

MINUTES

CPE Meeting

November 10, 2011

AGENDA

Council on Postsecondary Education

Thursday, November 10, 2011

9:00 a.m.

Adron Doran University Center (ADUC), Crager Room, Morehead State University
Morehead, Kentucky

Welcome

Roll Call

Approval of Minutes 1

Strategic Agenda Focus Area - Efficiency and Innovation

1. Overview and Update on State Level Objectives and Strategies..... 11
 - KYRX Coalition, Lucy Wells, Prescription Drug Benefit Manager, University of Kentucky, and Kim Wilson, Chief Human Resources Officer, University of Kentucky
 - An Ambitious Sustainability Agenda: Producing Significant Cost Savings and Other Benefits, Larry Owsley, Vice President for Business Affairs, University of Louisville

BREAK

Performance Presentations

2. Morehead State University
3. Kentucky Community and Technical College System
4. Kentucky Adult Education

BREAK/Lunch (Lunch provided for CPE members only)

Action and Information Items

5. CPE President's Report to the Council
 6. ACTION: 2012-14 Budget Recommendation 13
 - Institutional Operating and Capital
 - Agency Operating
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 9. ACTION: New Academic Programs: Morehead State University - M.A. in Sport Management, Murray State University - M.A. in Library Media Education, and the University of Kentucky - M.M. in Music Therapy 35
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Other Business

Next Meeting – February 9-10, 2012

Adjournment

MINUTES
Council on Postsecondary Education
November 10, 2011

The Council on Postsecondary Education met Thursday, November 10, 2011, at 9 a.m. at Morehead State University in Morehead, Kentucky. Chair Paul Patton presided.

WELCOME

President Wayne Andrews welcomed the Council to Morehead State University.

Governor Patton welcomed everyone to the meeting.

ROLL CALL

The following members were present: Glenn Denton, Dan Flanagan, Dennis Jackson, Nancy McKenney, Pam Miller, Kirby O'Donoghue, Lisa Osborne, Paul Patton, Marcia Ridings, Jim Skaggs, and Joe Weis. Joe Graviss, Terry Holliday, Donna Moore, and Joe Wise did not attend.

**APPROVAL OF
MINUTES**

The minutes of the September 22 meeting were approved as distributed.

**EXECUTIVE
COMMITTEE
MEETING REPORT**

Governor Patton reported the Executive Committee met earlier in the morning with the audit firm Blue and Company LLP, a certified public accounting agency in Lexington.

Governor Patton reported on the Executive Committee's review of the FY 2010-11 agency audit report and said that the Council received an unqualified opinion with no findings or questioned costs.

**STRATEGIC AGENDA
FOCUS AREA –
EFFICIENCY AND
INNOVATION**

Mr. Allen Lind, CPE's vice president for information and technology, Mr. Sherron Jackson, CPE's associate vice president for finance, and Dr. Heidi Hiemstra, CPE's assistant vice president for information and research, provided an overview and update on the efficiency and innovation objectives and strategies.

Ms. Lucy Wells, UK's prescription drug benefit manager and the KYRX Coalition's chair, and Ms. Kim Wilson, UK's chief human resources officer and the KYRX Coalition's clinical director, provided the Council a report from the KYRX Coalition regarding a recently announced pharmaceutical agreement.

Mr. Larry Owsley, UofL's vice president for business affairs, presented to the Council information on cost savings particularly in the area of energy at the University of Louisville.

**PERFORMANCE
PRESENTATIONS –
MOREHEAD STATE
UNIVERSITY, KENTUCKY
COMMUNITY AND
TECHNICAL COLLEGE
SYSTEM, KENTUCKY
ADULT EDUCATION**

Dr. Wayne Andrews, MoSU's president, provided the Council an update on MoSU's progress.

Dr. Michael McCall, KCTCS's president, provided the Council an update on KCTCS's progress.

Mr. Reecie Stagnolia, CPE's vice president for Kentucky Adult Education, provided the Council an update on KYAE's progress.

A written report from Mr. King was distributed. Highlights of his report include:

- *Advanced Practice Degrees* – The Council recently sent a report on advanced practice doctorates to the legislature. In that report, the Council outlined a proposed statutory change to allow a maximum of 18 advanced practice doctoral programs at the comprehensive universities. Each of the six comprehensive universities would be assured access to at least two of these programs. After approval of the 18th program, or the expiration of five years from the effective date of this legislation, the Council would work with the campus presidents to assess the process of review and approval of the programs. At that time, the Council would have the authority, with the consensus of the Advisory Conference of Presidents, to retain the current cap, establish a new cap, or proceed without a statewide cap on advanced practice doctorates at comprehensive universities.
- *Agency Audit* – Due to the complexity and amount of funds flowing through the agency's budget, the Council contracts with an independent auditor to conduct an annual review of the agency's financial statements. This audit is not statutorily required, but having an outside entity review Council finances, internal controls, and regulation and grant compliance serves the Council well. Blue and Company LLP, a certified public accounting agency in Lexington, conducted the audit this year.
- *National Governors Association (NGA) Policy Academy* – The Council was one of six states selected to participate in the National Governors Association Policy Academy on strengthening postsecondary education accountability systems. Other states selected in the highly competitive process include Colorado, Connecticut, Missouri, Nevada, and Utah. The policy academy focuses on efficiency and effectiveness metrics and incorporating those metrics into decision making processes. Participating states will receive guidance and technical assistance from NGA staff and faculty experts, as well as consultants from the private sector, research organizations, academia, and the federal government. The strategies and policies developed by the selected states are intended to serve as ideas and best practices for all states. Funding for the academy is provided by Lumina Foundation and the Bill & Melinda Gates Foundation.

As part of this project, the Council will receive a \$30,000 subgrant that will be used to improve Kentucky's capacity to gather, analyze, and communicate postsecondary performance data as it relates to Kentucky's workforce and economy, as well as strengthen efficiency and effectiveness. Funds will be used to convene state workforce, education, and economic development experts to further define higher education's role in workforce development and to forge stronger ties between Kentucky's postsecondary education accountability system, the P-20 Data Collaborative housed in the Education and Workforce Development Cabinet, and economic and workforce metrics, goals, and priorities.

- *College Readiness Partnership* – Kentucky is one of seven states selected to participate in the College Readiness Partnership (CRP), sponsored by the American Association of State Colleges and Universities (AASCU), Council of Chief State School Officers (CCSSO), and the State Higher Education Executive Officers (SHEEO). Teams from these states gathered in Memphis the week of November 7. Kentucky was represented at the meeting by John DeAtley and Jillian Starman of the Council staff, EKU President Doug Whitlock, and Todd Baldwin of the Kentucky Department of Education.

The CRP promotes broad implementation of Common Core State Standards (CCSS) in mathematics and English Language Arts (ELA) with a focus on those issues at the intersection of K-12 and higher education systems. The state leadership teams are comprised of individuals representing the membership of each of the three partner organizations.

The CRP will work directly with the selected state leadership teams to achieve the following three objectives:

- o Identify how the Common Core State Standards should be implemented in each participating state in order to actually improve college and career readiness for all students.
- o Define how leaders and faculty across K-12 and higher education need to work together to improve both teaching and learning in ways essential to achieving the goal of college and career readiness.
- o Delineate the specific steps that higher education and states must take together in order to make effective implementation a reality; in other words, to make college and career readiness expectations more transparent, to align curricula, to assess student performance more effectively, and to improve teacher preparation and professional development.

The CRP will compile effective practices and state models and will translate the experiences of the state leadership teams to create a policy and process roadmap for CCSS implementation. Together, the roadmap and the collection of best practices will serve to support and guide all states in their CCSS implementation efforts.

The work of the CRP is supported through grants from the Lumina and Hewlett Foundations.

2012-14 BUDGET RECOMMENDATION

Mr. Flanagan, chair of the Budget Development Workgroup, said that the Council staff collaborated with the presidents and budget officers at the institutions to prepare the 2012-14 postsecondary education budget recommendation. He commended the institutions for working with the Council staff to produce a recommendation that is equitable and takes into account the work put forth in HB 1.

The Council's Budget Development Workgroup, chaired by Dan Flanagan, with members Glenn Denton, Joe Graviss, and Lisa Osborne, assisted in the 2012-14 budget recommendation process and met several times with Council staff over the past six months to discuss core elements of the recommendation. The workgroup reinforced the necessity to achieve strong alignment with the Council's new Strategic Agenda.

Dr. John Hayek, CPE's senior vice president for budget, planning, and policy, presented the 2012-14 postsecondary education budget recommendation.

Ongoing economic and fiscal uncertainty provides a challenging environment for the Council to make a reasonable yet aggressive 2012-14 budget recommendation that is aligned with the new Strategic Agenda, *Stronger by Degrees*, and consistent with the mandates of House Bill 1 (1997). HB 1 charges postsecondary education with the primary responsibility of increasing the skills and abilities of Kentucky's workforce and citizenry, leading to improved quality of life and higher standards of living for all Kentuckians.

Consistent with the Council's new Strategic Agenda goal on efficiency and innovation, Kentucky's public institutions more than doubled the number of degrees and credentials produced over the past decade. This was accomplished in a challenging resource environment where state support per student, adjusted for enrollment growth and inflation, decreased by more than \$3,100 per student (\$10,038 in FY99 to \$6,887 in FY09). A portion of that funding loss was offset by tuition paid by students and families as well as increased financial aid.

The 2012-14 postsecondary education budget recommendation is divided into four major components, presented in priority order:

1. Institutional Operating Funds - These are General Fund appropriations requested on behalf of the institutions to support new public investments aligned with the 2011-15 Strategic Agenda and House Bill 1 (1997) reform goals, as well as funds for the maintenance and operations of recently constructed facilities. Specifically, these state appropriations are used for educational and general expenditures on campus including faculty and staff salaries, benefits, student scholarships, utilities, operating costs, and other strategic initiatives.
2. Bucks for Brains (Research Challenge & Comprehensive Univ. Excellence Trust Funds) - These are typically state bond funds that match public dollars with private donations to encourage research and promote economic development at the University of Kentucky and the University of Louisville and to strengthen key programs at Kentucky's comprehensive universities. The purpose of these funds is to accelerate statewide achievement of the Strategic Agenda and HB 1 (1997) reform goals.
3. Capital Investments and Information Technology - These are state bond funded and institution agency funded capital projects proposed for the 2012-14 biennium. A new capital investment strategy for postsecondary education promotes a multi-biennial request that mirrors the six-year capital planning process and significantly improves the balance between preserving and renovating existing facilities with the demand for new education, general and research space across the system, as well as much needed enhancements in information technology.
4. CPE Agency Funds - These are General Funds used primarily to support various statewide educational programs and services (e.g., Kentucky Adult Education, contract spaces, science and technology funding programs, Kentucky Postsecondary Education Network, Kentucky Virtual Campus and Library, etc.), as well as Council staff and operating costs.

The Council reported that after months of collaboration and discussion Kentucky's public institutions are unified behind the proposed approach and have signed an endorsement of support for the 2012-14 operating and capital request for postsecondary education. A signed copy of the endorsement by the Advisory Conference of Presidents was provided at the November 10 meeting.

Governor Patton thanked the workgroup, Council staff, and institutions for an outstanding job in developing the recommendation. He said that the recommendation supports the responsibilities outlined in HB 1.

Mr. Denton thanked the staff and institutions for their work on the recommendation. He said he planned to vote no on the recommendation. Mr. Denton said he has discussed his reasons for the no vote with President King and Council staff.

MOTION: Mr. Flanagan, on behalf of the Budget Development Workgroup, moved that the recommended 2012-14 budget recommendation be approved. Mr. Weis seconded the motion.

VOTE: Governor Patton asked for a roll call vote.

The following Council members responded yes to approve the 2012-14 budget recommendation: Dan Flanagan, Dennis Jackson, Nancy McKenney, Pam Miller, Kirby O'Donoghue, Lisa Osborne, Paul Patton, Marcia Ridings, Jim Skaggs, and Joe Weis.

The following Council member voted no to approve the 2012-14 budget recommendation: Glenn Denton.

The motion passed.

IMPROVING
EDUCATOR QUALITY
STATE GRANT
PROGRAM

Mr. John DeAtley, CPE's director of P-20 and college readiness, presented the staff recommendation that the Council award federal *No Child Left Behind*, Title II, Part A, funds in the amount of \$1,080,000 for January 1, 2012, to June 30, 2013, to support eight projects.

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.

Senate Bill 1 (2009 Regular Session) was signed by the governor on March 26, 2009. The bill calls upon the Kentucky Department of Education, in collaboration with the Kentucky Council on Postsecondary Education, to plan and implement a comprehensive process for revising academic content standards. Working collaboratively, the agencies have developed a comprehensive process to revise standards in all content areas. A comprehensive process was also developed to create a unified strategy to reduce college remediation rates and increase graduation rates of postsecondary students with developmental education needs.

Kentucky's participation in the Common Core State Standards Initiative for English/language arts and mathematics ensures that the tenets of Senate Bill 1 (codified as KRS 158.6451) are met. The Common Core State Standards Initiative is a state-led effort coordinated by the National Governors Association Center for Best Practices (NGA Center) and the Council of Chief State School Officers (CCSSO).

The Kentucky Department of Education, the Education Professional Standards Board, and the Council on Postsecondary Education jointly adopted these standards on February 10, 2010.

The standards are aligned with college and work expectations, include rigorous content and application of knowledge through high-order skills, build upon strengths and lessons of current state standards, are internationally-benchmarked so that all students are prepared to succeed in the global economy and society, and are evidence and/or research-based.

To that end, the Council is focusing Year 10 of the Improving Educator Quality State Grant Program on projects that fully integrate the new Common Core Standards in a way that assists teachers in providing intervention in content areas for students in need of accelerated learning.

External reviewers and content-area specialists reviewed twelve grant proposals and made recommendations to the Council staff. Eight proposals were selected.

