0 million bond issue to support Endowment Match Program activities and initiatives at the University of Kentucky and the University of Louisville.
- \$1.9 million in 2017-18, recurring in subsequent years, to pay debt service on a \$20.0 million bond issue to support Endowment Match Program activities and initiatives at the comprehensive universities.
- \$478,000 in 2017-18, recurring in subsequent years, to pay debt service on a \$5.0 million bond issue to support Workforce Development Match Program activities and initiatives at KCTCS institutions.

If authorized and appropriated, it is anticipated that these funds will be placed in the Research Challenge Trust Fund (RCTF), the Comprehensive University Excellence Trust Fund (CUETF), and the Workforce Development Trust Fund (WDTF), respectively, pending eventual distribution to postsecondary institutions in accordance with Council approved guidelines.

The \$100.0 million requested for the research universities will be allocated one-third to the University of Louisville and two-thirds to the University of Kentucky, in accordance with statutory provisions of the RCTF. The requested \$20.0 million for the comprehensive universities will be allocated based on each institution's share of sector net General Fund appropriations in keeping with statutory provisions of the CUETF. KCTCS officials will determine how \$5.0 million allocated to their sector will be distributed among institutions.

Capital Projects

Every biennium, the Council makes a budget recommendation to the Governor and General Assembly that identifies anticipated capital construction and information technology and equipment needs of Kentucky's public postsecondary institutions. Two years ago, CPE staff recommended that the Council and elected leadership of the Commonwealth commit to a multi-biennia capital investment strategy that would more appropriately balance spending on asset preservation and renovation projects, while continuing to provide sufficient funding for new and expanded space to accommodate anticipated enrollment growth and research space needs. This balanced approach was recommended by a 2007 VFA study of all capital assets and expected needs at all public colleges and universities in Kentucky.

The principal components of this funding category include bond issue and debt service requests for: (a) asset preservation and renovation; (b) new and expanded space; and (c) information technology and equipment.

For 2016-18, CPE staff will recommend bond issues totaling \$600 million to support asset preservation and renovation projects and new and expanded space projects at state colleges and universities. This amount represents the second installment of a \$1.8 billion total capital investment, requested over three biennia. Staff will also propose \$40 million for an Information Technology and Equipment pool for the upcoming biennium.

Specifically, CPE staff will recommend Capital Project appropriations of:

- \$25.3 million in 2017-18, recurring in subsequent years, to pay debt service on a \$288.0 million bond issue to finance asset preservation and renovation projects during the 2016-18 biennium.
- \$27.4 million in 2017-18, recurring in subsequent years, to pay debt service on a \$312.0 million bond issue to finance new and expanded Education and General (E&G) and research space during the 2016-18 biennium.
- \$5.2 million in 2017-18, recurring in subsequent years, to pay debt service on a \$40.0 million bond issue to finance information technology initiatives and equipment purchases during the 2016-18 biennium.

If capital projects funding is authorized and appropriated, the requested \$600.0 million for asset preservation and renovation and new and expanded space will be allocated among institutions using an agreed upon formula that assigns each institution a \$15.0 million base

allocation (i.e., a total of \$135.0 million for nine institutions), with the remaining \$465.0 million distributed based on each institution's share of VFA Study assessed need (55 percent), FTE students (26 percent), total public funds (12 percent), and extramural research and development (R&D) expenditures (7 percent).

The requested \$40.0 million for Information Technology and Equipment will be divided into two components, \$6.75 million for statewide initiatives and \$33.25 million for campus initiatives, with the latter component allocated among institutions using an agreed upon formula that assigns each institution a \$750,000 base allocation (i.e., a total of \$6.75 million for nine institutions), with the remaining \$26.5 million distributed based on each institution's share of system total spending on instruction.

Agency Bond Projects. In addition to the aforementioned requests for state General Fund supported capital projects, CPE staff will recommend that the Council continue to endorse institutionally funded capital projects that further the goals of *The Kentucky Postsecondary Education Improvement Act of 1997* (HB 1) and objectives of the Council's *2011-15 Strategic Agenda for Postsecondary and Adult Education*.

Agency Budget

The recommended Agency Budget for 2016-18 will include additional budget requests for five existing expenditure categories: (1) Agency Operations; (2) Adult Education; (3) Student Aid and Assistance; (4) Technology and Academic Support; and (5) Research and Economic Development.

CPE staff will recommend increases in Agency Budget appropriations of:

- \$827,700 in 2016-17 and \$1,238,000 in 2017-18 for Agency Operations, which supports personnel and operating expenses associated with the Council's statewide coordinating board function.
- \$1.4 million in 2016-17 and \$2.6 million in 2017-18 for Adult Education statewide coordination and local program providers, which support increased GED completion in 120 counties throughout the Commonwealth.
- \$277,100 in 2016-17 and \$583,200 in 2017-18 for Student Aid and Assistance programs administered by CPE, which includes anticipated tuition and fee increases for Contract Spaces and one additional participant in the SREB Doctoral Scholars program.
- \$152,500 in 2016-17 and \$309,200 in 2017-18 to support inflationary increases for Technology and Academic Support programs coordinated by CPE, including the Kentucky Virtual Campus, Kentucky Virtual Library, and Kentucky Postsecondary Education Network.

- \$149,400 in 2016-17 and \$302,900 in 2017-18 to support inflationary increases for Research and Economic Development initiatives funded through CPE, including Kentucky Science and Technology Corporation (KSTC) programs.

Commonwealth College. The Agency Budget will also include a request for \$2.4 million each year of the biennium for Commonwealth College. These funds will support expenses associated with campus costs and statewide coordination of the college, which are vital to the success of this program. If authorized and funded, Commonwealth College will be added as a separate expense category to the Council's Agency Budget going forward.

Debt Service. The Agency Budget will also include requests for annual debt service associated with requests for \$288.0 million in bond funds to support asset preservation and renovation projects, \$312.0 million in bond funds to support new and expanded facilities space, and \$40.0 million in bond funds to support an Information Technology and Equipment pool for the postsecondary system, as well as, debt service on multiple bond issues totaling \$125.0 million for the Bucks for Brains program. Debt service numbers for these projects and programs can be found in the Trust Funds and Capital Projects sections of this document.

Endorsements

KERS Increases

Senate Bill 2, which passed during the 2013 Regular Session of the General Assembly, requires employers to pay the full actuarially required employer contributions to the Kentucky Employee Retirement System (KERS) beginning in fiscal year 2015. KERS staff estimates that employer contribution rates for non-hazardous positions will increase from 38.77 percent in fiscal year 2015-16 to 45.46 percent in fiscal year 2016-17 and to 45.80 percent in fiscal year 2017-18. These rate increases will dramatically increase employer paid retirement contributions of state agencies and public postsecondary institutions that have participating KERS employees.

- The Council on Postsecondary Education will fully support and endorse any funding that the Governor and General Assembly can provide to help the postsecondary institutions defray the cost of state mandated KERS cost increases.

403(b) Plan Increases

Public postsecondary institutions with defined retirement contribution programs, such as 403(b) plans, were required to adopt GASB 45, Other Post Employment Benefits (OPEB), beginning July 1, 2007. Under GASB 45, employers could immediately fully fund a trust with the accrued liability for its current retirees and current employees, or it could amortize that cost over a 30-year period. Most employers chose the latter option.

Many institutions, including the University of Kentucky, the University of Louisville, and KCTCS, went through a difficult, but thoughtful process, which reduced retiree health benefits, including the elimination of a subsidy for employees hired after a certain date. Despite these measures, the actuarial accrued liability (AAL) that is amortized over 30 years (i.e., the annual

retirement contribution, or ARC) is substantially greater (almost double in some cases) than the pre-GASB 45 amount, resulting in increased costs. Furthermore, the elimination of the subsidy for new employees has had a negative impact on faculty and staff recruitment.

- The Council will actively support and endorse any funding that the Governor and General Assembly can provide to help the postsecondary institutions cover the cost of 403(b) Plan increases.

Need-Based Aid Programs

An important objective of the Council's *2011-15 Strategic Agenda* is to promote student success by reducing financial barriers to college access and completion. Although the Council is not statutorily required to make a request for student financial aid programs, the alignment of financial aid policies with higher education funding and tuition and fee policies is critical to the attainment of HB 1 goals and *Strategic Agenda* objectives.

- The Council will strongly support and endorse any funding the Governor and General Assembly can provide for Kentucky's need-based aid programs administered by KHEAA, including the College Access Program (CAP) and the Kentucky Tuition Grant (KTG).

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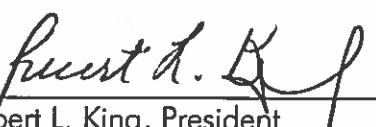
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(Bollinger, 2015)³. *Education or Your Health*, Issue Brief on Topics Affecting Kentucky's Economy, Center for Business and Economic Research, Gatton College of Business and Economics, University of Kentucky.

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Public Institution Presidents' Endorsement
2016-18 Postsecondary Education Budget Recommendation
November 4, 2015

All nine presidents of Kentucky's Advisory Conference of Presidents, working in collaboration with Council on Postsecondary Education staff, are pleased to endorse in its entirety the herein described 2016-18 postsecondary education budget recommendation.



Robert L. King, President
Council on Postsecondary Education



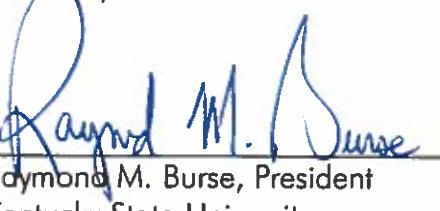
Eli Capilouto, President
University of Kentucky



James R. Ramsey, President
University of Louisville



Michael T. Benson, President
Eastern Kentucky University



Raymond M. Burse, President
Kentucky State University



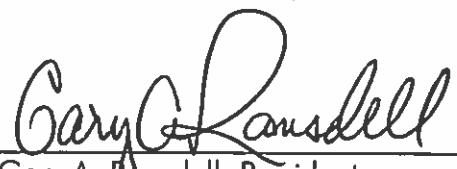
Wayne D. Andrews, President
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Robert O. Davies, President
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Geoffrey S. Mearns, President
Northern Kentucky University



Gary A. Ransdell, President
Western Kentucky University



Jay K. Box, President
Kentucky Community and
Technical College System

2016-18 Postsecondary Education Budget Recommendation Institutional Operating Funds

The primary way that Kentucky finances its public postsecondary system and supports the teaching, research, and public service missions of individual colleges and universities is by appropriating state General Funds for institutional operations. These funds, along with tuition, support education and general (E&G) expenditures on campus, including faculty and staff salaries, fringe benefits, student financial aid, utilities, building maintenance, libraries, student support services, and numerous other operating expenses. When available, these funds also finance strategic initiatives consistent with the mandates of House Bill 1 (1997).

- Council staff recommends total General Fund appropriations of \$979,370,600 in 2016-17 and \$1,037,445,200 in 2017-18 to support public postsecondary institution operations.

A detailed breakdown of the request by institution is provided in Attachment A. As can be seen in the attachment, the recommended total General Fund appropriations represent increases of \$64,505,100 in 2016-17 and \$122,579,700 in 2017-18, compared to the enacted 2015-16 net General Fund base. Major components of the 2016-18 operating funds request include base adjustments, performance funding, and special initiatives (see Table 1). Each of these components is described in more detail below.

Table 1: Components of 2016-18 Operating Funds Request

Funding Category	Fiscal Year 2016-17	Fiscal Year 2017-18
Beginning Base (2015-16 Total General Fund)	\$916,204,900	\$916,204,900
Changes and Additions:		
Base Adjustments	(1,339,400)	(1,339,400)
Performance Funding	43,368,500	86,737,000
Special Initiatives	21,136,600	35,842,700
Total Operating Funds Request	\$979,370,600	\$1,037,445,200

Base Adjustments

Base adjustments are technical in nature and primarily relate to existing state obligations for postsecondary education, such as changes in state-supported debt service. Components of the base adjustments request are shown in Table 2 below, followed by a brief description of each component.

Table 2: Components of 2016-18 Base Adjustments Request

Funding Category	Fiscal Year 2016-17	Fiscal Year 2017-18
Changes from 2015-16:		
Debt Service	(\$1,339,400)	(\$1,339,400)
Total Base Adjustments Request	(\$1,339,400)	(\$1,339,400)

Even during budget cycles with anticipated cuts, or no new General Fund revenue, the Council has requested, and public institutions have received, technical adjustments to their base funding.

Debt Service

Prior to 1998, when General Fund supported bonds were issued to finance the construction of public postsecondary facilities, the resulting liability was accounted for at the institutional level, and the General Assembly provided funding for debt service, which was included in campus base budgets and line-itemed in appropriations bills. Over time, as new debt was issued and mature debt retired, changes in debt service obligations occurred making periodic adjustments to the base necessary to reflect these changes.

Following higher education reform, debt service for newer postsecondary projects (i.e., those constructed after 1997) has been located within the Finance and Administration Cabinet's budget. What remains in the General Fund base of some postsecondary institutions is funding for debt service obligations on more mature bonds (i.e., those issued before 1998), which has decreased over the last decade due to debt retirement. In 2015-16, the General Assembly appropriated \$1,339,400 for debt service obligations associated with bond indebtedness located at one institution, the University of Louisville.

Council staff has been notified by Office of the State Budget Director (OSBD) officials that it will not be necessary to request appropriations for debt service on institutional bond issues for either 2016-17 or 2017-18; therefore, the recommended change in debt service each year of the upcoming biennium is -\$1,339,400.

Performance Funding

The Council's 2011-15 Strategic Agenda calls for state colleges and universities to increase high-quality degree production and completion rates at all levels and to close achievement gaps among low-income, underprepared, and minority students. Providing incentives for campuses to increase degree production and completion rates, as well as, securing adequate funding to support faculty and staff, support services, and technology enhancements, are identified as important strategies for achieving Kentucky's student success goals.

One way that the Council has attempted to operationalize these objectives is by requesting state appropriations for performance funding programs each of the past two biennia. In 2012-14, the Council requested \$25.0 million in the second year of the biennium for a

Performance Funding for Student Success program, and in 2014-16, the Council requested \$18.0 million each year of the biennium for a Degree Production fund. Neither of these requests was funded. For the upcoming 2016-18 biennium, the Council staff is once again recommending appropriations for performance funding.

- Council staff recommends appropriations of \$43,368,500 in 2016-17 and \$86,737,000 in 2017-18 to support a new performance funding approach that provides financial incentives for the postsecondary institutions to accelerate improvement on key student success measures.

Kentucky's public colleges and universities have had their operating budgets cut seven times over the past eight years, losing a total of \$173.5 million or 16.0 percent of their combined net General Fund appropriations. In light of this fact, Council and campus staffs strongly encourage the new Governor and General Assembly to finance the proposed performance funding approach with new appropriations, instead of carving funds out of existing base operating funds of the postsecondary institutions.

The \$86.7 million requested in the second year of the biennium would restore half of the \$173.5 million in state funding cuts the institutions sustained between fiscal years 2007-08 and 2014-15. Under the proposed approach, these funds would be appropriated directly to the institutions each year of the upcoming biennium, and would be available to support education and general operating expenses of the campuses in each of those years, but would only become recurring to an institution's base at the beginning of the next biennium (i.e., 2018-20), if an institution made progress toward or attained desired state goals. Although Council and campus staffs are proposing that the funds be appropriated in advance of performance, all of these funds (100%) will be placed at risk based on future performance.

If the requested performance funds are authorized and appropriated, they will be allocated among postsecondary sectors based on each sector's share of system total budget cuts since 2007-08. Specifically, \$42.5 million will be allocated to the research sector, \$24.9 million will be allocated to the comprehensive sector, and \$19.3 million will be allocated to the community and technical college sector. Performance funds in the research sector will be allocated between UK and UofL based on each institution's share of sector total 2015-16 net General Fund appropriations. Performance funds in the comprehensive sector will be allocated among institutions based on a combination of total public funds share and share of budget cuts since 2008. Finally, KCTCS officials will be allowed flexibility to determine how performance funds will be allocated among institutions within their system. See Table 3 below for Performance Funding allocations by institution.

The performance funding model proposed for 2016-18 is a targets and goals approach, which means each institution is rewarded for making progress toward or attaining its own campus specific goals, not for exceeding the performance of other institutions. In terms of process, CPE staff and campus officials have already agreed on metrics that are well aligned with desired state goals for postsecondary education, as outlined in HB 1 and the Council's 2011-15 Strategic Agenda. Beginning this December, Council and campus staffs will work

collaboratively to develop goals for each metric. Performance will be measured in fall 2017 to determine if funds become recurring in the next biennium (see additional detail below).

Table 3: Allocation of 2016-18 Performance Funding Request

Institution	Fiscal Year 2016-17	Fiscal Year 2017-18
University of Kentucky	\$14,183,900	\$28,367,800
University of Louisville	7,055,000	14,110,000
Eastern Kentucky University	2,847,300	5,694,600
Kentucky State University	766,100	1,532,200
Morehead State University	1,691,800	3,383,600
Murray State University	1,978,900	3,957,800
Northern Kentucky University	2,098,900	4,197,800
Western Kentucky University	3,110,900	6,221,800
KCTCS	9,635,700	19,271,400
Total Performance Funding Request	\$43,368,500	\$86,737,000

The Council and institutions have agreed on seven metrics, including five student success measures, one sector specific metric (varies by sector), and one institution specific metric (varies by institution). Six of these metrics will be implemented in 2016-18, with the graduation rate metric withheld until 2018-20. Specifically, the proposed metrics are:

- Degrees and Credentials Produced
 - certificates, diplomas, and associate degrees (at KCTCS)
 - baccalaureate degrees (at four-year institutions)
- Retention Rates (1st to 2nd year; all institutions)
- Progression Metrics
 - percentage of students earning 30+ credit hours per academic year (at UK)
 - students progressing beyond 60 credit hour and 90 credit hour thresholds (at all other four-year institutions)
- College Readiness
 - underprepared students completing credit bearing Math course (at KCTCS)
 - underprepared students completing credit bearing English course (at KCTCS)
- Graduation Rates
 - 3-year rates (at KCTCS)
 - 6-year rates (at four-year institutions)
- Closing Achievement Gaps
 - underrepresented minority students
 - low-income students

- Sector Specific Metrics
 - R&D expenditures (at the research universities)
 - STEM degree production (at the comprehensive universities)
 - workforce education and training contact hours and transfers out with an associate degree (at KCTCS)
- Institution Specific Metrics (in process)

In December 2015, Council and campus staffs will establish two-year improvement goals for each performance funding metric. During fall 2017, Council staff will conduct a performance assessment to determine the level of performance achieved by each institution. This will be accomplished by comparing actual change in a performance indicator over the next two years to the improvement goal established for each metric.

Earned performance funding amounts will be determined using a point system, whereby the point value of percent of goal attained (i.e., 75% of goal attained = .75 point value) on each metric will be summed across all metrics to obtain a composite point score. Total points earned will then be divided by total possible points to determine the cumulative percent of goals attained and the proportion of performance funds earned. For example, an institution that achieves 75 percent of its goal on each metric will accumulate 4.5 out of a total possible 6.0 points (i.e., $.75 \times 6.0 = 4.5$). Thus the institution would be eligible to retain three-fourths of its performance funding allocation on a recurring basis, moving into the 2018-20 biennium (i.e., 4.5 divided by 6.0 = 75 percent).

As part of the Council's 2018-20 budget request, staff will recommend that any unearned performance funds be deducted from an institution's net General Fund base and transferred to a trust fund at the Council on Postsecondary Education. If authorized, this request could be implemented as a base adjustment for both the Council and an institution, effective July 1, 2018-19. Any institution that does not fully earn its 2016-18 performance funding allocation will be allowed an opportunity to access its unearned funds on a nonrecurring basis during the 2018-20 biennium by submitting a viable performance improvement plan for Council review and approval.

Such plans will propose strategies and initiatives that, if funded and implemented, will bring about change and improvement in identified focus areas. If a submitted plan is approved by the Council, some portion or all of an institution's unearned funds may be disbursed to implement the plan. If a plan is not approved, or if an institution does not earn its allocated performance funds by the end of the second biennium, based on a second performance assessment performed during fall 2019, unearned funds will be placed in a Student Success Trust Fund and distributed annually among all campuses on the basis of performance.

Special Initiatives

In addition to a request for performance funding, the Council's 2016-18 operating funds recommendation includes additional budget requests for five special initiatives, including Centers for Research Excellence at the research universities, an equity adjustment at two

comprehensive universities, funding for student recruitment and retention activities and land grant matching funds at KSU, and a tuition stabilization fund at KCTCS (see Table 4).

Each of these initiatives is well aligned with HB 1 goals and with objectives and strategies of the Council's 2011-15 Strategic Agenda. Information about the initiatives is provided below.

Table 4: Components of 2016-18 Special Initiatives Request

Funding Component	Fiscal Year 2016-17	Fiscal Year 2017-18
Additional Budget Requests For:		
Centers for Research Excellence	\$6,000,000	\$12,000,000
Equity Adjustment	7,922,200	15,844,400
KSU Student Recruitment and Retention	2,733,900	1,767,800
KSU Land Grant Match	2,730,500	2,730,500
KCTCS Tuition Stabilization	1,750,000	3,500,000
Total Special Initiatives Request	\$21,136,600	\$35,842,700

Centers for Research Excellence

During the first decade of postsecondary reform, Kentucky's research universities more than doubled the market value of their endowment assets, attracted and retained world-renowned researchers, and more than doubled their federal research funding. While these achievements are noteworthy, the rate of growth in these indicators has slowed in recent years, the state's economy has been slow to transform, and a number of challenges remain.

The Council's 2011-15 Strategic Agenda calls for Kentucky universities to increase basic, applied, and translational research to create new knowledge and economic growth. It highlights the critical roles that the University of Kentucky and the University of Louisville play in the creation of new knowledge, as well as, the importance of additional funding and new funding approaches to maximize sponsored research, Kentucky Innovation Act investments, and multi-campus collaborations.

In keeping with the aims of the Strategic Agenda, CPE staff recommends that the Council's 2016-18 biennial budget request include additional appropriations that support creation or expansion of Centers for Research Excellence at the University of Kentucky and the University of Louisville. This will be accomplished through targeted cluster hires of prominent research faculty and staff in focus areas that address important state needs.

- The Council staff recommends appropriations of \$6,000,000 in 2016-17 and \$12,000,000 in 2017-18 to establish or expand Centers for Research Excellence at the University of Kentucky and the University of Louisville.

Creating a critical mass of scholars in high potential focus areas will bolster recruitment and retention of outstanding research faculty and staff in both targeted and related disciplines, increase federal and extramural research funding, accelerate translation of discoveries from

technological development to commercial utility, and support economic development and improved quality of life in Kentucky.

If the requested funding for Centers for Research Excellence is authorized, it will be allocated one-third to the University of Louisville and two-thirds to the University of Kentucky, based on statutory allocations of the Research Challenge Trust Fund. The funds will be used to recruit and retain renowned research faculty and staff in identified focus areas, bolster critical research infrastructure in those areas, and leverage or attract federally sponsored centers, programs, and research grants to Kentucky.

Equity Adjustment

In November 2013, the Council adopted a resolution directing staff to work with institution presidents to develop a mechanism for the allocation of state General Fund appropriations for the 2016-18 biennium that considered enrollment, mission, and performance, and any additional elements as determined by the group. Between April and December 2014, a work group comprised of CPE staff and chief budget officers, and an advisory group comprised of Council members and campus presidents, worked to develop the model.

The work of the two groups was completed in December 2014 and several iterations of the model were run using historical data. The most recent iteration, run using averaged data from fiscal years 2010-11, 2011-12, and 2012-13, revealed disparities in state appropriations among institutions in the comprehensive sector. Specifically, the model determined that Northern Kentucky University and Western Kentucky University were funded below 100.0% of formula, which represents the sector average funding level among comprehensive institutions, and that combined additional appropriations of about \$15.8 million would be needed to bring both institutions to the sector median appropriation level calculated by the model, or 101.6% of formula.

- The Council staff recommends appropriations of \$7,922,200 in 2016-17 and \$15,844,400 in 2017-18 to address disparities in state support among institutions in the comprehensive sector.

If requested Equity Adjustment funding is authorized, it is recommended that these funds be allocated \$5,334,200 to NKU and \$2,588,000 to WKU in 2016-17, and \$10,668,400 to NKU and \$5,176,000 to WKU in 2017-18, bringing net General Fund appropriations at both institutions to the sector median percent of formula, based on the funding model developed by Council and institutional staffs. It is anticipated that these funds will be used to support education and general operating expenses at each campus.

The components of the model included adjusted net General Fund appropriations (i.e., base funding, minus mandated programs), earned student credit hours weighted for differences in costs by level and discipline, and completed degrees weighted for differences in market value, and took into account historical spending patterns on instruction and student services, academic support, institutional support, and maintenance and operation of campus E&G

facilities. It is important to note that, while all institutions participated and provided input during development of the model, not every institution agreed with model outcomes.

KSU Student Recruitment and Retention

Over the past four years, Kentucky State University has experienced a steep decline in both its student headcount and full-time equivalent (FTE) student enrollment. Between fall semesters 2010 and 2014, KSU's student headcount enrollment decreased by 956 students, or 33.5 percent, and its FTE student enrollment decreased by 760 students, or 32.4 percent. About two-thirds of this decline was caused when over 600 students were not allowed to continue enrollment due to nonpayment of bills, but other factors contributed, as well.

The loss in student enrollment resulted in marked declines in both gross billable tuition and fee revenue and total public funds during this period. In fact, between fiscal years 2010-11 and 2014-15, KSU's gross billable tuition and fee revenue decreased by \$6.7 million, or 29.2 percent, and when combined with cuts in state funding of about \$2.5 million over this same period, the university's total public funds revenue decreased by \$9.2 million, or 18.8 percent (CPE, Comprehensive Database).

Among institutions in the comprehensive sector, the set of circumstances described above is unique to Kentucky State University. During the same period, the average increase in gross tuition and fee revenue among comprehensive universities other than KSU was \$28.6 million, or 20.5 percent, and the average increase in total public funds revenue was \$22.3 million, or 10.4 percent (CPE, Comprehensive Database).

The loss in total public funds revenue has placed considerable stress on KSU's operating budget. Campus officials responded by implementing a number of cost savings and cost avoidance strategies, including several rounds of personnel layoffs. Actions to stabilize university finances resulted in a balanced budget for the current fiscal year (i.e., 2015-16), but projections indicate that, absent external intervention, KSU will be in an untenable financial position within the next two years.

Early in the budget development process, KSU officials contacted Council staff and asked that a request for temporary funding be included in the Council's 2016-18 postsecondary budget recommendation. These funds would "bridge the gap" between KSU's current, reduced level of tuition and fee revenue and the amount needed, when combined with state appropriations, to support current levels of education and general expenditure in the university's operating budget, until such time as student enrollment and tuition and fee revenue return to normal.

- Council staff recommends nonrecurring appropriations of \$2,733,900 in 2016-17 and \$1,767,800 in 2017-18 to support student recruitment and retention activities at Kentucky State University.

If the requested funding is authorized and appropriated, it will be used to support student recruitment and retention initiatives at KSU, including maintaining retention and persistence program staff, implementing an academic advising and contact system and a warning and

probation system, expanding academic support programs, establishing a state government employee outreach program, and expanding targeted student financial aid programs.

It is recommended that the requested funding be appropriated on a nonrecurring basis for the 2016-18 biennium, with the potential for subsequent requests in future biennia on an as needed basis.

KSU Land Grant Match

Kentucky State University is an 1890 land grant institution. As such, it is eligible to receive federal grant funds appropriated by Congress each year to support land grant program activities and services. The federal funds must be matched dollar-for-dollar by the state, from non-federal sources, to ensure that KSU will continue to receive its full allotment of federal funds. Meeting the land grant funding matching requirement is an obligation of the state, not Kentucky State University. Other sources of federal funds and tuition and fee revenue cannot be used to meet the match.

In 2007-08, KSU received \$5,524,400 in U.S. Department of Agriculture administered federal grants to support its land grant program. That same year, Council and campus staffs agreed that the university had \$5,437,693 in its net General Fund base to meet the match, so the funding gap that year was -\$86,707. In the eight years since, KSU's state appropriation has been reduced by \$4.0 million or 14.6 percent, while the required land grant match increased by \$1,211,558 or 21.9 percent (i.e., to a total of \$6,735,958).

As the analysis above demonstrates, the Commonwealth of Kentucky is not meeting the required federal match for KSU's land grant program. Under conditions of the grants, the university is authorized to receive and expend federal funds to support land grant program activities and services, provided those funds are either matched by the state, or KSU receives a waiver absolving it of that requirement. In recent years, the university has requested and received a waiver, but there is no guarantee that waivers will be granted going forward.

- CPE staff recommends appropriations of \$2,730,500 in 2016-17 and \$2,730,500 in 2017-18 to provide a sufficient amount of recurring state funds to meet federal match requirements for Kentucky State University's land grant program.

These funds will help sustain the effectiveness and impact of outreach, service, and applied research at KSU's land grant program.

KCTCS Tuition Stabilization

Resident undergraduate tuition and fee sticker prices at KCTCS are the highest among seven contiguous states in Kentucky's region, are the highest among SREB states, and are among the highest nationwide. In academic year 2013-14, average community college tuition and fees in Kentucky ranked 1st compared to seven surrounding states and were 118 percent of the regional average. That same year, Kentucky community college tuition and fees ranked 1st among 16 SREB states and were 128 percent of the SREB average. Lastly, among community

colleges nationwide, state average tuition and fees in Kentucky ranked 11th highest and were 117 percent of the national average (WSAC, Tuition and Fee Report, 2013-14).

One of the main reasons community college tuition and fees are higher in Kentucky than in other states is because KCTCS does not receive local tax support that community colleges and two-year college systems in many states receive. Another contributing factor is that the level of state appropriations per student received by community colleges in Kentucky is relatively low compared to state funding per student received by two-year colleges in the region. For example, state general purpose funds per student received by Kentucky public two-year colleges in 2013-14 ranked 11th out of 16 SREB states and were 86 percent of the SREB average (SREB Data Exchange, 2013-14). Like other postsecondary sectors in Kentucky, net General Fund appropriations for KCTCS were reduced by \$38.5 million or 16.9 percent between fiscal years 2007-08 and 2014-15, which has exerted pressure on tuition and fees.

Research has shown that high tuition and fee charges are correlated with large student loan debt balances, can represent a significant barrier to college access, and can impede student progression and completion. Although analyses conducted by Council staff indicate that tuition and fees remain affordable for all but the highest income students attending KCTCS, affordability concerns provided the main impetus for adoption of Council approved tuition and fee ceilings and for differentiation of those ceilings by sector.

Every year since 2008-09, the Council has adopted tuition and fee ceilings that limit the amount of increase an institution can apply to its resident undergraduate tuition and fee charges and, in most of those years, the Council has followed a practice of differentiating those ceilings by sector. Affordability concerns related to the aforementioned rankings of KCTCS's sticker prices have resulted in the lowest allowable increases occurring in Kentucky's two-year college sector. Over the past six years, increases in resident undergraduate tuition and fee charges have averaged 3.5 percent annually among KCTCS institutions, 4.5 percent per year among the comprehensive universities, and 5.5 percent in the research sector.

The combination of relatively low state support per student, lack of local taxing authority, and relatively low tuition and fee ceilings has resulted in growing pressure on KCTCS's operating budget. Campus officials contacted Council staff early in the budget development process and asked for relief either in the form of additional General Fund appropriations or in the form of higher tuition and fee ceilings for their sector in coming years. There is concern that if the downward trend in total public funds revenue per student continues, it will negatively impact KCTCS's ability to continue to provide quality academic programming, workforce education and training programs tailored to address important state needs, and responsive and effective student support services.

- Council staff recommends appropriations of \$1,750,000 in 2016-17 and \$3,500,000 in 2017-18 to support lower tuition and fee increases at KCTCS institutions in the upcoming biennium.

If authorized, these funds will support education and general operating expenses at KCTCS institutions and alleviate the need for higher tuition and fee increases within the two-year

college sector in the upcoming biennium. KCTCS officials will determine how to allocate these funds among institutions within their system.

Endorsements

KERS Increases

Senate Bill 2, which passed during the 2013 Regular Session of the General Assembly, requires employers to pay the full actuarially required employer contributions to the Kentucky Employee Retirement System (KERS) beginning in fiscal year 2015. KERS staff estimates that employer contribution rates for non-hazardous positions will increase from 38.77 percent in fiscal year 2015-16 to 45.46 percent in fiscal year 2016-17 and to 45.80 percent in fiscal year 2017-18. These rate increases will dramatically increase employer paid retirement contributions of state agencies and public postsecondary institutions that have participating KERS employees.

- The Council on Postsecondary Education will fully support and endorse any funding that the Governor and General Assembly can provide to help the postsecondary institutions defray the cost of state mandated KERS cost increases.

403(b) Plan Increases

Public postsecondary institutions with defined retirement contribution programs, such as 403(b) plans, were required to adopt GASB 45, Other Post Employment Benefits (OPEB), beginning July 1, 2007. Under GASB 45, employers could immediately fully fund a trust with the accrued liability for its current retirees and current employees, or it could amortize that cost over a 30-year period. Most employers chose the latter option.

Many institutions, including the University of Kentucky, the University of Louisville, and KCTCS, went through a difficult, but thoughtful process, which reduced retiree health benefits, including the elimination of a subsidy for employees hired after a certain date. Despite these measures, the actuarial accrued liability (AAL) that is amortized over 30 years (i.e., the annual retirement contribution, or ARC) is substantially greater (almost double in some cases) than the pre-GASB 45 amount, resulting in increased costs. Furthermore, the elimination of the subsidy for new employees has had a negative impact on faculty and staff recruitment.

- The Council will actively support and endorse any funding that the Governor and General Assembly can provide to help the postsecondary institutions cover the cost of 403(b) Plan increases.

Need-Based Aid Programs

An important objective of the Council's 2011-15 Strategic Agenda is to promote student success by reducing financial barriers to college access and completion. Although the Council is not statutorily required to make a request for student financial aid programs, the alignment of financial aid policies with higher education funding and tuition and fee policies is critical to the attainment of HB 1 goals and Strategic Agenda objectives.

- The Council will strongly support and endorse any funding the Governor and General Assembly can provide for Kentucky's need-based aid programs administered by KHEAA, including the College Access Program (CAP) and the Kentucky Tuition Grant (KTG).

Staff preparation by Bill Payne and Scott Boelscher

Council on Postsecondary Education
2016-18 Institutional Operating Funds Recommendation

Attachment A
November 13, 2015

Beginning Net Base:	UK	UofL	EKU	KSU	MoSU	MuSU	NKU	WKU	KCTCS	Total
2015-16 Enacted <u>Total</u> Appropriation	\$279,611,300	\$140,416,300	\$68,033,800	\$23,429,600	\$43,339,500	\$48,025,100	\$48,537,600	\$74,649,400	\$190,162,300	\$916,204,900
Minus: Debt Service	0	(1,339,400)	0	0	0	0	0	0	0	(1,339,400)
2015-16 Enacted <u>Net</u> Appropriation	\$279,611,300	\$139,076,900	\$68,033,800	\$23,429,600	\$43,339,500	\$48,025,100	\$48,537,600	\$74,649,400	\$190,162,300	\$914,865,500
First-Year Operating Request:	UK	UofL	EKU	KSU	MoSU	MuSU	NKU	WKU	KCTCS	Total
2015-16 Enacted <u>Net</u> Appropriation	\$279,611,300	\$139,076,900	\$68,033,800	\$23,429,600	\$43,339,500	\$48,025,100	\$48,537,600	\$74,649,400	\$190,162,300	\$914,865,500
Plus: Base Adjustments Debt Service	0	0	0	0	0	0	0	0	0	0
Performance Funding	14,183,900	7,055,000	2,847,300	766,100	1,691,800	1,978,900	2,098,900	3,110,900	9,635,700	43,368,500
Special Initiatives Centers for Research Excellence	4,000,000	2,000,000	0	0	0	0	0	0	0	6,000,000
Equity Adjustment	0	0	0	0	0	0	5,334,200	2,588,000	0	7,922,200
KSU Recruitment and Retention	0	0	0	2,733,900	0	0	0	0	0	2,733,900
KSU Land Grant Match	0	0	0	2,730,500	0	0	0	0	0	2,730,500
KCTCS Tuition Stabilization	0	0	0	0	0	0	0	0	1,750,000	1,750,000
2016-17 Requested <u>Total</u> General Fund	\$297,795,200	\$148,131,900	\$70,881,100	\$29,660,100	\$45,031,300	\$50,004,000	\$55,970,700	\$80,348,300	\$201,548,000	\$979,370,600
Dollar Change from 2015-16 Total Appropriation	\$18,183,900	\$7,715,600	\$2,847,300	\$6,230,500	\$1,691,800	\$1,978,900	\$7,433,100	\$5,698,900	\$11,385,700	\$63,165,700
Percent Change from 2015-16 Total Appropriation	6.5%	5.5%	4.2%	26.6%	3.9%	4.1%	15.3%	7.6%	6.0%	6.9%
Minus: Debt Service	0	0	0	0	0	0	0	0	0	0
2016-17 Requested <u>Net</u> General Fund	\$297,795,200	\$148,131,900	\$70,881,100	\$29,660,100	\$45,031,300	\$50,004,000	\$55,970,700	\$80,348,300	\$201,548,000	\$979,370,600
Dollar Change from 2015-16 Net General Fund	\$18,183,900	\$9,055,000	\$2,847,300	\$6,230,500	\$1,691,800	\$1,978,900	\$7,433,100	\$5,698,900	\$11,385,700	\$64,505,100
Percent Change from 2015-16 Net General Fund	6.5%	6.5%	4.2%	26.6%	3.9%	4.1%	15.3%	7.6%	6.0%	7.1%
Second-Year Operating Request:	UK	UofL	EKU	KSU	MoSU	MuSU	NKU	WKU	KCTCS	Total
2015-16 Enacted <u>Net</u> Appropriation	\$279,611,300	\$139,076,900	\$68,033,800	\$23,429,600	\$43,339,500	\$48,025,100	\$48,537,600	\$74,649,400	\$190,162,300	\$914,865,500
Plus: Base Adjustments Debt Service	0	0	0	0	0	0	0	0	0	0
Performance Funding	28,367,800	14,110,000	5,694,600	1,532,200	3,383,600	3,957,800	4,197,800	6,221,800	19,271,400	86,737,000
Special Initiatives Centers for Research Excellence	8,000,000	4,000,000	0	0	0	0	0	0	0	12,000,000
Equity Adjustment	0	0	0	0	0	0	10,668,400	5,176,000	0	15,844,400
KSU Recruitment and Retention	0	0	0	1,767,800	0	0	0	0	0	1,767,800
KSU Land Grant Match	0	0	0	2,730,500	0	0	0	0	0	2,730,500
KCTCS Tuition Stabilization	0	0	0	0	0	0	0	0	3,500,000	3,500,000
2017-18 Requested <u>Total</u> General Fund	\$315,979,100	\$157,186,900	\$73,728,400	\$29,460,100	\$46,723,100	\$51,982,900	\$63,403,800	\$86,047,200	\$212,933,700	\$1,037,445,200
Dollar Change from 2015-16 Total Appropriation	\$36,367,800	\$16,770,600	\$5,694,600	\$6,030,500	\$3,383,600	\$3,957,800	\$14,866,200	\$11,397,800	\$22,771,400	\$121,240,300
Percent Change from 2015-16 Total Appropriation	13.0%	11.9%	8.4%	25.7%	7.8%	8.2%	30.6%	15.3%	12.0%	13.2%
Minus: Debt Service	0	0	0	0	0	0	0	0	0	0
2017-18 Requested <u>Net</u> General Fund	\$315,979,100	\$157,186,900	\$73,728,400	\$29,460,100	\$46,723,100	\$51,982,900	\$63,403,800	\$86,047,200	\$212,933,700	\$1,037,445,200
Dollar Change from 2015-16 Net General Fund	\$36,367,800	\$18,110,000	\$5,694,600	\$6,030,500	\$3,383,600	\$3,957,800	\$14,866,200	\$11,397,800	\$22,771,400	\$122,579,700
Percent Change from 2015-16 Net General Fund	13.0%	13.0%	8.4%	25.7%	7.8%	8.2%	30.6%	15.3%	12.0%	13.4%

Council on Postsecondary Education
November 13, 2015

2016-18 Postsecondary Education Budget Recommendation Strategic Investment and Incentive Trust Funds

The Kentucky Postsecondary Education Improvement Act of 1997 (HB 1) created six Strategic Investment and Incentive Trust Funds to bring about change and improvement in Kentucky colleges and universities by providing strategic financial incentives for institutions to pursue desired state goals for postsecondary education. These trust funds are listed below.

1. Research Challenge Trust Fund
2. Comprehensive University Excellence Trust Fund
3. Technology Initiative Trust Fund
4. Physical Facilities Trust Fund
5. Postsecondary Education Workforce Development Trust Fund
6. Student Financial Aid and Advancement Trust Fund

When the General Assembly authorizes appropriations for trust fund programs, they are typically maintained and administered by the Council on Postsecondary Education, but represent resources that are passed through to postsecondary institutions based on compliance with Council approved guidelines and procedures.

Every two years, Council staff works collaboratively with campus presidents, chief budget officers, and members of the Council's Budget Development Work Group to identify trust fund programs and funding amounts that will help state colleges and universities achieve postsecondary reform goals. For the upcoming biennium, stakeholders agreed that the Council's 2016-18 budget recommendation should include debt service and bond issue requests for a fifth round of funding for the Bucks for Brains program.

Bucks for Brains Program

Since the adoption of HB 1, the Bucks for Brains program has been a key strategic funding component of the state's postsecondary reform agenda. The program encourages private giving to support research faculty, staff, and infrastructure at the University of Kentucky and the University of Louisville, and to strengthen essential programs at the comprehensive universities, by matching private donations dollar-for-dollar with state appropriations. These funds are typically endowed, with investment proceeds used to provide a perpetual source of funding for research related activities.

Between 1998 and 2010, the General Assembly authorized four rounds of funding for the Bucks for Brains program, totaling \$410 million. About 85 percent of that total (\$350 million) was appropriated to Kentucky's two research universities and 15 percent (\$60 million) was disbursed among the state's six comprehensive institutions.

The state's investment in this program has been used to leverage an additional \$410 million in private contributions through the dollar-for-dollar matching feature. When the fourth round of funding (i.e., 2008-10) is fully matched, a total of \$767.9 million will have been added to public university endowments and a total of \$52.1 million will have been used to support construction of new research facilities at the University of Kentucky (\$43.8 million) and education and general (E&G) facilities at the comprehensive universities (\$8.3 million).

- The Council staff recommends an appropriation of \$11,875,000 in 2017-18, recurring in subsequent years, to pay debt service on a \$125.0 million bond issue to support a fifth round of funding for the Bucks for Brains program.

These funds will be allocated between two programs, \$120.0 million for the Endowment Match Program and \$5.0 million for the Workforce Development Match Program (Table 1), and three trust funds, as described below.

