

**MINUTES\***  
**Council on Postsecondary Education**  
**October 20, 1997**

The Council on Postsecondary Education (CPE) met on October 20, 1997, at 8:00 a.m. (ET) at the Holiday Inn Capital Plaza in Frankfort, Kentucky. Chair Hardin presided.

***ROLL CALL***

The following members were present: Ms. Adams, Mr. Baker, Mr. Barger, Ms. Bertelsman, Ms. Edwards, Mr. Greenberg, Mr. Hackbart, Mr. Hardin, Ms. Helm, Ms. Menendez, Ms. Ridings, Mr. Todd, and Mr. Whitehead. Mr. Miller, Ms. Weinberg, and Mr. Cody did not attend.

***APPROVAL OF  
MINUTES***

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

***COMMONWEALTH  
VIRTUAL  
UNIVERSITY***

As directed at the last CPE meeting, Chair Hardin appointed an ad hoc work group to work on the development of the Commonwealth Virtual University (CVU). Members of the CVU Work Group are Lee Todd, Jim Miller, Norma Adams, Crit Luallen, Jim Ramsey, Steve Dooley, Viola Miller, Sue Hodges Moore, Larry Fowler, and Ken Walker. The group met on October 13 and discussion focused primarily on various "virtual university" models and on the potential cost of expanding the state's distance learning technology infrastructure. Models discussed were the "home institution" model as proposed by the Council of Chief Academic Officers and the model used by the Western Governors University.

In a presentation on the CVU, Lee Todd discussed the characteristics of a virtual university, policy issues, purposes, clients, points of access, and costs. Next steps for the CVU Work Group are to: (1) determine initial funding level by November 3, (2) convene the Distance Learning Advisory Committee in early November, (3) learn more about different models during November and December, and (4) develop a vision statement for the CVU by the January 1998 CPE meeting. Some members of the group plan to travel to Boulder, Colorado, to meet with Aims McGuinness with the National Center for Higher Education Management Systems and other individuals with expertise in establishing a virtual university.

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\* All attachments are kept with the original minutes in CPE offices. A verbatim transcript of the meeting is also available.

(Additional background information is attached as Agenda Item D.)

*KCTCS UPDATE*

Dr. Jim Ramsey gave an update on the Kentucky Community and Technical College System (KCTCS). All board members have now been appointed or elected to KCTCS. At its last meeting the group held its first election of officers and elected Martha Johnson as Chair. The KCTCS consists of two branches – the University of Kentucky Community College System and the Kentucky Tech System. To familiarize itself with the postsecondary technical institutions, CPE had scheduled an orientation briefing for its September 21 meeting. Due to a full schedule, the presentation was postponed to this meeting. In a presentation by Delmus Murrell, Acting Chancellor for the Technical School Branch of KCTCS, information was provided on the role of the Kentucky Tech System, enrollment, student characteristics, diploma level programs, placement rates, funding, tuition and fees, physical facilities, and faculty.

Ms. Ridings requested a list of courses taught at the various technical schools. Ms. Bertelsman asked for information concerning the relationship among technical institutions located in close proximity to each other.

(Additional background information is attached as Agenda Item C.)

*INCENTIVE TRUST  
FUNDS CRITERIA*

Following the October 7 CPE meeting, Chair Hardin appointed an ad hoc work group to work on the development of the incentive funds criteria. Members of the Budget Work Group are Peggy Bertelsman, Steve Barger, Ron Greenberg, Merl Hackbart, Leonard Hardin, Marlene Helm, Jim Ramsey, Sue Hodges Moore, and Ken Walker.

Mr. Hackbart reported that the work group met on October 16 and developed draft principles and criteria for the Regional University Excellence Trust Fund, the Research Challenge Trust Fund, and the Workforce Development Trust Fund. The Budget Work Group also discussed the general outline of the incentive trust fund proposal process. In order to approve the principles and criteria by the November 3 CPE meeting, the presidents of the universities and KCTCS were asked to submit comments to CPE staff by Thursday, October 23. The work group will discuss the comments, and the final draft will be distributed the following week in anticipation of the November 3 CPE meeting.

Mr. Hackbart pointed out that House Bill 1 identified three major new funding sources for the postsecondary education system – incentive funds for the research universities, incentive funds for the regional



universities, and incentive funds for Kentucky Tech and the community colleges. The funds were appropriated in House Bill 4.

The work group draft contains allocation criteria identifying a series of issues important to the respective institutions as well as to CPE in carrying out its responsibilities under HB 1. "Must" and "should" criteria are identified for the program and funding criteria for each incentive trust fund. The draft also contains assessment and review criteria.

A summary of the incentive trust fund proposal process was presented in a flow chart. It is anticipated that CPE will award the 1997/98 trust fund monies by May 1998.

Mr. Greenberg proposed that one or more consultants be engaged to assist the institutions in selecting their programs of distinction. Ms. Bertelsman said that it would be helpful for the consultants to visit each campus to assure that the entire university community is involved in the selection of the institution's program of distinction.

President Shumaker said that the institutions will welcome additional input from consultants, but the process adopted by CPE should not interfere with or ignore the work already done by the institutions.

Ms. Menendez asked that a fourth component be included in the criteria – a dissemination plan of what has been accomplished and what will be accomplished by the programs of distinction.

Mr. Todd said that if an institution comes forward with a proposal for an area of distinction and qualifies for the match money, the predominant amount of that match money should go back into that specific program. He also said that there is a strong urgency for new match money, and an aggressive effort should be made to achieve additional funding from industries in the state.

(Additional background information is attached as Agenda Item E.)

*1998/2000 AGENCY  
OPERATING  
BUDGET*

Mr. Hardin reported that the Trends and Operations Committee, in its meeting the previous afternoon, discussed the 1998/2000 biennial agency operating budget request. Final recommendations will be brought to CPE at its November 3 meeting.

(Additional background information is attached as Agenda Item F-1.)

**CPE PRIORITY  
SETTING  
DISCUSSION/  
STRATEGIC  
AGENDA**

An information item was also presented at the Trends and Operations Committee on the CPE priority setting discussion held on October 7. The priorities are categorized in terms of three time periods – *immediate*, those priorities to be completed at the November 3 CPE meeting; *legislative*, those priorities to be completed by March 1998; and *ongoing*, those priorities to be completed after March 1998.

(Additional background information is attached as Agenda Item F-2.)

Chair Hardin asked the individuals on the Budget Work Group to begin the work on the strategic agenda and to report its work to the entire CPE.

**RESOLUTION FOR  
GARY COX**

**MOTION:** Mr. Barger moved that a resolution be drafted for Gary Cox for his 20 plus years of leadership to the Council. Mr. Baker seconded the motion.

**VOTE:** The motion passed.

Chair Hardin asked that the resolution be presented to Mr. Cox at the November 3 CPE meeting.

**NEXT MEETING**

The next CPE meeting will be on November 3. Because the majority of the agenda items for that meeting should be discussed at the full CPE meeting, there will be no Trends and Operations Committee meeting in November.

**ACADEMIC  
ADVISING**

Ms. Edwards asked that the Quality and Effectiveness Committee address the issue of academic advising.

**ADJOURNMENT**

There being no further business, the meeting adjourned at 10:00 a.m.



J. Kenneth Walker  
Acting Chief Operating Officer



Phyllis L. Bailey  
Secretary