- Reading for the 21st Century: Improving Reading Comprehension Through Project-Based Learning (Morehead State University): \$135,000
- The Active Math Project: Increasing College Readiness Through Hands-On Math Instruction in Middle and High School Classrooms (Morehead State University): \$135,000 - Year 2
- Developing Standards-Based Digital Content for Next Generation Learning (Murray State University): \$90,000
- Continuous Assessment and Algebraic Thinking: Keys for Career and College Readiness (University of Kentucky): \$140,000
- Special Education Math Cadre (University of Kentucky): \$145,000 - Year 2
- Preparing All Students for Success: Career and College Readiness (University of Kentucky): \$145,000 - Year 2
- Collaborative Teacher Training in Content Literacy (University of Louisville): \$145,000 - Year 2
- Readers Matter: Common Goals, Core Learning, and Set Standards for Achievement (Western Kentucky University): \$145,000 - Year 2

MOTION: Ms. Miller moved that the recommendation that the Council award federal *No Child Left Behind*, Title II, Part A, funds in the amount of \$1,080,000 for January 1, 2012, to June 30, 2013, to support eight projects be approved. Mr. Weis seconded the motion.

VOTE: The motion passed.

REGULATION ON ADVANCED PRACTICE DOCTORATES

Mr. King, CPE's president, presented the Council staff recommendation regarding the draft regulation 13 KAR 2:110 Advanced Practice Doctoral Degree Programs at the comprehensive universities.

KRS 164.295 requires the Council on Postsecondary Education to work with the Advisory Conference of Presidents to develop the criteria and conditions for approval of advanced practice doctorates at the comprehensive universities. These criteria and conditions are formalized in the proposed regulation 13 KAR 2:110. The criteria focus on six areas which are outlined below.

1. Centrality to institutional mission and consistency with Kentucky's postsecondary education goals
2. Program quality and student success
3. Program demand
4. Unnecessary duplication
5. Cost and funding
6. Program assessment

Mr. King also referenced in his report presented earlier in the meeting that the Council outlined a proposed statutory change to allow a maximum of 18 advanced practice doctoral programs at the comprehensive universities.

MOTION: Ms. Miller moved that the recommendation that the Council approve the regulation 13 KAR 2:110 Advanced Practice Doctoral Degree Programs at the comprehensive universities be approved. Mr. Weis seconded the motion.

VOTE: The motion passed.

NEW ACADEMIC PROGRAMS:
MOREHEAD STATE UNIVERSITY - M.A. IN SPORT MANAGEMENT,
MURRAY STATE UNIVERSITY - M.A. IN LIBRARY MEDIA EDUCATION, AND THE UNIVERSITY OF KENTUCKY - M.M. IN MUSIC THERAPY

Mr. King presented the recommendation that the Council approve the M.A. in Traditional Sport Management at Morehead State University, the M.A. in Library Media Education at Murray State University, and the M.M. in Music Therapy at the University of Kentucky.

KRS 164.020 (15) empowers the Council 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 programs from Morehead State University, Murray State University, and the University of Kentucky.

MOTION: Ms. Miller moved that the recommendation that the Council approve the M.A. in Traditional Sport Management at Morehead State University, the M.A. in Library Media Education at Murray State University, and the M.M. in Music Therapy at the University of Kentucky be approved. Mr. Weis seconded the motion.

VOTE: The motion passed.

INSTITUTIONAL DIVERSITY PLAN – EASTERN KENTUCKY UNIVERSITY

Mr. Sherron Jackson provided an overview of the process in the development of the Eastern Kentucky University institutional diversity plan recommended for Council approval.

The Council on Postsecondary Education directed each public postsecondary institution to develop and submit to the Council a campus-based diversity plan, in response to the Statewide Diversity Policy. The diversity plans, at a minimum, address four areas: (1) student body diversity that reflects the diversity of the Commonwealth or the institution's service area, (2) achievement gaps, (3) workforce diversity, and (4) campus climate. Upon approval by the Council, the institutional diversity plans will be implemented fall/winter 2011.

At its June 9, 2011, meeting, the Council's CEO reviewed and accepted the institutional diversity plans developed by seven of the public universities and reviewed and accepted the KCTCS diversity plan at its September 8 meeting. The Eastern Kentucky University diversity plan was reviewed by its board of regents September 27, 2011. The ECU diversity plan was presented to the Council at its November meeting for review and acceptance.

The CEO found that the ECU diversity plan met the minimum requirements as outlined in the Kentucky Public Postsecondary Education Diversity Policy and Framework for Institution Diversity Plan Development. The CEO recommended that the plan be sent to the Council on Postsecondary Education for review and acceptance once approved by the ECU Board of Regents.

The Council staff recommended approval of the ECU institutional diversity plan as proposed by the CEO.

The Eastern Kentucky University institutional diversity plan is available on the Council's website.

MOTION: Mr. Weis moved that the proposed ECU institutional diversity plan be approved. Ms. Miller seconded the motion.

VOTE: The motion passed.

EQUAL
OPPORTUNITY
GOALS ANNUAL
ASSESSMENT

Mr. Weis, chair of the Committee on Equal Opportunities, provided an overview of the recommendation that the Council delay the annual assessment of equal opportunity goals as required by KRS 164.020 (19) and implemented through Kentucky Administrative Regulation 13 KAR 2:060. The CEO recommends that the next assessment be conducted for calendar year 2013.

The Council's CEO voted at their October 23, 2011, meeting to recommend that the Council delay the assessment of annual progress by institutions on equal opportunity goals (degree program eligibility) until 2013 to allow institutions adequate time to implement the strategies of their newly adopted diversity plans.

The Council staff will inform the CEO and institutions of the status of the recommendation immediately following action by the Council.

Mr. Weis said that he does not agree with the CEO recommendation due to the fact that the data do exist for the institutions to perform the annual assessment of equal opportunity goals and believes the process should not be delayed.

MOTION: Mr. Weis, as chair of the Committee on Equal Opportunities, moved that the recommendation that the Council delay the annual assessment of equal opportunity goals as required by KRS 164.020 (19) and implemented through Kentucky Administrative Regulation 13 KAR 2:060 be approved. Ms. Miller seconded the motion.

VOTE: Governor Patton asked for a roll call vote.

The following Council members responded yes to approve to delay the annual assessment of equal opportunity goals as required by KRS 164.020 (19) and implemented through Kentucky Administrative Regulation 13 KAR 2:060: Pam Miller, Kirby O'Donoghue, Paul Patton, Marcia Ridings, and Jim Skaggs.

The following Council members voted no to approve to delay the annual assessment of equal opportunity goals as required by KRS 164.020 (19) and implemented through Kentucky Administrative Regulation 13 KAR 2:060: Glenn Denton, Dan Flanagan, Dennis Jackson, Nancy McKenney, Lisa Osborne, and Joe Weis.

The motion failed.

REVIEW OF
DOCTORATES IN
EDUCATIONAL
LEADERSHIP – EASTERN
KENTUCKY UNIVERSITY,
NORTHERN KENTUCKY
UNIVERSITY, WESTERN
KENTUCKY UNIVERSITY

Mr. DeAtley presented a report on the review of Doctorates in Educational Leadership at Eastern Kentucky University, Northern Kentucky University, and Western Kentucky University.

At its February 26, 2008, meeting, the Council approved the establishment of Ed.D. programs in educational leadership at Eastern Kentucky University, Northern Kentucky University, and Western Kentucky University. That approval was the result of a year-long process of institutional and Council staff collaboration to ensure the quality and necessity of these programs. Detailed criteria for the programs were created and each program underwent a thorough review process by both Council staff and an external review committee. As a result, Council staff brought the programs forward with a recommendation for approval.

A review of the Ed.D. programs was done again this year. A review committee consisting of Phillip Rogers, executive director of the Education Professional Standards Board; Felicia Cummings Smith, associate commissioner for the Office of Next Generation Learning, Kentucky Department of Education; and Council staff conducted reviews of each of these programs.

Each of the institutions were asked to provide a report to the committee. After a thorough review of these reports, the committee submitted initial feedback to each campus. Items for further consideration were discussed at interviews with each campus and the committee was pleased with the responses from each program.

Follow-up discussions will occur on a regular basis and the programs will enter each institution's cycle of program review.

The committee agreed that these programs are on track and are meeting the goals originally established with the creation of the programs.

Representatives from each of the three institutions provided comments at the November 10 meeting regarding the Ed.D. programs: Dr. William Phillips, Dean of Education, and Dr. Kim Naugle, Associate Dean of Education, Eastern Kentucky University; Dr. Gail Wells, Vice President for Academic Affairs, Northern Kentucky University; and Dr. Sam Evans, Dean of the College of Education and Behavioral Science, and Dr. Tony Norman, Director, Doctoral Studies, Education Leadership Doctoral Program, Western Kentucky University.

2012-13 TUITION SETTING PROCESS UPDATE

Dr. Hayek presented the 2012-13 tuition setting process update.

The process for determining tuition and mandatory fee ceilings, submitting requests for exemptions under the Council's Special Use Fees Exception Policy, and bringing institution rate proposals for Council approval will be similar to the process used in 2011-12. One of the main objectives of the process is to provide ample time for exchange of information and stakeholder discussion among Council staff, institutional presidents, chief budget officers, and Council members, which will lead to better understanding of issues surrounding the tuition setting process and provide opportunity for feedback before final Council action.

Dr. Hayek reviewed the preliminary timeline describing Council staff and campus activities and identifying expected completion dates for the 2012-13 tuition setting process. It is anticipated that Council members will review draft tuition policy and timeline documents at the November 10 meeting, approve revisions to these documents at the February 10, 2012, meeting, take action on recommended tuition ceilings at the April 20, 2012, meeting, and approve each institution's proposed tuition and fee rates at the June 20, 2012, meeting.

There are also several emerging issues related to future tuition setting that may surface in discussions over the next six months, including the possibility of providing some additional tuition flexibility to institutions that are meeting or exceeding institutional performance targets, the notion of moving the tuition setting process from an annual process to a biennial process, and the idea of encouraging state and/or institutional incentives for students to decrease the time to degree. Council staff will provide updates to the Council and opportunities for discussion as additional details on these issues unfold.

Mr. Denton requested Council staff to provide at the February 2012 meeting an update on the Special Use Fees Exceptions.

KENTUCKY'S BUCKS
FOR BRAINS
PROGRAM 2011
SUMMARY REPORT

Mr. King provided a status report on the Bucks for Brains program. At many institutions, recent investment losses have resulted in a substantial portion of their endowment funds becoming "underwater," particularly those that were relatively new that lacked time to build sufficient reserves.

Since 2000, the CPE's program guidelines specify that "only the investment earnings are eligible for expenditure, not the principal." The University of Kentucky, with permission from its private donors, distributed funds in excess of actual income from underwater endowments. Distributions from underwater endowments at the other public Kentucky universities have been limited to no more than actual income.

To preserve the state's investment in the RCTF program and provide future support of the university's research mission, UK will replenish the difference between the spending distribution and actual income for the state funded portion of the contributed value of underwater endowments for FY 2009-10 and 2010-11.

Mr. King stated that in the coming months, a workgroup comprised of Council staff and campus officials will review and discuss possible changes to Bucks for Brains guidelines and reporting requirements, including an assessment of the implications of UPMIFA.

Mr. King also reported to the Council that on November 8, 2011, the Bucks for Brains program received national acclaim by receiving an Excellence in Technology Based Economic Development (TBED) award from the State Science and Technology Institute (SSTI). SSTI is billed as the most comprehensive resource available for those involved in technology based economic development.

COMMISSIONER OF
EDUCATION REPORT

Commissioner Holliday was not available to attend the November 10 meeting but did provide a written report included in the agenda book.

STRATEGIC AGENDA
WORKGROUPS

Mr. King presented the staff recommendation regarding the formation of four workgroups to help monitor and guide implementation of *Stronger by Degrees*, Kentucky's 2011-15 Strategic Agenda for Postsecondary and Adult Education.

The four workgroups will focus on the policy priority areas of the Strategic Agenda: college readiness; student success; research, economic, and community development; and efficiency and innovation. The workgroups will be comprised of Council members, but membership may be expanded to include university representatives and other key stakeholder groups.

The workgroups will meet twice a year with Council staff to discuss progress on the objectives in the policy areas, review strategies, and evaluate performance on key measures. The workgroup meetings will allow a deeper level of conversation and engagement and a more detailed review of materials than is allowed within the regular Council meeting structure.

Governor Patton will consult with Council members about their preferences in terms of policy area, and workgroup memberships will be finalized before the February meeting.

MOTION: Ms. Osborne moved that the recommendation regarding the formation of four workgroups to help monitor and guide implementation of *Stronger by Degrees*, Kentucky's 2011-15 Strategic Agenda for Postsecondary and Adult Education be approved. Ms. O'Donoghue seconded the motion.

VOTE: The motion passed.

COMMITTEE
APPOINTMENTS

Governor Patton appointed a nominating committee to present recommendations for Council chair and vice chair at the February meeting. Glenn Denton, Lisa Osborne, and Marcia Ridings were appointed with Mr. Denton serving as chair.

The Executive Committee appointments will be made at the February 10, 2012, meeting.

REPORTS FROM
INSTITUTIONS

Governor Patton called attention to the reports from the institutions included in the agenda book.

OTHER BUSINESS

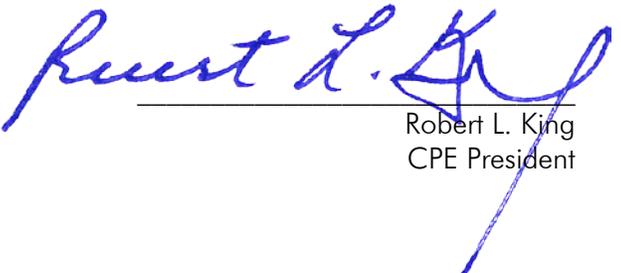
Governor Patton reported that The Washington Center (TWC) for Internships and Academic Seminars named Kentucky the University System of the Year. The award resulted from the participation of all eight of the public four-year universities in the TWC internship program, which has provided opportunities to 130 Kentucky college students over the past seven years.

NEXT MEETING

The next Council meeting is February 10 at the Council offices in Frankfort, Kentucky.

ADJOURNMENT

The meeting adjourned at 2:50 p.m.



Robert L. King
CPE President



Tammie L. Clements
Associate, Executive Relations

**Council on Postsecondary Education
November 10, 2011**

**Overview and Update on Efficiency and Innovation
Objectives and Strategies**

In February, the Council on Postsecondary Education approved “Stronger by Degrees: A Strategic Agenda for Kentucky Postsecondary and Adult Education” for 2011-15. The Council staff will provide updates of the four focus areas of the Strategic Agenda throughout the year.