Table 1: Components of 2016-18 Trust Funds Request

Funding Component	Requested Bond Funds	2017-18 Debt Service
Additional Budget Requests For:		
Endowment Match Program	\$120,000,000	\$11,397,000
Workforce Development Match Program	5,000,000	478,000
Total Trust Funds Request	\$125,000,000	\$11,875,000

Endowment Match Program

The Council's *2011-15 Strategic Agenda for Postsecondary and Adult Education* calls for Kentucky universities to increase basic, applied, and translational research to create new knowledge and stimulate economic growth. To accomplish this aim, the Agenda highlights the importance of securing additional appropriations for a research matching program and of exploring new funding approaches to maximize sponsored research, *Kentucky Innovation Act* investments, and multi-campus collaborations. In keeping with these objectives, for 2016-18, CPE staff recommends Trust Fund appropriations of:

- \$9,497,000 in 2017-18, recurring in subsequent years, to pay debt service on a \$100.0 million bond issue to support Endowment Match Program activities and initiatives at the University of Kentucky and the University of Louisville.
- \$1,900,000 in 2017-18, recurring in subsequent years, to pay debt service on a \$20.0 million bond issue to support Endowment Match Program activities and initiatives at the comprehensive universities.

If approved by the Council and authorized by the General Assembly, it is anticipated that requested bond funds for the Endowment Match Program will be placed in the Research

Challenge Trust Fund (RCTF) and the Comprehensive University Excellence Trust Fund (CUETF), as shown in Table 2 below, pending eventual distribution to postsecondary institutions in accordance with Council approved guidelines.

Table 2: Allocation of 2016-18 Endowment Match Program Request

Trust Fund	Requested Bond Funds	2017-18 Debt Service
Additional Budget Requests For:		
Research Challenge Trust Fund	\$100,000,000	\$9,497,000
Comprehensive Excellence Trust Fund	20,000,000	1,900,000
Total Endowment Match Program Request	\$120,000,000	\$11,397,000

The \$100.0 million requested for the research universities will be allocated one-third to the University of Louisville (i.e., \$33,333,000) and two-thirds to the University of Kentucky (i.e., \$66,667,000), in accordance with statutory provisions of the RCTF (KRS 164.7917). The requested \$20.0 million for the comprehensive universities will be allocated based on each institution's share of sector total 2014-15 net General Fund appropriations, in keeping with statutory provisions of the CUETF (KRS 164.7919), as shown in Table 3 below.

Table 3: Allocation of 2016-18 CUETF Request

Comprehensive Institution	Final 2014-15 Net General Fund Revenue	Allocation Percentages	CUETF Distribution
Eastern Kentucky University	\$68,033,800	22.5%	\$4,509,800
Kentucky State University	23,429,600	7.8%	1,553,100
Morehead State University	41,039,500	13.6%	2,720,400
Murray State University	48,025,100	15.9%	3,183,500
Northern Kentucky University	48,537,600	16.1%	3,217,400
Western Kentucky University	72,649,400	24.1%	4,815,800
Category Totals	\$301,715,000	100.0%	\$20,000,000

For more detailed information regarding the allocation of proposed Bucks for Brains program funding see Attachment B.

Workforce Development Match Program

The Workforce Development Match Program is a new initiative that is being developed by Council staff and KCTCS officials. Requested funding for this program was included in the 2014-16 recommendation, but was not authorized by the General Assembly. The proposed program will support KCTCS workforce education and training activities to create a labor

force that helps stimulate business development, creates better jobs and a higher standard of living, and facilitates Kentucky's transition to a knowledge-based economy.

The Council's 2011-15 Strategic Agenda challenges Kentucky colleges and universities to strengthen and expand partnerships with businesses and industry, government, non-profit organizations, and other educational entities to meet workforce and community development needs. Toward this end, for 2016-18, CPE staff recommends Trust Fund appropriations of:

- \$478,000 in 2017-18, recurring in subsequent years, to pay debt service on a \$5.0 million bond issue to support Workforce Development Match Program activities and initiatives at KCTCS institutions.

If approved and authorized, \$5.0 million in bond funds will be allocated to the Postsecondary Education Workforce Development Trust Fund for distribution to KCTCS upon submission and approval of funding requests that meet guideline requirements for the program. Disbursed funds will be matched dollar-for-dollar with external source contributions and the resulting corpus will be added to an endowment at a requesting institution to provide a perpetual source of funding for workforce development activities and initiatives. Proceeds from the endowments will be used to support faculty and staff positions, student scholarships, and workforce education and training infrastructure.

Program Guidelines and Reporting Procedures

In coming months, a work group comprised of Council staff and campus officials will review and discuss 2008-10 Endowment Match Program guidelines and reporting procedures for the purpose of updating these materials for 2016-18. At the same time, staff will work with KCTCS officials to develop Workforce Development Match Program guidelines and reporting procedures. If funding requests for these programs are authorized and appropriated, it is anticipated that staff will bring updated guidelines and revised reporting procedures for both the Endowment Match Program and Workforce Development Match Program for Council review and action at the June 3, 2016, meeting.

Staff preparation by Bill Payne and Scott Boelscher

Attachment B
November 13, 2015

**2016-18 Biennial Budget Recommendation
Strategic Investment and Incentive Trust Funds Request
Allocation of Proposed Bucks for Brains Funding**

Endowment Match Program Distribution

Institution	Statutory RCTF Allocations	Allocation Percentages	Program Distribution
University of Kentucky	2/3	66.7%	\$66,667,000
University of Louisville	1/3	33.3%	33,333,000
			<u>\$100,000,000</u>

Institution	Final 2014-15 Net General Fund Revenue	Allocation Percentages	Program Distribution
Eastern Kentucky University	\$68,033,800	22.5%	\$4,509,800
Kentucky State University	23,429,600	7.8%	1,553,100
Morehead State University	41,039,500	13.6%	2,720,400
Murray State University	48,025,100	15.9%	3,183,500
Northern Kentucky University	48,537,600	16.1%	3,217,400
Western Kentucky University	<u>72,649,400</u>	24.1%	<u>4,815,800</u>
	<u>\$301,715,000</u>	100.0%	<u>\$20,000,000</u>

RCTF - Research Challenge Trust Fund

Workforce Development Match Program Distribution

Institution	Program Distribution
KCTCS	\$5,000,000
Total Bucks for Brains Request	<u>\$125,000,000</u>

Council on Postsecondary Education
November 13, 2015

2016-18 Postsecondary Education Budget Recommendation Capital Construction and Information Technology

Every biennium, the Council makes a budget recommendation to the Governor and General Assembly that identifies anticipated capital construction and information technology needs of Kentucky's public postsecondary institutions. The recommendation outlined below addresses the most pressing campus needs for asset preservation, modernization of existing facilities, new and expanded space, and information technology initiatives and equipment purchases for the upcoming biennium.

Historical Overview

In 2007, the Council and postsecondary institutions contracted with VFA, Inc. of Boston, Massachusetts, to conduct a comprehensive review and assessment Kentucky public college and university facilities. Evaluators examined over 700 education and general (E&G) facilities located on college campuses across the system and reached the conclusion that Kentucky's facilities inventory was in relatively poor condition compared to industry standards.

Most of the buildings were over 30 years old and their condition and utility was consistent with their age. HVAC, plumbing, and electrical systems in many buildings had far exceeded their useful life expectancies. Many buildings no longer adequately supported the academic programs originally envisioned and there was a pressing need to add capacity to support increased numbers of students coming into the system. Lastly, evaluators identified an accumulation of over \$6.1 billion in asset preservation needs for the postsecondary system projected to come due by 2018 (*Facility Condition Assessment & Space Study*, VFA, 2007).

In light of their findings, VFA evaluators recommended that Kentucky begin investing in its postsecondary facilities at a level sufficient to address the sizable capital needs identified in the study and sustain that increased level of investment over a long-term time horizon. In their view, substantial and sustained investments in both new and existing postsecondary education facilities would be required to establish and maintain high-quality learning and research environments. Furthermore, given the backlog of deferred maintenance needs, capital appropriations should reflect relatively greater investment in asset preservation and renovation. Finally, going forward, Kentucky should adopt a more balanced approach that equalizes investments between asset preservation and new construction.

The VFA study findings formed the basis for a multi-biennia capital investment strategy first adopted by the Council in November 2011, then endorsed again in November 2013. As part of its 2014-16 biennial budget request, the Council recommended that the Governor and General Assembly appropriate \$600.0 million for capital construction projects (not including Information Technology initiatives) at Kentucky's public colleges and universities.

This request was characterized as the "first installment" of a larger, three biennia (six year) \$1.8 billion capital investment plan that would use a new pooled approach for allocating capital funding among institutions.

Rather than requesting funds for individual capital projects, as had previously been the case, the plan called for the Council to recommend a pool of funding for each institution using an agreed upon formula that took into account various factors, including differences in deferred maintenance needs, FTE student enrollment, extramural research expenditures, and total public funds across campuses. This approach was adopted to achieve a more equitable distribution of capital funds among institutions, than a request based on highest priority projects at each institution, and to provide institutions greater flexibility to address multiple, smaller, but potentially more critical, capital projects.

The new approach also placed greater emphasis on asset preservation and renovation than previous requests, which were more heavily skewed toward new construction. This was accomplished by using separate, but nearly equal in size, pools for asset preservation and new construction, which established a specified asset preservation spending level for each institution. Individual projects would still be approved by the Council and authorized by the General Assembly, but institutions would have flexibility to choose which projects would be funded from their respective asset preservation and new construction pools.

This approach was well received by Capital Planning Advisory Board (CPAB) members, who have endorsed the model in each of the last three Statewide Capital Improvement Plans. One could also argue that it was well received, by the Governor and members of the General Assembly, given the way the capital request fared during the 2014-16 budget cycle.

In 2014-16, the Council's capital recommendation included requests for \$318.0 million to support asset preservation projects and \$282.0 million to support new construction projects (for a total of \$600.0 million), as well as, \$60.0 million for information technology projects, which were asked to be appropriated in pools for each institution. While the 2014-16 Budget of the Commonwealth (HB 235) did not appropriate funding to pools for each institution, it (along with HB 298 in the 2015 session) did provide \$607.8 million in capital projects for the postsecondary institutions, with 39% (\$240.1 million) of that amount going to fund asset preservation projects and 61% (\$367.8 million) going to new and expanded space projects.

2016-18 Capital Construction and Information Technology Recommendation

VFA study findings (2007) highlight the need for state policymakers to make substantial and sustained investments in Kentucky's public postsecondary facilities. Toward that end, staff recommends that the Council continue to endorse the multi-biennia capital investment strategy initiated two years ago, continue to support a more appropriate balance between asset preservation and new construction, and continue to advocate for a pooled approach for allocating capital appropriations among the campuses.

For 2016-18, staff recommends bond issues totaling \$600.0 million for capital construction projects at state colleges and universities, or the second installment of the \$1.8 billion capital

investment strategy. Staff also proposes \$40.0 million to fund statewide and campus-based information technology and equipment initiatives for the upcoming biennium (see Table 1).

Table 1: 2016-18 Capital Construction and Information Technology Request

Funding Component	Requested Bond Funds	2017-18 Debt Service
Additional Budget Requests For:		
Capital Construction	\$600,000,000	\$52,606,000
Information Technology and Equipment	40,000,000	5,243,000
Total Capital Construction and IT Request	\$640,000,000	\$57,849,000

If authorized, requested capital appropriations will be allocated among institutions using an agreed upon formula that considers each institution's share of VFA study assessed needs, full-time equivalent students, total public funds, and extramural research expenditures. Additional details regarding the proposed approach can be found in Attachment C.

Capital Construction

Two years ago, CPE staff recommended that the Council and elected leadership of the Commonwealth commit to a multi-biennia, capital investment strategy that would more appropriately balance spending on asset preservation and renovation projects, while continuing to provide sufficient funding for new and expanded space to accommodate anticipated enrollment growth and research space needs.

The approach proposed for 2016-18 is very similar to the approach adopted for the last budget cycle. Specifically, CPE staff is recommending debt service to support a \$600.0 million bond issue for capital construction projects, representing the second installment of the \$1.8 billion capital investment strategy, and is proposing that the Council continue to endorse the pooled approach for making capital allocations among institutions.

- Staff recommends an appropriation of \$52,606,000 in 2017-18, recurring in subsequent years, to pay debt service on a \$600.0 million, 20-year bond issue to finance capital construction projects at the postsecondary institutions in the upcoming biennium.

If requested funding for capital construction is authorized and appropriated, \$600.0 million in state General Fund supported bond funds will be allocated among the postsecondary institutions using a distribution model that includes VFA study assessed asset preservation needs, FTE students, total public funds, and extramural research expenditures. The resulting allocations will then be divided into pools supporting asset preservation projects (48 percent) and new construction projects (52 percent) at each campus as shown in Table 2. A consensus was reached among Council staff, campus presidents, and chief budget officers regarding use of this approach.

Table 2: Allocation of Requested Capital Construction Bonds

Institution	Asset Preservation	New Space & Expanded	Total Capital Construction
University of Kentucky	\$80,134,900	\$86,813,100	\$166,948,000
University of Louisville	44,587,100	48,302,600	92,889,700
Eastern Kentucky University	23,249,600	25,187,100	48,436,700
Kentucky State University	10,803,100	11,703,300	22,506,400
Morehead State University	17,816,600	19,301,400	37,118,000
Murray State University	19,257,300	20,862,000	40,119,300
Northern Kentucky University	19,615,000	21,249,500	40,864,500
Western Kentucky University	26,887,400	29,128,000	56,015,400
KCTCS	45,649,000	49,453,000	95,102,000
System Totals	\$288,000,000	\$312,000,000	\$600,000,000
Allocation Percentages	48.0%	52.0%	100.0%

As can be seen in Table 2, the request for capital construction funding is comprised of two components: (a) asset preservation and renovation; and (b) new and expanded space. Each of these pools is supported by a list of projects in priority order. The postsecondary institutions will be provided flexibility to determine the mix of spending on asset preservation versus new construction, but a minimum spending level for asset preservation will be identified for each campus (i.e., a given institution's VFA study assessed need percentage or 48%, whichever is lower). Each of these components is described in more detail below.

Asset Preservation and Renovation. As previously mentioned, VFA study evaluators identified over \$6.1 billion in asset preservation needs for Kentucky's public postsecondary system that would come due by 2018 (VFA Study, 2007) and recommended substantial increases in spending for asset preservation projects. To protect the state's investment in existing campus infrastructure and support continuing progress toward attainment of HB 1 goals, considerable outlays for asset preservation and renovation projects are required over multiple biennia.

- Council staff recommends an appropriation of \$25,251,000 in 2017-18, recurring in subsequent years, to pay debt service on a \$288.0 million bond issue to finance asset preservation and renovation projects on postsecondary campuses during the upcoming biennium.

If requested debt service for asset preservation projects is authorized and appropriated, it will be housed temporarily in the Physical Facilities Trust Fund. See Attachment D for a list of eligible E&G asset preservation projects.

New and Expanded Space. In addition to stressing the importance of addressing Kentucky's asset preservation needs, VFA study evaluators also identified considerable needs for new and

expanded space to accommodate enrollment growth and changing teaching methods and pedagogies (e.g., technology-assisted classrooms and laboratory set-ups). Specifically, the study projected that by 2018, \$6.6 billion should be invested in new or expanded space to accommodate changing standards and enrollment growth.

- Council staff recommends an appropriation of \$27,355,000 in 2017-18, recurring in subsequent years, to pay debt service on a \$312.0 million bond issue to finance new capital construction projects on postsecondary campuses during the upcoming biennium.

If requested debt service for new and expanded space projects is authorized and appropriated, it will be housed temporarily in the Physical Facilities Trust Fund. See Attachment E for a list of eligible E&G new and expanded space projects.

Information Technology and Equipment

This category of projects is needed to address postsecondary network infrastructure upgrades and replacements of instructional and administrative systems. Investments are needed to replace aging and obsolete systems and expand capacity to handle the upsurge of digital content and mobile access. The projects address campus networks and campus infrastructure and support increased network speeds and systems for e-learning.

- Council staff recommends an appropriation of \$5,243,000 in 2017-18, recurring in subsequent years, to pay debt service on a \$40.0 million bond issue to finance statewide and campus-based information technology initiatives and equipment purchases during the upcoming biennium.

Table 3: Allocation of Campus-Based Information Technology Funding

Institution	Base Allocation	Instruction Allocation	Total Request
University of Kentucky	\$750,000	\$5,478,900	\$6,228,900
University of Louisville	750,000	5,679,700	6,429,700
Eastern Kentucky University	750,000	2,257,400	3,007,400
Kentucky State University	750,000	309,800	1,059,800
Morehead State University	750,000	1,017,100	1,767,100
Murray State University	750,000	1,359,300	2,109,300
Northern Kentucky University	750,000	1,831,400	2,581,400
Western Kentucky University	750,000	2,615,800	3,365,800
KCTCS	750,000	5,950,600	6,700,600
System Totals	\$6,750,000	\$26,500,000	\$33,250,000

If the requested debt service for information technology and equipment is authorized and appropriated, \$6.75 million in bond funds will be allocated to CPE for statewide initiatives

(such as KYVC, KYVL, KPEN, and Commonwealth College) and \$33.25 million will be allocated among postsecondary institutions as shown in Table 3 to support campus-based technology initiatives. See Attachment F for more detail regarding information technology and equipment pool allocations.

Debt service for information technology and equipment projects will be housed temporarily in the Council's Technology Trust Fund. See Attachment G for a list of eligible information technology and equipment projects.

Institutionally Funded Capital Projects

Staff recommends that the Council continue to endorse and support institutionally funded capital projects that further the goals of *The Postsecondary Education Improvement Act of 1997* (HB 1) and objectives of the Council's 2011-15 Strategic Agenda. Specifically, staff recommends the following agency funded projects:

- Authorization of \$1.0 billion in agency bonds to finance capital projects on postsecondary campuses during the upcoming biennium. This funding level represents all anticipated agency bond funded projects submitted by the campuses. A list of these projects can be found in Attachment H.
- Authorization of \$5.2 billion in agency, federal, private, and other fund source authority to address life safety, major maintenance, equipment acquisitions, infrastructure repair and upgrades, and new construction on postsecondary campuses during the upcoming biennium. This funding level represents all anticipated agency, federal, private, and other fund source financed projects submitted by the campuses. A list of these projects can be found in Attachment J.
- Authorization for nine projects (one at each institution) to improve energy efficiency in campus buildings, including energy equipment acquisitions and infrastructure repair and upgrades. These projects would be funded using third-party financing available through the Finance and Administration Cabinet, private contractors, or other non-state funds. A list of these projects can be found in Attachment K.

Budget Language

Staff recommends that the Council endorse the following special language for inclusion in the 2016-18 Budget of the Commonwealth:

Inasmuch as the identification of specific projects in a variety of areas of postsecondary institution operations cannot be ascertained with absolute certainty at this time, amounts are appropriated and authorized for specific projects which are not individually identified in this act in the following areas: EKU, KCTCS, KSU, MoSU, MuSU, NKU, UK, UofL, and WKU capital renewal, renovations, major maintenance, infrastructure, research laboratories, and HVAC and roofing systems.

Any specific project exceeding \$600,000 or any major item of equipment exceeding \$200,000 that is initiated shall be reported by the institution to the Council on Postsecondary Education, the Secretary of the Finance and Administration Cabinet, and the Capital Projects and Bond Oversight Committee no later than 30 days after the specific project or equipment item is initiated and funded. The report shall identify the need for, and provide a brief description of, each project or equipment item pursuant to KRS Chapter 45.

Staff preparation by Bill Payne, Sherron Jackson, and Shaun McKiernan

Council on Postsecondary Education
 2016-18 Biennial Budget Recommendation
 Allocation of Asset Preservation and New and Expanded Space Funding Request

Attachment C
 November 13, 2015

	A	B			C			D			E	(A+B+C+D+E)		
Institution	Base Allocation	Asset Preservation Needs ¹			FTE Students			Total Public Funds			Extramural R&D Expenditures			
		Asset Preservation	Percent of Total	AP Need Allocation	2014 FTE Students	Percent of Total	FTE Student Allocation	FY 2014 Total Public Funds	Percent of Total	TPF Allocation	2013 R&D Expenditures	Percent of Total	R&D Allocation	Allocation ² per Institution
University of Kentucky	\$15,000,000	\$1,916,557,000	36.8%	\$94,221,200	28,339	18.2%	\$22,043,800	\$669,858,400	27.0%	\$15,057,700	\$239,715,000	63.4%	\$20,625,300	\$166,948,000
University of Louisville	15,000,000	882,121,636	17.0%	43,366,600	18,717	12.0%	14,558,900	423,050,050	17.0%	9,509,700	121,506,000	32.1%	10,454,500	92,889,700
Eastern Kentucky University	15,000,000	375,164,000	7.2%	18,443,700	13,041	8.4%	10,144,300	207,229,600	8.3%	4,658,300	2,213,000	0.6%	190,400	48,436,700
Kentucky State University	15,000,000	97,244,000	1.9%	4,780,800	1,588	1.0%	1,235,300	44,923,601	1.8%	1,010,000	5,583,000	1.5%	480,400	22,506,500
Morehead State University	15,000,000	274,844,000	5.3%	13,511,800	7,626	4.9%	5,931,900	111,495,200	4.5%	2,506,300	1,951,000	0.5%	167,900	37,117,900
Murray State University	15,000,000	297,059,000	5.7%	14,603,900	8,937	5.8%	6,951,800	154,391,000	6.2%	3,470,500	1,082,000	0.3%	93,100	40,119,300
Northern Kentucky University	15,000,000	251,295,675	4.8%	12,354,100	11,822	7.6%	9,195,900	186,910,100	7.5%	4,201,500	1,313,000	0.3%	113,000	40,864,500
Western Kentucky University	15,000,000	459,594,000	8.8%	22,594,400	15,743	10.1%	12,246,000	255,778,300	10.3%	5,749,600	4,944,000	1.3%	425,400	56,015,400
KCTCS	15,000,000	648,339,000	12.5%	31,873,500	49,613	31.9%	38,592,100	428,686,200	17.3%	9,636,400	0	0.0%	0	95,102,000
	\$135,000,000	\$5,202,218,311	100.0%	\$255,750,000	155,426	100.0%	\$120,900,000	\$2,482,322,451	100.0%	\$55,800,000	\$378,307,000	100.0%	\$32,550,000	\$600,000,000
Non-Base Allocation Percentages:			55.0%			26.0%			12.0%			7.0%		100.0%
Non-Base Allocation Dollars:			\$255,750,000			\$120,900,000			\$55,800,000			\$32,550,000		\$465,000,000
											Plus Base Allocation:			135,000,000

¹ Estimated asset preservation needs for years 2007 through 2018, based on 2007 VFA study.

Total Funding Request: \$600,000,000

² Institutions will have flexibility to adopt either the VFA study recommended 48% system average spending level on asset preservation or the percentage identified for their individual institution in the VFA study, whichever is lower.

Capital Projects Recommendations
Asset Preservation and Major Renovation (eligible for General Fund support)
2016-18

Attachment D
November 13, 2015

Institution/ Project Title	Project Scope	General Fund	Restricted/ Institution Funds	Other Funds	Agency Bonds
Eastern Kentucky University					
1 EKU-Renovate Moore Building	\$ 30,000,000	\$ 30,000,000	\$ -	\$ -	\$ -
2 EKU-Renovate and Upgrade Heat Plant	5,500,000	5,500,000			
3 EKU-Renovate HVAC Systems	10,000,000	5,000,000	5,000,000		
4 EKU-Renovate Whalen Complex	22,837,000	20,837,000		2,000,000	
Total - EKU	\$ 68,337,000	\$ 61,337,000	\$ 5,000,000	\$ 2,000,000	\$ -
Kentucky State University					
1 KSU-Roof Repair & Replacement Pool 2016	\$ 2,860,000	\$ 2,860,000	\$ -	\$ -	\$ -
2 KSU-Capital Renewal & Maintenance Projects Pool 2016	1,302,000	1,302,000			
3 KSU-Life Safety Upgrade Pool 2016	1,190,000	1,190,000			
Total - KSU	\$ 5,352,000	\$ 5,352,000	\$ -	\$ -	\$ -
Morehead State University					
1 MoSU-Renovate Combs Classroom Building	\$ 45,050,000	\$ 45,050,000	\$ -	\$ -	\$ -
2 MoSU-Reconstruct Central Campus	3,000,000	3,000,000			
3 MoSU-Water Plant Sediment Basin	1,500,000	1,500,000			
4 MoSU-Upgrade Campus Fire & Security Systems	2,670,000	2,670,000			
5 MoSU-Replace Electrical Switchgear B	1,800,000	1,800,000			
6 MoSU-Comply with ADA - E&G	3,767,000	3,767,000			
7 MoSU-Capital Renewal and Maintenance Pool-E&G	6,259,000	6,259,000			
8 MoSU-Capital Renewal and Maintenace Pool-Univ. Farm	1,209,000	1,209,000			
9 MoSU-Renovate Button Auditorium	15,999,000	15,999,000			
10 MoSU-Renovate Howell-McDowell	1,296,000	1,296,000			
11 MoSU-Renovate Jayne Stadium	39,761,000	39,761,000			
Total - MoSU	\$ 122,311,000	\$ 122,311,000	\$ -	\$ -	\$ -
Murray State University					
1 MuSU-Upgrade Campus Electrical Distribution System	\$ 16,494,000	\$ 16,494,000	\$ -	\$ -	\$ -
2 MuSU-Replace Campus Steam Distribution System	7,549,000	7,549,000			
3 MuSU-Upgrade Buildings System Capital Renewal: Pool <\$600,000	6,616,000	6,616,000			
4 MuSU-Renovate Pogue Library	11,435,000	11,435,000			
5 MuSU-Renovate & Restore Lovett Auditorium	17,600,000	17,600,000			
6 MuSU-Renovate & Expand Waterfield Library	19,700,000	19,700,000			
7 MuSU-Complete Life Safety Projects: E & G Pool <\$600,000	3,062,000	3,062,000			
8 MuSU-Complete ADA Compliance: E & G Pool <\$600,000	6,289,000	6,289,000			
9 MuSU-Renovate Blackburn Science	16,000,000	16,000,000			
10 MuSU-Abate Asbestos: E & G Pool <\$600,000	502,000	502,000			
11 MuSU-Replace Expo Center Roof	1,201,000	1,201,000			
12 MuSU-Complete Capital Renewal: E & G Pool <&600,000	11,973,000	11,973,000			

Capital Projects Recommendations
Asset Preservation and Major Renovation (eligible for General Fund support)
2016-18

Attachment D
November 13, 2015

Institution/ Project Title	Project Scope	General Fund	Restricted/ Institution Funds	Other Funds	Agency Bonds
13 MuSU-Renovate Wrather Hall	2,000,000	2,000,000			
14 MuSU-Waterproof Stewart Stadium	1,116,000	1,116,000			
15 MuSU-Renovate Curris Center	1,400,000	1,400,000			
16 MuSU-Extend Energy Management System	8,787,000	8,787,000			
17 MuSU-Replace E & G Chiller/ CFC Compliance	1,221,000	1,221,000			
18 MuSU-Replace Stewart Stadium Playing Surface	887,000	887,000			
19 MuSU-Replace Blackburn Science Roof	750,000	750,000			
20 MuSU-Install Sprinkler System- Blackburn Science Building	1,599,000	1,599,000			
21 MuSU-Renovate Pogue Library Electrical & HVAC	1,555,000	1,555,000			
22 MuSU-Relocate & Close Section of North 16th Street	8,500,000	8,500,000			
23 MuSU-Renovate Exposition Center	11,742,000	11,742,000			
24 MuSU-Renovate General Services	1,000,000	1,000,000			
25 MuSU-Upgrade Applied Science Electrical System	1,626,000	1,626,000			
26 MuSU-Demolish Woods Hall	2,301,000	2,301,000			
Subtotal - MuSU	\$ 162,905,000	\$ 162,905,000	\$ -	\$ -	\$ -
Northern Kentucky University					
1 NKU-Renew/Renovate Fine Arts Center Phase II	\$ 66,000,000	\$ 66,000,000	\$ -	\$ -	\$ -
2 NKU-Renovate Civic Center Building	4,600,000	4,600,000			
3 NKU-Repair Structural Heaving Landrum/Fine Arts	7,000,000	7,000,000			
5 NKU-Renovate Albright Health Center/Wellness	12,000,000	12,000,000			
6 NKU-Renovate Gateway/HIGHLAND HTS Campus	6,000,000	6,000,000			
7 NKU-Renovate Nunn Hall	7,000,000	7,000,000			
8 NKU-Replace Underground Gas Mains	2,500,000	2,500,000			
9 NKU-Renew E&G Buildings Systems Projects Pool	7,000,000	7,000,000			
10 NKU-Electrical Distribution System Replacement Pool	5,000,000	5,000,000			
11 NKU-HVAC Project Pool	6,500,000	6,500,000			
Subtotal - NKU	\$ 123,600,000	\$ 123,600,000	\$ -	\$ -	\$ -
Western Kentucky University					
1 WKU-Upgrade Underground Infrastructure	\$ 30,000,000	\$ 30,000,000	\$ -	\$ -	\$ -
2 WKU-Renovate Gordon Wilson Hall	4,000,000	4,000,000			
3 WKU-Renovate Helm/Cravens Library	41,800,000	41,800,000			
4 WKU-Renovate Ivan Wilson Ph II	38,500,000	38,500,000			
5 WKU-Renovate Academic Complex	27,500,000	27,500,000			
6 WKU-Renovate Kentucky Building	17,500,000	17,500,000			
7 WKU-Design Env Science & Tech Hall Renovation	2,000,000	2,000,000			
8 WKU-Construct South Reg PostSec Ed Ctr (Glasgow)	11,000,000	11,000,000			
9 WKU-Major Renovation Gordon Wilson Hall	9,700,000	9,700,000			
10 WKU-Capital Renewal Pool 2016	10,000,000	10,000,000			
11 WKU-Interior Renovation Jones Jagers	1,000,000	1,000,000			
12 WKU-Design Agriculture Expo Center Renovation	1,000,000	1,000,000			
13 WKU-Renovate Art Lab/Museum Project	4,200,000	4,200,000			
14 WKU-Renovate Central Heat Plant	5,100,000	5,100,000			
15 WKU-Renovate Thompson Complex Center Wing	3,000,000	3,000,000			
16 WKU-Renovate International Ctr to Multicultural Center	1,500,000	1,500,000			
Subtotal - WKU	\$ 207,800,000	\$ 207,800,000	\$ -	\$ -	\$ -
University of Kentucky					
1 UK-Facilities Renewal and Modernization	\$ 250,000,000	\$ 125,000,000	\$ -	\$ -	\$ 125,000,000
Subtotal - UK	\$ 250,000,000	\$ 125,000,000	\$ -	\$ -	\$ 125,000,000

Capital Projects Recommendations
Asset Preservation and Major Renovation (eligible for General Fund support)
2016-18

Attachment D
November 13, 2015

Institution/ Project Title	Project Scope	General Fund	Restricted/ Institution Funds	Other Funds	Agency Bonds
University of Louisville					
1 UL-Renovate - Capital Renewal Pool (2014-2016)	\$ 35,000,000	\$ 35,000,000	\$ -	\$ -	\$ -
2 UL-Renovate - Natural Science Building	29,843,000	29,843,000			
3 UL-Renovate - Kornhauser Library	19,900,000	19,900,000			
Subtotal - UofL	\$ 84,743,000	\$ 84,743,000	\$ -	\$ -	\$ -
Kentucky Community and Technical College System					
1 Owensboro-Renovate Southeastern Campus	\$ 3,000,000	\$ 3,000,000	\$ -	\$ -	\$ -
2 Ashland-Renovate Main Building Phase II	36,500,000	36,500,000			
3 Jefferson-Renovate JCTC Downtown Campus	42,900,000	42,900,000			
4 Owensboro-Renovate Owensboro Downtown Campus	3,000,000	3,000,000			
5 Maysville-Renovate Administration Building	11,800,000	11,800,000			
6 Henderson-Renovate Sullivan Technology Center	4,900,000	4,900,000			
7 Elizabethtown-Renovate Occupational Technical Building - 300 Wing	12,600,000	12,600,000			
8 Southcentral-Renovate Main Campus Buildings	10,600,000	10,600,000			
9 Ashland-Renovate Roberts Drive North Campus Buildings	5,600,000	5,600,000			
10 Southeast-Renovate Southeast Educational Alliance Center	25,500,000	25,500,000			
11 Elizabethtown-Renovate Student Center	4,300,000	4,300,000			
12 Hopkinsville-Renovate Learning Resource Center	4,900,000	4,900,000			
13 Owensboro-Renovate HVAC System Phase I	3,500,000	3,500,000			
14 Somerset-Replace Rooftop HVAC Units	2,200,000	2,200,000			
15 Ashland-Renovate Learning Resource Center	6,000,000	6,000,000			
16 Big Sandy-Renovate Collegewide Facilities	7,500,000	7,500,000			
17 Southeast-Renovate Mining Building	8,600,000	8,600,000			
18 System Office-Capital Renewal and Replacement Pool	20,000,000	20,000,000			
Subtotal - KCTCS	\$ 213,400,000	\$ 213,400,000	\$ -	\$ -	\$ -
System Total	\$ 1,238,448,000	\$ 1,106,448,000	\$ 5,000,000	\$ 2,000,000	\$ 125,000,000

Note:

Federal Funds were not requested for these projects

Capital Projects Recommendations
New and Expanded Space (eligible for General Fund support)
2016-18

Attachment E
November 13, 2015

Institution/Institution Priority / Project Title	Project Scope	General Fund	Other Funds ¹
Eastern Kentucky University			
1 EKU-Construct College of Education Complex	\$ 83,455,000	\$ 83,455,000	\$ -
2 EKU-Construct Aviation Instruction Facility	4,000,000	4,000,000	
3 EKU-UK Dairy Research Project	10,360,000	10,360,000	
Total - EKU	\$ 97,815,000	\$ 97,815,000	\$ -
Kentucky State University			
1 KSU-School of Nursing	\$ 13,014,000	\$ 13,014,000	\$ -
2 KSU-Construct Warehouse 2016	3,642,000	3,642,000	
3 KSU-Construct Business & Technology Center	31,528,000	31,528,000	
4 KSU-Construct Classrooms/Performing Arts Center	56,753,000	56,753,000	
Total - KSU	\$ 104,937,000	\$ 104,937,000	\$ -
Morehead State University			
1 MoSU-Construct Ctr for Excellence in Ed for Perf. Art	\$ 65,502,000	\$ 60,502,000	\$ 5,000,000
2 MoSU-Construct Vet Tech Clinical Sciences Center	13,809,000	13,809,000	
3 MoSU-Acquire Land Related to Master Plan	9,000,000	9,000,000	
4 MoSU-Construct Classroom/Lab Bldg at Browning Orchard	1,942,000	1,942,000	
Total - MoSU	\$ 90,253,000	\$ 85,253,000	\$ 5,000,000
Murray State University			
1 MuSU-Construct Open-Sided Stall Barn at Expo Center	\$ 1,521,000	\$ 1,521,000	\$ -
2 MuSU-Construct Livestock Instructional Facility	2,824,000	2,824,000	
Subtotal - MuSU	\$ 4,345,000	\$ 4,345,000	\$ -
Northern Kentucky University			
1 NKU-Expand Herrmann Science Center	\$ 85,000,000	\$ 85,000,000	\$ -
2 NKU-Construct Chiller Plant	\$ 19,400,000	\$ 19,400,000	
Subtotal - NKU	\$ 104,400,000	\$ 104,400,000	\$ -

Capital Projects Recommendations
New and Expanded Space (eligible for General Fund support)
2016-18

Attachment E
November 13, 2015

Institution/Institution Priority / Project Title	Project Scope	General Fund	Other Funds ¹
Western Kentucky University			
1 WKU-Const New Gordon Ford College of Business and Renovate Grise Hall	\$ 97,200,000	\$ 97,200,000	\$ -
2 WKU-Const WKU Owensboro Phase II	11,000,000	11,000,000	
Subtotal - WKU	\$ 108,200,000	\$ 108,200,000	\$ -
University of Kentucky			
No Projects Requested	\$ -	\$ -	\$ -
Subtotal - UK	\$ -	\$ -	\$ -
University of Louisville			
1 UL-Construct - Instructional Building at HSC	\$ 71,730,000	\$ 71,730,000	\$ -
Subtotal - UofL	\$ 71,730,000	\$ 71,730,000	\$ -
Kentucky Community and Technical College System			
1 Big Sandy -Construct Expansion of Pikeville Campus (add'l funding)	\$ 28,000,000	\$ 28,000,000	\$ -
2 Hazard-Construct Community Intergenerational Center (add'l funding)	8,700,000	8,700,000	
3 Somerset-Construct Arts & Humanities (add'l funding)	25,300,000	25,300,000	
4 Jefferson-Construct Advanced Manufacturing & Information Tech. Ctr- Ph. 1	33,400,000	33,400,000	
5 Bluegrass-Construct Newtown Campus Expansion Phase II	91,000,000	91,000,000	
6 Madisonville-Construct Muhlenberg County Phase II	15,200,000	15,200,000	
7 Gateway-Construct Urban Campus Phase II	33,000,000	33,000,000	
8 Southcentral-Construct Transpark Expansion	13,300,000	13,300,000	
9 Hopkinsville-Construct Student Learning Center	20,200,000	20,200,000	
10 West-Construct Allied Health Building Phase II	11,600,000	11,600,000	
11 Somerset-Construct Extension Center- Russell County	18,600,000	18,600,000	
12 Madisonville-Construct 3rd Floor Addition to Learning Resource Center	5,000,000	5,000,000	
13 Somerset-Construct Technical Education Building	26,800,000	26,800,000	
14 Henderson-Construct Allied Health Building	18,600,000	18,600,000	
15 Jefferson-Construct Bullitt County Campus, Phase I	18,200,000	18,200,000	
16 Henderson-Construct Fine Arts Center, Phase II	4,400,000	4,400,000	
Subtotal - KCTCS	\$ 371,300,000	\$ 371,300,000	\$ -
System Total	\$ 952,980,000	\$ 947,980,000	\$ 5,000,000

Note:

¹ Neither Restricted/Institution Funds nor Federal Funds were requested for these projects

Council on Postsecondary Education
 2016-18 Biennial Budget Recommendation
 Allocation of Information Technology and Equipment Funding Request

Attachment F
 November 13, 2015

Funding Category/Institution	A Base Allocation	B Fiscal 2012-13 Instruction Costs	Percent of Total	Instruction Allocation	(A + B) Allocation per Institution
Statewide Initiatives					
Council on Postsecondary Education	\$6,750,000	NA	NA	\$0	\$6,750,000
Campus Initiatives					
University of Kentucky	\$750,000	\$277,551,964	20.7%	\$5,478,900	\$6,228,900
University of Louisville	750,000	287,722,000	21.4%	5,679,700	6,429,700
Eastern Kentucky University	750,000	114,353,426	8.5%	2,257,400	3,007,400
Kentucky State University	750,000	15,694,692	1.2%	309,800	1,059,800
Morehead State University	750,000	51,522,551	3.8%	1,017,100	1,767,100
Murray State University	750,000	68,859,273	5.1%	1,359,300	2,109,300
Northern Kentucky University	750,000	92,777,000	6.9%	1,831,400	2,581,400
Western Kentucky University	750,000	132,514,283	9.9%	2,615,800	3,365,800
KCTCS	750,000	301,448,563	22.5%	5,950,600	6,700,600
Subtotal	\$6,750,000	\$1,342,443,752	100.0%	\$26,500,000	\$33,250,000
Component Totals	\$13,500,000			\$26,500,000	\$40,000,000

Model Inputs:	
Statewide Initiatives	\$6,750,000
Campus Based Initiatives	
Base Funding	6,750,000
Instruction Costs	26,500,000
Subtotal	\$33,250,000
Total Funding Request	\$40,000,000

**Capital Projects Recommendations
Information Technology Initiatives and Equipment Projects (eligible for General Fund support)
2016-18**

Attachment G
November 13, 2015

Institution/ Project Title	Project Scope	General Fund	Rest/Other Funds	Federal Funds
Eastern Kentucky University				
1 EKU-Expand, Upgrade Campus Data Network	\$ 13,212,000	\$ 11,212,000	\$ 2,000,000	\$ -
2 EKU-Upgrade Academic Computing	5,000,000	3,000,000	2,000,000	
3 EKU-Purchase Minor Projects Equipment	5,000,000	5,000,000		
4 EKU-Purchase Networked Ed System Component	6,950,000	6,950,000		
Subtotal - EKU	\$ 30,162,000	\$ 26,162,000	\$ 4,000,000	\$ -
Kentucky State University				
1 KSU-Upgrade Information Tech Infrastructure 2016	\$ 10,000,000	\$ 10,000,000	\$ -	\$ -
2 KSU-Expand Emergency Notification System	4,580,000	4,580,000		
3 KSU-Improvements to Instructional Technology	2,500,000	2,500,000		
4 KSU-Enhance the Enterprise Resource Planning System	5,000,000	5,000,000		
5 KSU-Integrated Digital Campus	11,450,000	11,450,000		
Subtotal - KSU	\$ 33,530,000	\$ 33,530,000	\$ -	\$ -
Morehead State University				
1 MoSU-Enhance Network/Infrastructure Resources - Add'l	\$ 3,000,000	\$ 3,000,000	\$ -	\$ -
2 MoSU-Upgrade and Expand Distance Learning	1,700,000	1,700,000		
3 MoSU-Purchase Equipment for Biochemistry Lab	548,000	548,000		
4 MoSU-Enhance Library Automation Resources	1,539,000	1,539,000		
5 MoSU-Purchase Instructional Tech Initiatives	3,021,000	3,021,000		
6 MoSU-Upgrade Administrative Office Systems	4,864,000	4,864,000		
7 MoSU-Upgrade Instruct. PCs/LANS/Peripherals	6,080,000	6,080,000		
Subtotal - MoSU	\$ 20,752,000	\$ 20,752,000	\$ -	\$ -
Murray State University				
1 MuSU-Upgrade Campus Network	\$ 3,162,000	\$ 3,162,000	\$ -	\$ -
2 MuSU-Upgrade Campus Phone System	1,781,000	1,781,000		
3 MuSU-ITV Upgrades to Murray State University System	1,547,000	1,547,000		
4 MuSU-Information Tech Infrastructure for TSM & IET	791,000	791,000		
5 MuSU-College of Science Instructional/Research Equipment	3,500,000	3,500,000		
6 MuSU-Agricultural Instructional Lab & Technology Equip	800,000	800,000		
7 MuSU-Broadcasting Education Lab Equipment	225,000	225,000		
Subtotal - MuSU	\$ 11,806,000	\$ 11,806,000	\$ -	\$ -

Capital Projects Recommendations
 Information Technology Initiatives and Equipment Projects (eligible for General Fund support)
 2016-18

Attachment G
 November 13, 2015

Institution/ Project Title	Project Scope	General Fund	Rest/Other Funds	Federal Funds
Northern Kentucky University				
1 NKU-Upgrade Instructional Technology	\$ 3,500,000	\$ 3,500,000	\$ -	\$ -
2 NKU-Campus Telecommunications Upgrade	1,500,000	1,500,000		
3 NKU-Next Generation Digital Campus	10,000,000	10,000,000		
4 NKU-Enhance/Upgrade Cyber Security System	1,500,000	1,500,000		
5 NKU-Scientific/Technology Equipment Pool	5,000,000	5,000,000		
6 NKU-Upgrade Infrastructure for Admin Systems	1,500,000	1,500,000		
7 NKU-Budget Planning System	700,000	700,000		
Subtotal - NKU	\$ 23,700,000	\$ 23,700,000	\$ -	\$ -
Western Kentucky University				
1 WKU-Upgrade IT Infrastructure	\$ 6,000,000	\$ 6,000,000	\$ -	\$ -
Subtotal - WKU	\$ 6,000,000	\$ 6,000,000	\$ -	\$ -
University of Kentucky				
1 UK-Upgrade Enterprise Information Systems	\$ 20,000,000	\$ 20,000,000	\$ -	\$ -
2 UK-High Performance Research Computer	6,500,000	6,500,000		
Subtotal - UK	\$ 26,500,000	\$ 26,500,000	\$ -	\$ -
University of Louisville				
1 UL-Purchase - Next Gen/ERP Support System	\$ 6,000,000	\$ 6,000,000	\$ -	\$ -
2 UL-Purchase - Research Computing Infrastructure	7,000,000	7,000,000		
Subtotal - UofL	\$ 13,000,000	\$ 13,000,000	\$ -	\$ -
Kentucky Community and Technical College System				
1 KCTCS-Information Tech Infrastructure Upgrade	\$ 12,000,000	\$ 12,000,000	\$ -	\$ -
2 KCTCS-System Office-CEMCS Upgrades	2,000,000	2,000,000		
Subtotal - KCTCS	\$ 14,000,000	\$ 14,000,000	\$ -	\$ -
Total Institutions	\$ 179,450,000	\$ 175,450,000	\$ 4,000,000	\$ -
Council on Postsecondary Education				
1 CPE-Commonwealth College (HB 265) Technology System	\$ 4,000,000	\$ 4,000,000	\$ -	\$ -
2 CPE-KY Virtual Library Infrastructure Rebuild	8,500,000	8,500,000		
3 CPE-KY Regional Optical Network Infrastructure Enhancement	1,000,000	1,000,000		
Subtotal - CPE	\$ 13,500,000	\$ 13,500,000	\$ -	\$ -
System Total	\$ 192,950,000	\$ 188,950,000	\$ 4,000,000	\$ -

Capital Projects Recommendations
Agency Bond Projects
2016-18

Attachment H
November 13, 2015

Institution and Project Title	Project Scope	Agency Bonds	Institution or Other Funds	Revenue Stream For Debt Service	Anticipated Board Action	Status of Existing Fee	Est. Date to Issue Debt
Eastern Kentucky University							
1 EKU-Construct Student Life Facilities	\$ 93,000,000	\$ 93,000,000	\$ -	special use fee and athletics income, including ticket sales and premium seating sales	approved possible parking fee	approved and enacted	Fall 2016
2 EKU-Construct Parking Deck	15,000,000	15,000,000		university funds and parking fees	increase to support debt service	N/A	Spring 2017
3 EKU-Demolish Residence Halls	6,000,000	6,000,000		University funds and parking fees	N/A	N/A	Early 2017
4 EKU-Construct New Student Housing	36,000,000	36,000,000		Student housing rent	N/A	N/A	Summer 2017
5 EKU-Renovate Residence Halls	12,500,000	12,500,000		Student housing rent	N/A	N/A	Fall 2016
Subtotal - EKU	\$ 162,500,000	\$ 162,500,000	\$ -				
Kentucky State University							
No projects requested							
Subtotal - KSU	\$ -	\$ -	\$ -				
Morehead State University							
1 MoSU-Construct Food Service/Retail & Parking - Add'l	\$ 6,600,000	\$ 6,600,000	\$ -	parking fees and food service revenues	TBD	currently in place	December 2016
2 MoSU-Renovate Cartmell Residence Hall	15,200,000	15,200,000		housing fees	TBD	currently in place	December 2016
3 MoSU-Construct New Volleyball Facility - Phase 2	3,300,000	3,300,000		athletic revenues, student fees and private funds	TBD	currently in place	June 2017
4 MoSU-Construct University Welcome Center/Alumni House	7,920,000	1,920,000	6,000,000	student fees and private funds	TBD	currently in place	June 2017
5 MoSU-Replace Exterior Precast Panels-Nunn Hall	3,250,000	3,250,000		housing fees	TBD	currently in place	June 2017
6 MoSU-Capital Renewal and Maintenance Pool-Aux	3,961,000	3,961,000		auxiliary services revenues	TBD	currently in place	June 2017
7 MoSU-Comply with ADA - Auxiliary	2,153,000	2,153,000		auxiliary services revenues	TBD	currently in place	June 2017
Subtotal - MoSU	\$ 42,384,000	\$ 36,384,000	\$ 6,000,000				
Murray State University							
1 MuSU-Renovate White Hall	\$ 16,299,000	\$ 16,299,000	\$ -	auxiliary, housing & dining revenues	March 2017	N/A	June 2017
2 MuSU-Complete ADA Compliance: H & D Pool <\$600,000	1,957,000	1,957,000		auxiliary, housing & dining revenues	March 2018	N/A	June 2018
3 MuSU-Complete Capital Renewal: H & D Pool <\$600,000	7,825,000	7,825,000		auxiliary, housing & dining revenues	March 2018	N/A	June 2018
4 MuSU-Renovate Hart Hall Electrical System	1,286,000	1,286,000		auxiliary, housing & dining revenues	March 2018	N/A	June 2018
5 MuSU-Renovate Regents Hall Electrical System	1,446,000	1,446,000		auxiliary, housing & dining revenues	March 2018	N/A	June 2018
6 MuSU-Abate Asbestos: H & D Pool <\$600,000	535,000	535,000		auxiliary, housing & dining revenues	March 2018	N/A	June 2018
7 MuSU-Renovate Buildings: H & D Pool <\$600,000	595,000	595,000		auxiliary, housing & dining revenues	March 2018	N/A	June 2018
8 MuSU-Complete Life Safety: H & D Pool <\$600,000	1,125,000	1,125,000		auxiliary, housing & dining revenues	March 2018	N/A	June 2018
9 MuSU-Renovate White Hall Electrical System	1,336,000	1,336,000		auxiliary, housing & dining revenues	March 2018	N/A	June 2018
10 MuSU-Renovate White Hall HVAC System	2,074,000	2,074,000		auxiliary, housing & dining revenues	March 2018	N/A	June 2018
11 MuSU-Renovate White Hall Interior	1,558,000	1,558,000		auxiliary, housing & dining revenues	March 2018	N/A	June 2018
12 MuSU-Renovate White Hall Domestic Water Piping	1,112,000	1,112,000		auxiliary, housing & dining revenues	March 2018	N/A	June 2018
Subtotal - MuSU	\$ 37,148,000	\$ 37,148,000	\$ -				
Northern Kentucky University							
1 NKU-Construct/Acquire New Residence Hall 2016-2018	\$ 28,500,000	\$ 28,500,000	\$ -	housing fees	November 2016	TBD	December 2016

Capital Projects Recommendations
Agency Bond Projects
2016-18

Attachment H
November 13, 2015

Institution and Project Title	Project Scope	Agency Bonds	Institution or Other Funds	Revenue Stream For Debt Service	Anticipated Board Action	Status of Existing Fee	Est. Date to Issue Debt
2 NKU-Expand University Drive Parking Garage Reauthorization	15,000,000	15,000,000					January 2017
3 NKU-Acquire Land/Master Plan 2010-12 Add'l Reauthorization	25,500,000	17,500,000	8,000,000				December 2016
4 NKU-Construct Satellite Parking Lot	12,000,000	6,000,000	6,000,000				January 2017
Subtotal - NKU	\$ 81,000,000	\$ 67,000,000	\$ 14,000,000				
Western Kentucky University							
1 WKU-Construct Parking Structure III	\$ 10,000,000	\$ 10,000,000	\$ -				
Subtotal - WKU	\$ 10,000,000	\$ 10,000,000	\$ -				
University of Kentucky							
1 UK-Facilities Renewal and Modernization*	\$ 250,000,000	\$ 125,000,000	\$ 125,000,000	TBD	TBD	TBD	TBD
2 UK-Renovate/Upgrade HealthCare Facilities	150,000,000	150,000,000		TBD	TBD	TBD	TBD
3 UK-Construct Digital Village Bldg #3	54,000,000	54,000,000		TBD	TBD	TBD	TBD
4 UK-Acquire Land	100,000,000	50,000,000	50,000,000	TBD	TBD	TBD	TBD
5 UK-Replace Greek Housing (Pool)	56,000,000	56,000,000		TBD	TBD	TBD	TBD
6 UK-Construct Parking/Academic Facility	60,000,000	60,000,000		TBD	TBD	TBD	TBD
7 UK-Renovate/Upgrade Auxillary Facility	30,000,000	30,000,000		TBD	TBD	TBD	TBD
8 UK-Construct Parking Structure	38,000,000	38,000,000		TBD	TBD	TBD	TBD
Subtotal - UK	\$ 738,000,000	\$ 563,000,000	\$ 175,000,000				
University of Louisville							
1 UL-Construct - Residence Hall	\$ 44,450,000	\$ 44,450,000	\$ -				
2 UL-Renovate Residence Hall 1	26,770,000	26,770,000					
3 UL-Renovate Residence Hall 2	19,550,000	19,550,000					
4 UL-Renovate - Medical School Tower/Infra. Renewal	36,000,000	36,000,000					
5 UL-Construct - Belknap Parking Garage II	45,625,000	45,625,000					
Subtotal - UofL	\$ 172,395,000	\$ 172,395,000	\$ -				
System Total	\$ 1,243,427,000	\$ 1,048,427,000	\$ 195,000,000				

*\$125 M requested in Agency Bonds and \$125 M requested in General Fund support, for a project total of \$250 M.

**Capital Projects Recommendations
Restricted Agency, Federal, and Other Funds and Capital Leases
2016-18**

Attachment J
November 13, 2015

Institution/ Project Title	Project Scope	General Fund	Institution Funds	Other Funds	Federal Funds
Eastern Kentucky University					
1 EKU-Miscellaneous Maintenance Pool	\$ 10,000,000	\$ -	\$ 10,000,000	\$ -	\$ -
2 EKU-Construct Dining Facility	35,000,000			35,000,000	
3 EKU-Construct EKU Scholar House	12,000,000		1,200,000	10,800,000	
4 EKU-Commonwealth Hall Renovation	6,000,000		6,000,000		
5 EKU-Construct Alumni and Welcome Center	12,000,000			12,000,000	
6 EKU-Construct EKU Early Childhood Center	3,350,000		3,350,000		
7 EKU-Construct Public Safety Training Facility Additional	9,938,000			9,938,000	
8 EKU-Construct Regional Health Facility	12,500,000				12,500,000
9 EKU-Construct Student Health Center	2,705,000			2,705,000	
10 EKU-Expand Indoor Tennis Facility	3,225,000			3,225,000	
11 EKU-Honors College	8,000,000		8,000,000		
12 EKU-Pedestrian Bridge	2,000,000		2,000,000		
13 EKU-Construct Pedestrian Improvements	4,500,000		4,500,000		
14 EKU-Purchase of Adjacent Property	3,000,000		3,000,000		
15 EKU-Renovate Ambulance Building	980,000		980,000		
16 EKU-Renovate Baseball Complex	3,000,000		3,000,000		
17 EKU-Renovate Property	3,000,000			3,000,000	
18 EKU-Renovate Women's Softball and Soccer Complex	3,000,000			3,000,000	
19 EKU-Replace and Renovate Student Housing	50,000,000			50,000,000	
20 EKU-Steam Line Upgrades	10,000,000			10,000,000	
21 EKU-Upgrade and Improve Residence Halls	6,000,000		6,000,000		
22 EKU-Upgrade and Improve Athletics Facilities	3,500,000		1,750,000	1,750,000	
23 EKU-Renovate Lancaster Center Building	1,472,000			1,472,000	
24 EKU-Upgrade Administrative Computing System	1,650,000			1,650,000	
25 EKU-Alumni Coliseum Sound System Upgrade	750,000		750,000		
26 EKU-Lease - New Housing Space	0.00		0.00		
Subtotal - EKU	\$ 207,570,000	\$ -	\$ 50,530,000	\$ 144,540,000	\$ 12,500,000
Kentucky State University					
1 KSU-Acquire Land/Campus Master Plan 2016	\$ 2,000,000	\$ -	\$ 1,000,000	\$ -	\$ 1,000,000
Subtotal - KSU	\$ 2,000,000	\$ -	\$ 1,000,000	\$ -	\$ 1,000,000
Morehead State University					
No projects requested	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal - MoSU	\$ -	\$ -	\$ -	\$ -	\$ -
Murray State University					
1 MuSU-Repairs of Biology Building	2,000,000		2,000,000		
2 MuSU-Repairs of Chemistry Building	2,000,000		2,000,000		
3 MuSU-Rectify Chemistry Building Ventilation Systems	2,000,000		2,000,000		
4 MuSU-Construct Sorority Suites	\$ 13,500,000	\$ -	\$ -	\$ 13,500,000	\$ -
5 MuSU-Acquire Agricultural Research Farm Land	1,200,000			1,200,000	
6 MuSU-Acquire Property	4,000,000			4,000,000	
7 MuSU-Replace CFSB Center Seating	1,500,000		1,500,000		
8 MuSU-Provide Bookstore	8,000,000		8,000,000		
9 MuSU-Construct Residential Suite-Style Housing	20,000,000			20,000,000	
10 MuSU-Renovate Winslow Cafeteria	4,550,000			4,550,000	
11 MuSU-Provide Alternative Dining Facility	4,000,000			4,000,000	
12 MuSU-Install CFSB Generator	1,500,000		1,500,000		
13 MuSU-Install Solar Panels and/or Geothermal Power	2,000,000		2,000,000		
14 MuSU-Replace CFSB Center-Scoreboard	1,200,000		1,200,000		
Subtotal - MuSU	\$ 67,450,000	\$ -	\$ 20,200,000	\$ 47,250,000	\$ -
Northern Kentucky University					

**Capital Projects Recommendations
Restricted Agency, Federal, and Other Funds and Capital Leases
2016-18**

Attachment J
November 13, 2015

Institution/ Project Title	Project Scope	General Fund	Institution Funds	Other Funds	Federal Funds
1 NKU-Lease/Purchase Student Housing/Town Gown Project	\$ 125,000,000	\$ -	\$ -	\$ 125,000,000	\$ -
2 NKU-Acquire/Renovate Ctr for Legal Education	40,000,000			40,000,000	
3 NKU-Construct Basketball Practice Facility	15,000,000			15,000,000	
4 NKU-Renovate/Expand Baseball Field - Add'l Reauthorization	5,300,000		5,300,000		
5 NKU-Purchase Coach Bus	690,000		690,000		
6 NKU-Purchase Large Format Color Press	700,000		700,000		
7 NKU-Renovate Residence Halls 2016-2018	10,000,000		10,000,000		
8 NKU-Renew Kenton Drive Garage	1,100,000		1,100,000		
9 NKU-Construct Center for Applied Ecology - Reauthorization	2,000,000		1,000,000	1,000,000	
10 NKU-Renovate Brown Building Reauthorization	4,500,000		3,000,000	1,500,000	
11 NKU-Repair Norse/Woodcrest Exterior Stairs & Landings	3,000,000		3,000,000		
12 NKU-Capital Equipment Lease Pool	1,250,000			1,250,000	
13 NKU-Academic Space Lease	0		0		
Subtotal - NKU	\$ 208,540,000	\$ -	\$ 24,790,000	\$ 183,750,000	\$ -
Western Kentucky University					
1 WKU-Renovate Garrett Conference Center	\$ 12,000,000	\$ -	\$ -	\$ 12,000,000	\$ -
2 WKU-Construct Academic/Retail Space	2,000,000		2,000,000		
3 WKU-Renovate Foundation Building	1,200,000		1,200,000		
4 WKU-Purchase Prop/Parking & Street Improve 2016-2018	3,000,000		3,000,000		
5 WKU-Purchase Property for Campus Expansion 2016	3,000,000		3,000,000		
6 WKU-Acquire FFE Equipment Pool 2018-2020	2,500,000		2,500,000		
7 WKU-Construct Track and Field Facilities PH I	4,000,000			4,000,000	
8 WKU-Construct Baseball Grandstand	4,500,000			4,500,000	
9 WKU-Acquire FFE for Diddle Arena	3,000,000			3,000,000	
10 WKU-Construct Football Pressbox	5,000,000			5,000,000	
11 WKU-Construct South Plaza	2,500,000			2,500,000	
12 WKU-Add Club Seating @ Diddle Arena	2,200,000			2,200,000	
13 WKU-Construct Parking Structure	10,000,000		10,000,000		
14 WKU-Renovate Tate Page Hall	1,200,000		1,200,000		
15 WKU-Remove & Replace Student Housing @ WKU Farm	800,000		800,000		
16 WKU-Renovate State/ Normal Street Properties	1,500,000		1,500,000		
17 WKU-Renovate Grise Hall Restrooms (ADA)	930,000		930,000		
18 WKU-Renovate CRD Phase I	6,000,000		6,000,000		
19 WKU-Construct Science Gallery	2,500,000			2,500,000	
20 WKU-ESPC 2016-18	10,000,000			10,000,000	
Subtotal - WKU	\$ 77,830,000	\$ -	\$ 32,130,000	\$ 45,700,000	\$ -

**Capital Projects Recommendations
Restricted Agency, Federal, and Other Funds and Capital Leases
2016-18**

Attachment J
November 13, 2015

Institution/ Project Title	Project Scope	General Fund	Institution Funds	Other Funds	Federal Funds
University of Kentucky					
1 UK-Fit-Up Academic Science Building	\$ 32,000,000	\$ -	\$ 32,000,000	\$ -	\$ -
2 UK-Improve Campus Parking & Transportation System	120,000,000		120,000,000		
3 UK-Improve Site/Civil Infrastructure	25,000,000		25,000,000		
4 UK-Construct Baseball Facility	49,000,000		49,000,000		
5 UK-Construct Library Depository Facility	16,500,000		16,500,000		
6 UK-Renovate/Upgrade Memorial Hall	6,000,000		6,000,000		
7 UK-Research Equipment Replacement	30,000,000		30,000,000		
8 UK-Upgrade/Renovate/Expand Research Labs	33,500,000		33,500,000		
9 UK-ADA Compliance Pool	5,000,000		5,000,000		
10 UK-Expand BooneTennis Center	9,500,000			9,500,000	
11 UK-Fit-up Student Center	9,000,000		9,000,000		
12 UK-Install Artificial Turf on Pieratt Rec Fields	3,500,000		3,500,000		
13 UK-Fit-Up Academic Space for New Housing/ Dining Facilities	12,000,000		12,000,000		
14 UK-Improve DLAR Facilities	9,000,000		9,000,000		
15 UK-Decommission Facilities	25,000,000		25,000,000		
16 UK-Renovate/Upgrade ML King	60,000,000		60,000,000		
17 UK-Expand/Renovate Wildcat Coal Lodge	21,000,000			21,000,000	
18 UK-Renovate/Upgrade Chem/Physics	10,500,000		10,500,000		
19 UK-Renovate Multi-Disciplinary Science Building	6,500,000		6,500,000		
20 UK-Emerging Technologies Academic Support Systems	2,000,000		2,000,000		
21 UK-Renovate Dickey Hall	2,000,000		2,000,000		
22 UK-Construct Testing Center	21,000,000		21,000,000		
23 UK-Expand/Renovate Kastle Hall	26,000,000		26,000,000		
24 UK-Renovate Funkhouser Building	31,000,000		31,000,000		
25 UK-Renovate/Upgrade Pence Hall	21,000,000		21,000,000		
26 UK-Construct Equine Campus, Phase 2	10,500,000		10,500,000		
27 UK-Data Repository System	5,000,000		5,000,000		
28 UK-Renovate Taylor Education Building	10,500,000		10,500,000		
29 UK-Renovate Central Computing Facility	5,000,000		5,000,000		
30 UK-Renovate Mineral Industries Building	6,000,000		6,000,000		
31 UK-Document Scanning System	10,000,000		10,000,000		
32 UK-Remote Site Fiber Infrastructure	2,000,000		2,000,000		
33 UK-Renovate Nursing Building	1,000,000		1,000,000		
34 UK-Renovate Frazee Hall	6,000,000		6,000,000		
35 UK-Renovate Campus Core Quadrangle Facilities	30,000,000		30,000,000		
36 UK-Renovate/Upgrade Academic Facility	16,000,000		16,000,000		
37 UK-Renovate Fine Arts	5,000,000		5,000,000		
38 UK-Renovate Dentistry	9,500,000		9,500,000		
39 UK-Renovate Anderson Tower	4,000,000		4,000,000		
40 UK-Renovate/Upgrade/Expand Fine Arts	130,000,000		130,000,000		
41 UK-Construct Band Hall & Practice Field	32,500,000		32,500,000		
42 UK-Relocate/Replace Greenhouses	2,500,000		2,500,000		
43 UK-Renovate/Upgrade Ecological Research Facility	5,500,000		5,500,000		
44 UK-Renovate/Upgrade Eagle Building	1,500,000		1,500,000		
45 UK-Construct Student Services Building	86,000,000		86,000,000		
46 UK-Improve Vivarium Spaces	9,000,000		9,000,000		
47 UK-ERP Phase V	5,350,000		5,350,000		
48 UK-Renovate/Upgrade McVey Hall	26,000,000		26,000,000		
49 UK-Design Library-Knowledge Center	13,335,000		13,335,000		
50 UK-Expand KGS Well Sample and Core Library	5,500,000		5,500,000		
51 UK-Improve CAER Facilities	20,000,000		20,000,000		
52 UK-Capital Renewal Maintenance Pool	20,000,000		20,000,000		
53 UK-Improve Coldstream Research Campus	20,000,000		20,000,000		
54 UK-Repair/Upgrade/Expand Central Plants	112,000,000		112,000,000		

**Capital Projects Recommendations
Restricted Agency, Federal, and Other Funds and Capital Leases
2016-18**

Attachment J
November 13, 2015

Institution/ Project Title	Project Scope	General Fund	Institution Funds	Other Funds	Federal Funds
55 UK-Improve Electrical Infrastructure	28,000,000		28,000,000		
56 UK-Improve Mechanical Infrastructure	26,000,000		26,000,000		
57 UK-Improve Bldg Electrical Systems	5,000,000		5,000,000		
58 UK-Improve Bldg Mechanical Systems	25,000,000		25,000,000		
59 UK-Repair Emergency Infrastructure/Bldg Systems	25,000,000		25,000,000		
60 UK-Improve Elevator Systems	5,000,000		5,000,000		
61 UK-Improve Bldg Shell Systems	5,000,000		5,000,000		
62 UK-Purchase/Upgrade Pollution Controls	22,000,000		22,000,000		
63 UK-Improve Life Safety	15,000,000		15,000,000		
64 UK-Acquire/Renovate Administrative Facility	10,000,000			10,000,000	
65 UK-Fit-Up Academic/Administrative Space I	10,000,000		10,000,000		
66 UK-Renovate/Upgrade Academic/Administrative Space I	10,000,000		10,000,000		
67 UK-Renovate/Upgrade Academic/Administrative Space 2	10,000,000		10,000,000		
68 UK-Renovate/Upgrade Academic/Administrative Space 3	5,000,000		5,000,000		
69 UK-Renovate/Upgrade Academic/Administrative Space 4	5,000,000		5,000,000		
70 UK-Renovate/Upgrade Academic/Administrative Space 5	5,000,000		5,000,000		
71 UK-Renovate/Upgrade Existing Housing	30,000,000		30,000,000		
72 UK-Improve Housing/Dining Facilities	30,000,000		30,000,000		
73 UK-Construct/Fit-Up Retail Space	6,500,000			6,500,000	
74 UK-Construct University Storage Facility	5,500,000		5,500,000		
75 UK-Construct Transit Center	5,500,000		5,500,000		
76 UK-Purchase Upgraded Communication Infrastructure 1	2,500,000		2,500,000		
77 UK-Purchase Upgraded Communication Infrastructure 2	2,500,000		2,500,000		
78 UK-Expand/Renovate Sturgill Development Building	3,500,000		3,500,000		
79 UK-Purchase Transport Buses	2,000,000		2,000,000		
80 UK-Acquire Communications Equipment	1,500,000		1,500,000		
81 UK-Construct New Alumni Center	38,000,000			38,000,000	
82 UK-Construct/Improve Dining Facilities-1	40,000,000		40,000,000		
83 UK-Construct Parking Structure (Lease/Purchase)	38,000,000			38,000,000	
84 UK-Construct Student Housing (Reauthorization)	150,000,000		50,000,000	100,000,000	
85 UK-Upgrade Dining Facilities (Reauthorization)	20,000,000			20,000,000	
86 UK-Guaranteed Energy Savings Performance Contracts	600,000		600,000		
87 UK-Upgrade/Renovate Dining Facilities (Honor Students)	8,000,000		8,000,000		
88 UK-Renovate/Upgrade Academic Space	25,000,000		25,000,000		
89 UK-Fit-Up Academic/Administrative Space 2	10,000,000		10,000,000		
90 UK-Construct/Relocate Campus Support Facilities	65,000,000		65,000,000		
91 UK-Construct Housing	50,000,000		50,000,000		
92 UK-Acquire/Renovate Housing	50,000,000		50,000,000		
93 UK-Improve Spindletop Hall Facilities	5,000,000		5,000,000		
94 UK-Upgrade/Expand Campus Security Platform	6,000,000		6,000,000		
95 UK-Improve UK Radio Communications System	3,000,000		3,000,000		
96 UK-UK Mobile Communication Center	400,000		200,000		200,000
97 UK-Construct UK Police Headquarters Facility	22,000,000		22,000,000		
98 UK-Improve W.T. Young Facility	5,000,000		5,000,000		
99 UK-IT System (Clinical and EMR)	200,000,000			200,000,000	
100 UK-Renovate/Upgrade HealthCare Facilities	150,000,000		150,000,000		
101 UK-Upgrade/Fit-up Hospital Facilities	35,000,000		35,000,000		
102 UK-Construct Good Sam Med Office Bldg	26,000,000		26,000,000		
103 UK-Construct/Expand/Renovate Ambulatory Care	20,000,000		20,000,000		
104 UK-Implement Land Use Plan	20,000,000		20,000,000		
105 UK-Improve Building Systems	20,000,000		20,000,000		
106 UK-Upgrade Enterprise Information Systems	20,000,000		20,000,000		
107 UK-Upgrade/Expand Cancer Treatment Facil.	20,000,000		20,000,000		
108 UK-Renovate/Expand Clinical Services	15,000,000		15,000,000		
109 UK-Implement Medication Bar Coding System	10,000,000		10,000,000		

Capital Projects Recommendations
Restricted Agency, Federal, and Other Funds and Capital Leases
2016-18

Attachment J
November 13, 2015

Institution/ Project Title	Project Scope	General Fund	Institution Funds	Other Funds	Federal Funds
110 UK-Implement Patient Communication System	10,000,000		10,000,000		
111 UK-Implement Enterprise Security System	10,000,000		10,000,000		
112 UK-Acquire Telemedicine/Virtual ICU	10,000,000		10,000,000		
113 UK-Acquire/Upgrade UKHC IT System	10,000,000		10,000,000		
114 UK-Purchase Clinical Information System	10,000,000		10,000,000		
115 UK-Purchase Digital Medical Record Expansion	10,000,000		10,000,000		
116 UK-Purchase Document Scanning System	10,000,000		10,000,000		
117 UK-Improve Hosp.Facil. - Good Samaritan	20,000,000		20,000,000		
118 UK-Upgrade Clinical Enterprise Network	6,500,000		6,500,000		
119 UK-Renovate Nursing Units	6,500,000		6,500,000		
120 UK-Acquire Personal Electronic Health Records	5,000,000		5,000,000		
121 UK-Purchase Oncology Information System	5,000,000		5,000,000		
122 UK-Purchase/Expand PACS System	5,000,000		5,000,000		
123 UK-Acquire Data Repository System	5,000,000		5,000,000		
124 UK-Upgrade/Renovate Surgical Services	5,000,000		5,000,000		
125 UK-Purchase Cardiology Info. System	4,000,000		4,000,000		
126 UK-Construct/Upgrade and Fit-up Support Services	3,500,000		3,500,000		
127 UK-Acquire Mainframe Computer	3,000,000		3,000,000		
128 UK-Replace/Upgrade Perioperative Information System	3,000,000		3,000,000		
129 UK-Purchase Telephone System Replacement	3,000,000		3,000,000		
130 UK-Purchase Allergy Info. System	1,000,000		1,000,000		
131 UK-Construct Office Tower	100,000,000		100,000,000		
132 UK-Upgrade Administrative Systems	75,000,000		75,000,000		
133 UK-Improve Parking Garage I	2,500,000		2,500,000		
134 UK-Improve Parking Garage II	2,500,000		2,500,000		
135 UK-Renovate/Upgrade HealthCare Services	2,000,000		2,000,000		
136 UK-Upgrade Financial Systems	2,000,000		2,000,000		
137 UK-Disaster Recovery/Continuity Systems	12,000,000		12,000,000		
138 UK-Construct/Expand Parking Structure	43,000,000		43,000,000		
139 UK-Implement Unified Communication System	3,000,000		3,000,000		
140 UK-Improve UKHC Facilities - UK Chandler Hospital	310,000,000		310,000,000		
141 UK-Improve UK Good Samaritan Hospital Facilities	25,000,000		25,000,000		
142 UK-Improve Clinical/Ambulatory Services Facilities	50,000,000		50,000,000		
143 UK-Improve Markey Cancer Center Facilities	20,000,000		20,000,000		
144 UK-Renovate/Upgrade Commonwealth Stadium	6,500,000			6,500,000	
145 UK-Construct/Fit-Up Retail Space	4,500,000			4,500,000	
146 UK-Renovate/Upgrade Athletics Playing Fields 1	2,000,000			2,000,000	
147 UK-Renovate/Upgrade Athletics Playing Fields 2	2,000,000			2,000,000	
148 UK-Construct Athletics Hall of Fame Plaza	4,500,000			4,500,000	
149 UK-Construct/Renovate/Upgrade Athletics Facility 1	5,000,000			5,000,000	
150 UK-Construct/Renovate/Upgrade Athletics Facility 2	3,000,000			3,000,000	
151 UK-Acquire/Renovate Golf Facility	4,000,000			4,000,000	
152 UK-Improve Athletics Facility I	5,000,000			5,000,000	
153 UK-Improve Athletics Facility II	2,000,000			2,000,000	
154 UK-Expand Patterson Hall	10,000,000		10,000,000		
155 UK-Renovate/Expand Cooper House	10,000,000		10,000,000		
156 UK-Renovate/Expand Terrell Civil Engineering	7,500,000		7,500,000		
157 UK-Renovate Nutter Facility	5,000,000		5,000,000		
158 UK-Renovate Reynolds	40,000,000		40,000,000		
159 UK-Construct Tennis Facility	28,000,000		28,000,000		
160 UK-Perry Co. - Lease Rural Heath Expansion - Hazard	0.00		0.00		
161 UK-Fayette Co. - Lease Off-Campus #1	0.00		0.00		
162 UK-Fayette Co. - Lease Off-Campus #3	0.00		0.00		
163 UK-Fayette Co. - Lease Off-Campus #4	0.00		0.00		
164 UK-Fayette Co. - Lease Off-Campus #6	0.00		0.00		

**Capital Projects Recommendations
Restricted Agency, Federal, and Other Funds and Capital Leases
2016-18**

Attachment J
November 13, 2015

Institution/ Project Title	Project Scope	General Fund	Institution Funds	Other Funds	Federal Funds
165 UK-Fayette Co. - Lease Off-Campus #7	0.00		0.00		
166 UK-Fayette Co. - Lease Off-Campus #8	0.00		0.00		
167 UK-Fayette Co. - Lease Off-Campus #9	0.00		0.00		
168 UK-Fayette Co. - Lease Grants Project #1	0.00		0.00		
169 UK-Fayette Co. - Lease Grants Project #2	0.00		0.00		
170 UK-Fayette Co. - Lease Grants Project #3	0.00		0.00		
171 UK-Fayette Co. - Lease Administrative Space	0.00		0.00		
172 UK-Fayette Co - Lease Off-Campus Housing #1	0.00		0.00		
173 UK-Fayette Co - Lease Off-Campus Housing #2	0.00		0.00		
174 UK-Fayette Co - Lease Off-Campus Housing #3	0.00		0.00		
175 UK-Fayette Co - Lease Off-Campus Housing #4	0.00		0.00		
176 UK-Fayette Co. - Lease Off-Campus Athletics	0.00		0.00		
177 UK-Undetermined Co. - Lease Health Affairs Office	0.00		0.00		
178 UK-Undetermined Co. - Lease Health Affairs Office #3	0.00		0.00		
179 UK-Undetermined Co. - Lease Health Affairs Office #5	0.00		0.00		
180 UK-Undetermined Co. - Lease Health Affairs Office #8	0.00		0.00		
181 UK-Undetermined Co. - Lease Health Affairs Office #9	0.00		0.00		
182 UK-Undetermined Co. - Lease Health Affairs Office #11	0.00		0.00		
183 UK-Undetermined Co. - Lease Health Affairs Office #12	0.00		0.00		
184 UK-Undetermined Co. - Lease UKHC Grant Projects #1	0.00		0.00		
185 UK-Undetermined Co. - Lease UKHC Grant Projects #2	0.00		0.00		
186 UK-Undetermined Co., - Lease UKHC Off-Campus Fac#1	0.00		0.00		
187 UK-Undetermined Co., - Lease UKHC Off-Campus Fac#2	0.00		0.00		
188 UK-Undetermined Co., - Lease UKHC Off-Campus Fac#4	0.00		0.00		
189 UK-Undetermined Co. - Lease UKHC Off-Campus Fac#5	0.00		0.00		
190 UK-Fayette Co - Lease Kentucky Utilities Building (Reauthorization)	0.00		0.00		
191 UK-Fayette Co - Lease Off-Campus #2 (Reauthorization)	0.00		0.00		
192 UK-Fayette Co. - Lease Off-Campus #5 (Reauthorization)	0.00		0.00		
193 UK-Fayette Co - Lease Health Affairs #2 (Reauthorization)	0.00		0.00		
194 UK-Fayette Co - Lease Health Affairs #4 (Reauthorization)	0.00		0.00		
195 UK-Fayette Co - Lease Health Affairs #6 (Reauthorization)	0.00		0.00		
196 UK-Fayette Co - Lease Health Affairs #7 (Reauthorization)	0.00		0.00		
197 UK-Fayette Co - Lease Good Sam - Hospital (Reauthorization)	0.00		0.00		
198 UK-Fayette Co - Lease Health Affairs Office #10 (Reauthorization)	0.00		0.00		
199 UK-Scott Co. Lease UKHC Off-Campus Fac #3 (Reauthorization)	0.00		0.00		
Subtotal - UK	\$ 3,499,685,000	\$ -	\$ 3,217,985,000	\$ 281,500,000	\$ 200,000

Capital Projects Recommendations
Restricted Agency, Federal, and Other Funds and Capital Leases
2016-18

Attachment J
November 13, 2015

Institution/ Project Title	Project Scope	General Fund	Institution Funds	Other Funds	Federal Funds
University of Louisville					
1 UL-Construct - Administrative Office Building	\$ 52,560,000	\$ -	\$ -	\$ 52,560,000	\$ -
2 UL-Construct - Athletic Grounds Building	1,550,000			1,550,000	
3 UL-Construct - Athletics Office Building	7,550,000			7,550,000	
4 UL-Construct - Center for Creative Studies	10,193,000		10,193,000		
5 UL-Construct - Center for Social Change*	13,610,000			13,610,000	
6 UL-Construct - Center for the Performing Arts	76,660,000			76,660,000	
7 UL-Construct - Executive/MBA Business Program	12,000,000		12,000,000		
8 UL-Construct - Physical Plant Space in HSC Garage	2,440,000		2,440,000		
9 UL-Construct HSC Administrative Office Building	30,510,000		30,510,000		
10 UL-Construct Institute for Product Realization	35,980,000			35,980,000	
11 UL-Construct - Shelbyhurst Park Hotel and Conference Center	18,720,000			18,720,000	
12 UL-Construct - Shelbyhurst Park Parking Structure	28,000,000			28,000,000	
13 UL-Construct - Soccer Stadium Practice Field	2,000,000		2,000,000		
14 UL-Construct - Visitor's Center	2,000,000		2,000,000		
15 UL-Expand - School of Public Health and Info Sciences	11,610,000		11,610,000		
16 UL-Expand and Renovate - College of Education Building	56,260,000		56,260,000		
17 UL-Expand and Renovate - Houchens Building	25,580,000		25,580,000		
18 UL-Expand Papa Johns Cardinal Stadium/Schnellenberger Football Comp	55,000,000			55,000,000	
19 UL-Purchase - Artificial Turf - Practice Field Facility 1	1,250,000			1,250,000	
20 UL-Purchase - Artificial Turf - Practice Field Facility 2	1,250,000			1,250,000	
21 UL-Purchase - Electronic Video Boards	2,000,000		2,000,000		
22 UL-Renovate - Burhans Hall*	17,000,000			17,000,000	
23 UL-Renovate - Football Facility Practice Field Lighting	780,000			780,000	
24 UL-Renovate HSC Simulation Center	15,000,000		15,000,000		
25 UL-Renovate IT Data Center Power Upgrade	8,000,000		8,000,000		
26 UL-Renovate - J.B. Speed Building	13,260,000		13,260,000		
27 UL-Renovate - K-Wing Renovation	25,610,000		25,610,000		
28 UL-Renovate - Law School	36,081,000		36,081,000		
29 UL-Renovate - Papa John's Stadium Seat Replacement*	5,460,000			5,460,000	
30 UL-Renovate - Resurface Track and Cardio Path	1,500,000		1,500,000		
31 UL-Acquire Land and Implement Land Use Plan	72,000,000		72,000,000		
32 UL-Improve Accessibility	5,000,000		5,000,000		
33 UL-Improve Building Electrical Systems	20,000,000		20,000,000		
34 UL-Improve Building Mechanical Systems	28,000,000		28,000,000		
35 UL-Improve Civil Site Infrastructure	23,000,000		23,000,000		
36 UL-Improve Electrical Infrastructure	30,000,000		30,000,000		
37 UL-Improve Elevator Systems	5,000,000		5,000,000		
38 UL-Improve Housing Facilities	8,000,000		8,000,000		
39 UL-Improve Life Safety Projects	15,000,000		15,000,000		
40 UL-Improve Mechanical Infrastructure	30,000,000		30,000,000		
41 UL-Improve/Expand Academic Space	24,000,000		24,000,000		
42 UL-Improve/Expand Administrative Space	43,000,000		43,000,000		
43 UL-Improve/Expand Ambulatory Care Space	34,000,000		34,000,000		
44 UL-Improve/Expand Central Plants	41,000,000		41,000,000		
45 UL-Improve/Expand Parking	13,000,000		13,000,000		
46 UL-Improve/Expand Research Labs	46,000,000		46,000,000		
47 UL-Lease - Digital Output System(s)	2,500,000		2,500,000		
48 UL-Purchase - Computer Processing System(s)	8,000,000		8,000,000		
49 UL-Purchase - Content Management System	4,000,000		4,000,000		
50 UL-Purchase - Fiber Infrastructure	7,000,000		7,000,000		

**Capital Projects Recommendations
Restricted Agency, Federal, and Other Funds and Capital Leases
2016-18**

Attachment J
November 13, 2015

Institution/ Project Title	Project Scope	General Fund	Institution Funds	Other Funds	Federal Funds
51 UL-Purchase - IT Data Center Support Systems	20,000,000		20,000,000		
52 UL-Purchase - Networking System	8,000,000		8,000,000		
53 UL-Purchase - Security and Firewall Infrastructure	8,000,000		8,000,000		
54 UL-Purchase - Storage System(s)	12,000,000		12,000,000		
55 Lease Master of Fine Arts	0.00		0.00		
56 Lease Office Space - Jefferson County 1	0.00		0.00		
57 Lease Office Space - Jefferson County 2	0.00		0.00		
58 Lease Office Space - Jefferson County 3	0.00		0.00		
59 Lease Office Space - Jefferson County 4	0.00		0.00		
60 Lease Office/Academic Space 1	0.00		0.00		
61 Lease Office/Academic Space 2	0.00		0.00		
62 Lease Clinic/Office Space - Jefferson County 1	0.00		0.00		
63 Lease Clinic/Office Space - Jefferson County 2	0.00		0.00		
64 Lease Clinic/Office Space - Jefferson County 3	0.00		0.00		
65 Lease Clinic/Office Space - State of KY	0.00		0.00		
66 Lease Research Space - State of KY	0.00		0.00		
67 Lease Med Center One	0.00		0.00		
68 Lease Med Center One Additional	0.00		0.00		
69 Lease NUCLEUS	0.00		0.00		
70 Lease NUCLEUS - Additional	0.00		0.00		
Subtotal - UofL	\$ 1,075,914,000	\$ -	\$ 760,544,000	\$ 315,370,000	\$ -
Kentucky Community and Technical College System					
1 Renovate Welding Shop - Big Sandy	\$ 1,500,000	\$ -	\$ 1,500,000	\$ -	\$ -
2 Construct New Leestown Entrance - Bluegrass	1,000,000		1,000,000		
3 Renovate Leestown Campus - Bluegrass	6,000,000		6,000,000		
4 Renovate Administration Building Newtown Campus-Bluegrass	3,800,000		3,800,000		
5 Upgrade Newtown Campus Buildings and Infrastrcuture-Bluegrass	10,000,000		10,000,000		
6 Construct CPAT Center - Fire Commission	1,500,000		1,500,000		
7 Construct State Fire Rescue Training Area 7 Building - Fire Commission	1,500,000		1,500,000		
8 Construct and/or Procure Fire Commission System Office Building	5,527,000		5,527,000		
9 Stabilize Soil Industrial Education Building - Hazard	1,900,000		1,900,000		
10 Upgrade Safety and Security System - Hazard	1,000,000		1,000,000		
11 Replace Auditorium Building Roof - Hopkinsville	1,000,000		1,000,000		
12 Expansion of Welding Facility - Hopkinsville	1,600,000		1,600,000		
13 Construct Parking Lot and Lighting - Madisonville	1,300,000		1,300,000		
14 Construct Main Campus Second Entrance - Madisonville	1,000,000		1,000,000		
15 Replace Fire Alarm & Security System - Maysville	1,000,000		1,000,000		
16 Renovate Welding Lab - Maysville	1,000,000		1,000,000		
17 Renovate Administration Building - Southeast	3,800,000		3,800,000		
18 Equipment Pool - System Office	12,000,000		12,000,000		
19 Property Acquisition Pool - System Office	10,000,000		10,000,000		
20 Acquisition of System Office Building	5,500,000		5,500,000		
21 Renovate Main Campus - West KY	2,000,000		2,000,000		
22 Install Sprinkler Systems - West KY	1,500,000		1,500,000		
23 Renovate Skilled Craft Training Center, Phase III - West KY	1,800,000		1,800,000		
Subtotal - KCTCS	\$ 77,227,000	\$ -	\$ 77,227,000	\$ -	\$ -
Council on Postsecondary Education					
1 CPE - Leased Space	\$ 0.00	\$ -	\$ 0.00	\$ -	\$ -
System Total	\$ 5,216,216,000	\$ -	\$ 4,184,406,000	\$ 1,018,110,000	\$ 13,700,000

Attachment K
November 13, 2015

Capital Projects Recommendations
Guaranteed Energy Savings/Performance Contracting Projects
2016-18

<u>Institution and Project Title</u>	<u>Project Scope¹</u>
1 Eastern Kentucky University	N/A
2 Kentucky State University	N/A
3 Morehead State University	N/A
4 Murray State University	N/A
5 Northern Kentucky University	N/A
6 Western Kentucky University	N/A
7 University of Kentucky - Main Campus	N/A
8 University of Kentucky - Hospital	N/A
9 University of Louisville	N/A
10 Kentucky Community and Technical College System	N/A

Note:

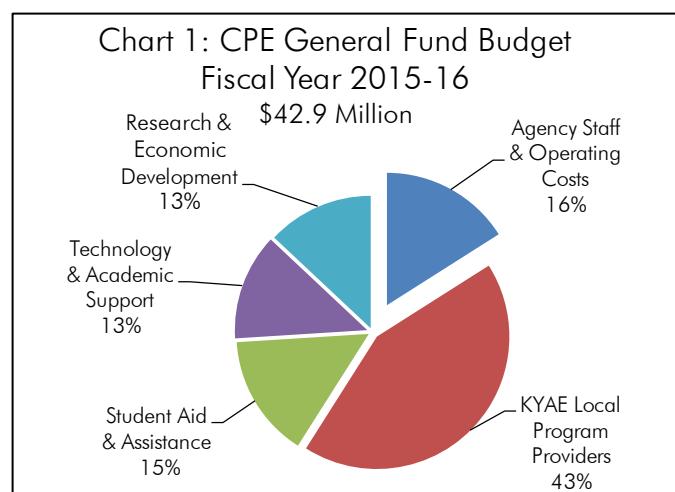
¹ A project scope is not required for a project in this category.