The fourth update of the four focus areas of the Strategic Agenda focuses on Efficiency and Innovation.

The Efficiency and Innovation policy objectives will guide and advance the postsecondary system’s work to:

- Increase academic productivity through program innovations.
- Maximize the use of postsecondary and adult education resources.

Council staff will provide baseline information on performance metrics for this policy area and will update Council members on current and proposed state level strategies to make progress on these objectives.

The Council will receive a report on a meaningful collaboration among the institutions in terms of cost savings from representatives from the KYRX Coalition regarding a recently announced pharmaceutical agreement.

Representatives from the University of Louisville will report on current energy savings initiatives.

Staff preparation by Lee Nimocks

STRONGER by DEGREES



A STRATEGIC AGENDA for Kentucky Postsecondary and Adult Education



Focus on Efficiency and Innovation

Presentation to the Council on Postsecondary Education
November 10, 2011

Four Areas of Focus



**COLLEGE
READINESS**

**STUDENT
SUCCESS**

**RESEARCH,
ECONOMIC, &
COMMUNITY
DEVELOPMENT**

**EFFICIENCY &
INNOVATION**

Efficiency & Innovation

Policy Objectives

- Increase academic productivity through program innovations.
- Maximize the use of postsecondary and adult education resources.



Efficiency & Innovation

Policy Objective 8: Increase academic productivity through program innovations.

Strategy 8.1. Increase productivity and maximize success for both traditional and nontraditional students through course redesign and alternative methods of program delivery.

Strategy 8.2. Build upon the success of Kentucky’s Virtual Campus and Virtual Library to maximize the use of technology in implementing academic innovations.

Strategy 8.3. Redesign approval and review processes for new and existing academic programs to ensure alignment with state needs.



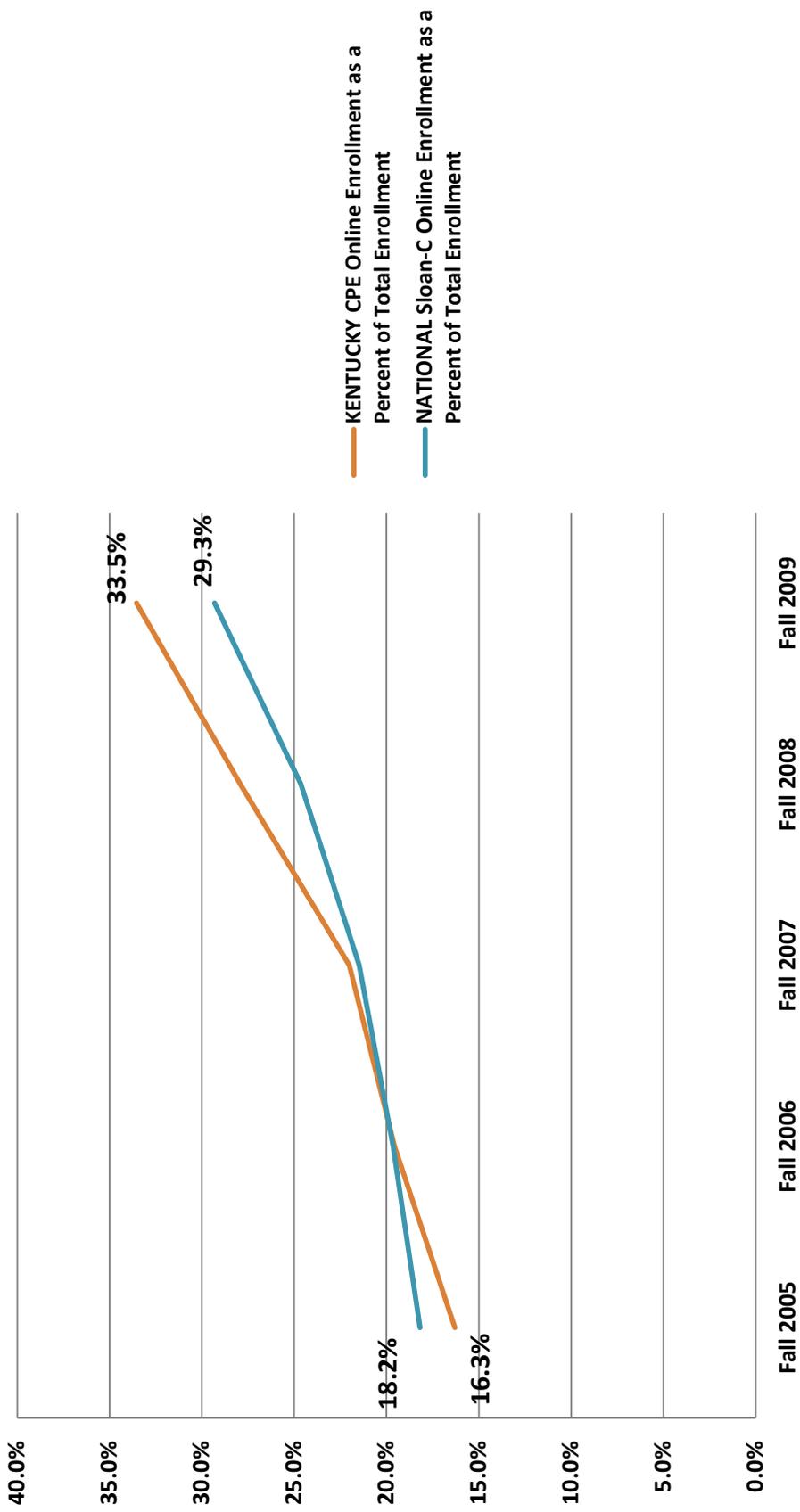
Statewide Online Learning Credit Hours

2005-06 through 2010-11



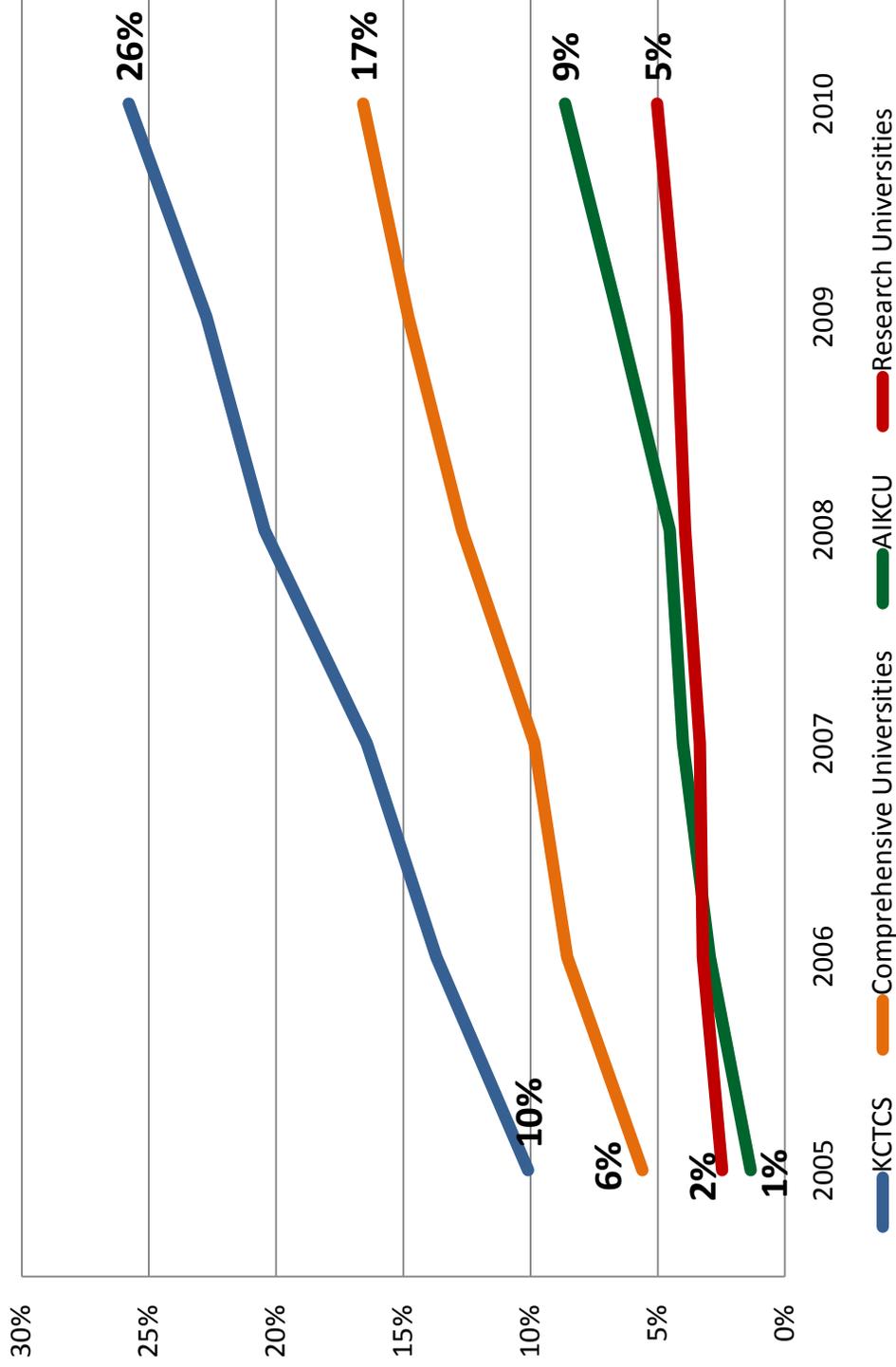
Growth of Online Learning Nationally

Students Taking at Least One Online Course



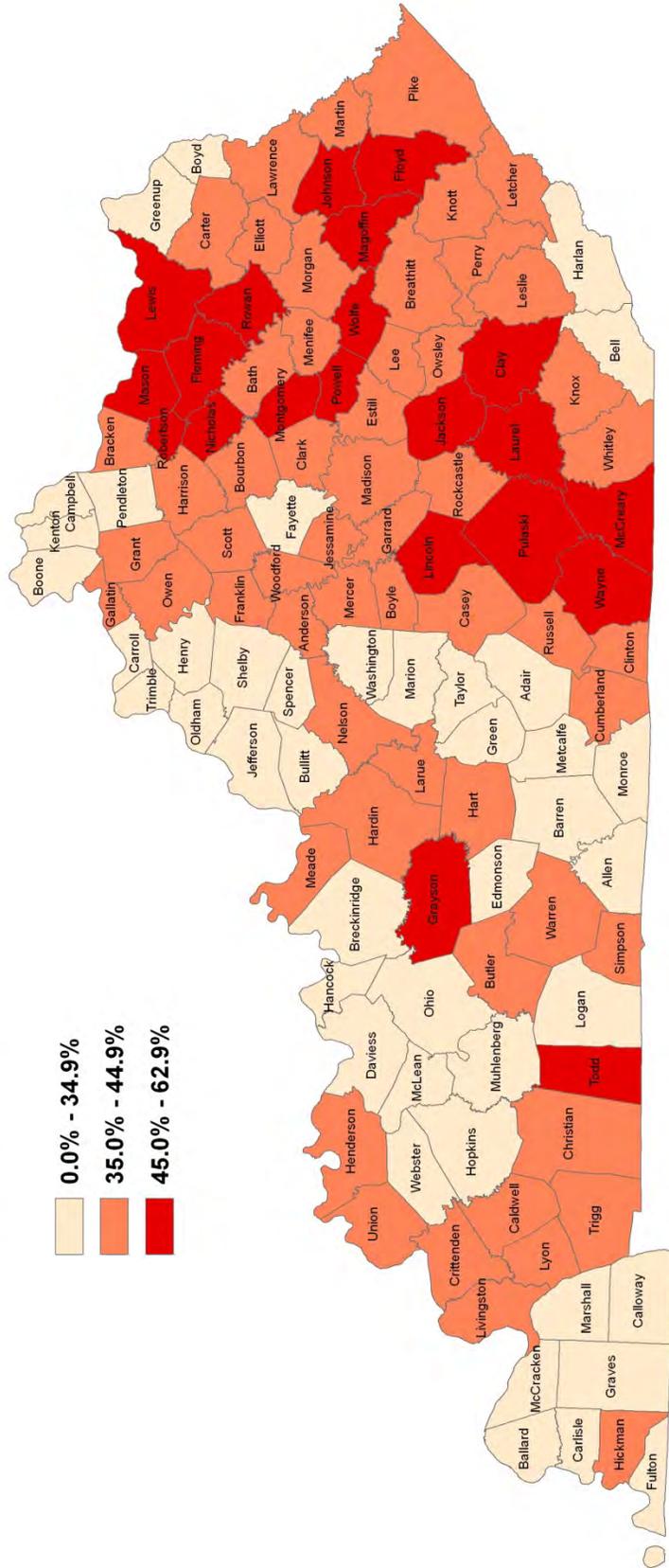
Online Learning Credit Hours as a Percent of All Credit Hours

2005-06 through 2010-11



Postsecondary Distance Learning Students as Percentages of All Postsecondary Students

Academic Year 2010-11



101,449 distance learning students in Kentucky.
35.2% of all Kentucky postsecondary students.

Source: Council on Postsecondary Education Comprehensive Database



KENTUCKY COUNCIL ON POSTSECONDARY EDUCATION

July 28, 2011 - mw

Key Features of Learn on Demand

STUDENT VIEW

- Student starts when they are ready, 365 days a year
- Four degree programs (AA, AS, Business, IT, Nursing RN and Nurse Aide) + College Readiness (Math, Writing, Reading Developmental)
- Enroll in competency based modules, not courses
- Pass the pre-test/post-test, get credit and move on or study only what is needed to pass on to the next module at student's own pace
- Pay only for the modules needed
- Digital content (no textbooks) included in tuition
- Designed so student never has to step foot on campus
- Access online student services 24/7, 365



KCTCS VIEW

- Programs developed through an RFP process to identify Lead Colleges
- Revenue sharing among host institution, receiving institution and the central office
- Mentors are paid by the number of students taught, and how those students perform

Efficiency & Innovation

Policy Objective 9: Maximize the use of postsecondary and adult education resources.

Strategy 9.1. Effectively integrate Kentucky’s independent colleges and universities into efforts to achieve greater efficiencies and expand postsecondary opportunities.