2016-18 Postsecondary Education Budget Recommendation CPE Agency Budget

Budget Overview

The Council's agency budget (less debt service for the institutions) can be broken down into five main categories: (1) agency staff and operating costs; (2) Kentucky Adult Education (KYAE) local program providers; (3) student aid and assistance; (4) technology and academic support; and (5) research and economic development. Each of these components is described briefly below.

General Fund appropriations for Agency Staff and Operating Costs support expenditures associated with the Council's higher education coordinating board role, including resources for policy leadership, strategic planning, regulation of the state's postsecondary education system, higher education finance policy analysis and development (including the biennial budget recommendation and tuition setting), administrative services, communications, academic affairs and program review, economic development and STEM initiatives, and information, research, and technology support. About 16 percent of the Council's 2015-16 General Fund budget is allocated to agency staff and operating costs (see Chart 1). Included in that percentage are funds for KYAE program administration and coordination (administrative personnel in Frankfort).



State appropriations for KYAE Local Program Providers flow through the Kentucky Adult Education and Literacy Funding Program and comprise about 43 percent of the Council's total agency budget. These funds support adult education instruction activities in all 120 counties throughout the Commonwealth.

The Student Aid and Assistance category includes agency expenditures for several student aid programs and other forms of educational support, but about 95 percent of total spending in this category supports Contract Spaces and SREB Doctoral Scholars programs. As can be seen in Chart 1, in the current fiscal year, 15 percent of the agency's General Fund budget is allocated to student financial aid programs and assistance.

The main cost components in the Technology and Academic Support category are the Kentucky Virtual Campus (KYVC), the Kentucky Virtual Library (KYVL), the Kentucky Postsecondary Education Network (KPEN), and Teacher Quality (Senate Bill 1). About 13 percent of the agency's total General Fund budget is allocated to technology and academic support programs.

The Research and Economic Development budget category primarily includes initiatives coordinated by the Kentucky Science and Technology Corporation (KSTC). About 13 percent of the Council's agency budget is allocated to research and economic development programs and services.

2016-18 Agency Budget Request

For the most part, CPE staff has limited agency budget expansion requests for the upcoming biennium to modest inflationary increases of 2.75% in both 2016-17 and 2017-18, which are based on Consensus Forecasting Group growth estimates for the overall state General Fund budget over the next two years. Several statewide initiatives have critical funding needs, which far exceed the resources that would be provided through inflationary increases. For this reason, staff is recommending larger increases for Contract Spaces, SREB Doctoral Scholars, and Adult Education. Finally, state law requires that the Council request sufficient appropriations to fully fund Kentucky Employee Retirement System (KERS) increases and employee salary cost-of-living adjustments. Additional budget requests associated with these mandates necessarily exceed staff's self-imposed, inflationary increase objective.

- Council staff recommends increases in General Fund appropriations of \$2,947,600 in 2016-17 and \$5,048,500 in 2017-18 to support the agency's role and operation as a state higher education coordinating board.

If authorized and added to the agency's current General Fund base (i.e., \$42,913,500 in 2015-16), these increases will result in total appropriations of \$45,861,100 in 2016-17 and \$47,962,000 in 2017-18 (excluding requests for debt service and Commonwealth College). Major components of the agency budget request are shown in Table 1, followed by a brief description of each component. For more detailed display of the Council's 2016-18 Agency Budget request see Attachment L.

Table 1: Components of 2016-18 Agency Budget Request

Funding Component	Fiscal Year 2016-17	Fiscal Year 2017-18
Beginning Base (2015-16 General Fund)	\$42,913,500	\$42,913,500
Additional Budget Requests For:		
Agency Staff and Operating Costs	\$827,700	\$1,237,500
KYAE Local Program Providers	1,398,100	2,596,200
Student Aid and Assistance	419,900	602,700
Technology and Academic Support	152,500	309,200
Research and Economic Development	149,400	302,900
Total Requested Increases ^{(a)(b)}	\$2,947,600	\$5,048,500
Total Agency Budget	\$45,861,100	\$47,962,000

(a) Does not include \$2.4 million in 2016-17 and 2017-18 for Commonwealth College.

(b) Does not include \$69.7 million in postsecondary institution debt service for capital projects, information technology and equipment, or Bucks for Brains, which will be housed in several CPE trust funds.

Agency Staff and Operating Costs

As an Executive Branch agency, the Council is required under the 2016-18 Branch Budget Guidelines to request an increase in General Fund appropriations to cover cost increases related to personnel and fringe benefits (e.g., statutory cost-of-living adjustments, increases in retirement system contributions). Since these required increases are “defined” and calculated on behalf of state agencies, they are referred to in the budget process as “defined calculations.” CPE staff also recommends requesting five additional positions that would provide support in the areas of program management, communications and outreach, data collection and analysis, and administrative staff support. These positions will help the agency support critical areas that have seen significant staff reductions due to budget cuts, and will be essential in advancing the objectives of the next strategic agenda.

- Council staff recommends increases in General Fund appropriations of \$827,700 in 2016-17 and \$1,237,500 in 2017-18 to support CPE staff and operating costs.

Components of the Agency Staff and Operating Costs request are shown in Table 2, followed by a brief description of each component.

Table 2: Components of 2016-18 Staff and Operating Cost Request

Funding Component	Fiscal Year 2016-17	Fiscal Year 2017-18
Additional Budget Requests For:		
Salaries and Wages (Mandated Increases)	\$109,500 ^(a)	\$336,700 ^(a)
KERS Contribution (Mandated Increases)	180,200 ^(b)	268,500 ^(b)
Additional Staff (Restore 5 Positions)	493,000	531,900
Other Personnel and Operating Costs	45,000	100,400
Total Staff and Operating Cost Request	\$827,700	\$1,237,500

^(a) Statutorily required 5.0 percent cost-of-living adjustment in each year of the biennium.

^(b) Mandated requests each year of the biennium for KERS rate increases.

KYAE Local Program Providers

The Kentucky Adult Education Act of 2000 (SB 1) challenges Kentucky Adult Education with having “an efficient, responsive, and coordinated system of providers that delivers educational services to all adult citizens in quantities and of a quality that is comparable to the national average or above and significantly elevates the level of education of the adults of the Commonwealth.” Since 2007-08, Kentucky Adult Education’s General Fund support has been reduced by \$6,450,500 or 25.8 percent.

- Council staff recommends increases in General Fund appropriations of \$1,198,100 in 2016-17 and \$2,396,200 in 2017-18 to support KYAE local program providers.
- Staff further requests \$200,000 each year of the upcoming biennium to offset federal fund expenditures on KYAE staff.

On a percentage basis, these increases are similar to increases being requested on behalf of the public postsecondary institutions each year of the biennium. Additional funding appropriated to Kentucky Adult Education will go directly toward a new Performance Funding Model. The model will establish criteria for rewarding outcomes such as GED attainment, academic level completions, National Career Readiness Certificates, and transition to postsecondary education. This new model will increase the percentage of performance funding compared to base funding in the total funding allocation and further incent higher levels of student outcomes and student success. Ultimately, these funds could be used to expand the number of instructional hours, acquire new curriculum resources, and support professional development for adult education instructors.

Student Aid and Assistance

CPE agency funds support a small number of statewide student financial aid and assistance programs and services. Staff recommends fully funding the current number of spaces reserved for Kentucky residents through the Contract Spaces Program, and recommends funding two additional scholars in the SREB Doctoral Scholars Program. Given the austere budgetary environment over the past seven years, for 2016-18, Council staff recommends inflationary increases for the remaining programs.

- Council staff recommends increases in General Fund appropriations of \$419,900 in 2016-17 and \$602,700 in 2017-18 to support student financial aid and assistance programs administered through CPE.

Components of the Student Aid and Assistance request are shown in Table 3, followed by a brief description of the Contract Spaces and SREB Doctoral Scholars programs.

Table 3: Components of 2016-18 Student Aid and Assistance Request

Funding Component	Fiscal Year 2016-17	Fiscal Year 2017-18
Additional Budget Requests For:		
Contract Spaces	\$346,300 ^(a)	\$508,600 ^(a)
Professional Education Prep. Program	6,900	14,000
Governor's Minority Student College Prep.	4,800	9,800
State Autism Training Center	3,500	7,100
SREB Doctoral Scholars Program	57,100 ^(b)	60,500 ^(b)
Washington Intern Program	1,300	2,700
Total Student Aid and Assistance Request	\$419,900	\$602,700

^(a) Includes anticipated tuition increases for students participating in the Contract Spaces Program.

^(b) Will increase the number of students participating in the SREB Doctoral Scholars Program from two to four.

Contract Spaces Program. The Contract Spaces program provides Kentucky students with access to veterinary medicine and optometry degree programs at certain out-of-state postsecondary institutions at resident tuition rates. These degree programs are not offered at public institutions in Kentucky. This program accounts for 89 percent of the Council's student aid and assistance budget.

The Council contracts with the Southern Regional Educational Board (SREB) which reserves veterinary medicine and optometry seats for Kentucky students. SREB reserves veterinary medicine seats at Auburn University and Tuskegee University, and optometry seats at Southern College of Optometry in Memphis, TN, and the University of Alabama at Birmingham (UAB). The Council also contracts with Indiana University for optometry seats. Council staff recommends that the budget request maintain funding for 164 veterinary medicine seats and 44 optometry seats and cover anticipated tuition increases in academic years 2016-17 and 2017-18 for these programs.

SREB Doctoral Scholars Program. The Kentucky SREB Doctoral Scholars Program is implemented collaboratively by the Council, the University of Kentucky, and the University of Louisville to help doctoral candidates complete a doctorate more quickly and to encourage them to join the ranks of the professoriate. The program provides opportunities for professional development, as well as, encouragement and support for students to matriculate from their doctoral programs and to achieve their scholarly goals. For 2016-18, Council staff is recommending funds to increase the state's support of this program from two participants to four.

Technology and Academic Support

This funding category in the Council's agency budget is comprised of two main components: (a) information technology oriented academic support services, which are allocated to the Council's Technology Initiative Trust Fund; and (b) K-12 teacher quality initiatives, initially funded to support the goals of SB 1.

Like many areas of state government, the technology programs coordinated by the Council have experienced substantial budget reductions since 2007-08. Despite funding cuts, the services provided by the Kentucky Virtual Campus (KYVC), the Kentucky Virtual Library (KYVL), and the Kentucky Postsecondary Education Network (KPEN) have continued to enhance the efficiency and innovation of many postsecondary institution operations.

The Council's draft strategic agenda for 2016-2021 calls for Kentucky's postsecondary education system to maximize the use of technology in implementing academic innovations, and to strengthen K-12 educator programs and expand the role of higher education institutions in the delivery of professional development programs for teachers, school leaders, guidance counselors, adult education instructors, and faculty members.

Senate Bill 1 (2009) set ambitious goals for increases in college readiness of Kentucky high school graduates and for concomitant reductions in remedial instruction at Kentucky colleges and universities. Over the past six years, CPE's SB 1 initiatives have encouraged partnerships among public and private colleges and universities and K-12 schools necessary to implement more rigorous standards and related assessments leading to improved college readiness.

College readiness of high school graduates increased from 34% in 2010 to 62% in 2014. The percent of Kentucky high school graduates entering college in Kentucky who meet statewide readiness standards is also increasing. In 2010, 52% were college ready. In 2013, 70% were college ready. Students who enter postsecondary education ready for college are twice as likely to earn a degree as students who are not academically prepared.

- Council staff recommends increases in General Fund appropriations of \$112,100 in 2016-17 and \$227,300 in 2017-18 to support KYVC, KYVL, and KPEN technology initiatives.
- Staff further recommends increased appropriations of \$40,400 in 2016-17 and \$81,900 in 2017-18 to support SB 1/Teacher Quality initiatives.

Kentucky Virtual Campus (KYVC). KYVC maintains several statewide contracts which enable it to provide eLearning services to its academic and state agency partners.

Kentucky Virtual Library (KYVL). KYVL acts as the hub of a consortium which serves libraries located at public colleges and universities, public K-12 schools, public libraries, over 30 independent colleges and universities, and various private K-12 schools and libraries across the state. As one of its services, KYVL negotiates statewide contracts for electronic databases to be used by all Kentuckians. The KYVL began in 1999 and has been able to level the playing field with respect to access to information for all Kentucky citizens. KYVL returns \$10 in cost savings for every \$1 invested in statewide contracts for electronic learning materials.

Kentucky Postsecondary Education Network (KPEN.) This network delivers Internet service to public colleges and universities at 70 locations throughout the Commonwealth. The use of Internet services keeps institution costs down and enables innovative teaching methods. Currently, CPE's agency budget financially supports a baseline network for the state's public postsecondary institutions. Under the master agreement, institutions may purchase additional services and bandwidth directly from the vendor.

Teacher Quality Initiatives (SB 1). In 2009, SB 1 called for a reduction in the percentage of students entering postsecondary education with developmental needs and for greater success of such students once they arrive on campuses. Activities designed to achieve these goals are ongoing at the campus level and serve not only students already enrolled in postsecondary education, but also students in P-12 through their impact on teacher preparation programs and academic assessment. As indicated above, staff recommends that the Council endorse and support continuation funding for Teacher Quality Initiatives (SB 1).

Research and Economic Development

The Council's agency budget finances a number of research and economic development programs intended to stimulate innovation and job creation in Kentucky. Internally, these funds are allocated to the Council's Science and Technology Funding Program. Through a contract with the Council, the Kentucky Science and Technology Corporation (KSTC) administers two major programs - the Kentucky Science and Engineering Foundation and the Kentucky Enterprise Fund.

Over time, these programs have generated strong demand for increased funding that far surpasses current appropriation levels. Increased funding for these growing programs will enable Kentucky to further develop existing areas of innovation and sustain the critical pipeline of new technologies to build a viable knowledge-based, entrepreneurial economy.

- Council staff recommends increases in General Fund appropriations of \$149,400 in 2016-17 and \$302,900 in 2017-18 to support KSTC programs.

Commonwealth College

Commonwealth College is a new online, competency-based program designed to increase the number of adults with bachelor's degrees in high-demand, occupational areas. This program was developed by CPE staff and campus officials in response to the Adult Learner Degree Attainment Initiative, contained in HB 265 (2012). Council staff recommends funding to support start-up infrastructure and implementation costs, faculty professional development, technology, marketing and outreach efforts and strategic partnerships.

- Council staff recommends General Fund appropriations of \$2,420,000 in 2016-17 and \$2,420,000 in 2017-18 for Commonwealth College.

Debt Service

The Council is required to request appropriations to support a full year of debt service needed to finance capital projects, information technology, Bucks for Brains, and a new Workforce Development Match Program (WDMP) on behalf of postsecondary education institutions. Please refer to the Capital Investments and Information Technology section of this agenda book for details regarding recommended capital project and information technology and equipment requests and see the Trust Funds section for details on Bucks for Brains.

- Council staff recommends an appropriation of \$69,724,000 in 2017-18, recurring in subsequent years, to pay debt service on:
 - \$600.0 million, 20-year bond issue to fund asset preservation, renovation, and new and expanded space at the postsecondary institutions;
 - \$40.0 million, 10-year bond issue to fund information technology projects and equipment purchases for the postsecondary system; and
 - \$125 million, 20-year bond issue to provide a fifth round of Bucks for Brains funding for the research and comprehensive universities, and KCTCS.

Table 4: Components of 2016-18 Debt Service Request

Funding Component	Fiscal Year 2016-17	Fiscal Year 2017-18
Additional Budget Requests For:		
Physical Facilities Trust Fund	\$0	\$52,606,000 ^(a)
Technology Initiative Trust Fund	0	5,243,000 ^(b)
Research Challenge Trust Fund	0	9,497,000 ^(c)
Comprehensive University Excellence Trust Fund	0	1,900,000 ^(d)
Workforce Development Trust Fund	0	478,000 ^(e)
Total Debt Service Request	\$0	\$69,724,000

^(a) Debt service on \$288.0 million for asset preservation and \$312.0 million for new and expanded space.

^(b) Debt service on \$40.0 million for Information Technology and Equipment projects at the institutions.

^(c) Debt service on a \$100.0 million Endowment Match Program request for the research universities.

^(d) Debt service on a \$20.0 million Endowment Match Program request for the comprehensive universities.

^(e) Debt service to fund \$5.0 million for a new Workforce Development Match Program at KCTCS.

Other Fund Sources

Several programs administered by CPE receive funding from sources other than the state General Fund, including the Lung Cancer Research Program funded with tobacco settlement funds, the Cancer Research Match Program and non-public and proprietary licensure programs funded with restricted funds, and Kentucky Adult Education, GEARUP, and teacher quality grants funded with federal funds. As part of the biennial budget process, the Council is required to request spending authority to allocate and disburse these funds.

Tobacco Settlement Funds

The 2000 General Assembly created the Lung Cancer Research Fund to support research at UK's Markey Cancer Center and UofL's Brown Cancer Center, which explores causes, detection, and treatment of lung cancer. The program benefits Kentuckians through discovery of new cancer therapies, clinical trials, and an early detection program. These funds are allotted to the Council's Research Challenge Trust Fund.

- Council staff recommends Tobacco Settlement Fund appropriations of \$4,972,500 in 2016-17 and \$4,972,500 in 2017-18 for the Lung Cancer Research Fund. These funds are not included in the Council's General Fund request.

Restricted Funds

Restricted funds are also not included in the Council's General Fund request. However, a request for restricted-funds spending authority must be included in the Council's biennial budget request. The Cancer Research Matching Fund is the largest program in CPE's agency budget that is financed with restricted funds. Funding for that program is obtained through a one cent per pack cigarette tax, and the proceeds are allocated and disbursed to UK and UofL to conduct lung cancer research.

The Council also receives restricted funds from the federal government through indirect cost recovery on federal grants, from individuals requesting a GED transcript, through KYVC/KYVL technology contracts, and from licensure of non-public bachelor's and above degree granting institutions doing business in Kentucky.

Six years ago, the Council began receiving licensure fees to support its statutory obligation to protect institutions and citizens against postsecondary institutions that might engage in fraudulent practices, unfair competition, or substandard educational programs per KRS 164.947. These fees support onsite visits required by statute and provide resources for personnel and operating costs associated with increased volume and complexity of licensing colleges and degree programs in Kentucky.

- Council staff recommends restricted funds appropriations of \$6,027,600 in 2016-17 and \$6,027,600 in 2017-18. These funds are not included in the agency's General Fund request.

Federal Funds

The Council on Postsecondary Education administers several federal programs for which it receives federal grant funding, including Kentucky GEARUP (\$4,500,000 in federal funds will be requested in both 2016-17 and 2017-18), the Improving Educator Quality State Grant Program (\$1,900,000 in both years of the biennium), and Kentucky Adult Education (\$12,322,000 in both 2016-17 and 2017-18).

Federal funds are received and disbursed in accordance with the terms and conditions of the grants, which award the funds. Expenditures for these programs are consistent with the funds available for them.

- Council staff recommends annual, total appropriations of \$18,722,000 in 2016-17 and \$18,722,000 in 2017-18 to enable federal fund expenditures related to Kentucky GEARUP, the Improving Educator Quality State Grant Program, and Kentucky Adult Education. These funds are not included in the Council's General Fund request.

Staff preparation by Bill Payne and Shaun McKiernan

2016-18 Biennial Budget Recommendation
 Agency Budget Request (General Fund Only)
 Allocation of Proposed Funding by Major Expense Category

Attachment L
 November 13, 2015

Funding Category / Program	A	B	(A + B = C)	D	(E = C + D)	(F = E - A)	(F/A)
	2015-16 General Fund Base	2016-17 Requested Increase	2016-17 Total Request	2017-18 Requested Increase	2017-18 Total Request	Biennial Increase	Biennial Increase (over base)
CPE Staff and Operating Costs¹							
State Mandated Increases (Salary and Retirement)	\$5,943,600	\$328,700	\$6,272,300	\$364,900	\$6,637,200	\$705,600	11.7%
Other Personnel and Operating Costs	1,068,400	21,000	1,089,400	21,000	1,110,400	42,000	3.9%
Five additional positions		478,000	478,000	23,900	501,900	531,900	N/A
Subtotal	\$7,012,000	\$827,700	\$7,839,700	\$409,800	\$8,249,500	\$1,237,500	17.6%
Kentucky Adult Education							
Local Program Providers ²	\$18,575,500	\$1,198,100	\$19,773,600	\$1,198,100	\$20,971,700	\$2,396,200	12.9%
Adult Education Statewide Coordination ³		200,000	200,000	-	200,000	200,000	N/A
Subtotal	\$18,575,500	\$1,398,100	\$19,973,600	\$1,198,100	\$21,171,700	\$2,596,200	14.0%
Student Assistance (Pass Through Funds)							
Contract Spaces (Tuition Increase - same # students)	\$5,680,100	\$346,300	\$6,026,400	\$162,300	\$6,188,700	\$508,600	9.0%
SREB Doctoral Scholars Program (two added scholars)	67,900	57,100	125,000	3,400	128,400	60,500	89.1%
Professional Education Prep. Program ⁴	251,900	6,900	258,800	7,100	265,900	14,000	5.6%
Governor's Minority Student College Prep. Program ⁴	176,000	4,800	180,800	5,000	185,800	9,800	5.6%
State Autism Training Center ⁴	125,800	3,500	129,300	3,600	132,900	7,100	5.6%
Washington Intern Program ⁴	48,000	1,300	49,300	1,400	50,700	2,700	5.6%
Subtotal	\$6,349,700	\$419,900	\$6,769,600	\$182,800	\$6,952,400	\$602,700	9.5%
Technology and Academic Support							
Technology (KYVC/VL and KPEN) ⁴	\$4,075,300	\$112,100	\$4,187,400	\$115,200	\$4,302,600	\$227,300	5.6%
Teacher Quality Initiatives (SB1) ⁴	1,467,700	40,400	1,508,100	41,500	1,549,600	81,900	5.6%
Subtotal	\$5,543,000	\$152,500	\$5,695,500	\$156,700	\$5,852,200	\$309,200	5.6%
Research and Economic Development⁴							
Subtotal	\$5,433,300	\$149,400	\$5,582,700	\$153,500	\$5,736,200	\$302,900	5.6%
CPE General Fund Total	\$42,913,500	\$2,947,600	\$45,861,100	\$2,100,900	\$47,962,000	\$5,048,500	11.8%
Commonwealth College	N/A	\$2,420,000	\$2,420,000	\$0	\$2,420,000	\$2,420,000	N/A
Grand Total	\$42,913,500	\$5,367,600	\$48,281,100	\$2,100,900	\$50,382,000	\$7,468,500	17.4%

¹ CPE is required by statute to request a 5% salary increase for state employees each year of the biennium and KERS rates of 45.5% in FY17, 45.8% in FY18.

² Since 2007-08, Adult Education has been cut 26%. CPE staff is limiting the restoration of these cuts to 12.9%, the same percentage increase as proposed for the postsecondary institutions.

³ Replaces federal funds for Adult Education staff with General Fund. These federal administration funds had built up over several years and are no longer available at the same level.

⁴ Assumes 2.75% inflationary increase based on estimated General Fund revenue growth.

Making Kentucky STRONGER BY DEGREES

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Presentation to Kentucky Council on Postsecondary Education
Bill Payne, Scott Boelscher, and Shaun McKiernan
November 13, 2015

2016-18 Biennial Budget Recommendation

Funding Categories

- A. Operating Funds
- B. Trust Funds
- C. Capital Projects
- D. Agency Budget

Operating Funds Request

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Operating Funds Request

Proposed Funding Level (In Millions)

Funding Category	Fiscal Year 2016-17	Fiscal Year 2017-18
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Additional Budget Requests For:

Restoration/Performance Funding	\$43.4	\$ 86.7
Special Initiatives	<u>21.1</u>	<u>35.8</u>
Total Operating Funds Request	\$64.5	\$122.6
% Increase on FY16 Base (\$914.9 M)	7.0%	13.4%

Performance Funding

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Performance Funding

Proposed Funding Level

(In Millions)

Funding Category	Fiscal Year 2016-17	Fiscal Year 2017-18
Restoration/Performance Funding	\$43.4	\$86.7
% Increase on FY16 Base (\$914.9 M) ¹²⁶	4.7%	9.5%

- Partial restoration of state funding cuts since 2007-08 (i.e., second year request is half of \$173.5 million in cuts).
- Entire amount will be at-risk subject to performance.
- For funds to be retained on recurring basis in 2018-20, performance targets must be achieved.



Performance Funding

Agreed Upon Metrics

KCTCS

- Credentials Awarded▲
- Retention Rate (1st to 2nd year)▲
- Graduation Rate (3-year)▲●
- College Readiness Success
 - Complete English course (by end 2nd fall)
 - Complete Math course (by end 2nd fall)
- Workforce Training
- Transfers with Associates

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Universities

- Baccalaureate Degrees▲
- Retention Rate (1st to 2nd Year)▲
- Progression▲
- Graduation Rate (6-Year)▲●
- Sector Specific
 - UK&UL: Research Expenditures
 - Comps: STEM+H Degrees
- Institution Specific

- ▲ Includes components related to closing achievement gaps for underrepresented minority and low-income students.
- Graduation rate will be included as a metric in the 2016-18 biennium, but not assigned any weight until 2018-20.



Performance Funding

Target Setting Process

- Performance funding metrics and targets will be consistent with statewide *Strategic Agenda* metrics and targets.
- CPE and campus staffs will negotiate “stretch achievable targets” for each performance funding metric.
- The types of information used to set targets for each campus include:
 - Five years of trend data;
 - Peer group comparisons;
 - Share of state goals; and
 - Campus strategic plan goals.
- The proportion of the targets each campus achieves will determine the proportion of the 2016-18 appropriation that becomes recurring.



Performance Funding

Assessment Method

Performance Metric	Two-Year Change	Actual Two-Year Change	Percent of Goal	Point Value
	Goal	Change	Attained	
Baccalaureate Degrees	400	200	50%	0.50
Retention Rate	5.5 ppt	5.5 ppt	100%	1.00
Graduation Rate	5.0 ppt	4.0 ppt	80%	0.80
Student Progression	1,120	784	70%	0.70
Closing Achievement Gaps	60	30	50%	0.50

Composite Point Score: 3.50

Total Possible Points: ÷ 5.00

Proportion Earned: 70%

ppt = percentage point change

In the above example, 70% of allocated performance funds would become recurring in 2018-20 (i.e., $3.50/5.0 = 70\%$).



Performance Funding

Unearned Funds

- CPE conducts first performance assessment in fall 2017.
- Unearned funds deducted from campus base and transferred to trust fund at CPE (July 1, 2018).
- Institution submits action plan for Council approval to access unearned funds during 2018-20.
- Institution allowed second opportunity to meet goals.
- CPE conducts second performance assessment in fall 2019.
- Campuses compete for residual unearned funds at end of second biennium based on performance.

Special Initiatives

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Special Initiatives

Proposed Funding Level (In Millions)

Funding Category	Fiscal Year 2016-17	Fiscal Year 2017-18
Special Initiatives:		
Centers for Research Excellence	\$6.0	\$12.0
Equity Adjustment	7.9	15.8
KSU Recruitment and Retention ⁽¹⁾	2.7	1.8
KSU Land Grant Match	2.7	2.7
KCTCS Tuition Stabilization	<u>1.8</u>	<u>3.5</u>
Request Totals	\$21.1	\$35.8
% Increase on FY16 Base (\$914.9 M)	2.3%	3.9%

⁽¹⁾ This request is for temporary, nonrecurring funds.



Special Initiatives

Centers for Research Excellence

- The *Strategic Agenda* calls for universities to increase basic, applied, and translational research to create new knowledge and economic growth.
- Funding to establish or expand research centers at UK and UofL that address important state needs.
- Targeted cluster hires of prominent research faculty and staff in designated focus areas.
- Bolster recruitment and retention of outstanding research faculty, increase sponsored research funding, and support economic development and improved quality of life.

Special Initiatives

Equity Adjustment

- Council resolution directing staff to develop mechanism for allocating state funds that considered enrollment, mission, and performance (November, 2013).
- A work group of Council staff and CBOs and an advisory group of Council members and campus presidents worked together to develop the model (April - December, 2014).
- When model was run using historical data it revealed disparities in state support in the comprehensive sector.
- Funding to bring state appropriations at NKU and WKU up to the sector median as determined by the model.

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Special Initiatives

KSU Student Recruitment and Retention

- Over past four years, KSU experienced steep declines in student enrollment (-33%) and tuition & fee revenue (-29%).
- Combined with state cuts, the resulting loss in public funds revenue (-19%) created stress on KSU's operating budget.
- Absent external intervention, KSU will be in an untenable financial position within two years.
- Funding to bolster campus finances due to large decreases in enrollment and tuition and fee revenue.
- Requested funds will support student recruitment and retention initiatives that stimulate enrollment growth.



Special Initiatives

KSU Land Grant Match

- As 1890 land grant, KSU is eligible to receive federal grants to support land grant program activities and services.
- Conditions of the grant require federal funds to be matched dollar-for-dollar by the state, from non-federal sources.
- Every year since 2006-07, state funding has not been sufficient to meet the match and the gap has widened.
- KSU has been operating under annual waivers, but there is no guarantee that waivers will be granted going forward.
- Funding to meet the federal match requirement for KSU's land grant program.



Special Initiatives

KCTCS Tuition Stabilization

- Resident tuition and fee sticker prices at KCTCS are highest in the region and among the highest nationwide.
- Primarily because KCTCS does not receive local tax support and its state appropriation per student is relatively low compared to community colleges in the region.
- Since 2008-09, the Council has adopted tuition ceilings and KCTCS's ceilings have been lower than the other sectors.
- These factors have created growing stress on KCTCS's operating budget.
- Funding to reduce pressure on tuition and fee increases at KCTCS in the upcoming biennium.

Trust Funds Request

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Trust Funds Request Proposed Funding Level (In Millions)

Funding Category	Requested Bond Funds	2017-18 Debt Service
Bucks for Brains:		
Research Challenge Trust Fund	\$100.0	\$ 9.5
Comprehensive University Excellence	20.0	1.9
Workforce Development Trust Fund	<u>5.0</u>	<u>0.5</u>
Trust Fund Request Totals	\$125.0	\$11.9

Note: If requested funding is authorized, it is anticipated that \$100.0 million in RCTF, \$20.0 million in CUETF, and \$5.0 million in WDTF appropriations will be maintained in trust funds pending distribution to postsecondary institutions in accordance with Council approved guidelines.

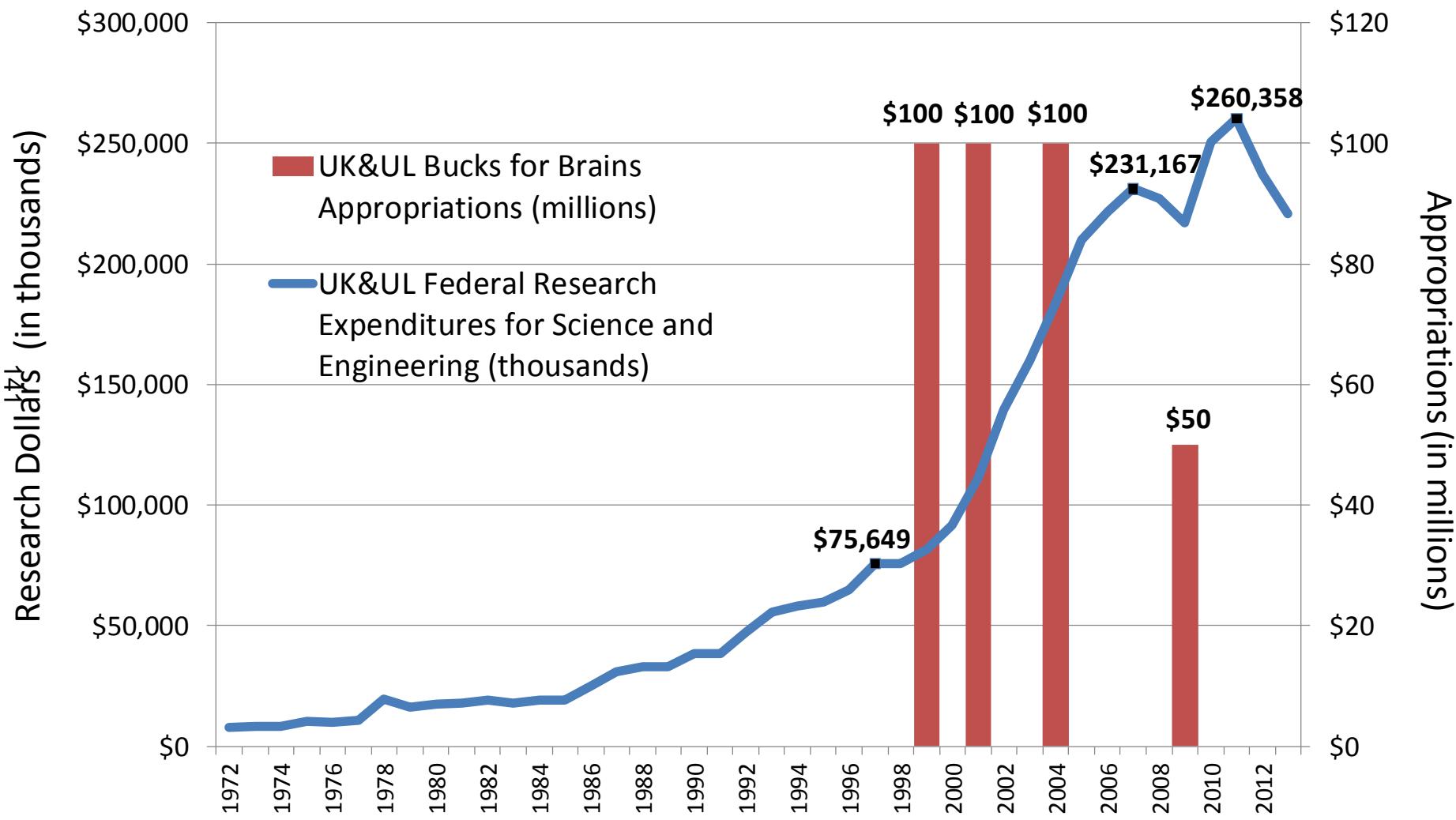


Trust Funds Request

Bucks for Brains

- During the first decade of reform, Kentucky's research universities more than doubled their endowment market values and federal research funding.
- While these achievements are noteworthy, the rate of growth in these indicators has slowed in recent years.
- The *Strategic Agenda* stresses the importance of securing appropriations for research matching programs to maximize sponsored research and multi-campus collaborations.
- Analyses show Bucks for Brains funding is highly correlated with growth in endowment values and sponsored research.

Bucks for Brains Appropriations and Federal Research Expenditures for Science and Engineering 1972-2013 (nominal dollars)



Capital Projects Request

142



Capital Projects Request

Proposed Funding Level (In Millions)

Funding Category	Requested Bond Funds	2017-18 Debt Service
Asset Preservation and Renovation	\$288.0	\$ 25.3
New and Expanded Space	312.0	27.4
Information Technology & Equipment	<u>40.0</u>	<u>5.2</u>
Total State Request	\$640.0	\$ 57.8

Institutionally Funded Projects:

Agency Bond Authority	\$1.0 B
Restricted Funds	\$5.2 B

Asset Preservation/New Construction

Request Features

- CPE staff recommends debt service to support a \$600.0 million bond issue for asset preservation and new construction.
- Second installment of a three-biennia \$1.8 billion approach.
- Based on VFA findings, allocates 48% of proposed new funding to asset preservation and 52% to new and expanded space.
- Places greater emphasis on asset preservation by establishing a specified spending level for such projects at each institution.
- Provides increased flexibility by requesting a pool of funding for each campus, as opposed to line-itemed projects.
- Each pool is supported by a list of projects in institutional priority order.



Asset Preservation/New Construction

Advantages of Proposed Approach

- Supported by campus presidents, CPAB members, and elected leadership in 2014-16.
- Promotes balance between asset preservation and new construction, as recommended by VFA study.
- Pooled approach is scalable to any funding level.
- Allows institution option to implement highest cost project, or multiple smaller but critical projects.
- Multiple biennia approach enhances planning capability and increases flexibility.
- Protects state investment in infrastructure and facilities.
- Data driven process for assessing needs and allocating funds.

Information Technology & Equipment

Request Features

- CPE staff recommends debt service to support a \$40.0 million bond issue for technology and equipment, including:
 - \$6,750,000 for statewide initiatives; and
 - \$33,250,000 for campus-based initiatives.
- Each institution would receive a fixed \$750,000 base allocation, with the remaining \$26.5 million distributed based on each institution's share of total spending on instruction.
- If authorized by the General Assembly, funding for this request would be appropriated to the Technology Initiatives Trust Fund.



Agency Budget Request

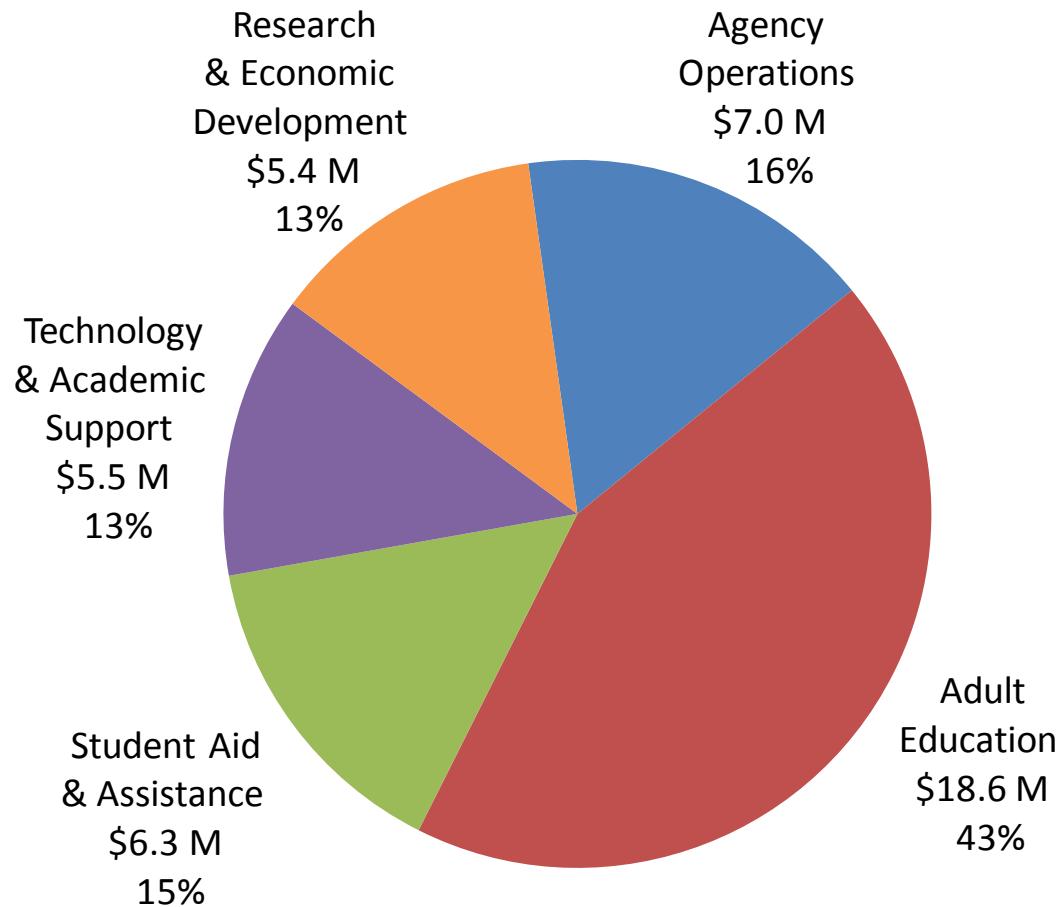
147



Agency Budget Components

2015-16 General Fund Base¹

Total = \$42.9 Million



¹ Excludes debt service.



Agency Budget Request Features

Basis for developing draft 2016-18 agency budget:

- Followed base and defined calculation instructions.
- Requesting inflationary increases for most programs, based on estimated General Fund growth (i.e., 2.75% per year).
- Includes larger requested increases for:
 - Contract Spaces (to maintain number of slots);
 - SREB Doctoral Scholars (to fund two additional scholars); and
 - Kentucky Adult Education (requested same % increase as the institutions).
- Requesting funding for five additional staff members.
- Includes funding request for Commonwealth College.



Agency Budget

Proposed Funding Increase

(In Millions)

Funding Category	Fiscal Year 2016-17	Fiscal Year 2017-18
Agency Operations	\$0.8	\$1.2
Adult Education	1.4	2.6
Student Aid and Assistance	0.4	0.6
Technology and Academic Support	0.2	0.3
Research and Economic Development	<u>0.1</u>	<u>0.3</u>
Total Request	\$2.9	\$5.0
% Increase on FY16 Base (\$42.9 M)	6.8%	11.7%
Commonwealth College (Operating Funds) ¹	\$2.4	\$2.4

¹ If authorized and funded, Commonwealth College will be added as a major expenditure category for 2016-18.



Making Kentucky STRONGER BY DEGREES

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Presentation to Kentucky Council on Postsecondary Education
Bill Payne, Scott Boelscher, and Shaun McKiernan
November 13, 2015

Council on Postsecondary Education
November 13, 2015

Improving Educator Quality State Grant Program

ACTION: The staff recommends that the Council on Postsecondary Education award federal *No Child Left Behind*, Title II, Part A, funds in the amount of \$485,000 for January 1, 2016–June 30, 2017, to support four projects.

1. *Designing Mathematics and Science Project-Based Environments: Spanning Astronomical and Atomic Spaces* (University of Kentucky): \$123,000-Year 2
2. *Engineering Authentic Experiences in the Next Generation Science Classroom* (Morehead State University): \$125,000-Year 2
3. *FLIP-EKY: Flipping Mathematics & Science Classrooms in Eastern Kentucky* (Northern Kentucky University): \$112,000-Year 2
4. *STEM PRIDE, Partnering with Research, Industries to Develop (STEM) Educators for College and Career Readiness* (University of Kentucky): \$125,000-Year 2

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.

The focus of Year 14 of the Improving Educator Quality State Grant Program is to develop teacher understanding of how to design instruction that blends critical thinking skills with content instruction. Projects fully integrate the Common Core Standards and/or Next Generation Science Standards and related assessments in a way that addresses the achievement gap of underrepresented students through critical thinking strategies.

External reviewers and content-area specialists reviewed thirteen grant proposals and made recommendations to the Council staff. Seven proposals were selected. Brief descriptions of these projects follow.

1. University of Kentucky: \$123,000

Designing Mathematics and Science Project-Based Environments: Spanning Astronomical and Atomic Spaces
Jennifer Wilhelm, principal investigator

The University of Kentucky will work with 30 middle-level mathematics and science teachers giving them the opportunity to experience, implement, and design their own

project-based units. Intentionally designed around the Common Core State Standards for Mathematics, the Next Generation Science Standards and the National Educational Technology Standards, this project will reveal how middle school STEM classrooms can be purposefully designed for 21st century learners and provide evidence regarding how situated learning experiences will result in more advanced learning.

2. Morehead State University: \$125,000

Engineering Authentic Experiences in the Next Generation Science Classroom
Krista Barton, principal investigator

This professional development will provide a sustainable model for Magoffin, Letcher, Leslie, Breathitt, Jackson Independent, Floyd and Martin Counties in designing NGSS aligned instruction that fosters classroom environments rich in authentic experiences for engineering practices to improve college and career readiness among middle and high school students. This project will engage 20 science and special-needs teachers in a professional development system that begins with data focus groups followed by a 7 day institute. It continues with ongoing, on-site mentoring.

3. Northern Kentucky University: \$112,000

FLIP-EKY: Flipping Mathematics & Science Classrooms in Eastern Kentucky
Theodore Hodgson, Dan McGee and Katrina Sloane, principal investigators

Through the collaborative efforts of Northern Kentucky University, the Kentucky Center for Mathematics and the Kentucky Valley Education Cooperative, middle and high school teachers will be trained in an alternative approach to the traditional mathematics and science classroom, based upon the growing availability of content-based video podcasts. In the flipped classroom, students view teacher-created video podcasts of the lesson as homework. Time in the classroom is then devoted to clarifying discussions, computational and conceptual practice, and enrichment activities.

4. University of Kentucky: \$125,000

STEM PRIDE, Partnering with Research, Industries to Develop (STEM) Educators for College and Career Readiness

Carol Hanley, Brett Criswell, Eve Profitt and Margaret Schroeder, principal investigators

A consortium of colleges and centers from the University of Kentucky, including the colleges of Education; Agriculture; Food and Environment; Arts & Sciences; Medicine; Engineering; and the Center for Applied Research will implement professional development for middle and high school teachers that will prepare them to better guide Kentucky students to STEM-related 21st century careers. The overarching goal of this project is to develop teachers who are able to enact the key principles, disciplinary core ideas and practices of the Common Core Math and Next Generation Science Standards in a way that produces better prepared college and career ready students.

Staff preparation by April Wood and Jay Morgan

Council on Postsecondary Education
November 13, 2015

New Academic Programs

ACTION: The staff recommends that the Council approve the Bachelor of Science in Digital Media and Design from the University of Kentucky.

KRS 164.020 (15) empowers the Council on Postsecondary Education to define and approve the offering of all postsecondary education technical, associate, baccalaureate, graduate, and professional degree, certificate, or diploma programs in the public postsecondary education institutions. Council Staff has reviewed and recommends for approval the following program:

University of Kentucky

Bachelor of Science in Digital Media and Design (CIP Code: 50.0102)

The proposed Bachelor of Science in Digital Media and Design is designed to prepare students for careers that require the creative use of digital imagery with artistic and/or commercial applications, involving digital design and illustration, photography, video, sound and digital-based fabrication. This program is designed to be a more integrated degree program than the traditional Graphic Design program in that it integrates across multiple disciplines and incorporates graphic design, video, web design, photography, 3-D fabrication and print media in the curriculum. The program gives greater coherence to the courses useful to students seeking digital based skills and provides applied learning experiences that prepare the student with job ready skills that are in demand by businesses and industries world-wide.

Staff preparation by Kim Arington

Council on Postsecondary Education
November 13, 2015

2016-2021 Strategic Agenda

KRS 164.020 lays out 37 distinct powers and duties for the Council on Postsecondary Education, the first of which is the development and implementation of a strategic agenda for postsecondary and adult education. KRS 164.0203 elaborates on the purpose of the agenda and its critical role in achieving the vision articulated in the *Postsecondary Education Improvement Act of 1997* (HB1):

The purpose of the strategic agenda is to further the public purposes under KRS 164.003 by creating high-quality, relevant, postsecondary education and adult education opportunities in the Commonwealth. The strategic agenda shall:

1. *Serve as the public agenda for postsecondary education and adult education for the citizens of the Commonwealth, providing statewide priorities and a vision for long-term economic growth;*
2. *State those important issues and aspirations of the Commonwealth's students, employers, and workforce reflecting high expectations for their performance and the performance of the educational institutions and providers that serve them; and*
3. *Sustain a long-term commitment for constant improvement, while valuing market-driven responsiveness, accountability to the public, technology-based strategies, and incentive-based motivation.*

The Council has embraced this charge, and is presenting for your review a preliminary draft of the 2016-2021 Strategic Agenda and accompanying metrics to measure and monitor progress toward the objectives. The attached draft is the result of over a year of work and numerous contributors including the Strategic Agenda Steering Committee, CPE members and staff, institutional planners, provosts, campus presidents, chief business officers, representatives from the business community, KDE, and other agencies and organizations.

This agenda highlights three key policy areas that will demand sustained attention over the next six years if Kentucky is to make significant progress toward the goals and vision articulated in the 1997 reform legislation. They are Opportunity, Success, and Impact.

The proposed agenda also includes updated mission, vision, and value statements for postsecondary and adult education, as well as performance metrics and statewide objectives and strategies to guide work in each of the three areas of focus.

Over the next several months, CPE staff and institutional representatives will meet regularly to negotiate statewide and institution-level performance targets based on the metrics. The agenda will be formally presented for adoption at the February 1, 2016, meeting.

Staff preparation by Lee Nimocks and Melissa Young

Council on Postsecondary Education
November 13, 2015

Committee on Equal Opportunities Report

The Committee on Equal Opportunities met Tuesday, October 20, 2015, at the Kentucky Council on Postsecondary Education in Frankfort, Kentucky. Following is the status of initiatives, recurring activities, and discussions related to the Committee on Equal Opportunities.

2016 Meeting Schedule: The CEO adopted the following meeting dates for 2016: January 25, March 21, May 16, and October 17.

CPE Diversity Summit: The Council's Committee on Equal Opportunities hosted a Diversity Summit at the Kentucky Community and Technical College System Central Office, in Versailles, Kentucky, on November 9, 2015. Educational administrators and staff from across the state participated. The summit included a student panel, as well as a superintendent panel.

Administrators from several states shared best practices:

- Dr. Robert Belle, SREB Doctoral Scholars Program, served as the keynote/closing speaker
- Dr. Mary Gonzales, Texas A & M- Kingsville: Reframing Academic Affairs Programs to Close the Achievement Gap
- Dr. Shawn Long, University of North Carolina-Charlotte: Advancing a Campus Environment from Tolerance to Normalization
- Ms. Nina Maung-Gaona, Stony Brook University: Bridging Research and Practice to Promote Academic Engagement of Underrepresented Students in STEM

Focus on Diversity: The University of Kentucky's Governor's Minority College Awareness Program made a presentation to members of the CEO at the October meeting. Presenters included: the UK GMSCPP program director, a current student, the father of a program graduate/college graduate, and the principal investigator. The UK presentation supports equal access and opportunity for underserved groups, low-income and first-generation students.

2015 Diversity Plan Assessment Reports: The Kentucky Public Postsecondary Education Diversity Policy and Framework for Institution Diversity Plan Development requires that all public institutions submit an annual assessment report that highlights the progress of their campus-based diversity plans. Two institutions presented the results of their assessments to the Council's CEO at the October meeting. The reports assessed advances made, as well as areas that require attention, using 2012 data in comparison to 2013. The diversity plan reports addressed four areas: student body diversity, student success/achievement gaps, workforce diversity, and campus climate.

Reports were presented on October 20, 2015, by:

- The Kentucky Community and Technical College System (KCTCS): Ms. Natalie Gibson
- Northern Kentucky University: Dr. Kathleen Roberts

Governor's Minority Student College Preparation Program: The CEO received a status report indicating that the program currently serves 845 middle and junior high school students from 75 schools: 799 students, from 69 schools enrolled in the seven university programs, while 46 students from 6 schools enrolled in the KCTCS programs. The GMSCPP promotes access and opportunity through academic enrichment programs and hands-on experiments focused on STEM-H. The GMSCPP introduces students to the campus, administrators, faculty, staff, and a diverse makeup of college students. Five institutions offered year-round programs; all universities offer a summer component. Three programs were residential. Students remained on campus one week in the summer to acquire a "real-life college experience." A total of four programs were held in the summer only.

GMSCPP Statewide Conference: The Annual GMSCPP Statewide Conference will be hosted by the University of Kentucky on June 27-28, 2016. Middle and junior high school students from across the Commonwealth will participate in STEM-H activities and laboratory experiments during the day and a half event.

Academically Proficient High School Jr/Sr Diversity Conference: Conference planning is underway to recruit students to attend the 30th Annual Academically Proficient High School Junior and Senior Diversity Conference in June 2016. Students, parents, and college representatives from across the Commonwealth will be asked to participate. The location of the event will be presented at the January 25, 2016 CEO meeting.

SREB Doctoral Scholars Program: Planning for the fall 2016 Institute on Teaching and Mentoring will take place during a meeting of the state Doctoral Scholars Regional Advisory Committee in January 2016. The Kentucky program is implemented collaboratively by the Council, the University of Kentucky, and the University of Louisville to help students complete doctoral programs more quickly and to encourage them to transition into the professoriate. As of November 2015, a total of 28 students are currently matriculating at Kentucky institutions. Thirty-two of these students are in the STEM-H field. The program has 81 graduates. Eleven have earned tenure.

The Institute, a program designed for scholars supported by the Kentucky Doctoral Scholars Program, was held October 29 – November 1, 2015, in Arlington, Virginia. The goal of the Institute on Teaching and Mentoring is to address the shortage of minority faculty in college classrooms and labs around the nation. Each of Kentucky's public institutions participated in the Institute Recruitment Fair to assist them increase the number of diverse faculty members at their respective institutions.

Staff preparation by Rana Johnson

Council on Postsecondary Education
November 13, 2015

GEAR UP Kentucky Update

GEAR UP Kentucky (GUK) is a \$26.9 million statewide grant program funded by the U.S. Department of Education (2011-2017) that helps students from low-income communities and their families understand how to plan, apply, pay for, and succeed in postsecondary education. GEAR UP stands for Gaining Early Awareness and Readiness for Undergraduate Programs. The Council administers the program to provide services to students and their families beginning in seventh grade and continuing into high school (until at least 2017). The program currently serves more than 13,000 ninth, tenth, and eleventh graders in 20 Kentucky school districts.

To support increased high school graduation and postsecondary enrollment rates and reduce remediation needs of graduating seniors, GEAR UP Kentucky (GUK) provides services in three categories: (1) Direct services for students and parents, (2) School improvement services, and (3) Statewide services.

1) Direct Services for Students and Parents

GUK provides five primary strategies to students and parents to support college readiness and success. At least one GUK College and Career Advisor is placed in every GUK school to deliver services and coordinate project activities.

- **GEAR UP-2-Learn:** 40-hour course to help middle school students gain learning and self-management skills and explore college and career options; includes financial literacy training at every grade level and a parallel, family-focused *Home Edition* with at-home activities.
- **GEAR UP-2-Success:** Technical assistance and coaching to help schools implement a school-wide advising and monitoring system. The advising system includes an early warning tool to identify at-risk students and match them with targeted interventions. Students receive personalized advising sessions and ongoing monitoring and coaching.
- **GEAR UP-2-College & Career:** Customized high school curricula offered in grades nine through twelve through individual, small group and whole cohort activities to help high school students gain college readiness skills and assist them with the college and financial aid application process; includes financial literacy training at every grade level and a parallel, family-focused *Home Edition* with at-home activities.
- **GEAR UP-2-Campus:** Campus experiences, including campus visits during the school year and a summer enrichment program. A three-week residential program for tenth through twelfth graders hosted on a postsecondary institution campus, the GEAR UP Summer Academy expanded to three campuses in summer 2015: University of Kentucky, Western Kentucky University and University of Louisville. Each campus has a unique interdisciplinary curriculum, but all are comprised of three core components: General Studies Core Courses to build research, writing, and communication skills;

Focus Areas for in-depth, hands-on learning in specific academic/career fields; and Café College, to build success skills and strategies for college, such as time management and networking. Also added this summer were parallel parent sessions at the opening and closing of each Academy to expose families to the campus and support resources.

- **GEAR UP-2-Focus:** e-Mentoring program that matches at-risk high school students with online mentors focused on a college readiness and planning curriculum.
- **GUK Parent Services:** Comprehensive online resources and materials designed to (a) develop parents/guardians as education advocates with the confidence and capacity to guide their student in preparing for college and career; and (b) improve school practice in creating effective school-parent partnerships. Three key components to GUK Parent Services include: (a) the *Family & Community Zone*: online college and career planning tools with parallel playbook for school-level implementation; (b) *Take the LEAD*, a free, self-paced online college readiness course; and (c) *Community Connection Forum*, an online discussion forum to help connect parents and mentors locally and statewide.

2) School Improvement Services

GEAR UP Kentucky School Improvement Services provide technical assistance, training, professional development, and evidence-based resources to build and sustain a college-going culture in GUK schools. These services emphasize using data to make proactive decisions about student readiness, improve school practices and policy, and measure progress. School improvement services include classroom walkthroughs to measure and monitor progress toward a college-going culture, professional development for teachers and administrators, administration of the EXPLORE assessment for 7th graders and PLAN assessment for 9th graders, the statewide GUK School Counseling and Advising Institute professional development event, and a GUK Teacher/Leader Academy to align core curricula with Kentucky Core Academic Standards and improve classroom instruction.

3) Statewide Services

GUK partners with several organizations to provide information resources to increase college knowledge and engage local communities in supporting Kentucky students. Statewide services include the development and facilitation of the Kentucky College & Career Connection (Ky3C) coalition, a voluntary statewide network of outreach programs, proponents and practitioners who work together to enhance and expand college and career outreach across Kentucky. GUK also coordinates a statewide college access outreach media campaign, supports KDE's Operation Preparation community advising initiative, and disseminates college & career readiness outreach resources available to all Kentucky students and families through Ky3C and other partnerships.

Mr. Bruce Brooks, executive director of GEAR UP Kentucky, will provide an overview of the outcomes of the project to date, preview upcoming initiatives, and discuss opportunities for postsecondary institutions and community organizations to engage and support the work and goals of the project in its final two years.

Staff preparation by Bruce Brooks



12,668
students

3
cohorts

8-10
grades

47
schools

21
counties

Year 4

17 partners

53 staff

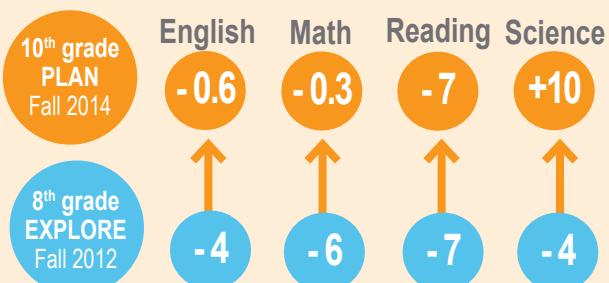
\$4.5M federal

\$6.4M match

improving academic readiness for college

The college readiness gap is closing

The gap between GEAR UP Kentucky (GUK) students (cohort 1) and all Kentucky students in meeting benchmarks on college readiness assessments closed in 3 of 4 subjects.



More GUK students met benchmarks in middle school

COHORT 1

7th ➤ 8th



English	↑ 18%
Math	↑ 12%
Reading	↑ 10%
Science	↑ 10%

COHORT 2

7th ➤ 8th



English	↑ 13%
Math	↑ 15%
Reading	↑ 15%
Science	↑ 5%

increasing access to advising

More GUK students received college & career advising

30,083
hours of advising

2.4
average hours
per student

7th 9th
Cohort 1 57% 84%
"I spoke with someone about college entrance requirements."
Cohort 2 83% 94%

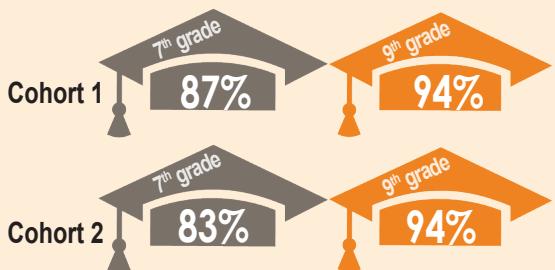
More GUK students understand their options

From 7th to 9th grade, more students reported knowledge of education options after high school and how to prepare and pay for it.



inspiring college dreams

More GUK students expect to go to college



involving parents & families

89%

have talked with
their child about
going to college

91%

expect their child to
complete at least some
postsecondary education

64%

say they have
knowledge about
financial aid

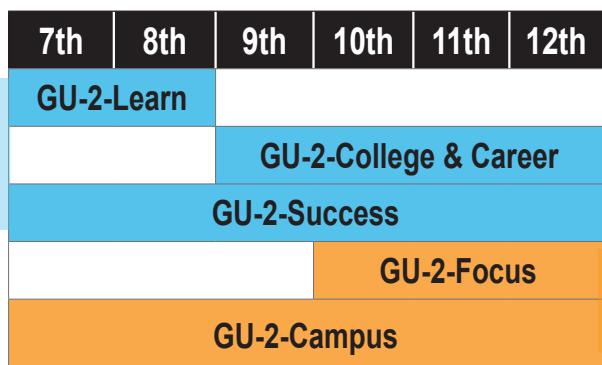


what students got

DELIVERY OF DIRECT SERVICES



CORE
Strategies



ENRICHMENT
Strategies

GEAR UP-2- LEARN



53,685

student
contacts

11

classes per
student (on avg.)

45

minutes
per class

GEAR UP-2- COLLEGE & CAREER



125,819

student
contacts

14

classes per
student (on avg.)

51

minutes per
class (on avg.)

GEAR UP-2- SUCCESS



27,246

student
contacts

90

percent of 9th
grade students took
PLAN assessments

6,253

students advised
more than once
per month

GEAR UP-2- CAMPUS



2,218

students visited
a college campus

94

students
completed the
Summer Academy

200%

increase in
student applications
for 2015 Academy

GEAR UP-2- FOCUS



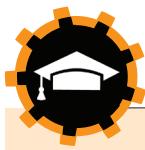
24

online learning
modules deployed

81

students in
pilot class

*includes individual, small group and whole cohort advising sessions



what families got



Online college planning tools for families with parallel playbook for local implementation.

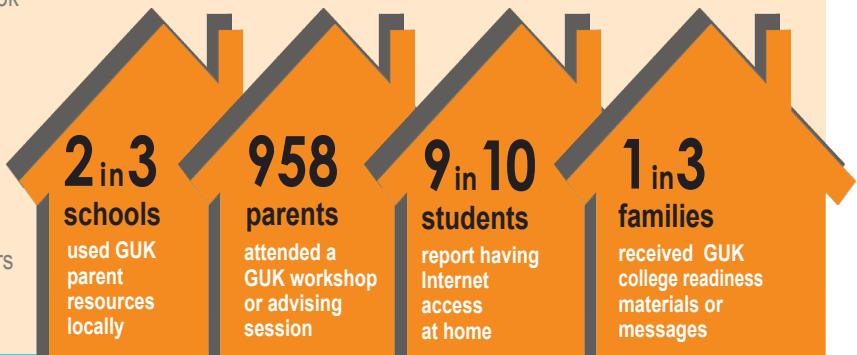


College readiness course for parents/mentors available online anytime.

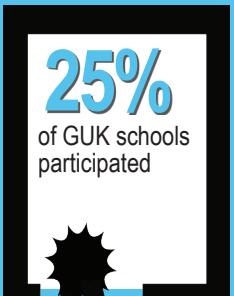


Online discussion to help connect parents and mentors locally and statewide.

7 in 10 GUK students say their family is the biggest influence in planning for their future.



Since the January 2015 launch of Take the LEAD



"This is the type of program I have been needing. I am so glad I took these classes. Thank you."

– 2015 Take the LEAD graduate



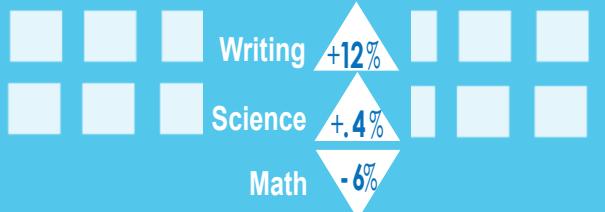
what schools got

College readiness standards observed in GUK middle school classrooms increased in

3 of 4
subject areas
since 2012.



Reading +10%



Regional Sustainability Summits



60

school leaders attended

33

schools

18

districts

30

schools updated plans

3

schools completed plans

School Benchmarking



29

middle school observation visits

21

high school observation visits

50

walkthrough data reports

14

schools attended webinars

Technical Assistance

for sustainability planning



4

Select school districts

60

hrs/school (on avg.)

4

Non-select schools
hrs/school (on avg.)

for KCAS implementation





statewide outreach

As Kentucky's state GEAR UP grant, GUK coordinates and supports the development and dissemination of college & career readiness resources for Kentucky students and parents statewide.

110,671

TV & radio PSAs to promote preparing for and going to college

66,585

GEAR UP Gazettes delivered

4,270

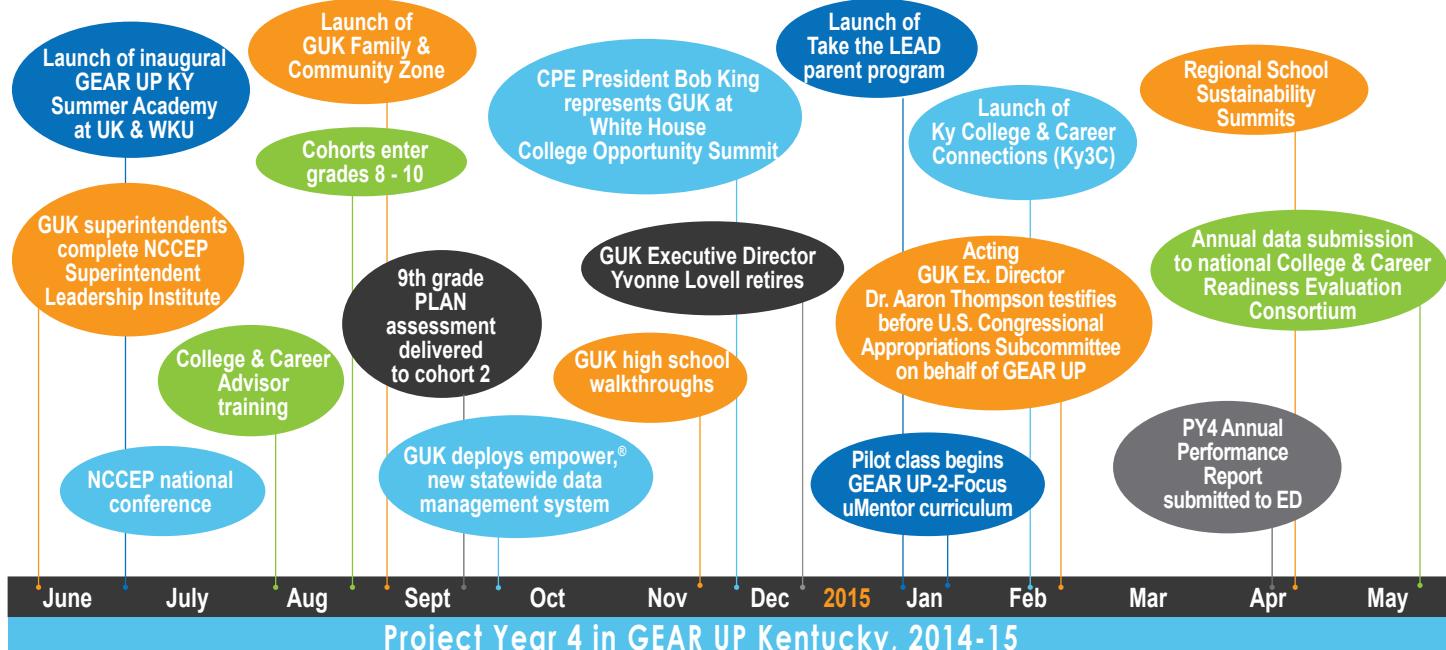
GUK students advised during Operation Preparation

26

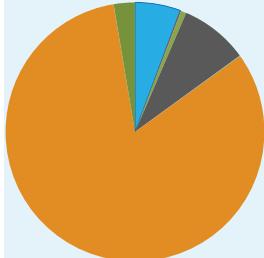
Organizations joined the KY College & Career Connections statewide outreach coalition



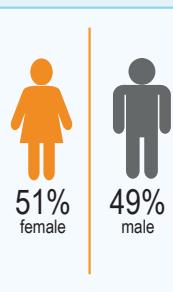
the year in review



student profile



87.5% White
8.3% Black or African American
6% Hispanic or Latino
3% Two or more races
1% Asian
0.1% American Indian or Alaska Native
>1% Native Hawaiian or Pacific Islander



64%

from low-income households

3%

with limited English proficiency

48%

neither parent has a college degree

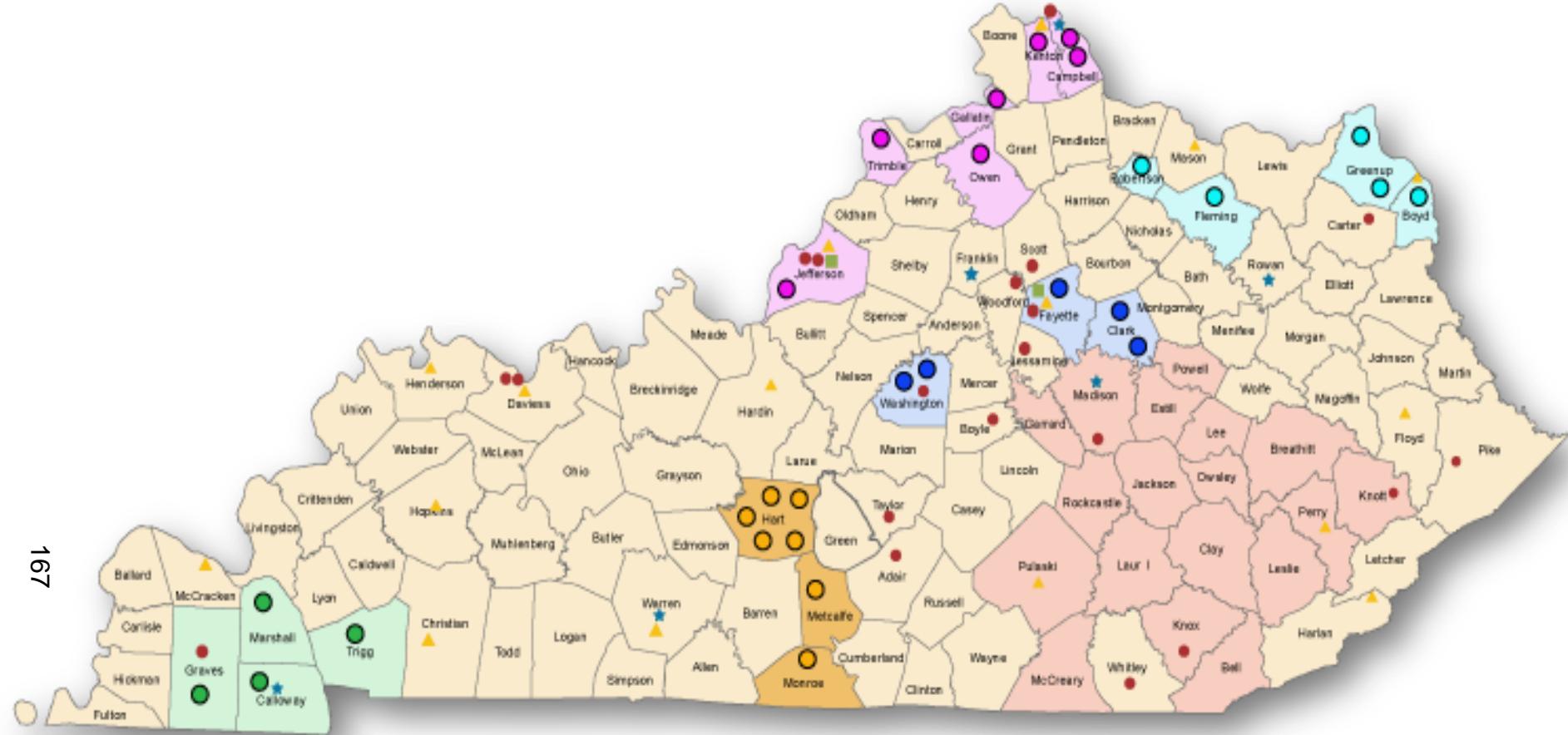
GEAR UP KENTUCKY

PROGRAM UPDATE
BRUCE BROOKS, EXECUTIVE DIRECTOR
11/13/2015



Gaining Early Awareness and Readiness for Undergraduate Programs

To increase the number of low-income students that graduate from high school **and** enroll and complete postsecondary education.



OUR SCHOOLS



FRAMEWORK FOR A COLLEGE-GOING CULTURE

Aspiration	Rigor	Expectation	Accountability	Sustainability
CATEGORIES OF SERVICES				
Direct Services to Students and Parents	Statewide Services	School Improvement Services		
STRATEGIES				
GEAR UP-2-SUCCESS	College Access Outreach Media Campaign		EPAS	
GEAR UP-2-LEARN	Kentucky GU Alliance		ACT's ENGAGE	
GEAR UP-2-FOCUS	Parent/Community Development Services		Technical Assistance for a College-Going Culture	
GEAR UP-2-COLLEGE & CAREER			Kentucky GU Alliance Institute for a College-Going Culture	
GEAR UP-2-CAMPUS			Data-Driven Decision-Making	
			Customized Professional Development	

The Five Strategies

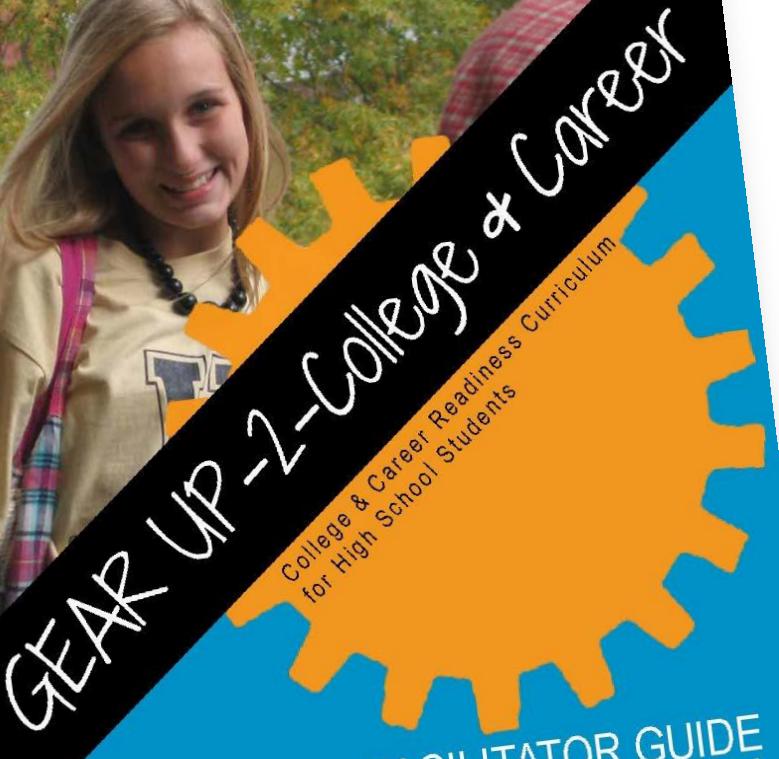
7th Grade	8th Grade	9th Grade	10th Grade	11th Grade	12th Grade
GU-2 Learn 40 module learning skills program					
			GU-2 College & Career 21 st Century and college knowledge skills		
				GU-2 Focus e-mentoring using U-Mentor curriculum	
GU-2 Campus Campus Visits, College Discovery Days		GU-2 Campus Summer program for rising 10 th graders			
	GEAR UP-2 Success comprehensive advising and early warning monitoring				

OVERVIEW

- Designed for Middle School Cohorts
- 20-hour instruction per grade-level
- Advising integrated into lessons
- Home Edition for Parents
- Foundational introductions with learning outcomes scaffolded across six years of service delivery



OVERVIEW



- **Designed for High School Cohorts**
- **20-hour instruction 9th & 10th grade-level**
- **One “college knowledge” module per quarter**
- **Home Edition for Parents**
- **Designed to allow for customized delivery models and timeframes**



GEAR UP-2-LEARN HOME EDITION

Activities to Help Your Middle School Student Succeed in School and Life



GEAR UP-2-LEARN HOME EDITION



4 COMMUNICATION



WHAT YOUR CHILD LEARNS

- Fact: 93% of what we communicate comes from our tone of voice & body language; only 7% from the words we say.
- How to be an active listener: use eye contact, lean forward, be silent, nod, ask questions, repeat what has been heard to ensure understanding, and respond in a way that shows empathy
- Awareness of the messages we send with different kinds of body language
- Good communication takes practice and includes the following 4 communication keys



ACTIVITIES FOR HOME

LEAD THE WAY

Arrange furniture, boxes, and other items to create a maze. Tie string or yarn between the furniture to create a clear path through the maze. Select a family member that will try to walk through the maze blindfolded. This person must not see the maze before being blindfolded. Have someone give voice instructions to help the family member find their way through the maze. The purpose of this activity is to see if a family member can give detailed instructions to guide the blindfolded member through the maze without bumping into anything. **Items to discuss:**

- Why was clear communication necessary for this exercise?
- How important was listening carefully? Why?
- What was hard for you?
- How can our communication be improved?

MUTED MESSAGES

Make a list of different non-verbal actions (examples: folding your arms, raising an eyebrow, smiling, etc.). Select a TV show or part of a video and watch 5-7 minutes with the volume off. While watching, identify the different non-verbal messages, especially the feelings that are expressed. After time is up, take turns discussing the non-verbal messages you saw. What role does the non-verbal messages play in enjoying and understanding the program? What feelings were expressed through body language? Was anything confusing?



WHAT DO YOU THINK?

<http://gearupky.org/forfamilies/familyzone/forum/>

Visit the GUK Community Connection Forum to share your thoughts about this topic and these activities.

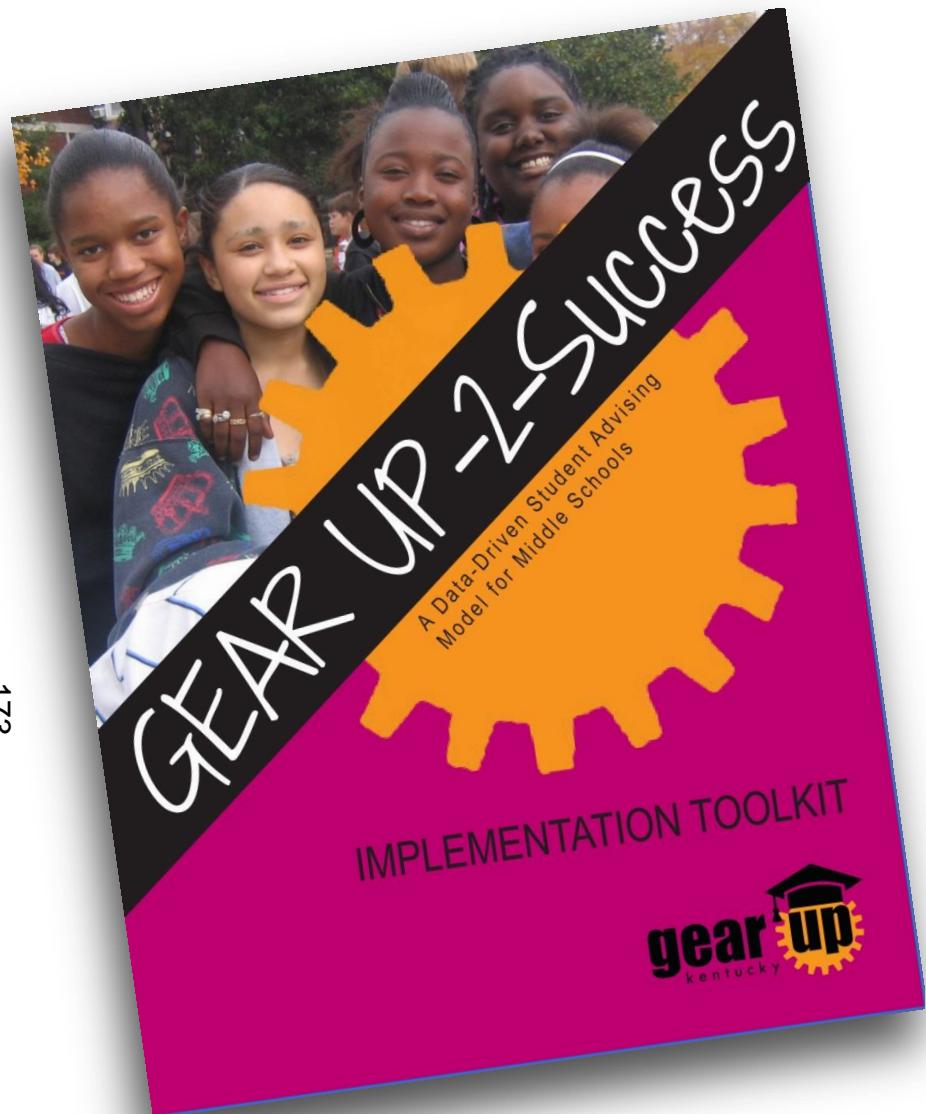
- ➔ What worked? What didn't work so well?
- ➔ What additional questions did you think of for the Table Talk Game?

TABLE TALK

Try playing a talking game at dinnertime, at a family gathering, or on a snow day. On small pieces of paper, write several questions, some silly, some serious. Place them in a box or bowl and have everyone pull a question to answer. Here are some suggestions: Things I love... What age would you like to be....What are you most afraid of and why.....My happiest moment.... If I were an animal, I would like to be.....What made me laugh today...What kind of friend are you....What do you dream of doing some day?

For more tips and resources to help your student become college and career ready, visit gearupky.org/forfamilies/.



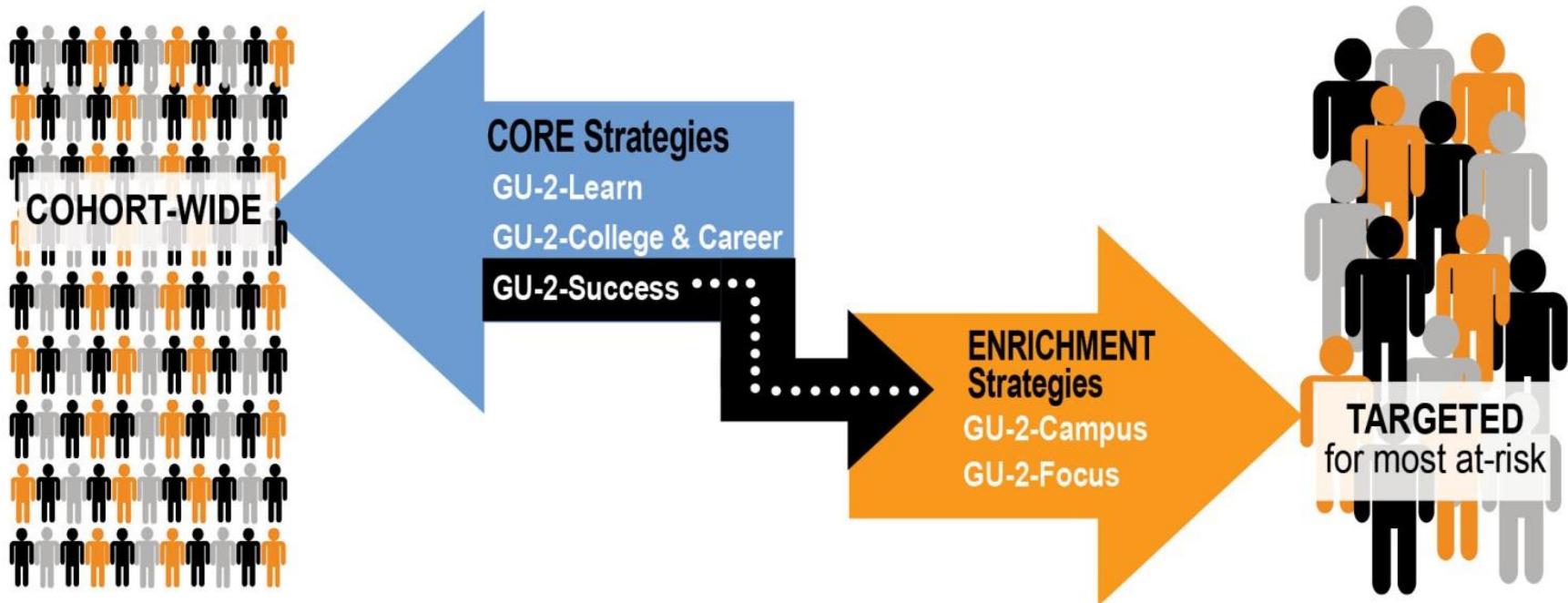


OVERVIEW

- Built on the ASCA and KDE advising models
- Expands on the National High School Association's Early Warning Tool to connect students with interventions and services
- Works with School Site Teams to identify students for individual, small group and whole cohort advising sessions

DIRECT SERVICES

STUDENT ADVISING AS THE DRIVER OF ENRICHMENT SERVICES



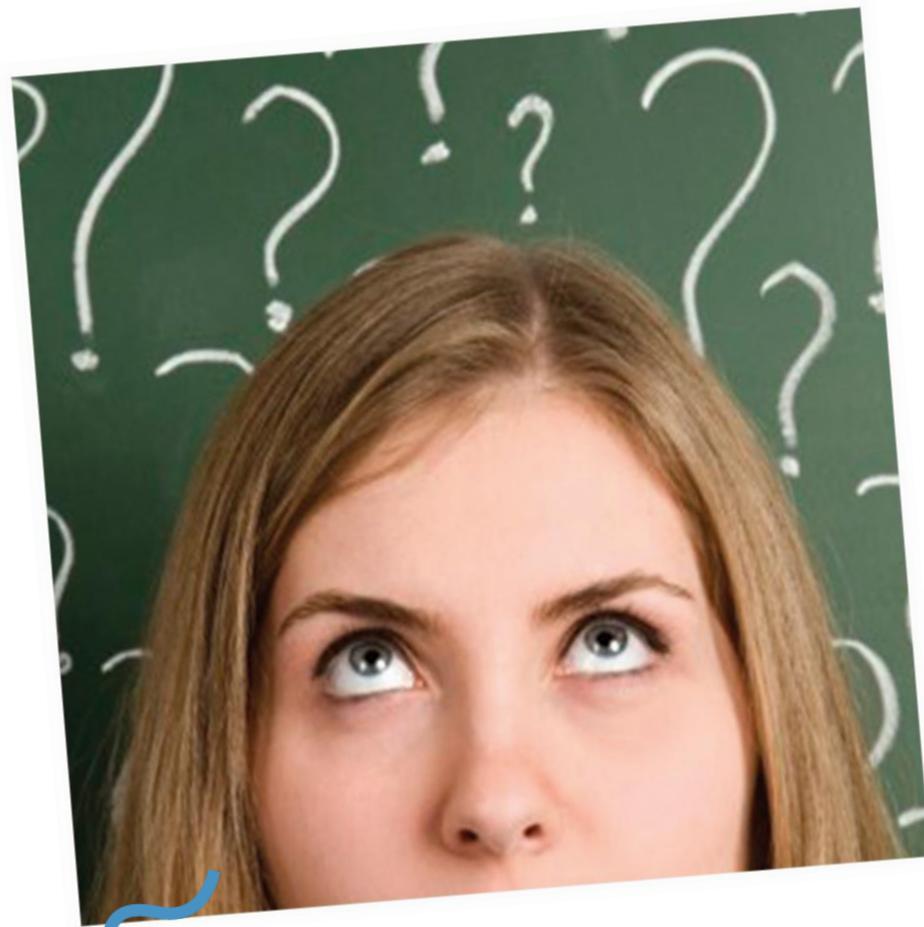
GEAR UP-2-CAMPUS

- Three-week, residential summer experience
- Focused on giving at-risk, low-income, minority and underserved populations the opportunity to experience college life and work.
- Rigorous classroom work
- Broad cultural experiences



GEAR UP-2-FOCUS

- Self-paced
- Aligned to GEAR UP Ky curriculum
- Focused on giving first-generation students a positive relationship and college knowledge



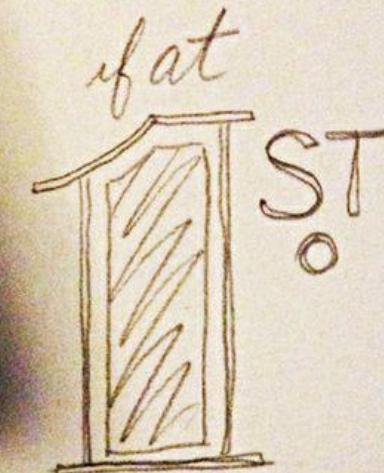
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SO WHERE ARE WE?