Strategy 9.2. Explore options for consolidating or outsourcing pertinent operations, as well as facilitating joint purchasing and contracts.

Strategy 9.3. Develop statewide policies that promote the effective and efficient use of capital facilities and infrastructure.





KENTUCKY
C O A L I T I O N

A KENTUCKY GOVERNMENTAL
PURCHASING COLLABORATIVE



Kentucky Rx Coalition

www.kyrx.org
(859) 218-KYRX



Mission

The purpose of the KYRx Coalition is to facilitate the cost-effective provision of prescription medications and best practices in prescription benefit plan design, along with improved clinical outcomes.

Vision

- Financial savings for participating entities
- Institution of best pharmacy practices across the commonwealth
- Effective clinical management of pharmacy benefit for member groups
- Improved outcomes for covered patients



Serving Kentucky

- Original participating public entities
 - University of Kentucky
 - Eastern Kentucky University
 - University of Louisville
- Kentucky Rx Coalition start date 7/1/11
- All coalition participants have three-year minimum obligation to current PBM
- Typical savings ~10% of pharmacy spend (actual savings will depend on plan design)



Alignment Matters

New Clients Effective January 2012

Secure suitable financial
arrangement with sound
clinical programs

Best-in-class account
management service

Cost containment
through trend
management

Kentucky Teachers' Retirement System



Medicare Eligible Health Plan



TRANSYLVANIA UNIVERSITY
FOUNDED 1780

KYRx Coalition *Pharm-Assist* Offering

What Makes Us Different

- In addition to purchasing power, KYRx Coalition offers member institutions clinical resources to help further manage Rx spend
- Free counseling service via live pharmacists available to member organizations includes:
 - Identification of lower cost prescription alternatives
 - Contacting physician to facilitate seeking authorization for lower cost alternative therapies
 - Educational resources for members – adverse effects, drug interactions and general medication information

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Kentucky Rx Coalition
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KY Rx Coalition Equals Savings

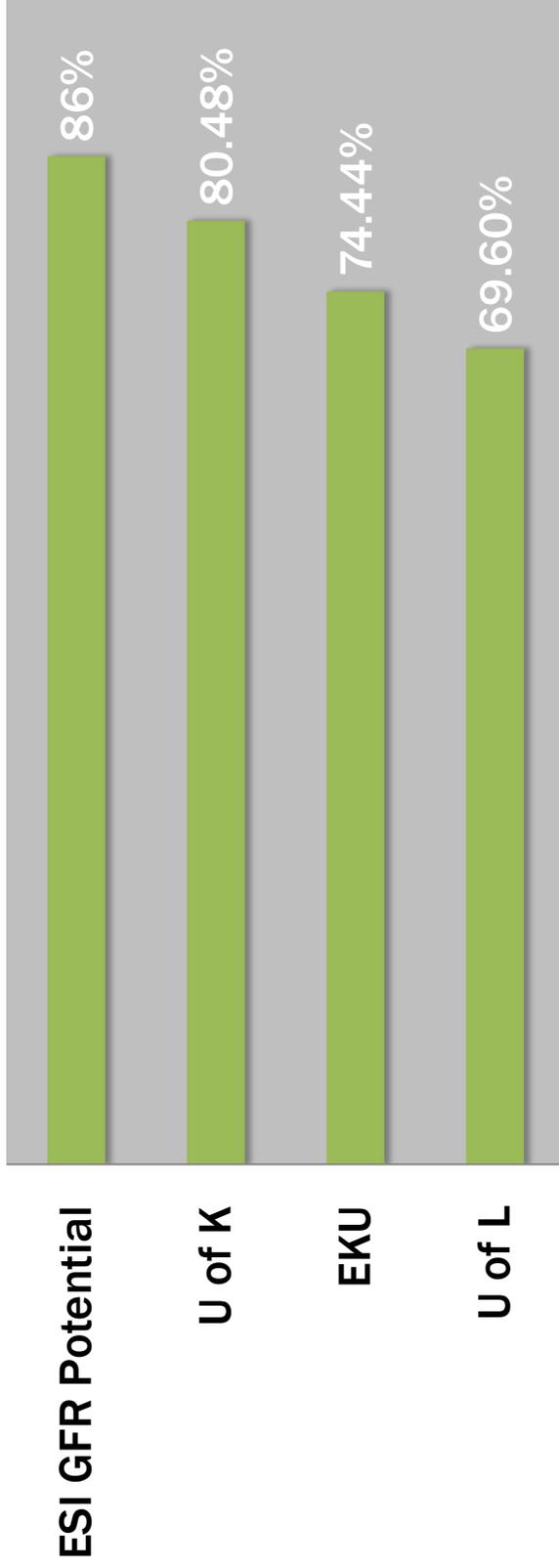
What You Expect

	Eastern Kentucky University			University of Louisville		
	Apr-Jun 2011	Jul-Sep 2011	% Change	Apr-Jun 2011	Jul-Sep 2011	% Change
Plan Cost PMPM	\$101.76	\$86.71	-14.8 %	\$89.16	\$84.15	-5.6 %
Average Plan Cost/Rx	\$93.19	\$84.09	-9.8 %	\$84.23	\$82.33	-2.2 %
% Generic Rx's	73.33%	74.44%	1.53%	69.49%	69.60%	0.16%
Annualized Savings From Contract Pricing Alone	\$624,620.72			\$446,195.40		

Room to Run

Generic Fill Rate Holds Substantial Savings Opportunity

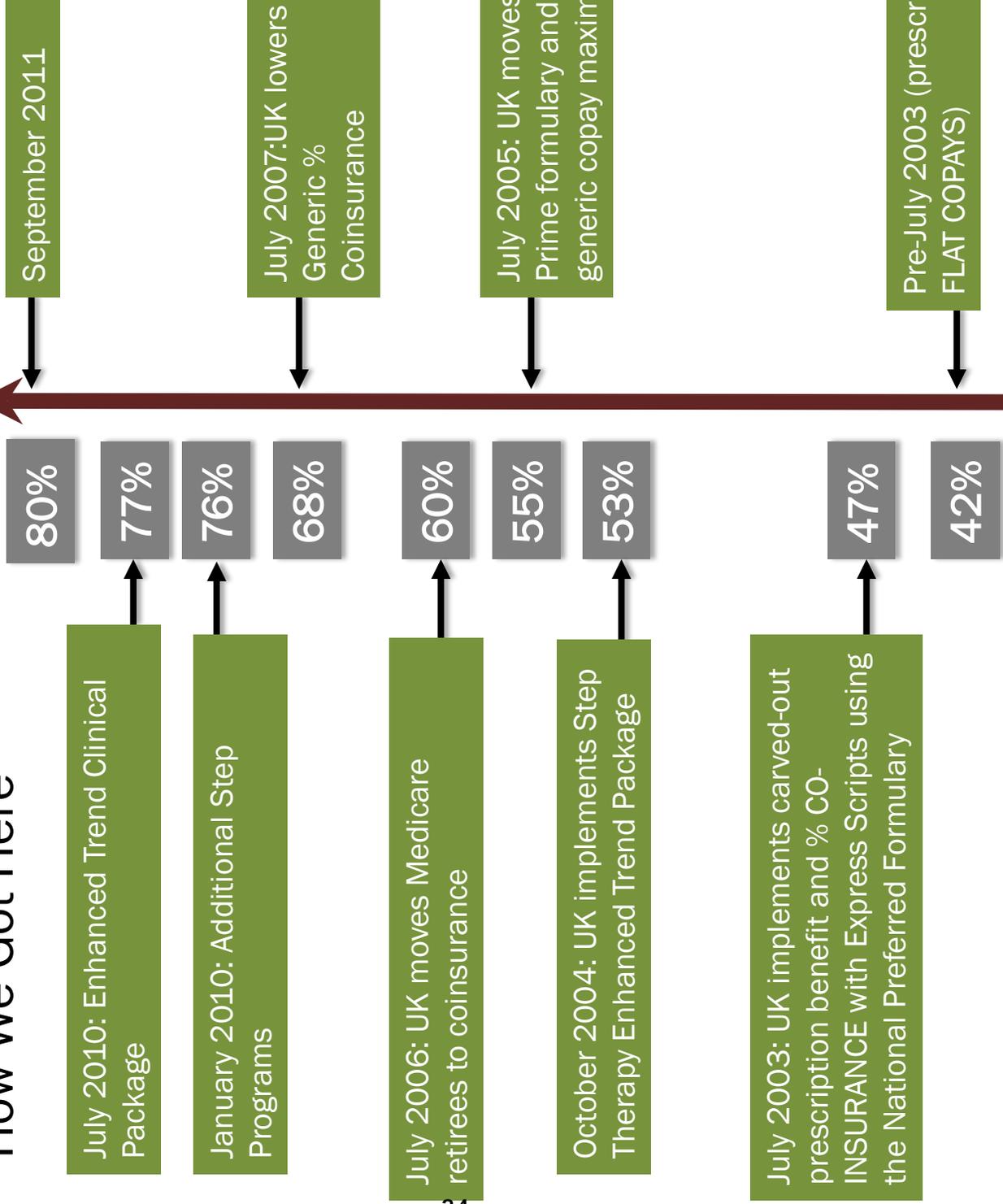
GFR THROUGH SEPT 2011



Every 1% increase in Generic Utilization saves the plan 1.6%

University of Kentucky Generic Fill Rates

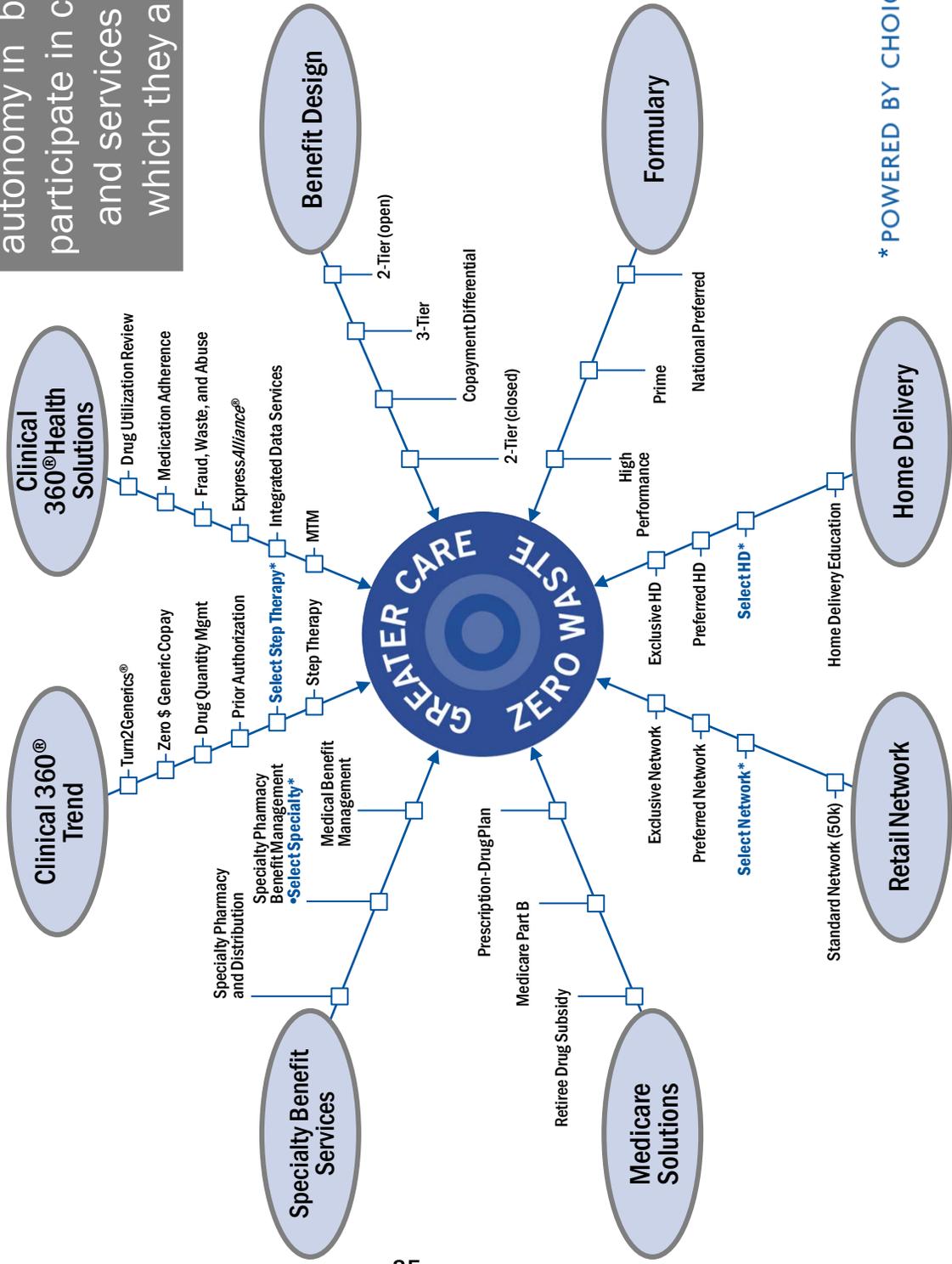
How We Got Here



Complete Autonomy

Choose Your Path

All groups joining have complete autonomy in benefit design and participate in coalition programs and services only at the level which they are comfortable.