Lessons Learned

- New program design
- Year one: planning
- Cohort growth
- Key partnerships that failed.
- Budget impact



*You don't succeed,
DESTROY
any evidence that
YOU TRIED.*

SUCCESSES TO DATE

- Curricula
- Stronger Relationships
- Summer Academy
- Assessments
- Service Delivery
- Gap Closing



SUCCESSES TO DATE

21,651

ACT Explore & Plan
Assessments

179

SUCCESSES TO DATE

Services Delivery:

- Students Served
- Hours of Services
- Average per Student

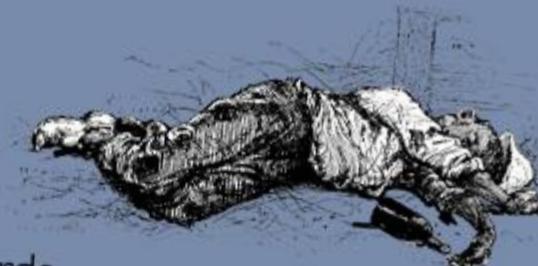
"Success" will hug you in private.
But "Failure" will
slap you in public!



The secret to
success is knowing
who to blame for
your failures.



I'm not afraid of failing which is why
I do it all the time.



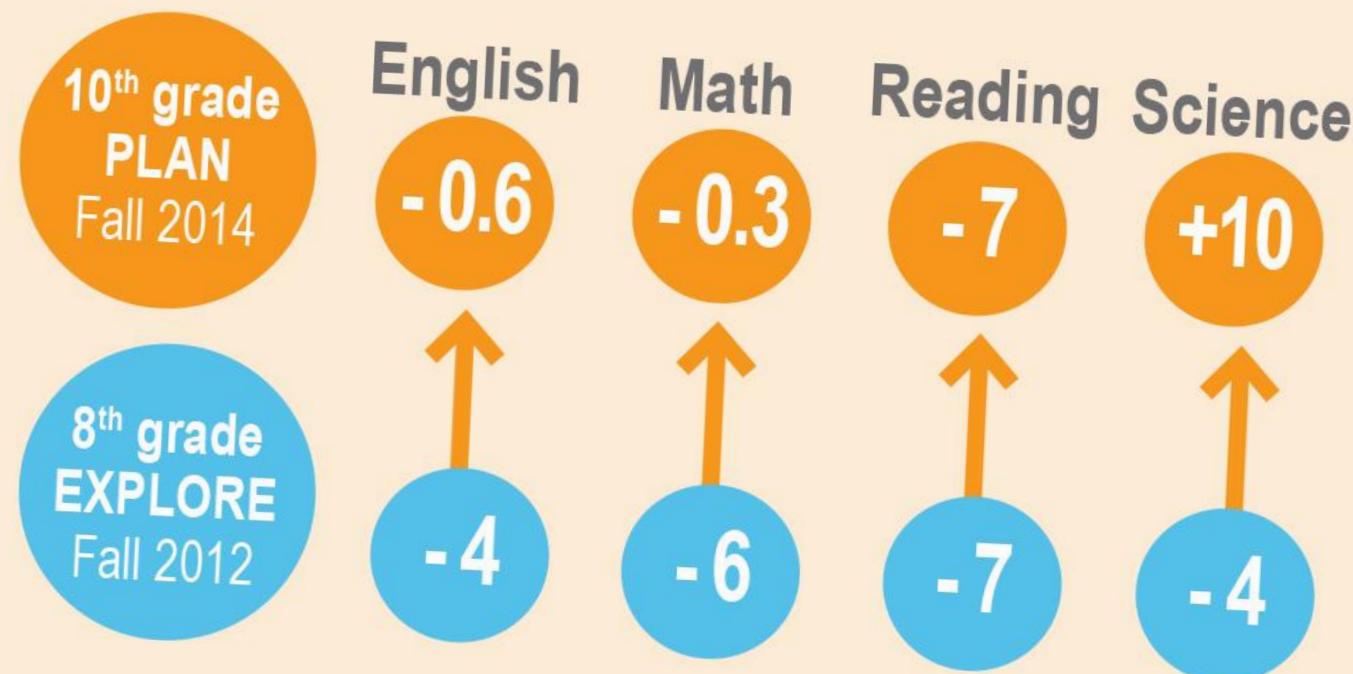
your eCards
someecards.com

SUCCESSES TO DATE

Gaps Closing

The college readiness gap is closing

The gap between GEAR UP Kentucky (GUK) students (cohort 1) and all Kentucky students in meeting benchmarks on college readiness assessments closed **in 3 of 4 subjects**.



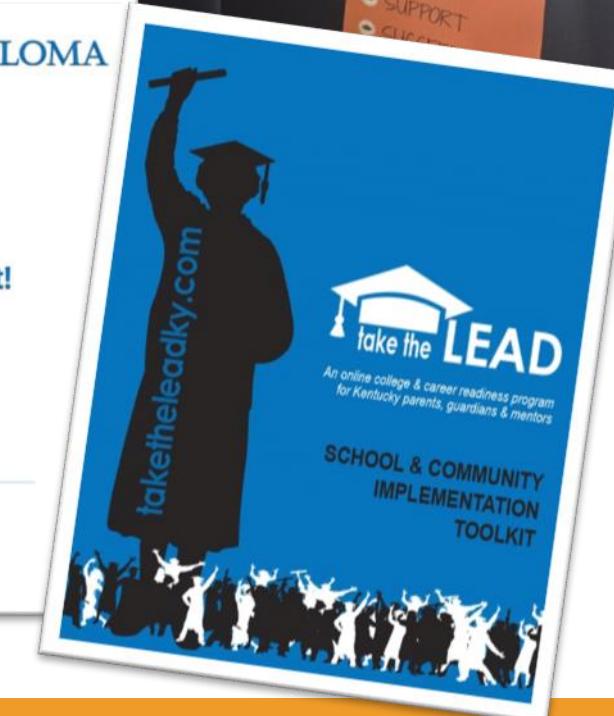
SUCCESES TO SUSTAIN

- Parent Services
- KY3C Coalition
- Advising Focus



SUCESSES TO SUSTAIN

Parent Services



SUCCESSES TO SUSTAIN

KY3C Coalition Launch

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SUCCESSES TO SUSTAIN

Advising Focus

- Realigned Curricula
- Advising Survey
- Advising Institute
- White House Convening
- KY Advising Task Force
- White Paper - DRAFT
- KY C&C Competencies: Standards, Activities & Measures

The image is a collage of three photographs. The top left photo shows the GEAR UP Kentucky School Counseling & Advising Institute logo, which includes a yellow gear with a graduation cap icon. The top right photo shows a man in a suit standing at a podium with a microphone, speaking at what appears to be an 'Opening Session'. The bottom photo is a screenshot of a Microsoft Word document titled 'Ky College & Career Competencies - Word'. The document header reads 'Kentucky College & Career Competencies Standards, Activities, and Measures'. Below the header, there's a table with two columns. The first column is titled 'Kentucky Standards and Competencies' and contains a section for 'Standard 1: Students build awareness and aspirations about postsecondary education pathways and careers.' The second column contains a list of outcomes under 'Students gain a deeper understanding of:' including 1.1 through 1.5, and a note about local employment sectors. The Word ribbon is visible at the top of the document.

WHAT'S NEXT



HOW CAN YOU ENGAGE?



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There is work and there is your life's work.
The kind of work that has your fingerprints all over it. The kind of work you'd never
compromise on.

The kind of work you would sacrifice a weekend for.

You can do that work at GEAR UP. People don't come here to play it safe. People
come here to swim in the deep end.

They want their work to add up to something. Something big. Something that couldn't
happen anywhere else.

Welcome to GEAR UP!

Council on Postsecondary Education
November 13, 2015

The Economic Benefits of Increased Educational Attainment in Kentucky

The Council on Postsecondary Education commissioned the Center for Business and Economic Research (CBER) at the University of Kentucky's Gatton College of Business to determine the potential economic benefits of raising Kentucky's educational attainment levels to the national average.

In October of this year, CBER released the results of this study, which estimates additional revenue and cost savings that would likely be generated from increased income tax revenues; increased workforce participation; lower Medicaid, health care and prison expenditures; and reduced participation in federal Supplemental Security Income (SSI) and Supplemental Nutrition Assistance Programs (SNAP).

The report found that increasing Kentucky's educational attainment to the national average would add over \$900 million annually to the state's coffers. Of that amount:

- \$500 million would be generated from increases in state tax revenues and higher workforce participation rates;
- \$200 million would be captured from the reduction in Medicaid expenditures;
- Citizens and businesses will save an estimated \$200 million from reductions in health care costs associated with chronic diseases;
- \$3 million would be saved from reductions in crime and incarceration.

Per capita earnings likely would see a 3.5 percent increase, and over 4,600 individuals would move off unemployment if Kentucky obtained education levels equivalent to the nation. Additionally, 33,000 households would move off of food stamps, and over 20,000 adults would move off of Supplemental Security Income, which would generate a cumulative cost savings of \$100 million per year for these federal programs.

CBER Director Dr. Chris Bollinger will present the findings of the study.

Staff preparation by Lee Nimocks



CENTER FOR BUSINESS AND ECONOMIC RESEARCH

The Effects of Education across the Kentucky Economy

The Center for Business and Economic Research (CBER) (Gatton College, University of Kentucky) was commissioned by Kentucky's Council for Postsecondary Education to examine the implications of education across the Kentucky economy. This study used data on Kentuckians from the American Community Survey (ACS), the Behavioral Risk Factor Surveillance System (BRFSS), the Uniform Crime Reports (UCR), the Bureau of Labor Statistics (BLS), and the Bureau of Economic Analysis (BEA). The focus on Kentucky is unique, as most studies of this kind have used only national data. The results have allowed us to examine how education is related to important outcomes related to the Kentucky economy. These studies have also allowed for the unique opportunity to examine and compare the impact of education within different regions of the Commonwealth.

Seven outcomes were examined in the study: income and earnings, employment, state income tax revenues, Medicaid, health, crime, and participation in the Supplemental Security Income (SSI) and Supplemental Nutrition Assistance Program (SNAP) programs. Overall, the results of each study show that the present educational attainment levels in Kentucky cost the state in myriad ways. According to the 2013 ACS estimates, approximately 21.5% of Kentuckians have a Bachelor's Degree or higher, while the U.S. average sits at 28.8%; similarly, 7% of Kentuckians have earned an Associate's degree, while the U.S. average is 8%. If Kentucky were to obtain the same average education levels as the U.S., per capita earnings would rise by over 3.5% and over 4,600 Kentuckians would move off unemployment rolls.

The benefits of higher income and decreased unemployment have cascading effects throughout the economy. Again, if Kentucky education levels were raised to meet the current U.S. levels, the state income tax revenues would rise by as much as \$500 million, helping to ease state budget crises. In addition, increasing education throughout the state would save over \$200 million in Medicaid expenditures, further easing state budgets and allowing legislators to use those resources for the benefit of the citizens of the Commonwealth.

It's not just state budgets that benefit from increased education; it also significantly improves health outcomes, reduces crime rates, and decreases reliance on public assistance programs. In terms of health, these estimates suggest that we could reduce the costs of chronic disease (specifically heart disease and diabetes) by nearly \$200 million per year. These are costs that accrue to Kentucky citizens and businesses both in health services and in lost work days. Similarly, achieving a higher education level would save the state approximately \$3 million in costs associated with crime. It would also move over 5,000 Kentucky families off food stamps and over 20,000 adults off SSI.

Many have argued that education only benefits citizens in the Urban Triangle (Lexington, Louisville, and Northern Kentucky). This study examined the implications of education at the regional level within Kentucky. Kentucky was divided into four regions: Eastern Kentucky, Western Kentucky, South Central Kentucky, and the Urban Triangle. While the gain from education does vary across the regions, the differences are typically small. A Bachelor's degree in the Urban Triangle adds 52% to an individuals' earnings, while in Eastern Kentucky it adds 47%. However, in Eastern Kentucky, an Associate's degree adds 28% to earnings, while this same degree in the Urban Triangle only adds 27%.

The results across regions for employment are also striking. The unemployment rate for college graduates is 4.8% lower than for high school graduates. In the Urban Triangle it is 5% lower, while in Eastern Kentucky it is 5.5% lower! Perhaps more importantly, education has profound effects on labor force participation. Labor force participation for high school graduates ranges from a low of 54.4% in Eastern Kentucky to 73.7% in the Urban Triangle. But the labor force participation for college graduates is 77% in Eastern Kentucky and 83% in the Urban Triangle. College graduates are more likely to have jobs.

A more complete picture of each topic can be found by looking at the briefs in their entirety. They are available on CBER's web site on the publications tab or from UKnowledge.



CENTER FOR BUSINESS AND ECONOMIC RESEARCH
ISSUE BRIEF
on topics affecting Kentucky's economy

October 2015

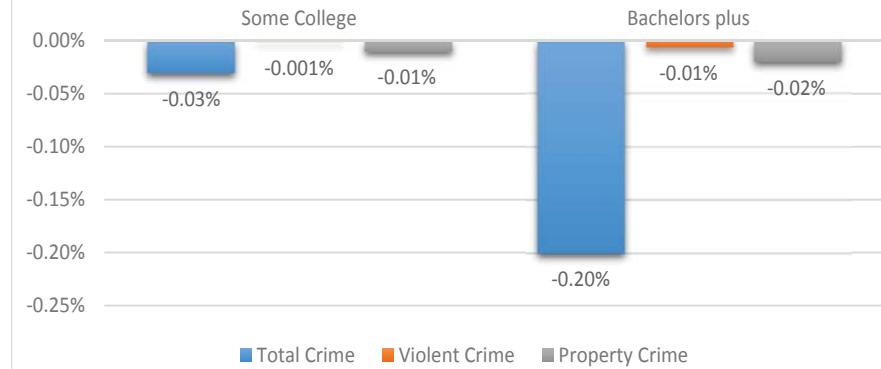
Overall, higher education is associated with lower crime rates in the general population.

If higher education rates increased by 1%, all crime would drop. If more individuals earned a Bachelor's degree, total crime could be reduced by as much as 20 crimes per 10,000 people.

Crime impacts the lives of Kentuckians in myriad ways. It has direct costs to victims and indirect costs through property values and business activity. Citizens and policymakers alike desire to reduce and limit crime. In this brief, we investigate the link between crime rates in Kentucky's counties and the aggregate level of education. Perhaps surprisingly, higher education, and specifically the percent of the population with a Bachelor's degree, is associated with lower crime. We find that increasing educational attainment in Kentucky to the U.S. levels could reduce the costs of crime by over \$3 million annually.

We use data from the Uniform Crime Reporting Program Data Series (UCR) as well as data from the Bureau of Economic Analysis to estimate the relationship between higher education and crime. Our results use statistical techniques which allow us to isolate how changes within a county in the education level will impact the crime rate. Our models focus on the total crime rate**, violent crime rate***, and property crime rate**** for counties in the state of Kentucky. The average rate of violent crime for the state of Kentucky across this time was 0.15%, or 15 violent crimes per 10,000 people. The average property crime rate was 0.29%, or 29 property crimes per 10,000 people.

Figure 1: Predicted Crime Rates and Education Levels



violent crime by about 1 crime per 10,000 people.

*This research was funded by the Council on Postsecondary Education (CPE) to study the relationship between education and outcomes such as income, employment levels, health, public assistance use, and crime.

**Total crime includes violent crimes and property crimes below, plus: other assaults, forgery/counterfeiting, fraud, embezzlement, having stolen property (buying, receiving, or possessing), vandalism, weapons violations, prostitution, sex offenses, drug abuse and violations (several categories), gambling, alcohol related issues like drunk and disorderly or DUIs, loitering, and runaways.

***"Violent crime is composed of four offenses: murder and nonnegligent manslaughter, rape, robbery, and aggravated assault. Violent crimes are defined in the UCR Program as those offenses which involve force or threat of force." (FBI Uniform Crime Reports, 2013)

****"Property crime includes the offenses of burglary, larceny-theft, motor vehicle theft, and arson. The object of the theft-type offenses is the taking of money or property, but there is no force or threat of force against the victims." (FBI Uniform Crime Reports, 2013)

Figure 1 presents the model estimates of how predicted crime rates would change as 1% of the people in a county were to move from having a high school diploma to obtain either some college (typically an Associate's degree) or a Bachelor's degree (or higher). By moving 1% of the population into a Bachelor's degree, we would reduce violent crime by about 1 crime per 10,000 people.



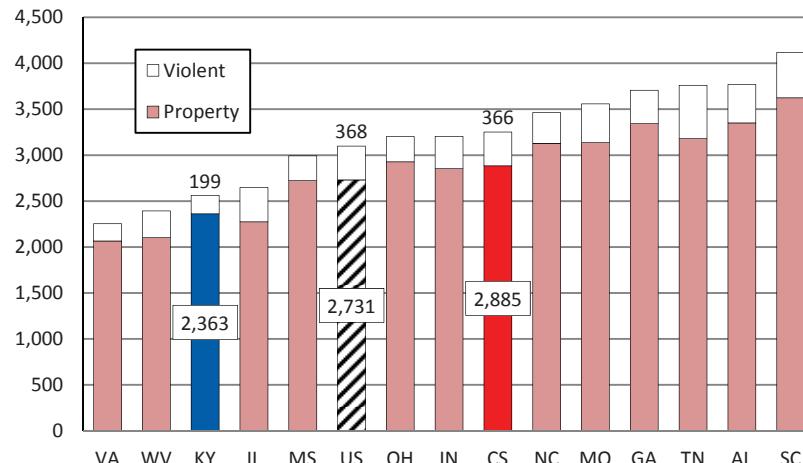
Increasing higher education would also translate into dollars saved by the state in terms of costs associated with crime. For the state of Kentucky, if U.S. education levels were achieved costs associated with crime could be reduced by almost \$3.5 million.

Similarly property crime would fall by about 2 crimes per 10,000 people. Total crime makes the most dramatic shift between high school and college, falling approximately 20 crimes per 10,000.

Economists have long provided estimates of the societal costs of crime. Using those estimates, violent crime costs Kentucky \$2.7 billion in a typical year, while property crime costs \$1.3 billion. Our estimates suggest that simply moving 1% of the population from high school to Bachelor's degrees would reduce violent crime costs by \$160,000 each year and property crime costs by \$540,000 each year. Were we to achieve U.S. levels of education, we would reduce violent crime costs by nearly \$1 million and property crime costs by over \$2.5 million.

While Kentucky is generally a safe place to live, our crime rate is lower than the U.S. average and most of the competitor states, as depicted in the graph below from the CBER Annual Report. By increasing education, we can further reduce crime throughout the Commonwealth and its price tag to communities.

**Crime Rate,
Kentucky, Competitor States, and the U.S., 2013**
(rate per 100,000 persons)



Source: US Federal Bureau of Investigation



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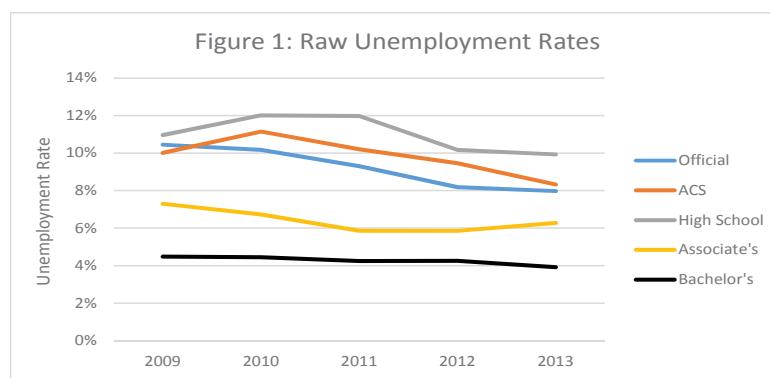
Want a Job? Get a College Degree

By Christopher R. Bollinger (crboll@uky.edu)*

While it is well known that a positive relationship exists between educational attainment and earnings for those who are in the labor market, an important part of how education impacts the well-being of families in Kentucky is the access to employment that it provides. In this brief, we examine the relationship between education and two measures of employment status: unemployment and labor force participation. What we find is quite striking: not only do those with higher education experience less unemployment, they are far more likely to be participating in the labor market. Education leads to better access to employment.

These data are derived from the American Community Survey (ACS) for the years 2009-2013. This annual survey is designed to allow researchers to examine economic and demographic characteristics of the United States population at the national, state, and local level. We use statistical methods designed to isolate the impact of education on our employment measures from the many other known factors such as age and gender which affect earnings as well.

We begin with a brief look at unemployment rates through this period for the state of Kentucky using the compiled data. The official rates, reported by the Bureau of Labor Statistics (BLS), are computed at a monthly level. These data are limited to an annual rate but are similar to those officially reported. Figure 1 shows the simple average annual unemployment rate from the BLS and from our data. The blue line represents the official unemployment rate released by the Bureau of Labor Statistics (averaged across the months), while the orange line represents our estimates based upon the ACS data set. As can be seen in the figure below, they are quite comparable, both in level and in overall trend.



Those with an Associate's or Bachelor's degree face a much lower unemployment rate than those with only a high school degree.

The most important comparison to make via this graphic is to examine the unemployment rates of the various education levels used in the analysis. The grey line represents workers with a high school diploma. The yellow line and the black line represent workers who have either an Associate's or a Bachelor's degree (respectively). In many ways Figure 1 tells the full story: those with a college degree face a much lower unemployment rate than those with only a high school diploma.

In Table 1 (next page), we present our predicted unemployment rates for the entire state of Kentucky and also the four sub-regions (the Urban Triangle, Eastern Kentucky, Western Kentucky and South Central Kentucky**).

*This research was funded by the Council on Postsecondary Education (CPE) to study the relationship between education and outcomes such as income, employment levels, health, public assistance use, and crime.

**The Urban Triangle includes the Louisville, Lexington, and Cincinnati metropolitan areas and surrounding counties. Eastern Kentucky includes Bath, Bell, Boyd, Bracken, Breathitt, Carter, Clay, Fleming, Floyd, Greenup, Harlan, Jackson, Johnson, Knott, Knox, Laurel, Lawrence, Lee, Leslie, Letcher, Lewis, Magoffin, Martin, Mason, Menifee, Montgomery, Morgan, Owsley, Perry, Pike, Robertson, Rockcastle, Rowan, Whitley, and Wolfe counties. Western Kentucky includes Ballard, Caldwell, Calloway, Carlisle, Christian, Crittenden, Daviess, Fulton, Graves, Hancock, Henderson, Hickman, Hopkins, Livingston, Lyon, Marshall, McCracken, McLean, Muhlenberg, Ohio, Todd, Trigg, Union, and Webster counties. South Central Kentucky includes Adair, Allen, Barren, Breckinridge, Butler, Casey, Clinton, Cumberland, Edmonson, Grayson, Green, Hart, Larue, Logan, Marion, McCreary, Metcalfe, Monroe, Nelson, Pulaski, Russell, Simpson, Taylor, Warren, Washington, and Wayne counties.



Even in areas with higher overall unemployment, college graduates are predicted to face decreased chances of unemployment, when compared to people with less education.

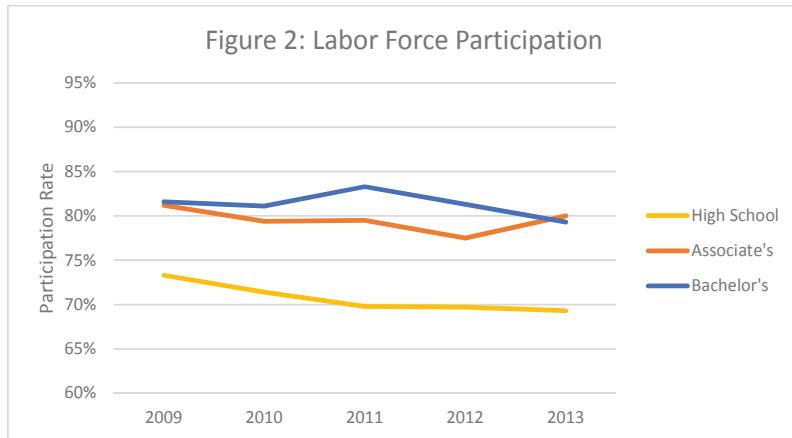
Those with degrees are more likely to be in the labor market and more likely to keep their job through hard times than their high school educated counterparts.

Table 1: Differences in Unemployment Rates by Level of Education

	Associate's High School (predicted)	Bachelor's (predicted)	Difference between High School and Associate's	Difference between High School and College
Kentucky	9.9%	6.9%	5.1%	-3.00%
Urban Triangle	10.1%	6.8%	5.1%	-3.30%
Western	11.0%	8.5%	7.3%	-2.50%
Eastern	13.0%	11.3%	7.5%	-1.70%
South Central	6.8%	2.8%	2.7%	-4.00%

We use the 2013 unemployment rate as a baseline. Most important, in every region, the citizens with some postsecondary education faced a substantially lower unemployment rate than those with a high school diploma. Even in Eastern Kentucky, where the unemployment rate was still as high as 13% in 2013, college graduates were facing an unemployment rate of only 7.5%. This rate was lower than the national unemployment rate in 2013 at 8.3%. Our estimates suggest that the total number of unemployed in the state would fall by over 4,600 individuals if Kentucky had the same level of overall educational attainment as the U.S. (1% increase in the number of individuals with an Associate's degree and a 5% increase in Bachelor's degree recipients).

Many have speculated that the college-educated can't find jobs and simply drop out of the labor market in utter despair, which has been coined the "discouraged worker effect." This phenomenon is very real, but the remaining question around this topic is how this effect impacts each educational group. To explore this, we examine labor force participation rates. A person is considered participating in the labor force if they have a job or are classified as unemployed. We focus on individuals between the ages of 20 and 65. Figure 2 presents the baseline labor force participation rates for high school graduates and our model predictions, which isolate the impact of education from other factors.



As can be seen, throughout the entire period, labor force participation for high school graduates fell. While there was some decline for those with a postsecondary education, the decline is less marked and, initially, the rate even rose for college graduates. The evidence is quite clear that those with a postsecondary education are more likely to participate in the labor market, and are less likely to be subject to the discouraged worker effect.

In Table 2, we present our model prediction for labor force participation rates

for the state and for the four regions by education level for 2013. As one might expect, the Urban Triangle has the highest participation rate, in general, at 77.7%, while Eastern Kentucky has the lowest at 52.8%. What is striking is how little the labor force participation rate varies across regions for college graduates. Overall, Bachelor's degree holders participate at a rate of 79% and those with Associate's degrees participate at a rate of 77.2%. Even in Eastern Kentucky, 77.4% of Bachelor's degree holders and 68% of those with Associate's degrees participate in the labor force.

Table 2: Labor Force Participation Rates (2013)

	All	High School	Associate's	College
Kentucky	71.1%	68.4%	77.2%	79.0%
Eastern	52.8%	54.4%	68.0%	77.4%
South Central	67.8%	68.5%	78.4%	77.6%
Urban Triangle	77.7%	73.9%	81.1%	82.9%
Western	66.7%	66.1%	74.8%	80.0%

school graduates.

The conclusion is clear: college education provides access to employment. Those with degrees are more likely to be in the labor market and more likely to keep their job through hard times than high



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Education for Your Health!

By Christopher R. Bollinger (crboll@uky.edu)*

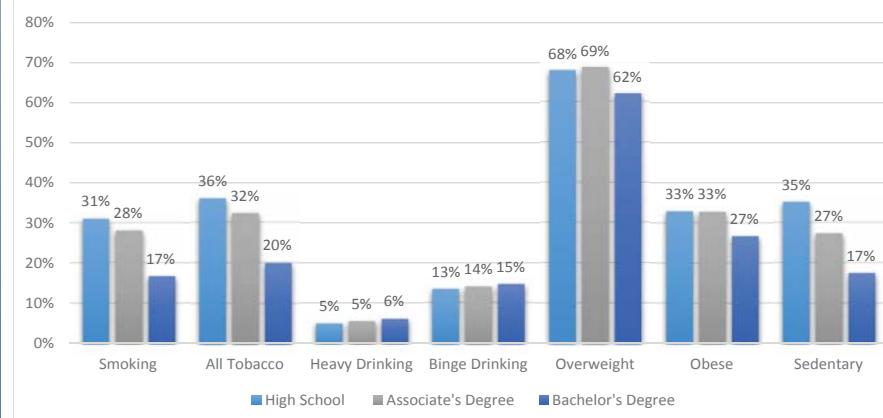
The health of the people of Kentucky is of high concern for policymakers and citizens alike. Individuals want to live healthy, productive lives, while policymakers recognize that chronic illnesses cost the state in myriad ways. In this brief, we examine the link between educational attainment and health outcomes. We focus on two groups of health outcomes. The first are behavioral and include choices: tobacco use, alcohol use, obesity, and exercise. The second group are outcomes highly associated with these behaviors: heart attack, angina, stroke, and diabetes. The Center for Disease Control (CDC) estimates that these four diseases may cost Kentuckians over \$5 billion annually in lost days at work and medical bills. Our simulations suggest that if Kentucky were to achieve education levels comparable to the U.S., we could reduce those costs by nearly \$200 million per year.

With the exception of alcohol consumption, higher education leads to improved health behaviors. We also find that higher education is associated with lower rates of all four diseases. We use data from the Behavioral Risk Factor Surveillance System (BRFSS) for the years 2009 through 2012 to examine these questions. These data represent a comprehensive sample of Kentuckians and provide information on prevalence of these conditions. Our models control for other factors such as race, gender, age, and employment. We examine two education impacts: the gross impact and the impact net of income. It is well known that high income is often associated with better health. We measure the gross impact of education on health which may work through income as well as other channels, and the net effect of education, controlling for income levels.

Figure 1 presents the impact of education for seven behavioral factors: smoking, all tobacco use, heavy drinking, binge drinking, overweight, obesity, and lack of exercise (sedentary lifestyle). Each of these factors has been well documented to be associated with chronic health conditions such as diabetes and heart disease. With the exception of the two alcohol consumption measures, a Bachelor's degree is strongly associated with lower rates of these negative behaviors. Indeed,

Individuals with a Bachelor's degree are 50% less likely to smoke or use tobacco products, which decreases their likelihood of developing chronic diseases such as diabetes and heart disease.

Figure 1: Gross Impact of Education on Health Behavior

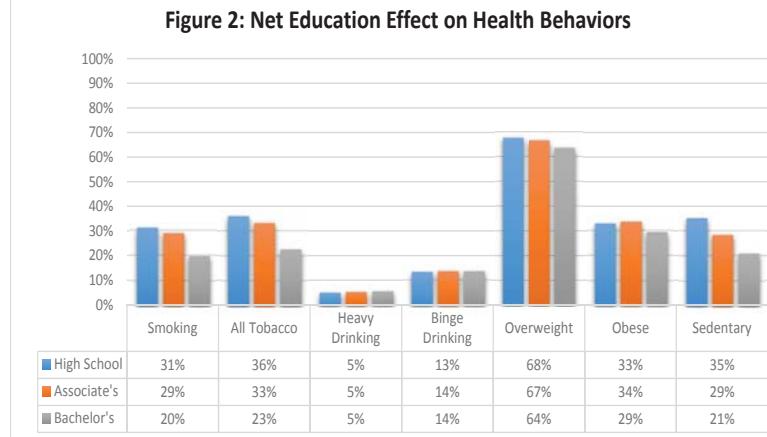


those with a Bachelor's degree have about half the incidence of smoking and tobacco use compared to high school graduates. They are also more likely to participate in regular exercise activities. Rates of obesity and overweight among college graduates are 20% and 10% lower (respectively) than their high school graduates. The only behaviors that have a positive association with higher education are related to alcohol consumption.

**This research was funded by the Council on Postsecondary Education (CPE) to study the relationship between education and outcomes such as income, employment levels, health, public assistance use, and crime.*

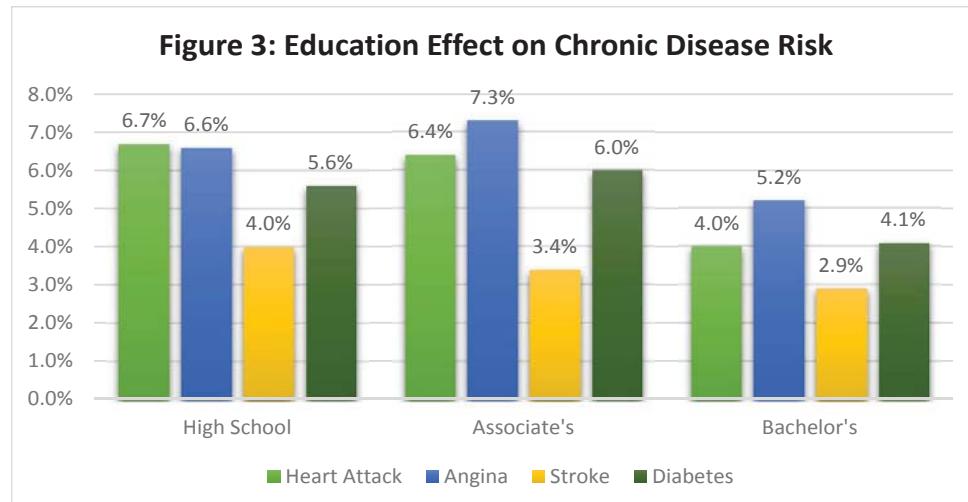


Even when we control for income, college graduates report healthier outcomes, with the exception of alcohol consumption.



In Figure 2, we present the education effect on the seven behaviors. However, in this model, we control for income. What is surprising here is that, with the exception of the alcohol consumption measures, very little has changed in the relationship between behaviors associated with chronic disease and level of education. Far from being simply an income effect, education appears to lead individuals to adopt a healthier lifestyle. The exception to this is alcohol consumption. When we control for income, the differences in alcohol consumption between high school and college graduates, become much smaller. The higher alcohol consumption among college graduates in Figure 2 appears largely to work through the income channel.

We turn next to actual incidence of diseases. In Figure 3, we compare the differences in diagnosis rates for four important chronic diseases: heart attack, angina, stroke, and diabetes. For each of these four diseases, the rates are lower among those with college degrees. Individuals with a college degree reduce their rates of heart attack by 40%, angina by 20%, stroke by 28%, and diabetes by 27% compared to those with a high school diploma.



Increasing the number of college graduates by 1% (both Associate's and Bachelor's degree holders), the predicted incidence of heart attack and stroke decreases by 0.3%.

Increasing the overall education level of the state could save the state of Kentucky almost \$200 million in health care costs.

Using our models we predict the possible reduction in overall rates of these diseases through changes in higher education. If Kentucky could increase the rates of Associate's and Bachelor's degrees each by only 1%, we would reduce rates of heart attack and stroke by 0.3%, and diabetes by 0.1%. This small change in educational attainment could result in a cost savings of over \$6 million annually. By achieving education attainment rates comparable to the rest of the U.S., Kentuckians could save nearly \$200 million annually in health care related costs.

The results are clear: Kentuckians with a higher level of education lead healthier lives. Increasing education could save the state millions of dollars annually in healthcare costs and potentially increase worker productivity by reducing illness-related absences.



CENTER FOR BUSINESS AND ECONOMIC RESEARCH

ISSUE BRIEF

on topics affecting Kentucky's economy

October 2015

Kentuckians earn 29% more with an Associate's degree and 51% more with a Bachelor's degree.

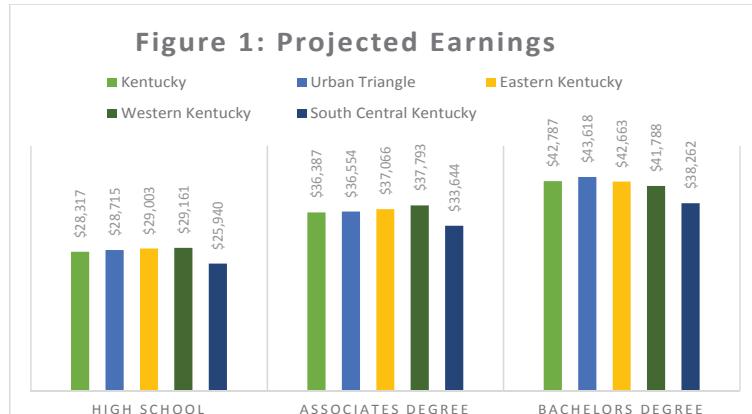
A BA in Eastern or Western Kentucky pays approximately \$12,000 more per year.

Economists and other researchers have long demonstrated the relationship between education and earnings. In this brief, we focus on the relationship between educational attainment and earnings in the state of Kentucky. Our results, in many ways, are unsurprising, as the old ad campaign said, "Education Pays." What may be surprising is that we demonstrate that education pays not only in the big cities of Lexington and Louisville, but also in the more rural parts of the state, such as eastern Kentucky and western Kentucky.

The American Community Survey (ACS) for the years 2009-2013 is the source of our data. We use statistical methods designed to isolate the impact of education on earnings from the many other known factors such as age and gender which affect earnings as well. Overall, we find that residents of Kentucky who have an Associate's degree earn approximately 29% more than Kentuckians with a high school diploma. The average high school graduate in the state earns \$28,317 a year. That 29% premium for an Associate's degree represents \$8,070 per year in their paycheck or a total annual income of \$36,387. Kentuckians who hold a Bachelor's degree earn 51% more than their friends with only a high school diploma. This translates into \$14,470 additional income every year, or total earnings of \$42,787.

Many Kentuckians worry that these premiums are only achievable if they leave home and move to the metropolitan areas of the state. Our data allow us to examine this question by focusing on smaller regions. We focus on four different regions: the Urban Triangle, Western Kentucky, Eastern Kentucky, and South Central Kentucky.**

In Figure 1, we present the overall state results, as well as the results for people living in each of these four regions (all projections are presented in Table 1 at the end of the document). Over half of the state's population lives and works in the Urban Triangle. For individuals residing in this area, an Associate's degree pays 27% more than a high school diploma and a Bachelor's pays 52% more than a high school diploma. What may be surprising to learn is that individuals who live outside the urban areas (combining Eastern, Western and South Central), gain 29% higher wages with an Associate's degree compared to those with only a high school education. Similarly, a Bachelor's degree leads to an average 46% higher earnings than their high school educated counterparts.



*This research was funded by the Council on Postsecondary Education (CPE) to study the relationship between education and outcomes such as income, employment levels, health, public assistance use, and crime.

**The Urban Triangle includes the Louisville, Lexington, and greater Cincinnati metropolitan areas and surrounding counties. Eastern Kentucky includes Bath, Bell, Boyd, Bracken, Breathitt, Carter, Clay, Fleming, Floyd, Greenup, Harlan, Jackson, Johnson, Knott, Knox, Laurel, Lawrence, Lee, Leslie, Letcher, Lewis, Magoffin, Martin, Mason, Menifee, Montgomery, Morgan, Owsley, Perry, Pike, Robertson, Rockcastle, Rowan, Whitley, and Wolfe counties. Western Kentucky includes Ballard, Caldwell, Calloway, Carlisle, Christian, Crittenden, Daviess, Fulton, Graves, Hancock, Henderson, Hickman, Hopkins, Livingston, Lyon, Marshall, McCracken, McLean, Muhlenberg, Ohio, Todd, Trigg, Union, and Webster counties. South Central Kentucky includes Adair, Allen, Barren, Breckinridge, Butler, Casey, Clinton, Cumberland, Edmonson, Grayson, Green, Hart, Larue, Logan, Marion, McCreary, Metcalfe, Monroe, Nelson, Pulaski, Russell, Simpson, Taylor, Warren, Washington, and Wayne counties.



Family earnings increase by 56% for college graduates versus high school diploma holders.

There is some variation across the four regions, with salary estimates for college graduates being the highest in Eastern Kentucky and the lowest in Western Kentucky. But even in Western, where a Bachelor's degree returns 43% higher earnings, this translates into \$12,000 higher earnings every year or \$41,788 in annual income.

If Kentucky were to increase the number of individuals with an Associate's or Bachelor's degree by 1%, this translates into a 0.5% increase in per capita earnings or a shift from \$33,723 to \$33,949 per year. If Kentucky education levels were equivalent to the U.S. levels, per capita earnings would be 3.5% higher. This translates into a \$1,100 per year increase in per capita income, on average. This shift would move Kentucky from 47th to 43rd in per capita earnings compared to other states.

In Figure 1, we focus on individual earnings and only for those between the ages of 21 and 64. In order to see the larger picture, Figure 2 examines how family income is affected by the education level of the head of the household. The

results are striking. A family where the head of the household has an Associate's degree has 29% higher total income than a family where the householder is a high school graduate. Even more striking, earning a Bachelor's degree leads to a 56% higher family income than the family headed by a high school graduate. As we saw in the comparison of labor market earnings, this comparison is quite similar across all the regions. Most striking is the difference that

an education makes to family in Eastern Kentucky. As we explore in "Want a Job? Get a College Degree," this is largely due to participation in the labor market.

While individuals may have experiences that differ from these averages, the overwhelming evidence is that education leads to higher incomes, both through earnings and other avenues. Individuals and families with higher education fare much better through our state, whether it be the Urban Triangle, the beautiful hills of Eastern Kentucky, or the rich plains of Western Kentucky.

Table 1: Average Individual Earnings Projection by Level of Education

	High School Graduate	Associates Degree		Bachelors Degree	
	Annual Earnings	Average Earnings Projection	% Increase Compared to High School	Average Earnings Projection	% Increase Compared to High School
Kentucky	\$28,317	\$36,387	29%	\$42,787	51%
Urban Triangle	\$28,715	\$36,554	27%	\$43,618	52%
Eastern Kentucky	\$29,003	\$37,066	28%	\$42,663	47%
Western Kentucky	\$29,161	\$37,793	30%	\$41,788	43%
South Central Kentucky	\$25,940	\$33,644	30%	\$38,262	48%



October 2015

Our results suggest that the state of Kentucky could reduce Medicaid costs by \$27 million if we were to increase our education levels modestly.

Obtaining a college degree reduces the rate of Medicaid eligible adults to 20% from 29%.

CENTER FOR BUSINESS AND ECONOMIC RESEARCH **ISSUE BRIEF** on topics affecting Kentucky's economy

Impact of Education on Medicaid Eligibility

By Christopher R. Bollinger (crboll@uky.edu)*

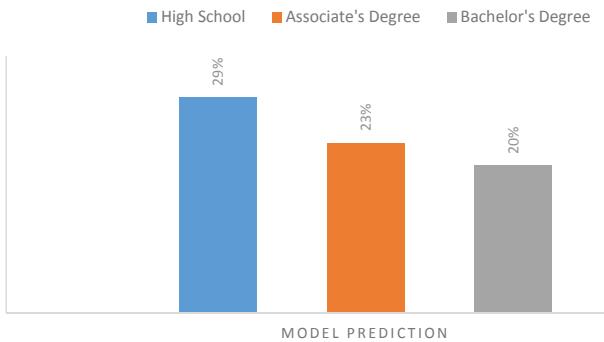
The individual mandate of the Affordable Care Act (ACA) coupled with the Medicaid expansion in Kentucky makes reducing Medicaid eligibility rates of crucial importance. This brief examines the link between education and eligibility for Medicaid for the citizens of Kentucky. In general, the relationship is nearly mechanical in that higher education leads to higher incomes. Since income is the key determining factor of Medicaid eligibility, and because of the individual mandate eligibility is mostly equivalent to participation, our estimates show that higher education reduces the likelihood that an adult will be on Medicaid or have children and family members on Medicaid. Our results suggest that the state of Kentucky could reduce Medicaid costs by \$27 million if we were to increase our education levels modestly and as much as \$200 million if we can achieve education levels comparable to the U.S.

We use the American Community Survey (ACS) for the years 2009 through 2013 (the latest data available). Rather than measure actual Medicaid participation, however, we use eligibility under the new Medicaid expansion rules for Kentucky. Adults who live in households with incomes less than 138% of the poverty level are eligible for Medicaid coverage**. For children and pregnant women, the eligibility threshold is 200% of the poverty level. We focus only on those individuals who are under the age of 65, since Medicare applies to those over 65.

Adults are eligible for (and because of the individual mandate, presumably will participate in) Medicaid if their family income is under 138% of the poverty line. We begin by examining how the rate of eligibility in the Kentucky population is associated with education. Using statistical techniques, we isolate the effect of education on eligibility from other factors such as race, gender, age, and marital status.

Figure 1 presents this relationship. Overall, 29.3% of adults with a high school diploma are eligible to participate in Medicaid. We predict that obtaining a college degree would reduce that rate by 9.3 percentage points to 20%. Similarly by obtaining an Associate's

Figure 1: Education and Medicaid Eligibility Rates



degree, the eligibility rate would fall by 6.2 percentage points to 23.1%.

*This research was funded by the Council on Postsecondary Education (CPE) to study the relationship between education and outcomes such as income, employment levels, health, public assistance use, and crime.

**In 2013, for a household of four people, the poverty level was \$23,834, according to the U.S. Census Bureau.



As the education level of head of household adults increases, the rate of eligibility for Medicaid of children in these households decreases.

These predictions hold constant other aspects of individuals in Kentucky with a high school diploma, such as their gender, their family structure, and labor market conditions such as unemployment of where they live. In general, changes in education often lead to changes in some of these characteristics (for example family structure), and thus our results may be an understatement of what would happen were those individuals to obtain a college degree.

In Figure 2, we examine how child eligibility is impacted by the education level of the head of the household in which the child lives. This focuses the discussion on education of adults. As with our adult model, we isolate the impact of education from other factors such as the family size and the local labor market.

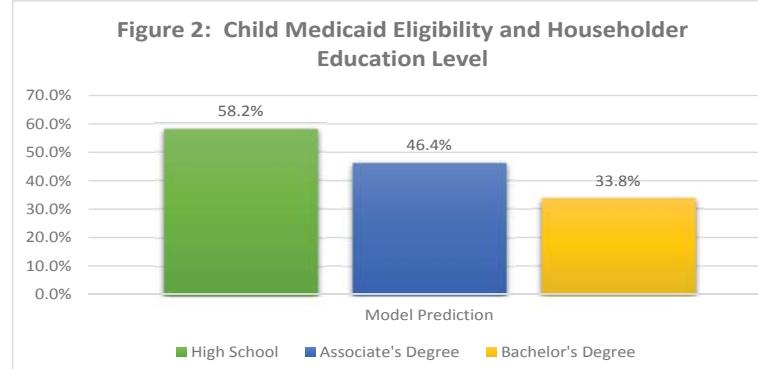
Eligibility rates are, in general, higher for children since the income eligibility threshold is higher (at 200% of the poverty line). Our model predictions are quite similar though: higher education of the adults will lower the eligibility rate of their children. Overall, 58.2% of children living in households where the householder has a high school diploma

are eligible for participation in Medicaid. Our model predicts that if those heads of household were to obtain a college degree, the rate of participation would drop nearly in half by 24.4 percentage points to 17.1%. Similarly, if we move heads of household from high school graduates to Associate's degrees, the child Medicaid eligibility rate would fall by 11.8 percentage points to 46.4%.

Translating this into costs is difficult due to the changing cost structure from the expansion and the individual mandate. The Kaiser Foundation suggests that adult participants in the Medicaid program cost approximately \$5,000 per year, while child participants cost approximately \$2,900 per year. It is likely that these figures are an overstatement as we move from voluntary participation to the individual mandate. However, if we use these estimates and increase Associate's and Bachelor's degree levels by 1%, we speculate this would reduce total Medicaid expenditures in the state by \$27 million. If Kentucky were to achieve education rates comparable to the U.S., the savings could be as high as \$200 million.

The relationship between household income and education, coupled with the new ACA individual mandate and the Medicaid expansion, means that improving educational attainment in Kentucky is crucially important to containing future Medicaid costs.

If Kentucky's education rates matched the U.S. average, the state could save up to \$200 million in annual Medicaid expenses.





CENTER FOR BUSINESS AND ECONOMIC RESEARCH
ISSUE BRIEF
on topics affecting Kentucky's economy

October 2015

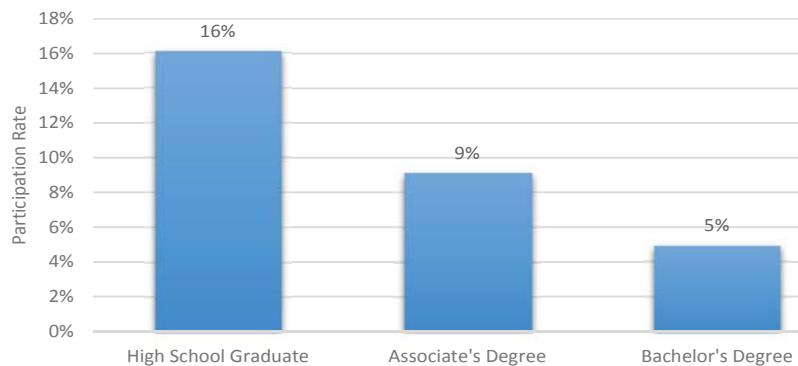
Increasing the education levels of Kentuckians can reduce expenditures on the SSI and SNAP programs by over \$100 million each year.

Only 5% of college graduates are predicted to participate in the SNAP program, compared to 16% of high school graduates.

Two of the largest federal transfer programs are the Supplemental Nutrition Assistance Program (SNAP) and Supplemental Security Income (SSI). Federal expenditures on SNAP exceeded \$74 billion in 2014, and SSI exceeded \$3 billion. While these programs provide families in distress with important support, ideally we desire that Kentucky families would not require this kind of assistance. In 2014, over 800,000 Kentuckians received SNAP assistance each month while over 190,000 received SSI. This brief examines the relationship between participation in these programs and educational attainment for Kentuckians. We find that education is highly related to participation and that those with higher education are much less likely to participate. By increasing educational attainment in Kentucky to the U.S. level, we can move people off of these means tested programs saving over \$100 million annually.

We use the American Community Survey (ACS) for the years 2009-2013 to examine this question. The ACS is well suited to addressing this question as it provides detailed demographic data, including education, as well as data on participation in these programs. The data also allow us to focus on Kentucky. We use statistical models to isolate the impact of education from other known characteristics associated with participation in these programs. In our data, about 17% of families in Kentucky qualified for SNAP during the period we study.

Figure 1: Predicted SNAP Participation



decreases by 7% to an overall rate of 9%. Only 5% of college graduates are predicted to participate in the SNAP program, an 11% reduction compared to high school graduates.

We estimate that by simply adding 1% to Associate's degrees and Bachelor's degrees, we could reduce Kentucky's participation rate by 0.3%, moving over 5,000 families off food stamps. The typical family in Kentucky receives a benefit of \$244 per month. The resulting savings would be \$14 million annually. If Kentucky could achieve education rates equivalent to the U.S. average participation would drop by 2%, moving over 33,000 households off food stamps, and saving over \$99 million annually.

*This research was funded by the Council on Postsecondary Education (CPE) to study the relationship between education and outcomes such as income, employment levels, health, public assistance use, and crime.

**The reason the overall average is higher than these three groups is that families headed by a high school dropout participate at a staggering 35% rate. We focus on high school and above here.

In Figure 1, we present the predicted participation rates for families headed by different levels of education. We find that while families headed by high school graduates have a base participation rate of approximately 16%**, the participation rate of those families where the head of the household has an Associate's degree



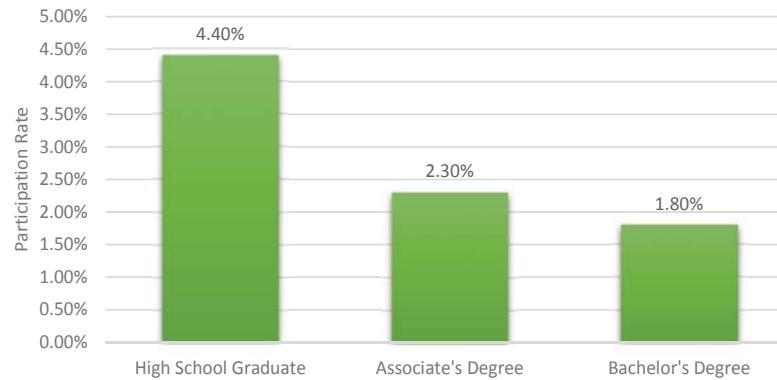
For adults under the age of 65, having a college degree drops predicted SSI participation rates by half.

Increasing the number of college graduates by 1% in each degree type (Associate's and Bachelor's degrees)

would reduce SSI related costs by over \$10 million.

The Supplemental Security Income (SSI) program provides income for individuals who are disabled and poor. In our analysis, we focus on adults who are under 65, although the program does provide benefits for children and seniors. One might be skeptical that education would matter here, but the data reveal that it does. Overall, about 4.7% of adults under 65 in Kentucky receive SSI benefits. Figure 2 provides our model results for the differences in participation between high school graduates and those with an Associate's or Bachelor's degree. Approximately 4.4% of individuals with a high school diploma receive SSI benefits. Our model shows that individuals with an Associate's or Bachelor's degree have a 2.1 or 2.6 percentage point lower participation rate: dropping participation more than half. Our model predicts that only 2.3% of Associate's degree holders and only 1.8% of Bachelor's degree holders would receive SSI.

Figure 2: Predicted SSI Participation Rates



Given that this program is designed to benefit those with disabilities, it may seem odd that participation falls so dramatically with education. There are a number of mechanisms by which this relationship manifests itself. Perhaps the most important, is that the typical jobs for which those with high school diplomas qualify are physically demanding. It is difficult for workers with physical disabilities to perform those jobs. This is significantly less true of the white collar jobs typically obtained by those with a college degree. Education allows individuals with disabilities the opportunity to have a rewarding career and provides opportunities which can mitigate other risks in life.

Our estimates suggest that were Kentucky to increase educational attainment of Associate's and Bachelor's degrees by 1%, we could reduce participation in SSI by 0.1%. This would reduce SSI roles by approximately 4,000 individuals and payments by over \$2 million. Similarly, were Kentucky to achieve the same educational attainment as the U.S. average, SSI participation would fall by 0.5%. This would reduce SSI roles by 20,000 individuals, reducing costs by over \$10 million.

Education provides opportunities for people to support themselves. Many studies have shown that individuals are happier and more satisfied when they can provide their own means of support and support their families. Moving individuals and families off of these kinds of means tested transfer programs should be a priority for the state of Kentucky, and an effective way to do that is through education.



October 2015

Tax revenues would increase by up to \$500 million per year if Kentucky education levels were increased to meet national averages.

Families headed by an individual with a Bachelor's degree comprise only 13% of the Kentucky population but contribute 25% of the total state income tax revenues.

CENTER FOR BUSINESS AND ECONOMIC RESEARCH **ISSUE BRIEF** on topics affecting Kentucky's economy

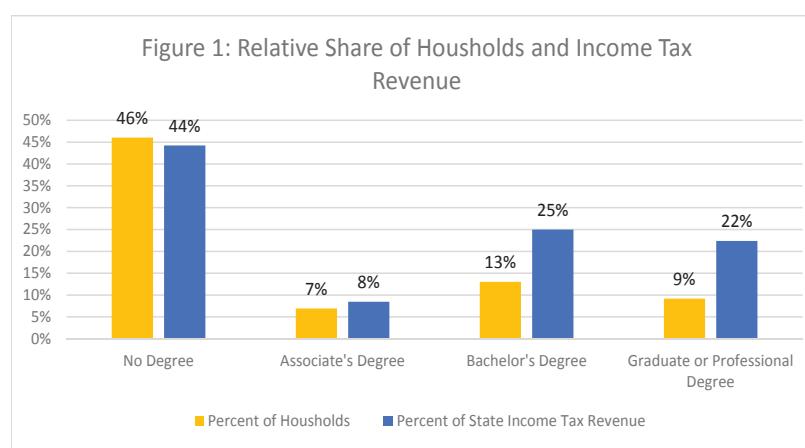
How to Raise State Revenue without Raising Taxes

By Christopher R. Bollinger (crboll@uky.edu)*

A positive relationship exists between educational attainment and earnings, which has been well established in the literature through multiple studies. This, in turn, influences the revenues generated for the state of Kentucky through the personal income tax. We predict even the modest change of increasing Associate's and Bachelor's degree holders by 1% would increase revenue by \$37 million. Kentucky loses between \$300 million and \$500 million in state tax revenues every year because our educational attainment is lower than the national average.

We use data from the American Community Survey (ACS) and the TAXSIM program, provided by the National Bureau of Economic Research (NBER), to estimate the amount that households in Kentucky pay in state income tax. We focus only on state income tax. Our estimates are for tax year 2011, the last year for which data and simulation modules are available. While our estimates are based on a simulation, but are quite comparable to the actual revenue of 2011.

Figure 1 presents a summary of our overall estimates for the state. We present the share of household and the share of state income tax revenues paid by those households.



Families headed by someone with a Bachelor's degree contribute 25% of the total state income tax revenue, while making up only 13% of households. Families headed by someone with a Graduate or Professional degree contribute 22% of the total state income tax revenue, while making up only 9% of all households. Most importantly, families headed by a person with a Bachelor's degree make up only 13% of households, but contribute 25% of the total state income tax revenue. The 9% of families headed by someone with graduate or professional degrees contribute 22% of total state income tax revenue.

Using these data, we've estimated the difference in taxes paid across the levels of educational attainment. We control for family structure and other demographic characteristics known to be associated with earnings. Thus, our results and our simulation here isolate the impact of education. A simple simulation is to ask what would happen if 1% of the households moved from being headed by high school graduate to being headed by a person with an Associate's degree. Using our projections, we estimate that total state income tax revenues would rise by 0.2%.

*This research was funded by the Council on Postsecondary Education (CPE) to study the relationship between education and outcomes such as income, employment levels, health, public assistance use, and crime.



Increasing the number of income earners with a college degree could potentially increase state tax revenues by \$37 million (1%) each year.

In 2013-14 tax year, that would amount to an additional \$6.9 million in tax revenues. Similarly, moving that group to have a Bachelor's degree would increase state income tax revenues by 0.8%, amounting to over \$30 million in additional revenues. Doing both would increase the revenues by over \$37 million.

We use our simulation to compare Kentucky educational attainment to the rest of the country. We ask the following question: how much additional revenue would be generated if the education distribution in Kentucky was similar to the education distribution in the U.S. as a whole? The simulation suggests that this change would generate between 9.9% and 14.3% more in state income tax revenues. This shift translates into revenue ranging between \$370 million and \$534 million.

One might be concerned, however, that these individuals who obtain higher education would end up worse off after taxes. This assumption does not reflect reality. A complete analysis of how education impact income and earnings can be found in our "Education Pays" Brief.

Table 1: Average Family Income Earnings Projection by Level of Education

	High School Graduate	Average Earnings Projection	% Increase Compared to High School	Average Earnings Projection	% Increase Compared to High School
Kentucky	\$28,317	\$36,387	29%	\$42,787	51%
Urban Triangle	\$28,715	\$36,554	27%	\$43,618	52%
Eastern Kentucky	\$29,003	\$37,066	28%	\$42,663	47%
Western Kentucky	\$29,161	\$37,793	30%	\$41,788	43%
South Central Kentucky	\$25,940	\$33,644	30%	\$38,262	48%

Shifting from having a high school diploma to an Associate's degree amounts to an additional \$8,000 per year in income or a 29% increase.

Total household income increases quite substantially when the head of the household moves from holding only a high school diploma to holding either type of postsecondary degree examined in the model. For example, gaining an Associate's degree increases average household income by \$8,070. Our predictions suggest that these individuals would only have to pay an additional \$346 in state income taxes, leading to a net gain of \$7,724 per year in income. Similarly, a household moving from a high school diploma household to a Bachelor's degree householder, would pay somewhere between \$1,560. The net gain, after taxes would be over \$12,900 when Federal income taxes are included, the Associate's degree holder still nets an additional \$6,770 per year, while the Bachelor's degree holder nets \$10,500.

Increasing education in the state of Kentucky will not only improve the financial well-being of our citizens, but it will help our state government to balance the budget as well.



The Economic Impacts of Education Attainment Across the Economy

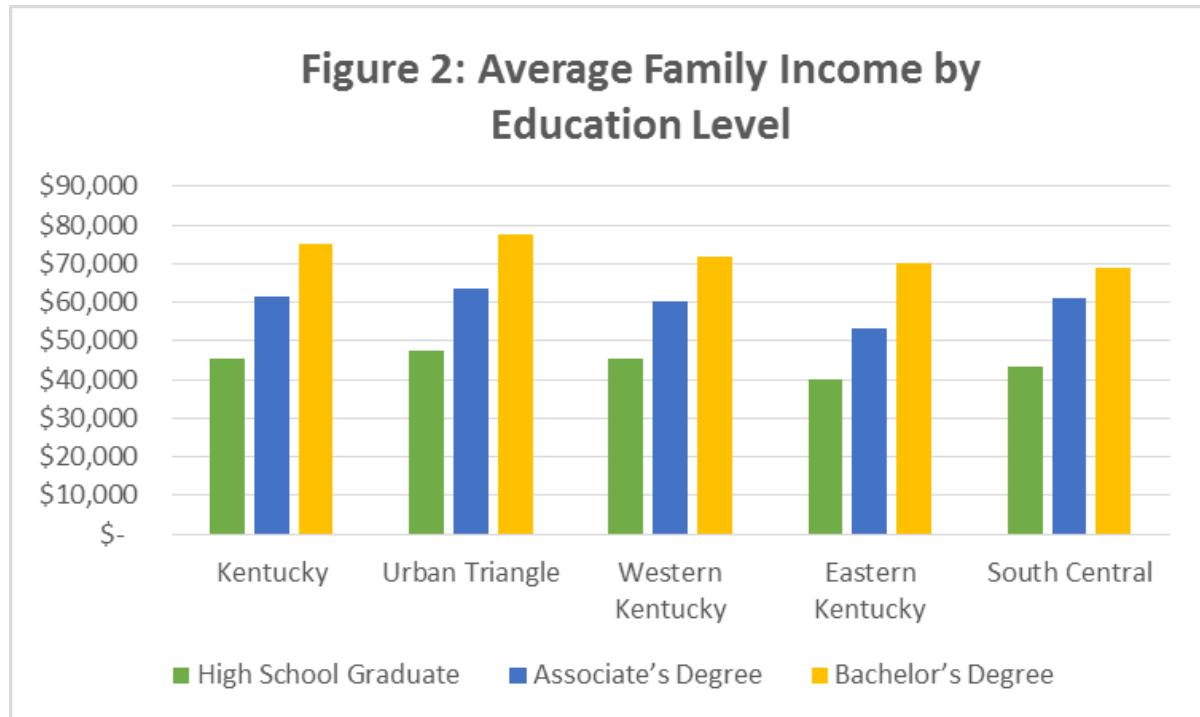
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CHRISTOPHER R. BOLLINGER
DIRECTOR, CENTER FOR BUSINESS AND ECONOMIC RESEARCH
UNIVERSITY OF KENTUCKY
OCTOBER 2015

- How does education impact individual earnings?
- What relationship exists between education and:
 - Taxes
 - Employment Rates
 - Crime Rates (Violent and Property)
 - Overall Health
 - Medicaid Participation
 - SNAP & SSI Program Participation
- Achieving National Averages would generate \$900 Million to the people of the state:
 - Around \$500 million in taxes, \$200 million in Medicaid, and the remaining from health and crime.

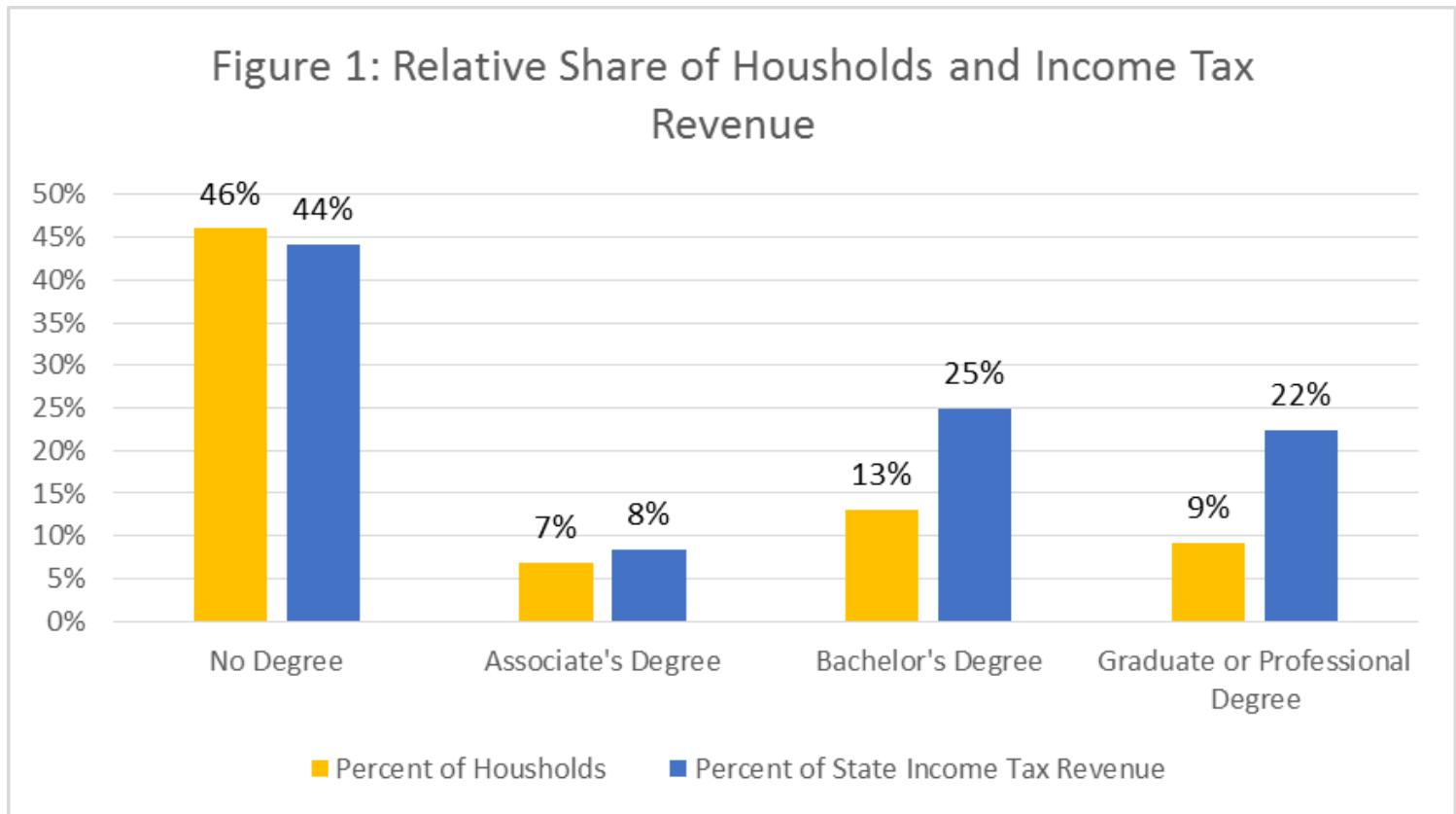
Income

- Shifting from having a high school degree to an Associate's degree amounts to an additional \$8,000 per year in income, or a 29% increase.
 - This amounts to a 56% increase in family income with a Bachelor's degree
- These trends hold for all four regions in the state.



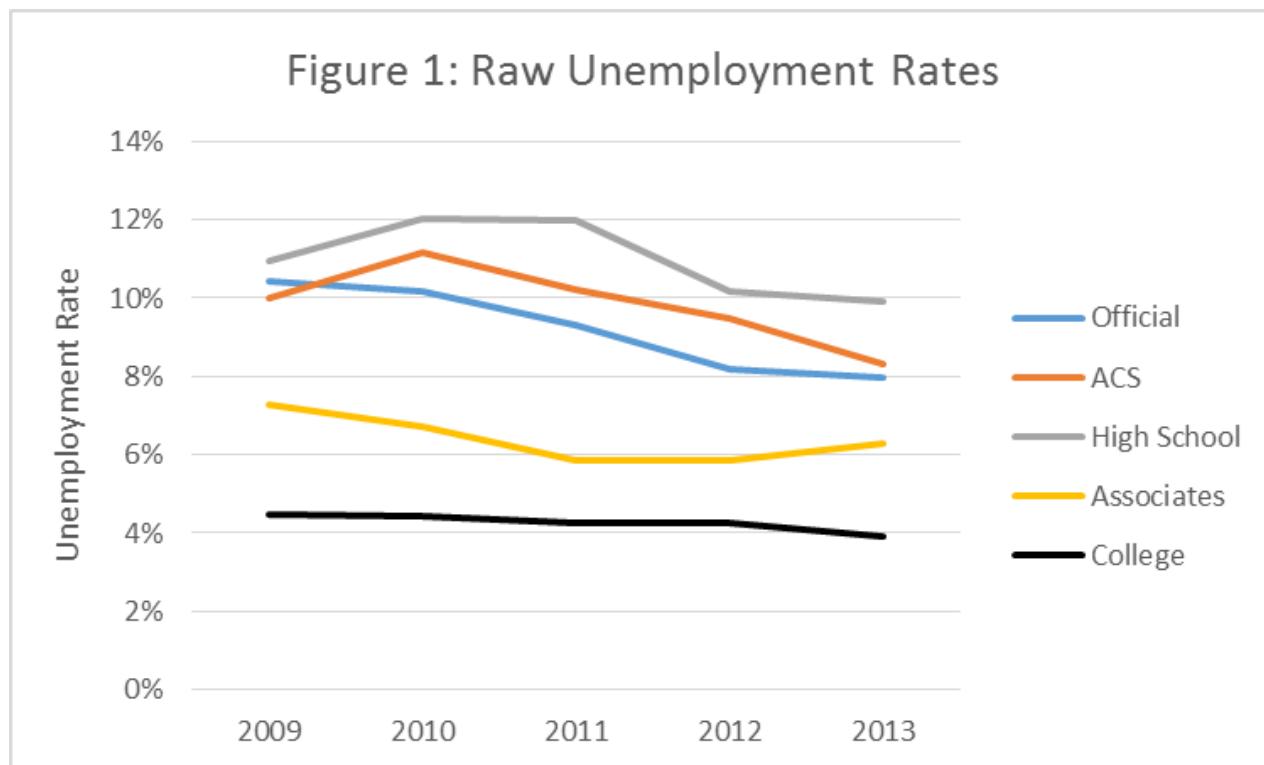
Tax Revenue

- Tax revenues would increase by up to \$500 million per year if Kentucky education levels were increased to meet national averages.
 - In 2013, 24% of Kentuckians held a Bachelor's degree, while the U.S. average was 31%.

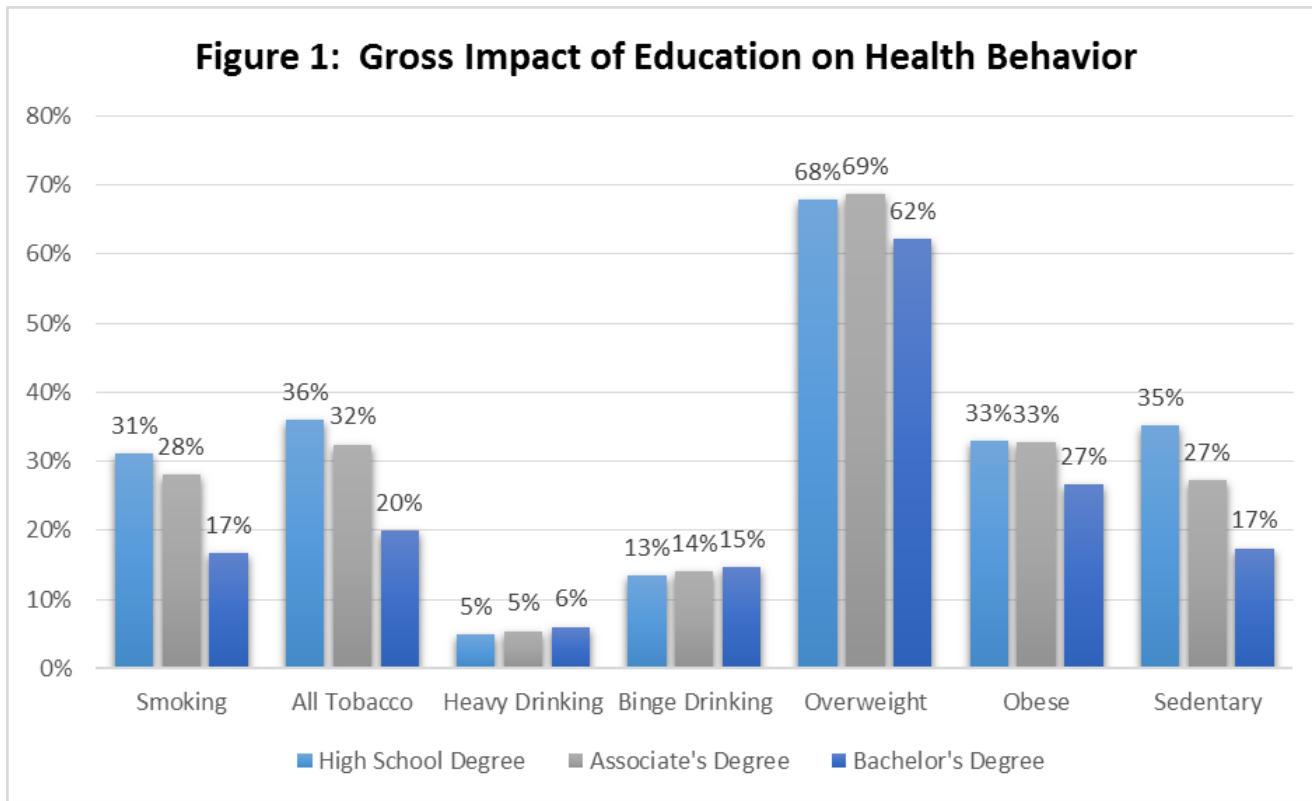


Employment

- A college education provides access to employment.
- As education level rises, unemployment levels decrease.
- Those with degrees are more likely to be in the labor market and more likely to keep their job through hard times than their high school educated counterparts.
 - Most of the discouraged worker effect and unemployment comes from high school educated, rather than college educated.



Health



- Individuals with a Bachelor's degree are 50% less likely to smoke or use tobacco products, which decreases their likelihood of developing chronic diseases such as diabetes and heart disease.
- By achieving education rates comparable to the rest of the U.S., Kentuckians could save nearly \$200 million annually in health care related costs.

Medicaid

- Kentucky could reduce Medicaid costs by \$27 million if education levels were increased modestly, and as much as \$200 million if the U.S. averages were achieved.
 - The Kaiser Foundation suggests that adult participants in the Medicaid program cost approximately \$5,000 per year, while child participants cost approximately \$2,900 per year.
- Obtaining a college degree reduces the rate of Medicaid eligible adults to 20% from 29%.

Crime

- Violent crime costs Kentucky approximately \$2.7 billion a year, while property crime costs \$1.3 billion.
- Moving 1% of the population from high school to Bachelor's degrees would reduce violent crime costs by \$160,000 each year and property crime costs by \$540,000 each year.
- If U.S. levels of education were achieved, violent crime costs could be reduced by nearly \$1 million and property crime costs by over \$2.5 million.

SSI & SNAP

- Increasing the education levels of Kentuckians can reduce expenditures on the SSI and SNAP programs by over \$100 million each year.
- Supplemental Nutrition Assistance Program (SNAP):
 - Increasing the number of college degree holders could reduce Kentucky's participation rate by 0.3%, moving over 5,000 families off food stamps and saving the state \$14 million annually.
 - The typical family in Kentucky receives a benefit of \$244 per month.
 - If Kentucky could achieve education rates equivalent to the U.S. average, participation would drop by 2%, moving over **33,000 households** off food stamps, and saving over **\$99 million** annually.

SSI & SNAP (cont.)

- Supplemental Security Income (SSI):
 - For adults under the age of 65, having a college degree drops predicted SSI participation rates by half.
 - Our estimates suggest that were Kentucky to add 1% to the Associate's degree and 1% to the Bachelor's degree attainment, we could reduce participation in SSI by 0.1%.
 - This would reduce SSI roles by approximately 4,000 individuals and payments by over \$2 million.
 - Similarly, were Kentucky to achieve the same educational attainment as the U.S. average, SSI participation would fall by 0.5%.
 - This would reduce SSI roles by **20,000 individuals**, reducing costs by over **\$10 million**.



THANK YOU



Council on Postsecondary Education
November 13, 2015

Committee Appointments

Chair Denton will make the following appointments:

- Committee on Equal Opportunities: The CEO was established by Executive Order 97-1072 to advise the Council on strategies for achieving the equal opportunity and institutional performance objectives. Council student member, Elizabeth Ruwe, will be appointed to the CEO to serve through the end of her term on the Council, June 2016.
- Nominating Committee: Three Council members will be appointed to the nominating committee, which will present nominations for Council chair and vice chair at the February 12, 2016, meeting. The appointments will be one-year terms, from February 12, 2016, to January 31, 2017.

Staff preparation by Heather Bingham

AIKCU GOOD NEWS

The Association of Independent Kentucky Colleges & Universities

Transylvania University and St. Catharine College celebrate October inaugurations

On October 9 the entire Transylvania University community celebrated the inauguration of Dr. Seamus Carey as the university's 26th president. Dr. Cindy Gandinger was installed as the 8th president of St. Catharine College on October 23.

UPIKE announces new president

The University of Pikeville has named Burton J. Webb, Ph.D. as its next president. Webb is currently the VP for academic affairs at Northwest Nazarene University in Nampa, Idaho.

University of the Cumberlands confirms president

Dr. Larry Cockrum, who has served as CEO and president-elect of University of the Cumberlands for the past year, was officially confirmed as the university's 10th president in October.

Campbellsville University receives \$2 million student success grant

Campbellsville University has received a five-year development grant from the United States Department of Education under the Strengthening Institutions Program. The grant will help fund efforts to improve student success in the first two years of college by reengineering the enrollment processes and the establishment of contextualized learning academies. The ultimate goals of the project are to increase retention and graduation rates.

Brescia University and Georgetown College celebrate enrollment milestones

Brescia University celebrated its highest enrollment in nearly 50 years this fall. Georgetown College welcomed its largest class of new students in four years.

AIKCU members fare well in U.S. News rankings

AIKCU members fared well in the most recent U.S. News & World Report Best Colleges rankings, with 15 institutions recognized in three different categories.

Three AIKCU members were ranked among the Top 100 National Liberal Arts Colleges: Centre College, Berea College, and Transylvania University. Georgetown College was also ranked.

Five were listed among the Top Regional Universities in the South: Bellarmine University, Thomas More College, Union College, Campbellsville University, and University of the Cumberlands.

Ranking among the Top Regional Colleges in the South were: Asbury University, Kentucky Wesleyan College, Alice Lloyd College, Brescia University, Midway University, and Kentucky Christian University.

Get the latest updates at AIKCU.org



CPE REPORT

Eastern Kentucky University News for the Council on Postsecondary Education



DOCUMENTARY FILM CHRONICLES HISTORY OF EKU

A documentary film that chronicles the history of EKU premiered recently at the Center for the Arts.

"The Essential Eastern," an 86-minute film in the making since early 2014 and funded by the President's Office, is organized chronologically. Produced and directed by EKU communications professor Chad Cogdill, follows the institution's evolution from Central University in 1874 and Walters Collegiate Institute to its beginnings as a state normal school in 1906 (Eastern Kentucky State Normal School is depicted above) and then to a state college and, eventually in 1966, a university. Through two world wars and other military conflicts, the Great Depression, the Civil Rights Movement and integration, the film touches on the historical events and cultural and societal issues that helped shape the campus and the students, faculty and staff who have called it home.

"What emerged," said Cogdill, "was Eastern's resiliency during difficult times, coupled with a strong sense of community throughout the institution's history. As with many educational institutions, Eastern has endured its share of victories and setbacks. But one thing remained clear, and that is a strong sense of community and institutional pride."

Cogdill said the film was inspired and informed by Dr. Bill Ellis' 2005 book, "A History of Eastern Kentucky University." Television personality Nick Clooney served as narrator.

The film, which will also air on KET, features interviews with 18 figures from the University's past and present, including Ellis and President Emeritus Doug Whitlock.

REGENTS APPLAUD GAINS IN NUMBERS, QUALITY

The EKU Board of Regents, meeting in regular session on Oct. 19, applauded a report from the Division of Student Success that indicated record enrollment numbers, continuing improvements in graduation rates and new highs for the preparedness level of this fall's incoming freshman class.

It also heard a construction update and about plans to create a life-size statue and wall to honor Hall of Fame Football Coach Roy Kidd at the stadium that bears his name.

Dr. Laurie Carter, executive vice president and University counsel, shared that:

- ▶ EKU this fall welcomed its largest freshman class in 35 years. The 2,906 freshmen are part of the University's largest-ever enrollment of 16,959.
- ▶ Thirty-nine percent of the freshmen were awarded merit scholarships, up from 28 percent a year ago. The average ACT score (22.2) and average high school GPA (3.28) are also the highest in University history. The number of Governor's Scholars is up from 29 a year ago to 50.
- ▶ The percentage of students with developmental needs is down from 31 percent to 21 percent.
- ▶ Seventy-six percent of all students in this fall's freshman class listed EKU as their first choice on their FAFSA forms. In particular, Carter noted, more high-quality students from the University's primary service region are choosing Eastern. A recently revamped merit scholarship model and associated increase in funding are "having a direct impact in our service region."
- ▶ Four-, five- and six-year graduation rates are all up and ahead of goal.



From left in EKU's Latino Success Center are Dr. Socorro Zaragoza, Dr. Abbey Poffenberger, Omar Salinas-Chacon and Liliana Gomez de Coss.

LATINO STUDENT INVITED TO WHITE HOUSE CEREMONY

His family fled the violence of El Salvador – his father and grandfather were once kidnapped for ransom – for the U.S. in 2001.

They could hardly pay their first winter heating bill – and that was in Nashville, Tennessee. Young Omar Salinas-Chacon attended a school where no one looked or talked like him, and his family faced such discrimination they wondered if they had a future in the land of their dreams.

What a difference a few years, a drive to succeed and a helping hand from the higher education community make. On Oct. 15, Salinas-Chacon, now a sophomore at EKU, found himself at the White House, the only Kentucky college student invited to attend a reception in celebration of Hispanic Heritage Month. The event also honored the 25th anniversary of the White House Initiative on Educational Excellence for Hispanics (WHIEEH).

The invitation came just a few months after Salinas-Chacon made a lasting impression on WHIEEH Director Alejandra Ceja at a roundtable discussion in Lexington that was part of the annual Latino Leadership and College Experience Camp (LLCEC), co-hosted by EKU and Bluegrass Community and Technical College. Ceja invited Salinas-Chacon to accompany Erin Howard, LLCEC director and director of Latino Outreach at BCTC, to the gala event.

"From six years ago, I went from being terrified of the White House and everything it represented to now being invited to the White House with open arms," Salinas-Chacon said. "That's what this means to me: a symbol of hope that the world is really changing and, despite what we may hear on the news, it is changing for the better."

As LLCEC director, Howard "didn't just show us academics, history, culture and financial aid. She showed us what is love, courage, compassion, forgiveness and pride, among other things."

Then there's an EKU trio of the "strongest and most compassionate women I have met, aside from my mother, of course": Dr. Abbey Poffenberger, chair of the Department of Languages, Cultures and Humanities; Dr. Socorro Zaragoza, Spanish professor and Latino Student Association faculty adviser; and Liliana Gomez de Coss, the University's full-time Latino recruitment specialist.

"They don't just push you to your limit academically," Salinas-Chacon said. "They push you to be the best person you know you can be. They challenge you to learn about your culture and yourself. They challenge you to push the limit of what people think of you. At the same time, they were the ones to ground me back to earth by asking

questions like 'Have you eaten today? Do you have enough to eat? How was your weekend?'

Salinas-Chacon, a 2014 graduate of Louisville Eastern High School, was first exposed to LLCEC and EKU in 2011, two years after his family moved to Kentucky.

"I know plenty of students who are in my situation," Salinas-Chacon said, "and they should be able to reach the same position I have, but they don't receive the same opportunities I did. In a way I was lucky, and I don't luck to be the only reason why someone receives an education. I want their hard work to make them reach that goal."

And maybe even reach the White House.

ONLINE PROGRAMS RANK BEST IN KENTUCKY

EKU ranks first among Kentucky colleges and universities offering online degrees, according to AffordableCollegesOnline.org (AC Online). Using a cost-to-quality metric to compare public and private not-for-profit institutions, reviewers placed Eastern first on their list of 12 schools in the Commonwealth.

Criteria for the 2016 Best Online Schools rankings included tuition, academic programs, counseling services and job placement for graduates. "These schools are going above and beyond to drive innovative learning in the much-desired online environment," said AC Online Founder and CEO Dan Schuessler.

"We are extremely proud to be recognized for providing a top-quality online learning experience," said EKU Executive Director of E-Campus Learning Tim Matthews. "It is especially meaningful to be recognized for affordability and academic quality since our team works hard to give students a respected, accredited education at a reasonable price."



KCTCS GOOD NEWS REPORT

HIGHER EDUCATION BEGINS HERE

OCTOBER 2015



BANDING TOGETHER GRANT BOOSTS BROADBAND ACCESS TO EASTERN KENTUCKY

The Appalachian Regional Commission recently announced \$1 million in grants for the construction of the Broadband Technology Center on the Pikeville campus of Big Sandy Community and Technical College (BSCTC). The \$1 million is comprised of a \$500,000 grant from the Appalachian Regional Commission and a \$500,000 Community Development Block Grant (CDBG).

"KCTCS has an extensive footprint in the eastern part of the state with five colleges and 24 campuses that are an integral part of the region's economic development efforts," said KCTCS President Jay K. Box. "We are committed to bringing our sizable resources together to assist SOAR in their vision of advancing the quality of life in eastern Kentucky."