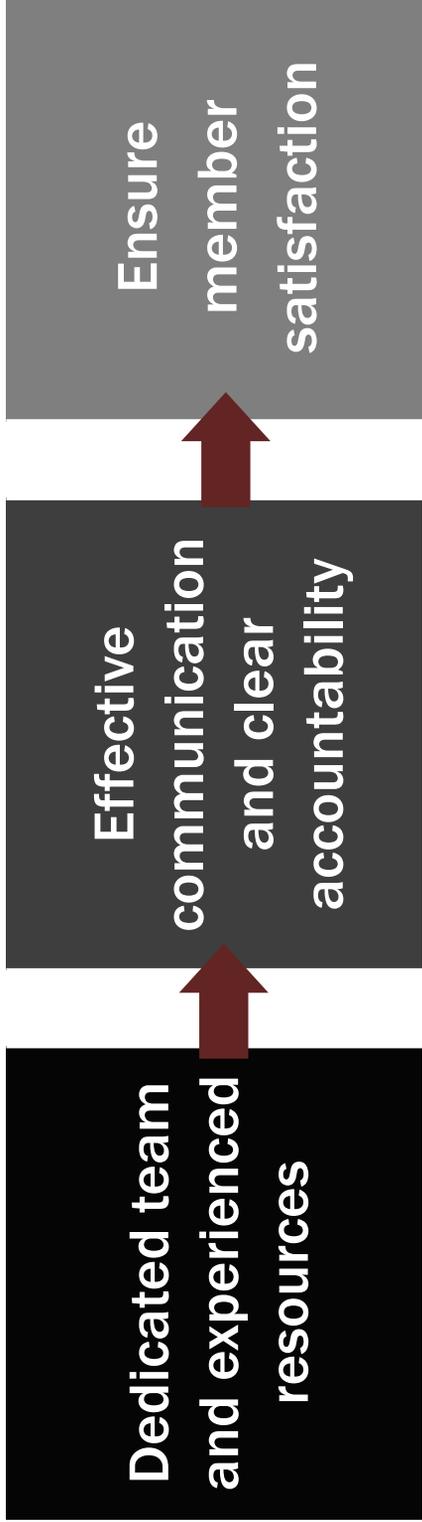


* POWERED BY CHOICE™



Implementation

Agile, flexible, member-focused



“ESI hands down has the best implementation department compared to other PBMs I have worked with. They are extremely thorough and a pleasure to work with.” - Quote from the annual National Broker and Consultant Survey

Serving Kentucky Teachers Retirement System Implementation Best Practices

Critical Communication to Members

- We are leveraging greater prescription purchasing power and deeper drug discounts
- Dedicated U of K pharmacist assigned to KTRS
- No substantial changes to the existing drug plan design with same access
- Minimal benefit disruption

The Kentucky Rx Coalition Effect

- Coalition and ESI work closely to mirror existing network, minimize disruption, customize communication materials – all through dedicated Implementation Project Manager
- All vital workshops and meetings are attended by ESI and coalition pharmacist
- Executive Director will attend meetings with KTRS in Washington DC to update KY delegates on benefits of coalition
- Coalition is steering KTRS direction of clinical best practices

- *Projected savings of \$11 million for 2012*
- *Projected \$400 million reduction off KTRS Medical Insurance Fund actuarial liability*



Additional Account Team Support

Account Director	Senior Clinical Program Manager	Senior Account Manager
<p>Consultative Support</p> <ul style="list-style-type: none"> Strategic planning and partnership Product innovation and solutions Annual plan review Point of escalation Contract Client reporting 	<p>Clinical Support</p> <ul style="list-style-type: none"> Clinical program recommendations Proactively develop member-specific health management strategies Partner and consult with disease manager to identify and avert adverse member health outcomes 	<p>Daily Operational Support</p> <ul style="list-style-type: none"> Plan design changes Home Delivery Patient Service Center CuraScript Set up new programs Eligibility Standard reports Participant materials



Optimal Care and Advocacy

	KY Rx Coalition	Express Scripts, Inc.
Additional unique clinical resources including management of <i>Pharm-Assist</i> offering	✓	
Support to Express Scripts account service model	✓	
Educational resource for clients and members	✓	
PBM contract management	✓	
Fundamental advocacy for clients and members	✓	
Day-to-day operational support		✓
Strategic planning and partnership		✓
Implementation lead		✓
Order of replacement ID card		✓
Submission and refill of a Mail order prescription		✓
Web-based information about your prescription		✓
Questions on drug coverage and copay		✓



KENTUCKY
C O A L I T I O N

A KENTUCKY GOVERNMENTAL
PURCHASING COLLABORATIVE



Thank You

www.kyrx.org
(859) 218-KYRX

An Ambitious Sustainability Agenda: Producing Cost Savings and Other Benefits

**U N I V E R S I T Y O F
LOUISVILLE[®]**

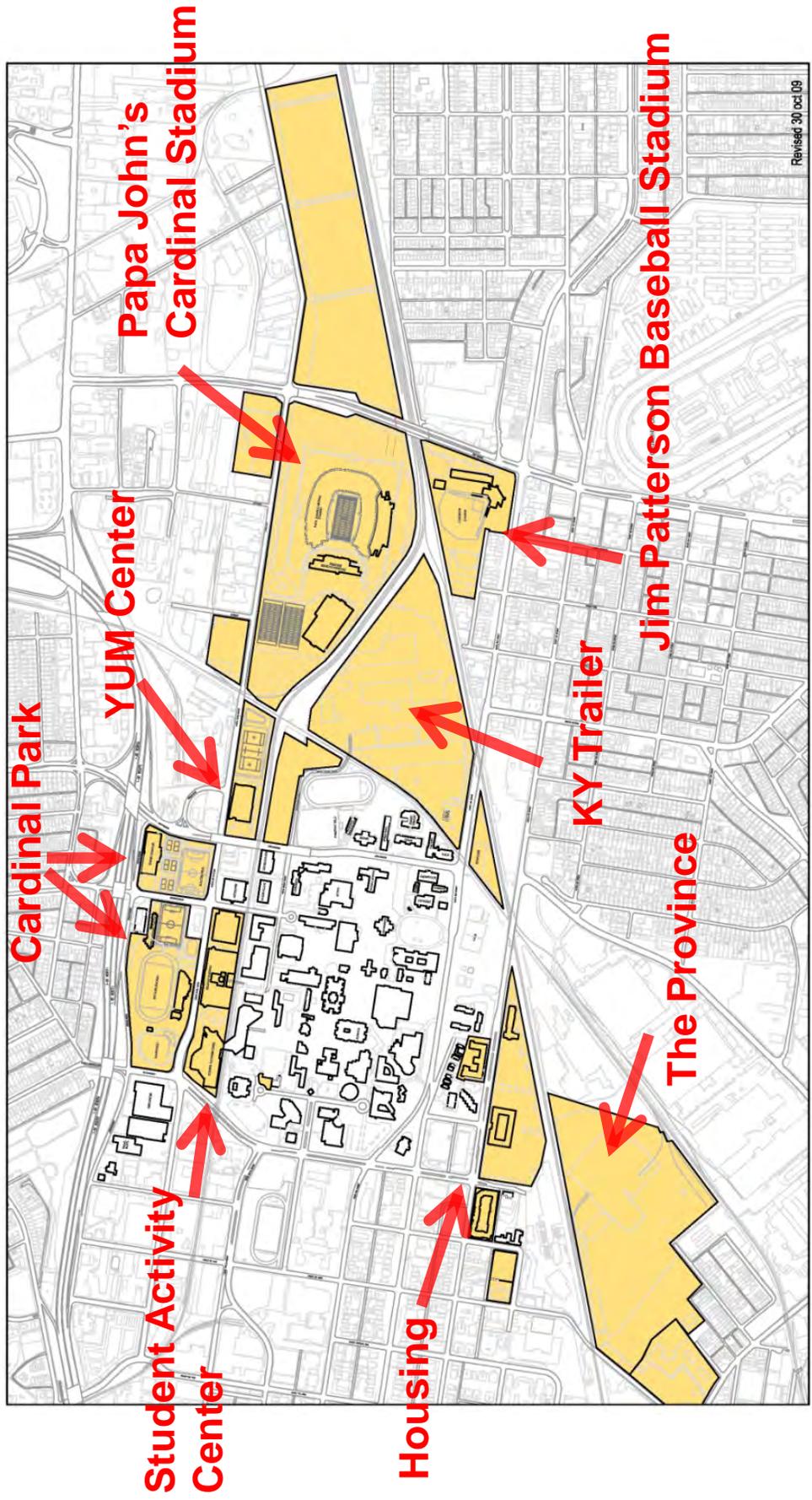
Larry Owsley
Vice President for Business Affairs

AREAS OF FOCUS

- Local Food Sourcing
- Single Stream Recycling
- Public Transportation
- Leadership in Energy and Environmental Design (LEED)
- Residential Campus Development
- Grayfield/Brownfield Reclamation



University Grayfield/Brownfield Sites



Revised 30 Oct 09

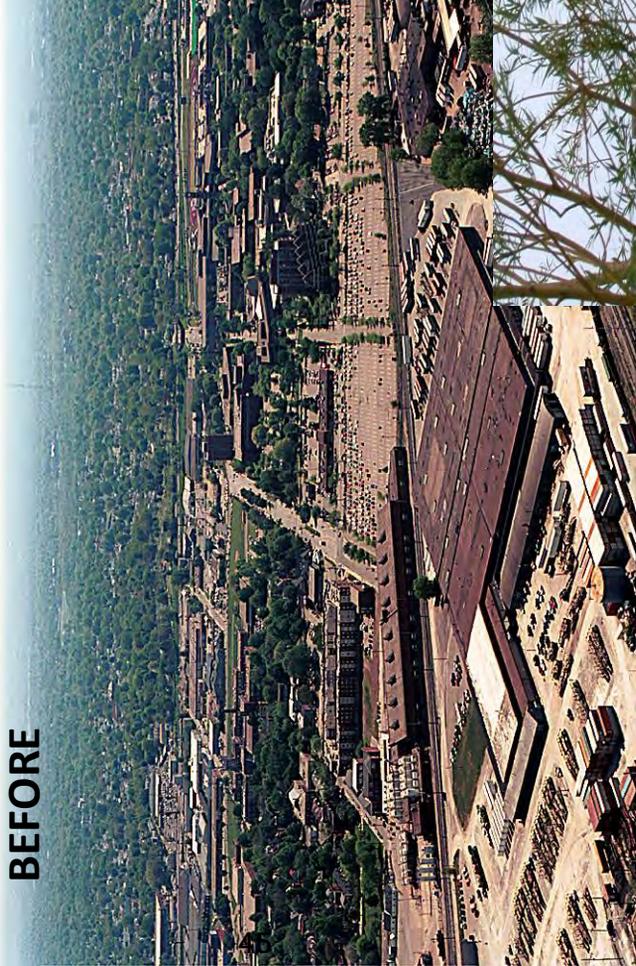


Brownfield Areas, UofL Belknap Campus

Campus Development – Brownfield Reclamation

THE PROVINCE

BEFORE



AFTER



Campus Development – Brownfield Reclamation

CARDINAL PARK



BEFORE

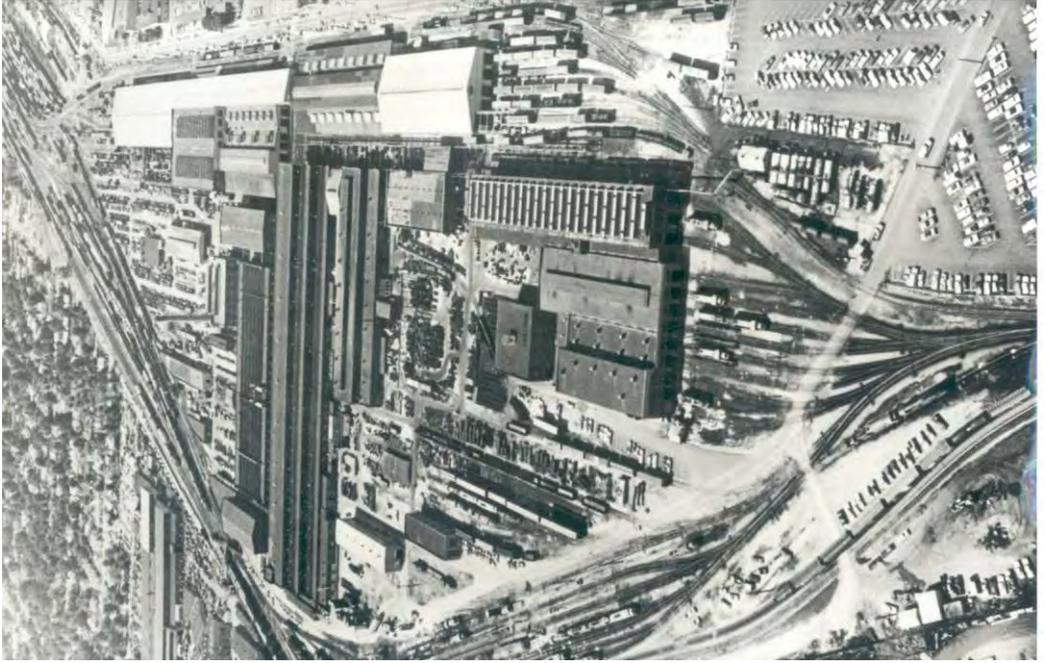
AFTER



Campus Development – Brownfield Reclamation

PAPA JOHN'S CARDINAL FOOTBALL STADIUM

BEFORE



AFTER

1999 Grand Prize Winner Phoenix
Award



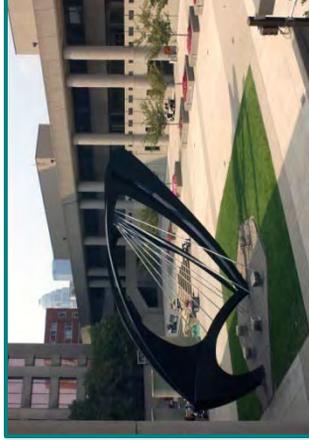
Campus Development

CARDINAL TOWNE DEVELOPMENT Third & Cardinal



Energy Savings: Performance Overview

- \$46.2 million of energy efficiency improvements
- 88 buildings / 6.2 million square feet of space
- \$64 million of guaranteed savings over 14-year term
- \$4.4 million of annual savings or \$12,086 per day
- If the guarantee is not met, Siemens will pay to cover the shortfall



Total Annual Guaranteed Savings

Building Automation: Scheduling, Setbacks, & Programming	\$1,794,326
Energy Efficient Lighting	1,041,689
Boiler Replacements and System Upgrades	703,033
Building Automation: Fan and Pump Controls	370,500
Water Conservation Upgrades	338,554
Power Factor Correction	163,306
Total	\$4,411,408

Building Automation: Scheduling, Setbacks, & Programming

- Implemented equipment scheduling, temperature setbacks, and upgrades to the building automation infrastructure
- Replaced major ventilation equipment and controls in six buildings on Belknap Campus and three buildings on the Health Sciences Campus
- Building energy consumption was reduced by 30%
- Annual energy savings: \$1,794,326