Five KCTCS colleges in the region partnering with the SOAR initiative include: Ashland Community and Technical College, Big Sandy Community and Technical College, Hazard Community and Technical College, Somerset Community College and Southeast Kentucky Community and Technical College.

ABOVE: KCTCS and SOAR partners (L-R) President Devin Stephenson, Big Sandy Community and Technical College; President Kay Adkins, Ashland Community and Technical College; Dr. Larry Ferguson, KCTCS vice chancellor of economic development and workforce solutions; President Lynn Moore, Southeast Kentucky Community and Technical College; President Jay Box, KCTCS; Jim Host, SOAR Executive Board member; Jared Arnett, SOAR Executive Director; President Jo Marshall, Somerset Community College; President Steve Greiner, Hazard Community and Technical College.





ABOVE, LEFT: Congressman Hal Rogers and Governor Steve Beshear were moved by student testimonials during a SOAR Executive Board meeting on October 5 on the Prestonsburg campus of BSCTC. Pictured (L-R): BSCTC President Devin Stephenson, Congressman Rogers, Charles Scarberry, Tate Greene, Dakota Collins, Maria Wilson, David Goode, Dustin Marsh and Gov. Beshear.

ABOVE, RIGHT: BSCTC President Devin Stephenson with Congressman Hal Rogers following an announcement of grants in Somerset on Oct. 15.

SOAR was established in 2013 by Gov. Steve Beshear and Congressman Hal Rogers to address the significant challenges confronting Appalachian Kentucky. Its mission is to advance and promote a resilient and diverse eastern Kentucky economy by providing leadership, vision and collaborative partnerships to support innovative regional practices and enhance public and private investments.

"We have embraced the vision put forth by Congressman Rogers and Governor Beshear," said BSCTC President Devin Stephenson. "The Broadband Technology Center will serve as a catalyst to community and economic development in Eastern Kentucky, and it will serve as the standard for broadband and fiber optic training in the southeast United States."

To date, BSCTC has secured more than \$3.2 million in grant funding for the \$4.5 million project. In early October, the U.S. Economic Development Agency awarded more than \$2.2 million for the project.

The Broadband Technology Center will be a 45,000-square-foot facility that will house BSCTC's Fiber Optic Training, Fast Track IT and computer information technology programs. The college was the first in Eastern Kentucky to start a certified fiber optic training program endorsed by the Fiber Optic Association. The program has attracted national attention and students have enrolled from multiple states. Through an innovative stackable credential model, students can work toward an associate degree.

In addition to computer information programs, the five partnering KCTCS colleges will assist SOAR communities in creating and fostering local entrepreneurial enterprises. It is predicted that most new jobs in the region will be created by entrepreneurs and KCTCS currently serves as both a leader and catalyst for assisting fledgling businesses with both their training and professional development needs.

The KCTCS-TRAINS program will serve as an important tool to support both current and new employers in the region. It is part of the Kentucky Skills Network, which is a partnership between the Cabinet for Economic Development, Kentucky Career Center, Labor Cabinet and KCTCS. Through KCTCS TRAINS, companies are provided with funding to defray the costs of training and assessment services for current and potential employees to keep them competitive.

KCTCS will also support SOAR by using its many communication platforms to encourage prospective college students to enroll in programs and entrepreneurship courses that are aligned with the initiative and designed to transform the region's economy.





GOOD NEWS

KENTUCKY STATE UNIVERSITY

KSU's Retention Rate Climbs 38 Percent

A study from Kentucky State University's Office of Institutional Research and Effectiveness has revealed a 38 percent increase in the University's retention. The recently published 2014-2015 retention rate of 60.2 % is KSU's highest in 10 years. Retention rate is calculated as percent of first-time, full-time bachelor degree-seeking (Cohort) students who enrolled in previous fall term and returned in current fall term.

Although overall enrollment at the HBCU is lower at 1,585 total students compared with 1,895 students from fall 2014, all of the students are engaged and financially viable.

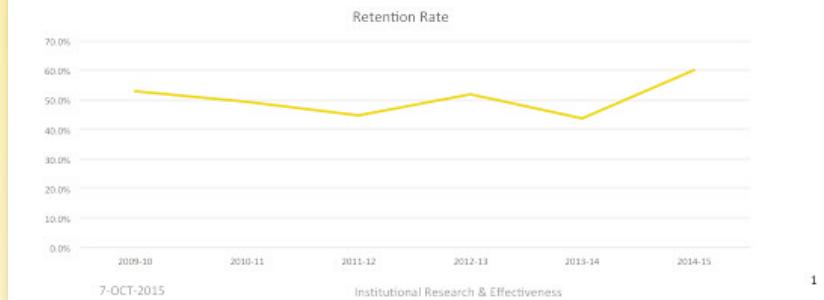
One of the reasons for the spike in the retention rate is President Raymond Burse's commitment to transformation. In August, Burse unveiled a new lineup of staff and faculty as part of his transformation team. He also has installed a new theme: In All Things Excellence.

Special assistant to the president Melinda Impellizzeri, who leads the University's Strategic Direction, believes that one of the key investments in the retention rate is the commitment to stronger programs around educational outcomes as well as staff and faculty accountability.

Retention Rate

Retention rate is calculated as percent of first-time, full-time bachelor degree-seeking (Cohort) who enrolled in previous fall term and returned in current fall term.

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Fall Cohort Size	410	450	431	329	462	274
Returned	217	221	192	170	202	165
Retention Rate	52.9%	49.1%	44.5%	51.7%	43.7%	60.2%



"We're putting structure in place to deliver better organization, better student progress monitoring, better customer service, and overall effectiveness," says Impellizzeri. "It's more than just a job, we are transforming to hold each other accountable for every role in our students' success."

KSU Alum Garry Bibbs gives Legacy Seminar Address



Sculptures by Garry R. Bibbs on display in the Student Center Ballroom foyer.

The Division of Fine Arts at Kentucky State University hosted its annual Legacy Seminar during Homecoming Week. The address was provided by artist, professor and KSU alum, Garry R. Bibbs.

Bibbs is also head of the Sculpture Area at the University of Kentucky. Bibbs works with a variety of metals and his large-scale sculptures can be found in cities across the country. In addition to the address, Bibbs installed an exhibition of his work in the Student Center Ballroom foyer.

Bibbs graduated with a B.S. degree with honors in Studio Art from Kentucky State University, completed his Master of Fine Arts degree from the University of Kentucky and received in 1986 a Ford Postdoctoral Fellowship to study art at the Art Institute of Chicago.

KSU professor to receive \$728,615 grant from National Institute of Justice

Kentucky State University associate professor of psychology and sociology Dr. Mara Merlino has been awarded grant funding of \$728,615 from the National Institute of Justice for her new project, "Cognitive Human Factors and Forensic Document Examiner Methods and Procedures."

The program was established as a part of President Barack Obama's Executive Order 13532, Promoting Excellence, Innovation and Sustainability at Historically Black Colleges and Universities.

Kentucky State University received official notification of the award from the National Institute of Justice on Thursday, Sept. 17.

"This will allow us to expand and continue our previous studies in forensic document examination," she says.



Dr. Mara Merlino

Merlino, who has been teaching at KSU since 2009, says that forensic science is any area of science that intersects with the legal system. Forensic science is used in many areas of law, including criminal, civil, family, and probate cases.

"But this in particular (for the research) deals with the examination of handwriting, hand printing and questioned documents," she explains. "As technology increases more and more, the examination of questioned documents can deal with ink chemistry and the characteristics of printers. In fact, I know a guy who is an astounding expert on typewriters. He can look at a piece of typewritten stuff and he can tell you the make and model of whatever machine produced it."

KSU grad and author awards scholarship at book event

Kentucky State University graduate and elementary school teacher Angela Wilkinson, who has recently released a children's book "Donuts Don't Lie," awarded a scholarship to KSU senior Christopher White during her meet and greet event Thursday at the Rosenwald Center for Families and Children in Frankfort, Ky.

Wilkinson said White's bio stood out from the ones that KSU professor Dr. Herman Walston sent from students who are majoring in Child Development and Family Relations.

White, a Louisville native, completed an internship at the U.S. Department of Defense in Key West, Fla. He talked with families about major and minor situations in a program called Kids Included Together during his internship.

"He's already offered a job with the Department of Defense in Florida," says the author. "He seems dedicated with working with children and making a difference in their lives, and that resonated with me. He has a lot of experience in dealing with kids. He is a bright, focused young man."

White, who will be graduating in May, is excited to be the first recipient of Wilkinson's scholarship.

"I'm overjoyed that I can win a scholarship from an alumna," he says. "I plan to use the scholarship in the spring toward books and supplies."



Christopher White with KSU grad and author Angela Wilkinson



Morehead State hosts Jack Uldrich

The President's Performing Arts and Speakers Program (PASP) was created to enhance the vitality of MSU and to expand the intellectual engagement of the University's students, faculty and staff, and community.

A crowd of nearly 750 attended "Jack Uldrich: The Big AHA," Thursday, Oct. 15, as part of the President's Performing Arts and Speakers Program. The event was co-hosted by MSU's College of Business and Technology.

AHA is an acronym for awareness, humility and action, all of which Uldrich said are necessary to embrace change. During his presentation, Uldrich spoke about emerging transformational technology trends and the need to discard old ways of doing things in order to embrace new innovations. "There are certain things we all learned early on about our industry that were correct years ago. The world has changed, but our thinking has not," he said. Uldrich added technology is growing exponentially, and he talked about 10 emerging technology trends that will transform the world, including wearable technology, 3-D printing, gene sequencing and more. "This kind of change requires humility and it demands action."

Uldrich is a renowned global futurist and the best-selling author of 11 books. He is a frequent guest on national media and regularly appears on the Science Channel's television program "FutureScape" and the Disney Channel show "Inside Out."

He is a prolific speaker on technology, change management and leadership, and has addressed Fortune 100 corporations, venture capital firms, associations, not-for-profit organizations, and state and regional governments on five continents.

Highly regarded for his unique ability to present complex information in an entertaining, understandable and digestible manner that stays with his audiences long afterwards, Uldrich has spoken to hundreds of businesses and organizations. He lives in Minneapolis, Minnesota, with his wife and two children.



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Top Ranked College for 12th Consecutive Year

MSU has been recognized for the 12th consecutive year as one of the top public universities in the South in the 2016 edition of "America's Best Colleges" by U.S. News & World Report. The newest rankings include MSU as 25th in the Top Public University-Master's/South division.

The rankings place emphasis on acceptance rates, graduation rates, admissions selectivity, and small class sizes. MSU has consistently been recognized for relatively small class sizes and a high percentage of full-time faculty members, which are two important factors of student success.

Named Best Among Online Colleges in Kentucky

MSU has been named among the "Best Online Colleges" in Kentucky.

AffordableCollegesOnline.org (AC Online), a leading resource for online learning and college affordability information, has released its ranking for the 2015-16 "Best Online Colleges" for Kentucky. MSU was ranked third.

Ranked schools met a variety of criteria and metrics that included public or private, not-for-profit institutions offering a bachelor's degree or higher, and at least one fully-online bachelor's degree.

AC Online has distinguished its ranking scale by the use of peer-based value, or PBV. The PBV score compares the cost of each program to the cost of similar programs with the same qualitative score.

MSU Partners with Governor's School for the Arts in EKY

The Kentucky Center Governor's School for the Arts has partnered with Morehead State University and the Kentucky Folk Art Center to provide hands-on visual art and instrumental music workshops to middle and high school students in Lee and Owsley counties. The Rising Artist Group initiative brings GSA faculty, and MSU faculty and students together to provide one-on-one instruction to students over the course of three school visits. During the visits, students spend the day working intensely in their art form.

Five join MSU halls of fame; Johnson, Rice receive Founders Award

Morehead State University welcomed five new members into its halls of fame and honored two individuals with the Founders Award for University Service on Friday, Oct. 9, during its Homecoming Banquet.

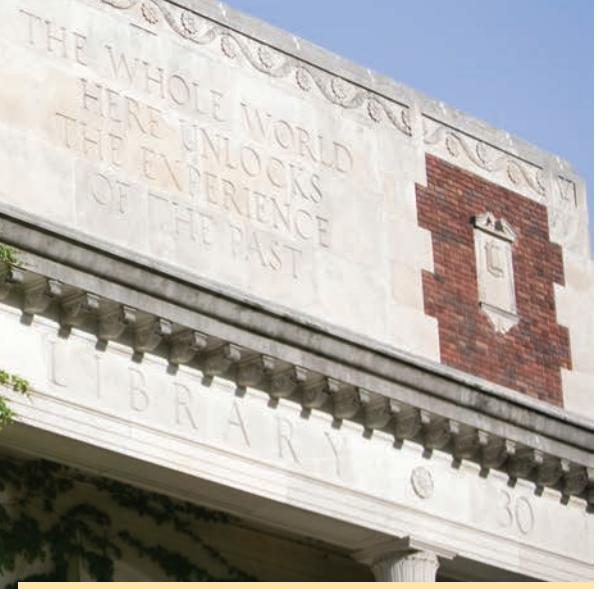
The 2015 Founders Award for University Service was presented to Carol Johnson and the late W. H. "Honie" Rice.

Inducted into the Alumni Hall of Fame were Chuck Charles (74), mayor of Ashland, Kentucky; Kelly Kulick (00), a successful professional bowler; and Randy Lillard (98), the assistant director for advanced development projects at the National Aeronautics and Space Administration (NASA).

Inductees of the Athletic Hall of Fame were Kandi Brown Parker (04), owner of the MSU record for career free-throw percentage; and Jim Wells (73), the official scorer for Eagle men's and women's basketball games.



MURRAY STATE UNIVERSITY



Murray State students take their education to the next level

Murray State University's Jasmine Young, a counseling graduate student, has developed a mentoring program serving at-risk African American youth in the Murray School District.

The We Are B.R.A.V.E. (Black, Respectful, Achieving, Victorious and Empowered) program's mission is to empower and strengthen African American youth by developing positive academic standards while exploring career and personal goals. It is a program designed to challenge students in grades K-3 to be strong and victorious in all that they do.

The mentoring program, with a strong focus on African American students, collaborates with Murray State University students who commit to supporting, guiding and being a friend to a young person for at least a one-year period.

There are three specific goals and objectives of the B.R.A.V.E. program: assist students in having a supportive relationship with the mentor; improve the participants' academic performance; and improve the students' skills in interpersonal relationships. This will serve as an early intervention to assist young African American students in the local school district ages 5 to 12 years old.

Currently, there have been 16 mentors recruited, trained and matched with students at Murray Elementary School. The majority of these students are in grades two and three in preparation for them to enter junior high school, but the program sees hope to be expanded to junior high and high school in future years.



Murray State University Receives Accolades



Murray State University (MSU) has once again been recognized by *U.S. News & World Report's Best Colleges* as one of the top schools in the country. The 2016 rankings list Murray State in ninth place among the top public regional universities in the South and marks the university's 25th consecutive year of top tier rankings by the college guide. Murray State continues to be the top-ranked public regional university in Kentucky in the Regional Universities-South category, which contains both private and public schools.



Murray State University has again been recognized as giving students more bang for their buck. For the second consecutive year, *Washington Monthly's "The Other College Guide: A Road Map to the Right School for You"* has Murray State highlighted as a best value for students seeking a college degree. MSU was the top ranked public university in Kentucky in the Southern Schools category of "Best Bang for the Buck."

Nursing program at Murray State sees increased graduation of men

Murray State University's School of Nursing and Health Professions has 34 nursing students graduating in December. Eleven of these students are men, making up 33 percent of the class.

"A career in nursing gives me job stability, various opportunities and a wide range of places to work. I don't have to worry about a limited market because nurses are needed everywhere. I also know that I can follow my future spouse almost anywhere and not have to worry about finding a job," said Matt Griffith, senior nursing student.



Murray State hosts Come Together Kentucky Conference

This October, Murray State hosted the 20th "Come Together Kentucky" conference targeted toward LGBTQ (lesbian, gay, bisexual, transgender, queer) college students, high school students, community members and the ally community. The event drew more than 160 participants from across the state.

Murray State alumnus Jim Carter, '79 and '86, honored with memorial dedication

During the excitement of this year's Homecoming festivities, the Racer community celebrated the life of one of its dearest members, the late Jim Carter. Carter, the former vice president of institutional advancement at Murray State and executive director of the MSU Alumni Association, was honored at the dedication of the Carter Alumni Plaza.



The Murray State women's soccer team has won its first Ohio Valley Conference (OVC) regular season title since 2008. The title is the second regular season championship for Murray State and the third title overall. In just his second year as head coach, Jeremy Groves has led his team to become the first-ever 10-0 Champion in the OVC with the most consecutive wins in program history.



Music education alumna "pays it forward"

A generous gift from Janet Gascoigne Voyles, 1977 graduate (B.M.E.) of Murray State University (MSU), to establish a scholarship endowment has a unique twist. Recently, Voyles received a gift of a clarinet from her former faculty instructor at MSU Don Story. Voyles repaid Story's generosity by donating \$25,000 in funds for a scholarship endowment at MSU.



Title IX and campus safety education continues

Janet Judge, a nationally known authority on Title IX, presented "Just the Facts: Title IX and Sexual Misconduct" at the university in two separate sessions — one for MSU faculty and staff, and one for MSU students. Judge is president of Sports Law Associates LLC where she concentrates her practice on intercollegiate sports and employment law counseling.

Murray State celebrates 60 years of integration

For Murray State University, 2015 is an exciting year of ongoing celebration, marking the 60th anniversary of integration on campus. During the summer of 1955, Mary Ford Holland enrolled at Murray State College, and soon other trailblazing black students followed her, including Vador Perry Warfield, Harvey Langford, Illah Perry Grant and Nancy Tyler Demartra.

A record number of families participated in Murray State's annual Family Weekend activities in September.



NKU GOLD RUSH

NOVEMBER 2015 NORTHERN KENTUCKY UNIVERSITY

GO FIGURE

\$8M

Investment to create the St. Elizabeth Healthcare Simulation Center in NKU's new Health Innovation Center

2

Horizon League tournament berths secured this fall by the Norse men's and women's soccer teams

38

Kentucky high schools or academies visited by President Geoffrey Mearns this fall on the "Road to NKU"



NKU, GOV. STEVE BESHEAR BREAK GROUND ON HEALTH INNOVATION CENTER

Imagine a world in which transdisciplinary teams – healthcare professionals, data experts, psychologists, and others – come together to study and find solutions to population health challenges such as addiction and chronic illness.

That is the ambitious vision behind Northern Kentucky University's new Health Innovation Center, which is now underway on NKU's Highland Heights campus. It is expected to open in 2018.

"This is an historic day for Northern Kentucky University," Beshear said at the Oct. 21 groundbreaking.

The Health Innovation Center will be home to the College of Health Professions and provide space to grow existing programs as well as add offerings, including an addiction science program.

"Our Health Innovation Center is more than a new building. It represents a new approach to education and to healthcare delivery," said NKU President Geoffrey S. Mearns. "We are proud to lead the way, with the help and support of our partners in Frankfort and in our local community."

The center will bring together experts from each of NKU's six colleges to create transdisciplinary teams to study health care from new perspectives. The approach will combine data analytics, psychology, preventative care, and holistic approaches to help address population health challenges such as addiction and chronic illness.

The project is funded by a \$97 million allocation from the Kentucky General Assembly. St. Elizabeth Healthcare has also invested \$8 million to construct and equip the two-story, state-of-the-art St. Elizabeth Healthcare Simulation Center, which will provide a real-world learning experience for students.

COLLEGE CORNER

COLLEGE OF INFORMATICS

NKU's Master of Business Informatics program is ranked 11th in the nation, according to *The Financial Engineer Times*. The ranking takes into account GMAT scores, undergraduate GPA, acceptance rate, post-graduation employment, and starting salary.

The program prepares students to help companies adapt to emerging technologies. MBI graduates are employed by firms such as Procter & Gamble, Great American Financial, and Citigroup.

LEARN MORE: http://www.nku.edu/news/_151009MBIranking.html

NKU UNVEILS NEW CAMPUS RECREATION CENTER



From 84,000 square feet to 169,000. From 7 windows to 677. From a 250,000-gallon pool to 375,000 gallons. NKU's newly-expanded and renovated Campus Recreation Center is not your typical gym.

The \$48 million center takes the fitness experience to a new level with state-of-the-art facilities and amenities such as a bouldering wall, multi-activity court, deep-water diving well with a climbing feature, and study and gathering areas for students.

The previous center, built in 1984, was designed for 3,000 students. NKU now serves more than 15,000 students, who approved a fee to fund the new recreation space and provided input throughout the planning process.

The Campus Recreation Center is intended to be a hub for student engagement and a center for involvement by the university community. It is also environmentally-friendly: the LEED Silver facility is heated and cooled by 80 new geothermal wells, each 400 feet deep.



THE SCOREBOARD

NKU's NCAA Division I men's basketball team has embarked upon its inaugural season in the Horizon League under new head coach John Brannen.

Brannen comes to NKU from Alabama, where he guided the Crimson Tide to a first-round victory in the 2015 NIT. The Covington native is a graduate of Marshall University.

He has promised an aggressive style of play by the Norse: "We're going to play 94 feet both ways."

FACULTY FOCUS

Dr. Linda Wermeling traveled to Ukraine this fall to assist in social work curriculum development at Volodymyr Hnatyuk Ternopil National Pedagogical University.

She is one of just 400 U.S. faculty and professionals to travel abroad this year as part of the prestigious Fulbright Scholar Specialists Program, which pairs them with institutions around the world in need of their expertise.

Wermeling specializes in a problem-based, team-based approach to social work education. In Ukraine, she advised social work faculty in curriculum development, conducted seminars, and consulted with university administrators.

READ MORE: http://www.nku.edu/news/_151006fulbrightspecialists.html

ALUMNI NEWS



Julie and David Schneider wanted to help NKU students reach for the stars – so the Boone County couple donated an observatory on the roof of the University's tallest academic building.

The Julie and David Schneider Observatory will provide a research laboratory for NKU students and faculty as well as for community members. The 1,000 square-foot facility features a retractable roof and eight permanent telescopes.

Julie Schneider ('87) is owner and operator of Schneider Homes Inc. and Castle Bluff Developments. David Schneider ('86) is CEO of Walton-based Rem-Brands and holds several chemical patents.

"Julie and I hope many will enjoy the Schneider Observatory for years to come," Schneider said.

READ MORE: [HTTP://NLU.EDU/NEWS/_150826SCHNEIDEROBSEVATORY.HTML](http://NLU.EDU/NEWS/_150826SCHNEIDEROBSEVATORY.HTML)

BRIEFS

U.S. NEWS & WORLD REPORT RANKS NKU AMONG TOP SCHOOLS IN AMERICA

Northern Kentucky University is among the top higher education institutions in America, according to new rankings by *U.S. News & World Report*.

NKU is ranked 80th among regional universities in the South, and ranked 38th among public schools in the South. The university also made the list of Best Colleges for Veterans and the list of Best Undergraduate Business Programs.

"These rankings reinforce that something special is happening at NKU," said NKU President Geoffrey S. Mearns.

READ MORE:

https://www.nku.edu/news/_150915usnewsrankings.html

HIGHLAND HEIGHTS, NKU RANK SEVENTH ON LIST OF '50 SAFEST COLLEGE TOWNS IN AMERICA'

Highland Heights, home to Northern Kentucky University, is the seventh safest college town in America, according to Safewise.

The Utah-based security and crime prevention firm used FBI crime statistics as well as research about crime prevention efforts to compile its rankings.

The company praised the University Police Department for its outreach to students and the Highland Heights Police Department for its efforts to educate and inform the community.

READ MORE:

https://www.nku.edu/news/_150923safestcollegetowns.html

HAILE/US BANK COLLEGE OF BUSINESS NAMED A PRINCETON REVIEW 'BEST BUSINESS SCHOOL'

NKU's Haile/US Bank College of Business is again one of the nation's best business schools.

The college is included in The Princeton Review's *The Best 295 Business Schools* for the fourth year.

The Princeton Review surveyed business students about their school's academics, student body, campus life, and their own career plans. NKU's College of Business earned high marks for its rigorous curriculum and experienced faculty, as well as small class sizes and flexible scheduling.

READ MORE:

http://www.nku.edu/news/_151014princetonreview.html

NKU HONORED WITH ROLE MODELS AWARD FOR COMMITMENT TO DIVERSITY

NKU's commitment to inclusiveness and diversity is earning national attention.

Minority Access, a nonprofit committed to increasing diversity, decreasing disparities, and reducing incidences of environmental injustices, has recognized those efforts with its Role Models Award.

The University accepted the award at the National Role Models Conference, one of the most prestigious conferences of its kind addressing issues of diversity and disparities in the nation.

READ MORE:

<https://www.nku.edu/news/150831minorityaward.html>



A Message from President Capilouto

New Milestones in Student Success

A few weeks ago, I had the opportunity to recognize a special member of the UK family who personifies one of our most important and precious responsibilities: teaching. Dr. Christia Spears Brown, a professor of psychology, received the Acorn Award, an honor presented each year to a faculty member exhibiting excellence in service and commitment to students.

Dr. Brown said something that day that touched me. She said, "teaching is intimately personal," and she quoted national award-winning educator, Jose Antonio Bowen, who said: "The classroom environment is primarily relational, not informational."

Teachers are no longer the gatekeepers of knowledge, but rather the facilitators of learning.

Our dedicated faculty and staff, such as Dr. Brown, who build relationships and invest in students, invigorate our ability to retain and graduate successful students.

We are seeing the results of this important work.

This year, we achieved our highest recorded retention rate for first year students in our history--82.7 percent. This number is even more powerful when you think about the individual students it represents: 463 more first year students who returned to our

campus this year than in 2013. To put it another way, 463 lives changed by a college education.

There is still more work to do, but these numbers are moving in the right direction.

Efforts toward aggressive goals for our retention and graduation rates are indicators of a broader campus culture dedicated to the academic achievement and personal development of those who make up our university community. Many of our individual colleges have also set new records for both retention and number of students served. We have also seen the campus graduation rates climb over just the last year. Our six-year graduation rate reached 61.3 percent, a 1.1 percent increase.

These accomplishments reflect your commitment, collaboration and dedication to our students.

We must continue to build upon your good work.

Sincerely,

Eli Capilouto, President

Enrollment, Academic Quality Show UK is Poised for Excellence

The last four years of UK's campus transformation have helped lay a foundation — the goal of which is achieving academic excellence in everything that happens at the institution.

The foundation for excellence is evidenced most recently in preliminary 2015-2016 enrollment numbers released the September meeting of the UK Board of Trustees in Hazard.



Highlights of enrollment for fall 2015 semester include:

A larger campus, educating more students: With 5,217 students this fall, it's the second consecutive year, UK has had more than 5,000 students in its first-year class as well as the second consecutive year the university has had more than 30,000 students overall. It's a 21 percent increase in first-year students since 2010.

The most academically prepared: The average ACT of first-year students is 25.5; the average GPA is 3.68; 117 students in this class are National Merit, Hispanic and Achievement Scholars and more than 700 students had ACT/SAT scores of 31 or above

An increasingly diverse campus: Nearly 560 students in this first-year class are African Americans, more than 10 percent of the class; 265 are Hispanic. The UK campus is now the most diverse in its history

In the past four years, UK has initiated — or is about to begin — more than \$1.8 billion in capital construction projects, focused on living, learning and dining spaces, as well as classroom and research facilities. That foundation is designed to create one of the pre-eminent living, learning and research environments in American public higher education.

Now, as UK and the Board of Trustees considered a new strategic plan in its wOctober retreat, the institution will continue its focus on student success through increased retention and graduation rates, as well as how well it is preparing those graduates for success in the broader world.



Largest, Single Gift in UK History | Focused on Enhancing Student Experience, Honors

Further underscoring the commitment to create the best possible academic experience for students, the University of Kentucky announced the single largest gift in UK's history — \$23 million to create one of the country's leading Honors programs.

The gift, from UK alum and long-time donor Thomas W. Lewis and his wife Jan, of Paradise Valley, Arizona, will establish an Honors College at the University of Kentucky. The establishment of a new college will be subject to faculty review and endorsement through the University Senate next year.

Lewis, a native of Lexington and 1971 engineering graduate of UK, is a seventh generation Kentuckian, tracing his direct ancestry back to Squire Boone, the father of legendary frontiersman Daniel Boone. After UK, Lewis attended the University of North Carolina at Chapel Hill where he earned an MBA.

Lewis entered the home building business after graduate school and over the next 18 years was employed by a series of large firms where he gained practical experience at all work levels. In 1991, he began his own business, T.D. Lewis Company, in Phoenix, Arizona, which became one of the nation's

most successful home building enterprises, receiving numerous awards including America's Best Builder, the National Housing Quality Silver and Gold Awards and America's Best Design Center Award.

In the last five years, participation in the university's Honors Program has nearly doubled, growing from 750 students to 1,400, part of an effort to enhance the undergraduate educational experience,

while also improving retention and graduation rates.

UK's mission is focused on students and serving Kentucky. That vision and that mission are attracting dedicated donors and alums, who share that sense of service to the university and to the Commonwealth, as evidenced by the fact that this gift is focused on the success and future of UK students. 



UK Begins Work on Research Facility Designed to Address State's Health Disparities

The University of Kentucky announced the beginning of work on a research facility unique in the country—a building dedicated to addressing health challenges and disparities in Kentucky.

The research facility—scheduled for completion in spring 2018—is a \$265 million building. Half of the funding for the facility is coming from the state of Kentucky; half is coming from University resources, including private gifts.

Robert Stivers, president of the Kentucky Senate said this project would represent the largest large impact on health and healthcare he had seen in his 19 years in the legislature.

The design and focus of the building come with a specific scientific underpinning. Specifically, the new facility will focus work and attention on health disparities in our state. In some of the most debilitating and deadly diseases, we lead the country in incidence rates. It is time to make a death a beggar in Kentucky.

The new building will be linked to other major research space in the heart of the campus, the Bio-Pharmacy Building and the Biological Biomedical Research Building, further fostering collaborative and multidisciplinary work. 



Two unique areas of focus will distinguish the building:

Its focus on Kentucky challenges, particularly health disparities in areas such as a cancer, diabetes, heart diseases, drug abuse, and other health conditions where the state is among the country's leaders in incident rates.

Its fostering of multidisciplinary research across numerous fields—health care researchers (both basic and clinical), public health, behavioral sciences, agriculture outreach and extension, economics and engineering —working in close proximity and collaboratively to develop solutions to these complex problems. A fact sheet with information about the design and building's focus is attached.



The President's Report

Issue 76 October 2015

A Letter from the President

Dear Friends,

Over the past few weeks, you have been seeing news coverage about allegations involving our men's basketball program. We are taking these allegations seriously and are committed to finding the truth.

When we were made aware of these allegations we immediately hired an independent investigator to work with the NCAA to determine what is true. This investigation continues and we have no information on how long it may take.

While the review of the men's basketball program likely will remain in the news in the coming months, we will not be distracted from doing the work that we do day in and day out at the University of Louisville. We continue to provide our students with the best education, conduct groundbreaking research and make positive contributions to our community. We must continue to push this university forward.

We're committed at UofL to attracting the best and brightest students and we can again report to you that this year's freshman class is the best academically prepared in our history. The more than 2,800 students in this class have an average ACT score of 25.5, and 55 percent already have earned some college credit. Those impressive numbers have been steadily rising each and every year.

But the competition for these great students is strong. Getting them to come to UofL means we must have the best faculty, class offerings and facilities.

We announced a significant improvement for one of our most used facilities in early October. The Swain Student Activities Center soon will receive a \$40 million renovation that will include an overhaul of the bookstore and updated lobbies, lounges and restaurants.

The project will enlarge and modernize the 25-year-old SAC. We'll begin work in the spring and complete the project by January 2018.

The renovation will enable us to continue recruiting the very best students from across the state. Because academic success and student engagement are so closely linked, we need to do everything we can to provide the best facilities for our students. That's what they deserve.

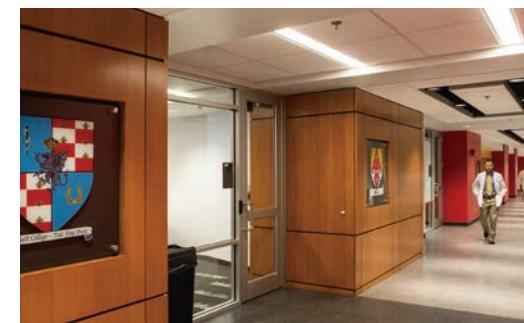
James R. Ramsey, President, University of Louisville

School of Medicine elevated from probationary status

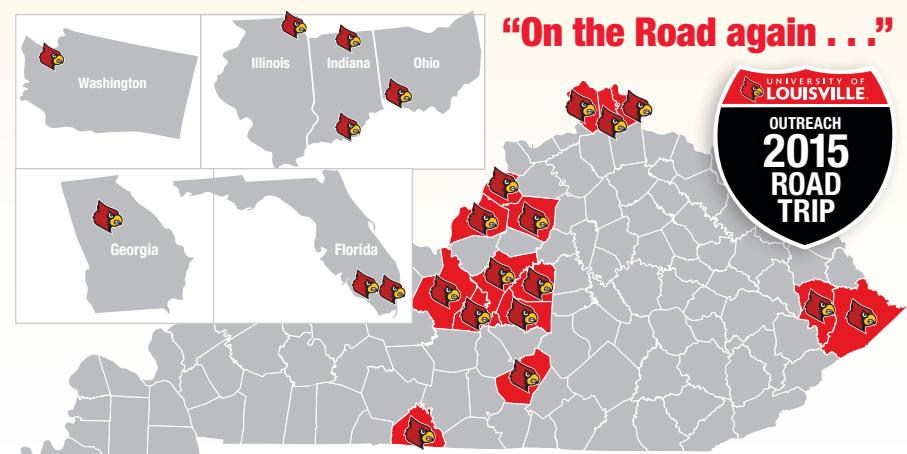
The UofL School of Medicine's two-year process to revamp curriculum and upgrade instructional space brought the program into full compliance with educational standards set by its accrediting body and elevated it from probationary status.

The Liaison Committee on Medical Education (LCME) notified UofL in mid-October that the school was no longer on probation. The school remained fully accredited during probation while addressing LCME's concerns.

"During the past two years, we have worked diligently to address the concerns raised by the Liaison Committee on Medical Education (LCME)," said Toni Ganzel, MD, MBA, dean of the UofL School of Medicine. "We reformed our preclinical curriculum from a discipline-based model to an integrated model with more active learning and engaged pedagogies. We completed a major renovation of our instructional building, implemented new educational technologies and strengthened our educational governance and organizational structure. We continue our efforts to assure that we consistently meet or exceed expectations for compliance with LCME standards."



The renovated School of Medicine instructional building.



UofL President James Ramsey is on the road for his annual outreach visits with high school students across the state and beyond. With visits in Lebanon, Union, Pikeville and more, Ramsey is crisscrossing the state to share details on UofL's academic opportunities and thriving campus life, and encourage students to visit campus.

During the tour, which runs through November, Ramsey expects to visit with more than 3,100 students and their families. In addition to the stops in Kentucky, the Presidential Outreach Tour will travel to southern Indiana, Ohio and Illinois.



President Ramsey speaks to students during the 2015 Presidential Outreach Tour.



SAC to undergo \$40 million upgrade

The headquarters for student life at UofL will receive a dramatic makeover after the UofL Board of Trustees approved in October a \$40 million renovation for the Swain Student Activities Center.

"Renovation of the Student Activities Center is a priority of the university as we continue to recruit the very best students from across the state," said UofL President James Ramsey. "Academic success and student engagement are so closely intertwined that we are doing everything we can to provide the very best facilities for our scholars."

The makeover will add 32,775 square feet to the building and includes a new bookstore, and updated restaurants, lounges and lobby space. Plans also call for upgrades to electrical, plumbing and mechanical systems, plus the removal of interior escalators and an exterior ramp.

Private sources, facility funds and a \$9.6 million agency bond funded by the current student activities fee will pay for the renovation. Work is expected to begin in the spring and be completed by January 2018.

Alumni Association honors

The 2015 class of UofL Alumni Fellows includes a former president for a leading risk management firm, a founder of Orchestra Kentucky and an NFL quarterback.

The UofL Alumni Association recognized 12 distinguished alumni as fellows at the 32nd annual awards presentation Oct. 22. The honorees are graduates who have distinguished themselves in their chosen fields and are exemplary ambassadors for the university and their college or school.

The association named J.D. Nichols 2015 Alumnus of the Year, and gave the Wilson Wyatt Award to the late Jim King.

College of Arts and Sciences

Joseph McSweeney, president of the McSweeney Family Foundation and former president of Global Sales of Marsh LLC insurance broker and risk management firm

College of Business

W. Kent Oyler, president and CEO of Greater Louisville, Inc.

School of Dentistry

James and Virginia Wilson, owners of Virginia K. Wilson, D.D.S. and James R. Wilson, DMD practice in Jacksonville, N.C.

College of Education and Human Development

Theodore A. Bridgewater, NFL quarterback for the Minnesota Vikings

J.B. Speed School of Engineering

Paul D. Carrico, former president and CEO of Axiall Corporation

Louis D. Brandeis School of Law

Demetrius O. Holloway, defense attorney with Stites and Harbison

School of Medicine

James E. George, strategic advisor to the president of TeamHealth

School of Music

Jeffrey A. Reed, music director and co-founder of Orchestra Kentucky

School of Nursing

Melissa D. Pinto, assistant professor at Emory University Nell Hodgson Woodruff School of Nursing

School of Public Health and Information Sciences

Therese S. Hughes, epidemiologist with Baptist Health System

Raymond A. Kent School of Social Work

Betty J. Tatro, owner of B.J. Tatro Consulting

UofL researchers awarded patents for medical innovations

Technologies to improve bone grafts and improve recovery from spinal cord injury are among the patents recently issued to the University of Louisville Research Foundation.

- The FDA patented and cleared a substitute bone graft material called Trabexus EB for use by orthopaedic surgeons in patient care.

Created by UofL researchers, the material is a bone replacement cement that provides both strength and resorbability in repairing bones damaged through injury, tumor or other defects. It is licensed and marketed by Vivorte.



A researcher holds a sample of Trabexus EB bone graft cement.

- Additionally, UofL researchers developed a method that uses stem cells from a patient's nasal passages to regenerate the spinal cord to repair an injury. The stem cells, called RhinoCyties, also can be used in the treatment of Parkinson's Disease, amyotrophic lateral sclerosis (ALS), multiple sclerosis and type 1 diabetes. The method of generating the RhinoCyties has been licensed from UofL by RhinoCyte, Inc.

Other patents are in the works for cancer immunotherapies, protection of lung tissue during radiation treatment, and reversal of neurological damage. UofL's Office of Technology Transfer and Industry Engagement works with UofL researchers to submit patent applications and negotiates commercialization opportunities for patented technologies.

UofL is the only university with three of the most prestigious innovation-associated commercialization grants: the Coulter Translational Research Partnership, the National Science Foundation's I-Corps and the National Institutes of Health Research Evaluation and Commercialization Hub (REACH).



The University of Louisville is an equal opportunity institution. The delivery of this publication is carbon neutral. It is printed on 100% post-consumer waste recycled paper. It was produced by the University of Louisville and printed using nonstate funds. 10/15

Western Kentucky University news for the Council on Postsecondary Education, November 2015
 For more WKU news, visit www.wku.edu/news.

WKU dedicates Honors College/International Center

In October WKU dedicated the \$22 million, nearly 70,000-square-foot, three-story Honors College/International Center.

The building houses the Honors College, Office of Scholar Development, Chinese Flagship program, Study Abroad and Global Learning, Office of International Programs, Kentucky Institute for International Studies, International Enrollment Management, International Student Office, Navitas and English as a Second Language International. The building also includes classrooms, study rooms and a thesis defense room. <https://wkunews.wordpress.com/2015/10/23/honors-international-dedication/>



Officials dedicate the new Honors College/International Center.



Madison Thomas, president of WKU USGBC Students, unveiled the LEED certified plaque at Gary Ransdell Hall during a recognition ceremony.

LEED® green building program is the preeminent program for the design, construction, maintenance and operations of high-performance green buildings. USGBC awards Leadership in Energy and Environmental Design certification at four levels – Certified, Silver, Gold and Platinum. <https://wkunews.wordpress.com/2015/10/28/leed-ceremony-2015/>

WKU, USGBC recognize 3 LEED certified buildings

In a Campus Sustainability Day event, the U.S. Green Building Council recognized three buildings at WKU for achieving LEED certification.

Gary Ransdell Hall became WKU's first LEED certified building in 2011 and achieved LEED Gold certification. USGBC also has recognized Music Hall as LEED Silver and Augenstein Alumni Center as LEED Certified. Plaques were unveiled at each building.

Sustainability has a rich history at WKU, which has been a member of USGBC since 2007. The U.S. Green Building Council's



WKU wins national award for Literacy 199

WKU faculty members Daniel Super and Pam Petty and President Gary Ransdell were in Austin, Texas, recently to receive the Excellence in Innovation Award from AASCU for the Literacy 199 program. The for-credit intervention course was developed as an alternative to non-credit developmental courses to help students who are under prepared for college reading.

<https://wkunews.wordpress.com/2015/08/19/literacy-award/>

Nine Gatton Academy students honored for academic achievements

Seven seniors at the Gatton Academy of Mathematics and Science in Kentucky at WKU have been named semifinalists in the 2015 National Merit Scholarship Program.

Since The Gatton Academy's inception in 2007, 79 students have been named National Merit Semifinalists. Fifty-eight current Gatton Academy seniors took the PSAT, meaning 12.1 percent of the students made the National Merit Semifinalist level.

Two seniors were recognized as national semifinalists in the 2015 Siemens Competition in Math, Science, and Technology. The Siemens Competition, the nation's premiere science research competition for high school students, reports receiving more than 1,700 student submissions this year.

WKU PBS, PBS KIDS, Overstock.com team to provide books to children

Representatives of WKU PBS delivered two rounds of books to area children as part of its Reading Readiness campaign.

More than 300 books were distributed to students in Community Education after school programs. And more than 130 students served by the Housing Authority of Bowling Green received books. The books were made possible by a gift from WKU PBS, PBS Kids and Overstock.com.



WKU mascot Big Red entertains students at T.C. Cherry Elementary School as WKU PBS representatives delivered books as part of its Reading Readiness campaign.



Jody Dahmer

WKU student awarded State Department internship

WKU student Jody Dahmer of Fisherville, a junior Honors College and Chinese Flagship Program student with majors in Political Science and International Business, was awarded a prestigious internship in Washington, D.C., with the Department of State's Bureau of East Asia and Pacific Affairs in the Office of Regional Security Policy. The Bureau works with issues such as counter-terrorism, military relations and human rights across Asia.

Dahmer's idea of government work came through his involvement with the Chinese Flagship Program, working with the Taiwan-United States Sister Relations Alliance ambassadorial program, and working closely with Michael McClellan, WKU's Diplomat-in-Residence.

<https://wkunews.wordpress.com/2015/09/10/dahmer-internship/>

Roberts honored for impact on KY education

Julia Link Roberts has received the Distinguished Educator Award from the Kentucky Association of Teacher Educators, recognizing the impact she has had on teacher education and all facets of gifted education in Kentucky.

Dr. Roberts is the Mahurin Professor of Gifted Education at WKU as well as Executive Director of The Center for Gifted Studies and The Carol Martin Gatton Academy of Mathematics and Science in Kentucky.

<https://wkunews.wordpress.com/2015/09/25/roberts-kate-award/>



Julia Link Roberts speaks at the Kentucky Association of Teacher Educators conference after receiving the Distinguished Educator Award.