Energy Efficient Lighting

- Installed the following:
 - 117,483 fluorescent lamps for interior lighting
 - 41,714 premium efficiency ballasts
 - 2,011 occupancy sensors
 - 1,729 induction lamps for exterior lighting
 - Reduces lighting energy consumption by 15%
 - Annual energy savings: \$1,041,689



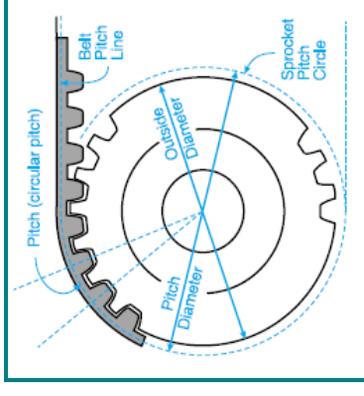
Boiler Replacements and System Upgrades

- Replaced two large coal boilers with two new natural gas-fired steam boilers, thus eliminating 100% of the existing coal usage
- Replaced four smaller hot water boilers with more efficient natural gas boilers, thus reducing consumption by more than 10%
- Installed 1,152 insulated steam jackets on steam valves to reduce heat loss at the valve by 90%
- Annual energy savings: \$703,033



Building Automation: Fan and Pump Controls

— Approximately 320 fans and pumps were upgraded with replacement motors, no-slip belt drives, and variable speed controls



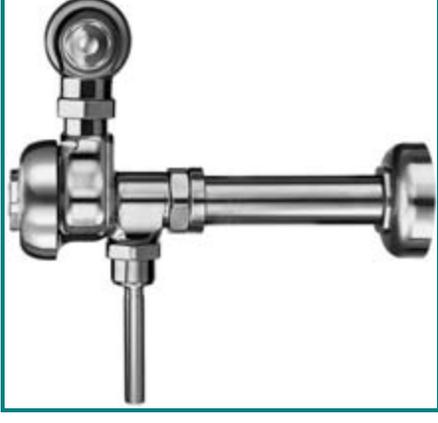
— Motor energy consumption was reduced by an average of 25%



— Annual energy savings: \$370,500

Water Conservation Upgrades

- Replaced 2,400 toilet flush valves with reduced flow valves
- Replaced 2,042 faucet aerators with low flow, pressure independent aerators
- Replaced 616 shower heads with low flow showerheads
- Reduced hot and cold water consumption by an average of 30%
- Annual energy savings: \$338,554



Power Factor Correction

- Installed a large capacitor bank on Belknap Campus to reduce penalties on the electric bill
- Savings will be approximately 8% of the costs billed to that meter
- Annual energy savings: \$163,306



CONCLUSIONS

QUESTIONS

INFORMATIONAL WEBLINKS

University of Louisville <http://louisville.edu/>

University of Louisville Sustainability <http://louisville.edu/sustainability/>

Performance Contracting <http://louisville.edu/energysavings>

University Planning, Design & Construction
<http://louisville.edu/updc/sustainability>

Dining Services <http://uofldiningservices.com/social.html>

Commute Green <http://louisville.edu/parking/commute-green>

Green Purchasing Policy
<http://louisville.edu/purchasing/sustainability/greenpolicy.html>

Association for the Advancement of Sustainability in Higher Education (AASHE)
<http://www.aashe.org/>

Sustainability Tracking, Assessment and Rating System (STARS) -
<https://stars.aashe.org/>

American College & University Presidents' Climate Commitment (ACUPCC)
<http://www.presidentsclimatecommitment.org/>

Partnership for a Green City www.partnershipforagreen.org

US Green Building Council <http://www.usgbc.org/>

**UNIVERSITY OF
LOUISVILLE[®]**

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Efficiency & Innovation

Performance Metrics

- ONLINE LEARNING
- DEGREE PRODUCTIVITY RELATIVE TO EDUCATION AND RELATED EXPENDITURES

60



STRONGER BY DEGREES DASHBOARD



STRONGER by DEGREES

A STRATEGIC AGENDA for Kentucky Postsecondary and Adult Education

Dashboard Home

College Readiness

Student Success

Research, Economic & Comm Develop

Efficiency and Innovation

Efficiency and Innovation

Objective 8: Increase academic productivity through program innovations.

PM12: Online learning 📈

Year	Value	Target
09-10	14.3%	18.0%
14-15	18.0%	18.0%

PM13: Degree productivity relative to education and related expenditures 📈

Year	Value	Target
08-09	2.0	2.2
13-14	2.2	2.2

Statewide Metrics

Institutional Metrics

Regional Metrics

Scorecards

Technical Guide

Strategies

Questions?

[Go to dashboard](#)



STRONGER by DEGREES

A STRATEGIC AGENDA for Kentucky Postsecondary and Adult Education

Statewide Performance Metrics

College Readiness

Progress

- Readiness of Kentucky high school graduates who enter college
- GED® graduates
- New teacher excellence (top 15% nationally)

Student Success

Progress

- Degrees and credentials conferred
- Graduation rates (bachelor's and associate)
- Graduation rate gaps of lower-income, underprepared, and underrepresented minority students
- State appropriations for public higher education
- Low-income students without grants

Research, Economic, and Community Development

Progress

- Research and development funding
- Degrees and credentials in science, technology, engineering, mathematics, and health-related fields
- Educational attainment at the associate or higher degree level, ages 25-44

Efficiency and Innovation

Progress

- Online learning
- Degree productivity

Efficiency and Innovation

Statewide Metrics	Objective 8: Increase academic productivity through program innovations.	Strategies						
Institutional Metrics	<p>PM12: Online learning ⓘ ⓘ</p> <table border="1"> <caption>PM12: Online learning</caption> <thead> <tr> <th>Year</th> <th>Value</th> </tr> </thead> <tbody> <tr> <td>09-10</td> <td>14.3%</td> </tr> <tr> <td>14-15 Target</td> <td>18.0%</td> </tr> </tbody> </table>	Year	Value	09-10	14.3%	14-15 Target	18.0%	Strategies
Year	Value							
09-10	14.3%							
14-15 Target	18.0%							
Regional Metrics								
Scorecards								
Technical Guide	<p>Objective 9: Maximize the use of postsecondary and adult education.</p> <p>PM13: Degree productivity relative to education and related expenditures ⓘ ⓘ</p> <table border="1"> <caption>PM13: Degree productivity relative to education and related expenditures</caption> <thead> <tr> <th>Year</th> <th>Value</th> </tr> </thead> <tbody> <tr> <td>08-09</td> <td>2.0</td> </tr> <tr> <td>13-14 Target</td> <td>2.2</td> </tr> </tbody> </table>	Year	Value	08-09	2.0	13-14 Target	2.2	Strategies
Year	Value							
08-09	2.0							
13-14 Target	2.2							
Strategies								
Questions?								

Efficiency and Innovation

Statewide Metrics

Definition: Percent of total completed credits taken through online and other distance learning, technology-enhanced modes of delivery.

Data Source: CPE KPEDS

Online learning

Statewide

Year	Percentage
05-06	6.1%
06-07	8.6%
07-08	10.1%
08-09	12.5%
09-10	14.3%

Statewide

Statewide

Course Level

Undergraduate instruction completed online

4-year universities

Year	4-year universities	2-year Colleges
2004-05	5%	2%
2005-06	6%	4%
2006-07	7%	5%
2007-08	7%	6%
2008-09	7%	7%

4-year universities 2-year Colleges

Online learning of freshmen

Year	Percentage
2005-06	4%
2006-07	6%
2007-08	8%
2008-09	10%
2009-10	13%

Recent graduates' credit hours taken online

Associate

Year	Associate	Baccalaureate	Graduate
2005-06	13%	14%	15%
2006-07	13%	14%	15%
2007-08	13%	14%	15%
2008-09	13%	14%	15%
2009-10	13%	14%	15%

Associate Baccalaureate Graduate

[Go Back](#)

Efficiency and Innovation

Statewide Metrics

Definition: Number of degrees and credentials conferred for every \$100K in expenditures at public colleges and universities.

Data Source:
CPE Comprehensive Database
U.S. Census Bureau, American Community Survey
IPEDS

Degree productivity

Kentucky

Year	Degree Productivity
2005	2.09
2009	1.97

National degree productivity

Year	Best state	Kentucky	US
2005	2.68	2.09	1.87
2009	2.69	1.97	1.78

Education spending per FTE

Year	Best state	Kentucky	US
2005	\$7,885	\$9,351	\$10,076
2009	\$8,487	\$11,627	\$11,725

Classroom space utilization

Year	Average Weekly Hours	Percent of space used
Fall 2005	25	25
Fall 2006	25	25
Fall 2007	25	25
Fall 2008	24	24
Fall 2009	21	21

Efficiency and Innovation

Select Institution : Morehead State University

Objective 8: Increase academic productivity through program innovations.

Online learning ? -

Year	Percentage	Target
09-10	25.4%	27.0%
10-11		
11-12		
12-13		
13-14		
14-15	27.0%	27.0%

Credits earned by degree graduates ? -

Year	Credits Earned	Target
09-10	145	130
10-11		
11-12		
12-13		
13-14		
14-15	130	130

Objective 9: Maximize the use of postsecondary and adult education.

No Institutional Metrics have been adopted under Objective 9.

Statewide Metrics

Definition: Mean number of credits that students earned at the time of graduation, including credit transferred to the degree-granting institution and developmental/remedial coursework. Includes Bachelor's degree graduates at public universities and AKCU institutions during the academic year; and Associates degree graduates at KCTCS colleges. Data Source: CPE KPEDS

STRONGER by DEGREES



A STRATEGIC AGENDA for Kentucky Postsecondary and Adult Education



Focus on Efficiency and Innovation

Presentation to the Council on Postsecondary Education
November 10, 2011

Policy Objective 8: Increase academic productivity through program innovations

Strategy 8.1. Increase productivity and maximize success for both traditional and nontraditional students through course redesign and alternative methods of program delivery.

- The Kentucky Virtual Campus (KYVC) has reallocated and targeted funding for faculty and staff professional development to support course redesign and other program innovations of the National Center for Academic Transformation.
- The Kentucky Community and Technical College System (KCTCS), with initial funding from the Kentucky Virtual Campus, has implemented Learn on Demand, an alternative teaching and learning model designed for working adults. The Learn on Demand model includes competency-based modules delivered totally online. Students can enroll at any time, earn credit for prior knowledge, learn at their own pace, access online student services at any time, and pay tuition only for those learning modules needed, rather than for full courses. Instructors are paid by the number of students taught and how those students perform and revenues are shared among all participating institutions. Four degree programs and developmental education courses currently are offered.
- The Council, in partnership with KCTCS and supported by other educational organizations, has been awarded \$1 million in funding as a part of Complete College America's Innovation Challenge. Funds will be used to support virtual advising services for students enrolled in KCTCS's Learn on Demand programs.



Strategy 8.2. Build upon the success of Kentucky's Virtual Campus and Virtual Library to maximize the use of technology in implementing academic innovations.

- The Council's state-level capital request includes funding to revitalize and enhance the state's virtual library, which serves all public and private colleges and universities in the Commonwealth and many school districts and public libraries. The Kentucky Virtual Library (KYVL) saves millions of dollars each year by leveraging

the purchasing power of multiple providers. Additional funds also are being requested to upgrade and expand the Kentucky Postsecondary Education Network (KPEN).

- The Kentucky Virtual Campus manages a statewide contract for the software used by all institutions for online courses. This provides a high quality, consistent virtual classroom experience for students and instructors while saving over \$5 million annually for Kentucky campuses.
- Kentucky Virtual Library provides electronic materials to 400 member libraries at one tenth the cost of individual purchases. KYVL manages the contracts for software and hosting used by libraries for their local operations. KYVL manages the delivery service for statewide interlibrary loan items.
- The Council staff has facilitated several state-level discussions regarding college textbooks to determine strategies to lower costs for students. Representatives from public universities and KCTCS, textbook publishers, and others have participated in these conversations. The Learning Depot and nine publishers presented at a November 4, 2011, KCTCS hosted program “Today Textbook - Tomorrow’s Digital Future Quality & Costs: An Aim toward Affordable Education.” The focus was on strategies to lower the costs of content for students while raising the quality and ease of use for content selected by faculty.
- The Learning Depot, managed by the Council, provides a forum and digital repository for the contribution and reuse of high quality electronic class materials.
- KYVC4K12 provides online courses for middle and high school students for extended and supplemental use.
- The Kentucky Regional Optical Network (KyRON), a consortial operation of the Council, UK, and UofL, connects the P-20 education community to the national and international research and education community through Internet2. KyRON enables UK and UofL to qualify for major federal research grants and help them reach HB 1 goals to become nationally recognized research institutions. KyRON has issued a Request for Proposals to acquire fiber optic connections to the public four year institutions. A successful award will provide the increased bandwidth to stay ahead of the continuing growth in demand and enable cost savings applications like Cloud Computing. KyRON plans to extend its offerings beyond postsecondary education to other community anchor institutions like schools, libraries, museums, healthcare, public safety, and local governments.

Strategy 8.3. Redesign approval and review processes for new and existing academic programs to ensure alignment with state needs.

- The Council has developed a new Academic Program Review and Approval Process and is developing a computer system to automate its operation. The Kentucky Postsecondary Program Proposal System (KPPPS) allows Kentucky public postsecondary institutions to communicate and solicit review of new proposed academic programs with other Kentucky public postsecondary institutions. The system

provides ease of use through an automated notification and workflow process which is managed by Council administrators. It offers transparency of the process to all public postsecondary institutions.

Additional Examples of Efficiencies and Innovations from Previous Reports

The Council's focus on Efficiency and Innovation is designed to encourage new approaches and the intelligent application of technology in all the Strategic Agenda focus areas (College Readiness; Student Success; and Research, Economic, and Community Development).

- In recognition of the current economy and high unemployment rates, Kentucky Adult Education (KYAE) offered free GED testing through June 30, 2011, and waived the usual \$55 test fee.
- In the 2010-11 Program Director Institutes, KYAE has promoted innovative uses of technology and its ongoing partnership with KET in an effort to appeal to younger, more tech-savvy students as well as those who have different learning styles.
- The implementation of KYAE Common Core Standards and the alignment of curricula to the standards will lead to higher GED scores and the potential that GED graduates will transition into credit-bearing college coursework.
- The Council has developed several online professional development modules for faculty. Introduction to Senate Bill 1 (2009) and the Kentucky Core Academic Standards describes the main components of Senate Bill 1 (2009) and explains the impact of the bill on postsecondary institutions. The Impact of Senate Bill 1 (2009) on assessment and accountability provides an introduction to assessment and accountability and includes examples of P-12 and postsecondary assessment being used in the classroom. Other online modules are in development for Mathematics, English/Language Arts, and Literacy.
- All KCTCS colleges and the public universities have implemented a web-based system for faculty to determine course equivalencies for transfer. Development of "KnowHow2Transfer," a student-centered website, also is underway. This e-portal will provide students with a unified source for information about general education and transfer equivalencies for courses at Kentucky public institutions.
- The Council is developing a comprehensive performance monitoring system and web-based dashboard as part of the accountability structure of the new Strategic Agenda.
- Adults interested in returning to college to complete a bachelor's degree are getting an extra boost through Project Graduate, a statewide, campus-based program designed to recruit and graduate former students with 90 or more credit hours. Through fall 2010, a total of 447 former students had completed a degree with the help of high-touch services and incentives offered through the program.
- The Commonwealth, through KHEAA, developed a program several years ago to assist working adults attending college. The Go Higher Grant program provides some assistance to adults who attend college

less than half-time. Nontraditional adult students also have access to other state and federal programs, but because many require more than part-time enrollment, qualifying for adequate aid to meet financial need is often a barrier to college completion.

- Following the recommendations of the Governor’s Higher Education Workgroup, the Council hosted the first statewide Higher Education Cost Containment Summit in the fall of 2010. This statewide event brought together education and other professionals to discuss cost containment strategies and efforts to reduce pressure on tuition through efficiencies in both business and academic functions.

Policy Objective 9: Maximize the use of postsecondary and adult education resources

Strategy 9.1. Effectively integrate Kentucky's independent colleges and universities into efforts to achieve greater efficiencies and expand postsecondary opportunities.

- Kentucky's independent colleges are key partners in Kentucky's efforts to achieve the goals of House Bill 1, improve educational opportunity, and increase educational attainment at all levels.
- The president of the Association of Independent Kentucky Colleges and Universities (AIKCU) is a member of Kentucky's Advisory Conference of Presidents, and AIKCU staff members and independent college representatives regularly participate in planning and policy related discussions hosted by the Council.
- The independent colleges and universities present performance information annually to the Council, and for many years, AIKCU members have voluntarily provided unit record data to the Council for integration into the state's comprehensive postsecondary data system. This participation has provided Kentucky with a much more comprehensive understanding of postsecondary performance within the state.
- All independent colleges and universities (for-profit, baccalaureate degree granting and nonprofit) are licensed by the Council and all new programs are submitted for Council approval.
- Kentucky undergraduates attending independent colleges and universities are eligible for both need-based grants and KEES scholarships. The Kentucky Tuition Grant, established in the 1970s, is solely for Kentucky students with demonstrated financial need attending the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC) accredited independent colleges, or have been approved through a SACS-like review conducted by the Council. The grant program is designed to help equalize tuition between the public and private sectors and expand postsecondary choice and opportunity for Kentuckians.



- Many of Kentucky’s independent colleges and universities are located in rural regions of the state far from any public university campus. The presence of these campuses in these areas allows greater access to postsecondary education for students who may be place bound or who are interested in a smaller campus environment.
- Kentucky’s independent colleges and universities participate in a range of programs and services hosted or managed by the Council, including the Kentucky Virtual Library, SB 1 (college readiness)-related initiatives, transfer programs, teacher quality activities, among others.

Strategy 9.2. Explore options for consolidating or outsourcing pertinent operations, as well as facilitating joint purchasing and contracts.

There are a range of cost containment practices and ideas to improve the efficiency of business practices that are followed by institutional chief budget officers, institutional chief information officers, the Distance Learning Steering Team, the Kentucky Educational Purchasing Cooperative, Kentucky public university business officers, and the Kentucky Higher Education Risk Managers. Examples include:

- Institutions have established policies that encourage the use of document imaging systems for management and retention of all official personnel records.
- Institutions have implemented employment/applicant tracking systems applicable for all staff and faculty hiring (full-time, part-time, temporary, seasonal, etc.). The systems manage and retain all employment applications and resumes in a totally electronic format and communicates with hiring units and with applicants electronically.
- A pharmacy coalition, KYRX Coalition, has been established by several public institutions to improve financial outcomes and services within the prescription benefit plans.
- Some institutions are exploring opportunities to outsource retiree billing to create efficiencies and reallocate staffing to higher levels of service.

Strategy 9.3. Develop statewide policies that promote the effective and efficient use of capital facilities and infrastructure.

Facilities Construction, Operation, and Management: All Kentucky institutions outsource select noncore functions and/or operate noncore functions as self-supporting enterprises. This approach can result in improved service, cost savings, and better resource consumption decisions on campus. In addition, management focus would be shifted from the more time consuming task of managing complex operations to the less time consuming task of managing contractual relationships. Below are examples of cost saving strategies that one or more campuses are implementing to reduce costs, respond to increased student enrollment or staff numbers, or provide increased access to existing programs or services.

- **Kentucky LEED Standards:** Experts recommend the use of Leadership in Energy and Environmental Design (LEED) standards for construction and renovation, and for the recommission buildings at the conclusion of construction to ensure that expected and intended savings are realized. The 2008 General Assembly enacted legislation to implement High Performance Building Standards. Among the institutions having buildings designated LEED Silver or above are EKV, KCTCS, MoSU, MuSU, NKU, UK, UofL, and WKU. Consideration is being given to recommissioning existing buildings at some reasonable interval. As buildings age and repairs are completed, it is not uncommon for the operating parameters of the systems to be changed or to drift from the original design. Over time building efficiency declines and it is possible to achieve an improvement in efficiency of 10 percent or more through recommissioning.
- **Energy Use/Savings (ESCOs):** All Kentucky postsecondary education institutions currently have energy performance savings contracts to secure immediate and long-term savings and upgrades in buildings. These programs invest in energy savings to reduce long-term operating costs while implementing programs that encourage faculty, staff, and students to reduce energy consumption while on campus.
- **Administrative practices:** Kentucky's postsecondary institutions are reviewing and reorganizing administrative practices and structures to increase efficiencies and reduce bureaucracy. Examples of some of the activities undertaken at one or more institutions include:
 - **Business Centers:** Consolidation of business functions (IT, purchasing, payroll, etc.) across academic/business units.
 - **Academic Administration:** Review of academic administrative structure to ensure responsibilities are optimally assigned to the appropriate resource while reducing the number of organizational units in the colleges.
 - **Administrative Reviews:** Cost/benefit analysis and performance reviews on all nonmandatory functions of the institution to ensure all services are achieving measurable results and they are being undertaken in the most effective manner possible.

STRONGER by DEGREES

Morehead
State
University



Institutional Progress Update

Presentation to the Council on Postsecondary Education
by Dr. Wayne D. Andrews, President

November 10, 2011



INSTITUTIONAL PROFILE

Morehead State University

Student Enrollment		2000	2010	2011 Preliminary	% Change 2000-2011
Total		8,327	8,842	10,972	+31.76%
Undergraduate		6,750	7,399	9,421	+39.57%
Graduate		1,577	1,443	1,551	-1.64%
New Freshmen		1,464	1,180	1,372	-6.28%
New Transfers		453	449	541	+19.42%
African American		258	293	358	+38.75%



INSTITUTIONAL PROFILE

Morehead State University

Student Success	2000	2010	2011 Preliminary	Change 2000-2011
Retention of FTFR	61.5%	67.1%	72.7%	+11.2 ppt
Six-Year Grad. Rate	37.5%	35.8%	N/A	-1.7 ppt (2000-2010)
Average ACT	20.0	21.6	21.7	+8.5%
Completions	2000-2001	2009-2010	2010-2011	
Baccalaureate	959	926	1079	+12.51%
Masters	320	368	437	+36.56%
Expenditures	FY 2001 actual	FY 2011 actual	FY 2012* budgeted	Change 2001-2011
Research	\$338,183	\$2,025,681	\$3,788,661	+498.99%
Public Service	\$6,376,514	\$6,906,939	\$7,021,495	+8.31%



2011-15 STRATEGIC AGENDA

Four Focus Areas

**COLLEGE
READINESS**

**STUDENT
SUCCESS**

**RESEARCH, &
ECONOMIC, &
COMMUNITY
DEVELOPMENT**

**EFFICIENCY
&
INNOVATION**



COLLEGE READINESS

Morehead State University

Performance Metric	Historical (2005-06)	Baseline (2008-09)	2015 Target	Percent Change Baseline to Target
New teacher excellence (top 15% nationally)	12%	12%	17%	42%

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



COLLEGE READINESS

Morehead State University

- ✓ **College Algebra Program**
 - In 2010-11, CAP served students in 11 high schools in service region.
 - 74 Students in Math 091 and 239 students in Math 093.
 - 95% student success rate.
- ✓ **Early College Program**
 - Possible for a student to complete 24 lower-division college credit hours before high school graduation at no cost to the student.
 - MOAs with 34 high schools participating in the fall 2011 term.
 - Three options:
 - Course taught by faculty at high school. (HS faculty meet SACS credential requirements.)
 - Course taught by MSU faculty on-campus.
 - Mixture of first two options.
- ✓ **Compliance with Senate Bill 1**
 - Professional Development Grant
 - Annual Reporting Mechanism to Support Appropriate Placement
 - Targeted Intervention: Developmental Education Students (TIDES)



STUDENT SUCCESS

Morehead State University

Performance Metric	Historical (2005-06)	Baseline (2009-10)	2015 Target	Percent Change Baseline to Target
Total Degrees & Credentials	1,604	1,452	1,743	20%
Bachelors	1,055	926	1,100	19%
Masters	406	368	450	22%
Doctoral – Prof. Practice	0	0	43	N/A
Transfer from KCTCS	Not avail.	1,018	1,030	1%
Net direct cost for low-income students	-\$1,227	-\$1,590	-\$1,500	-6%

Transfer from KCTCS includes transfer of KCTCS credit at any time during a student's career. Net Direct Cost is the cost of tuition, fees and books after all grants and scholarships received. Amounts shown are for full-time, Kentucky resident undergraduates only. Negative amounts reflect additional money available to pay indirect costs such as room and board.



STUDENT SUCCESS

Morehead State University

Performance Metric	Historical (2005-06)	Baseline (2008-09)	2015 Target	Percent Change Baseline to Target
Six-year graduation rates (Bachelor)	43%	40.3%	43.0%	7%
Grad. rate gap of low-income students	Not available	16 ppt	14 ppt	-13%
Grad. rate gap of underprepared students	Not available	23 ppt	17 ppt	-26%
Grad. rate gap of underrepresented minority students	17ppt	11 ppt	9 ppt	-18%

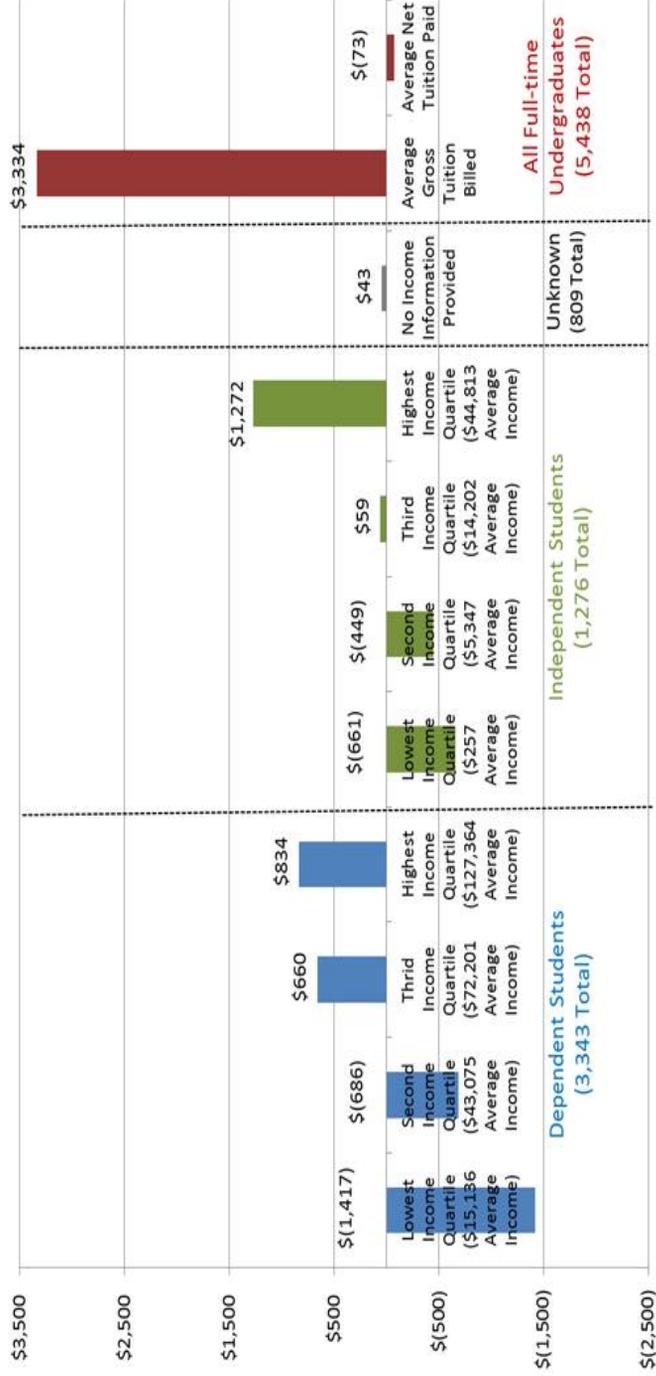
Graduation rate of full-time, Bachelor's degree-seeking students who entered six years previous (IPEDS). Gaps represent difference between graduation rate of target group and graduation rate of other students



STUDENT SUCCESS

Morehead State University

Average Net Tuition* Paid by Full-Time Undergraduates in Fall 2010



*Note: Net Tuition is calculated by subtracting all need and merit-based grants, scholarships and waivers from federal, state, institutional and other sources. Income quartiles rank students in the sector within their dependency category by family income reported on the FAFSA, and divides them into four equal-sized groups based on their income rank. Student loan or work study awards are not included in the calculation of net tuition. Gross tuition is the amount billed to a student's account based on 2010-11 tuition rates and actual student credit hours enrolled prior to application of any student financial aid awards.



RESEARCH, ECONOMIC, & COMMUNITY DEVELOPMENT

Morehead State University

Performance Metric	Historical (2005-06)	Baseline	2015 Target	Percent Change Baseline to Target
Externally-Funded Research & Development (in thousands)	\$1,045	\$1,313	\$2,360	80%
Degrees & Credentials in STEM+H Fields	328	332	400	21%

Externally-funded research and development includes all sources of science and engineering R&D funding other than institutional sources such as endowments. STEM+H includes certificates and degrees at all levels in the Science, Technology, Engineering, Mathematics and Health fields.



RESEARCH, ECONOMIC, & COMMUNITY DEVELOPMENT

Morehead State University

- ✓ **Undergraduate Research Fellows**
 - Started in 2005-06 with 34 students.
 - 128 students participating in 2010-11.
- ✓ **Regional Analysis and Public Policy**
 - Grant funded research totaling \$3,454,687 in 2010-11.
- ✓ **East Kentucky Small Business Development Center**
 - Regional Service Centers are located in Ashland, Morehead, and Pikeville.
 - Three satellite centers are located in Maysville, Paintsville, and West Liberty.
 - Over \$5 million in funding obtained 10/2010-9/2011.
 - 34 new businesses started in service area; 43 training events; and 232 jobs impacted.
- ✓ **Space Science Center**
 - NASA selected a MSU satellite nanosatellite for launch in 2012.
 - MSU Biology and Space Center faculty and students collaborated with students from the University of Rome to fly two experiments on the last two US Space Shuttle flights.



EFFICIENCY AND INNOVATION

Morehead State University

Performance Metric	Historical (2005-06)	Baseline (2009-10)	2015 Target	Percent Change Baseline to Target
Credits Earned by Degree Graduates	146	145	130	-10%
Online Learning (Percent of all credit earned through online learning)	9%	25%	27%	8%

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.



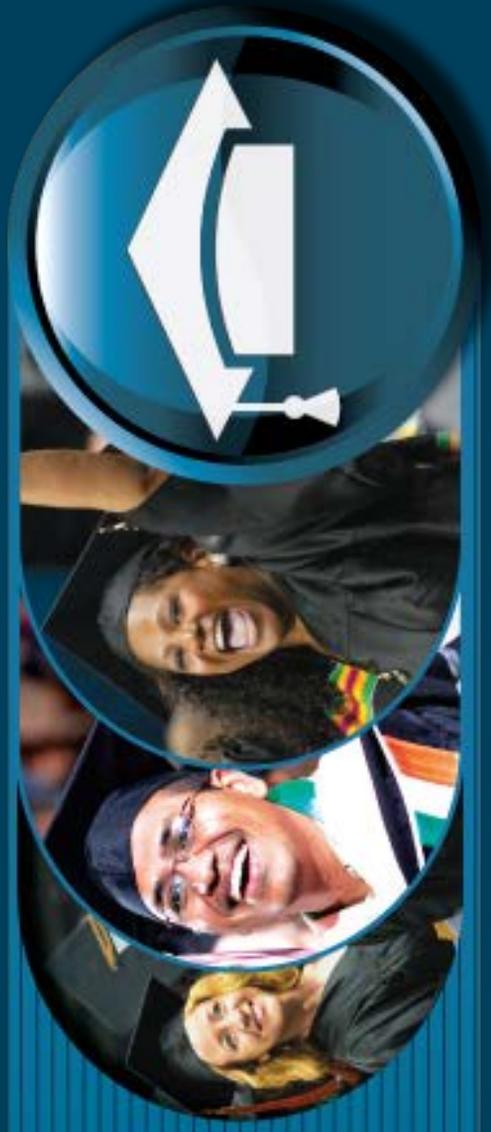
EFFICIENCY AND INNOVATION

Morehead State University

- ✓ **Guaranteed Energy Saving Performance Contracts (GESPC)**
 - \$1.8 million guaranteed energy saving performance contract in 2005.
 - Working on a new GESPC at approximately \$9 million in scope, with a start date sometime in the early spring 2012.
- ✓ **GEAR UP Kentucky**
 - Served 4 counties in 2010-11 (2,942 students)
- ✓ **Kentucky AHED**
 - Served 48 high schools in 2010-11 (31,241 students)
- ✓ **Upward Bound and Upward Bound Math & Science**
 - Served 233 students from 16 high schools (78% low income and first generation)
 - 81% of the seniors enrolled in postsecondary education
- ✓ **Bachelor of University Studies - Professional Studies degree offered online (AAS completer)**
- ✓ **Partnership with KCTCS, EKU, UCM in Hazard – BUS-PS**
- ✓ **1st LEED Certified Bldg. - Recreation & Wellness Center**
- ✓ **Per Credit Hour Tuition Model**

STRONGER by DEGREES

Institutional Progress Update 2010



Presentation to the Council on Postsecondary Education
by Dr. Wayne D. Andrews, President
November 10, 2011

STRONGER by DEGREES

KCTCS



Institutional Progress Update

**Presentation to the Council on Postsecondary Education
by KCTCS President Michael B. McCall**

November 10, 2011



INSTITUTIONAL PROFILE

KCTCS

In Fall 2010, KCTCS enrolled 106,664 students, **51.6% of undergraduates** enrolled at a Kentucky public postsecondary institution. Of those:

- 16,777 dual enrollment/dual-credit students
- 50,293 students enrolled in on-line courses
- 58% part-time
- 55% female
- 85% received financial aid
- 46% aged 25+



2011-15 STRATEGIC AGENDA

Four Focus Areas

**COLLEGE
READINESS**

**STUDENT
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&
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COLLEGE READINESS KCTCS

Institutional performance metric on new teacher quality does not apply to KCTCS , which does not offer Bachelor’s-level teacher preparation programs.

As the largest provider of dual credit programs for high school students, KCTCS plays a strong direct role in preparing K-12 students for college-level work.



COLLEGE READINESS

Dual Credit

- ❑ Nearly 17,000 dual credit/dual enrollment students, fall 2010
- ❑ 80 percent career and technical courses, 20 percent general education
- ❑ Early/Middle Colleges
- ❑ National Association of Concurrent Enrollment Programs (NACEP) accreditation will ensure quality, consistency, and rigor
- ❑ Statewide MOU with KDE and OCTE offers consistent tuition rate for high school students



Transformation Topic: Dual Credit

Strategy:

Develop a consistent, statewide program of dual credit, using the National Association of Concurrent Enrollment Programs (NACEP) standards as a framework.

(KCTCS Business Plan, Page 20)



Adult Education

- ❑ KCTCS holds 31 adult education provider contracts.
- ❑ Complete College America - \$1 million grant to provide transitional developmental education.
- ❑ Accelerating Opportunity – KCTCS/KYAE/OET partnership eligible for \$1.6 million grant.



STUDENT SUCCESS

KCTCS

Performance Metric	Historical (2005-06)	Baseline (2009-10)	2015 Target	Percent Change Baseline to Target
Total Degrees and Credentials	19,805	24,838	25,084	1%
Certificate	11,647	15,630	13,350	*
Diploma	2,130	1,938	2,206	14%
Associate	6,028	7,270	9,528	31%
Transfer to 4-year insts.	Not avail.	8,321	9,580	15%
Net direct cost for low-income students	-\$1,894	-\$2,025 (2008-09)	-\$2,025	0%

**The KCTCS 2010-16 Strategic Plan anticipated stable numbers of certificates awarded. Strong student demand resulted in continued growth.*

Transfer from KCTCS includes transfer of KCTCS academic credit at any time during a student's career. Net Direct Cost is the cost of tuition, fees and books after all grants and scholarships received. Amount shown are for full-time, Kentucky resident undergraduates only. Negative amounts reflect grant money available to pay indirect costs such as room and board.



STUDENT SUCCESS

KCTCS

Performance Metric	Historical (2005-06)	Baseline (2008-09)	2015 Target	Percent Change Baseline to Target
Graduation rates	13.0%	21.2%	25.8%	22%
Grad. rate gap of underrepresented minority students	7%	13%	7%	-54%
Grad. rate gap of underprepared students	9%	11%	5%	-56%
Grad. rate gap of low-income students	Not avail.	-2%	0% or Less	

Graduation rate of full-time, Associate degree-seeking students who entered three years previous (IPEDS). Gaps represent difference between graduation rate of target group and rate of other students. Negative gap shows that low-income students graduated at a higher rate than moderate and high-income students.



STUDENT SUCCESS

KCTCS Strategic Plan: 2010-2016 Performance Measure	Related to CPE Strategic Agenda Performance Metric
Student Engagement (CCSSE Results)	
Developmental Education Success Rate, English	<input type="checkbox"/>
Developmental Education Success Rate, Math	<input type="checkbox"/>
Developmental Education Success Rate, Reading	<input type="checkbox"/>



STUDENT SUCCESS

KCTCS Strategic Plan: 2010-2016 Performance Measure	Related to CPE Strategic Agenda Performance Metric
Credentials Awarded	<input type="checkbox"/>
Associate Degrees as Proportion of Credentials Awarded	<input type="checkbox"/>
Persistence Rate	<input type="checkbox"/>
Persistence Rate Diversity	<input type="checkbox"/>
Transfer Rate	<input type="checkbox"/>



STUDENT SUCCESS

Transformation Topic: Developmental Education

Strategy:

Develop and implement an alternative model for the delivery of developmental/transitions education in reading, writing, and math, which is modularized, self-paced, competency-driven, and computer-assisted/lab-based.

(KCTCS Business Plan, Page 16)



STUDENT SUCCESS

Transformation Topic: Financial Aid

Strategy:

Establish unified financial aid standards at all KCTCS colleges based on industry-wide best practices.

(KCTCS Business Plan, Page 23)



STUDENT SUCCESS

Transformation Topic: Job Placement/ Career Development

Strategy:

Provide comprehensive career development and job placement services to engage students in their educational pursuits from pre-enrollment to post-graduation.

(KCTCS Business Plan, Page 25)



STUDENT SUCCESS

Transformation Topic: Transfer

Strategy A:

Develop a holistic/integrated approach to transfer by developing coherent structures and integrated processes in the design and delivery of instructional and student services utilizing the Foundations of Excellence Transfer Focus.

Strategy B:

Utilize a comprehensive approach to developing partnerships and agreements with four-year institutions by creating pathways for students completing associate degrees to transfer to baccalaureate degree programs.

(KCTCS Business Plan, Page 25)



RESEARCH, ECONOMIC, & COMMUNITY DEVELOPMENT KCTCS

Performance Metric	Historical (2005-06)	Baseline (2009-10)	2015 Target	Percent Change Baseline to Target
Externally-Funded Research & Development (in thousands)	Not applicable			
Degrees & Credentials in STEM+H Fields	6,624	9,275	10,004	7.9%

STEM+H includes certificates and degrees at all levels in the Science, Technology, Engineering, Mathematics and Health fields.



RESEARCH, ECONOMIC, & COMMUNITY DEVELOPMENT

KCTCS Strategic Plan: 2010-2016 Performance Measure	Related to CPE Strategic Agenda Performance Metric
High Wage/High Demand Completions	<input type="checkbox"/>
Workforce Matriculation Rate	
Wage Index	



EFFICIENCY AND INNOVATION KCTCS

Performance Metric	Historical (2005-06)	Baseline (2009-10)	2015 Target	Percent Change Baseline to Target
Credits Earned by Degree Graduates	93	93	81	-13%
Online Learning (Percent of all credit earned through online learning)	10%	23%	25%	10%

Credits earned by degree graduates includes all Associate degree graduates during the year. Online learning measures the percent of completed student credit hours delivered through distance learning.



EFFICIENCY AND INNOVATION

KCTCS Strategic Plan: 2010-2016 Performance Measure	Related to CPE Strategic Agenda Performance Metric
Participation Rate	



**EFFICIENCY AND
INNOVATION**

Transformation Topic: Curriculum Review

Strategy:

- A. Create a technical program development and review process supported by research, development, and analysis.**
- B. Create a standardized, rapid-response curriculum and program approval development process.**

(KCTCS Business Plan, Page 14)

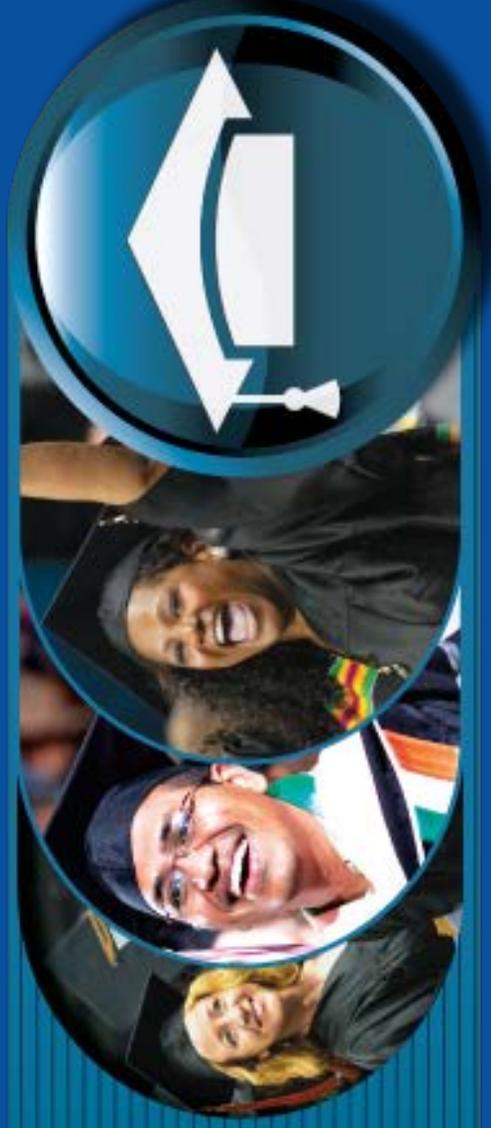


Additional KCTCS Performance Measures

KCTCS Strategic Plan: 2010-2016 Performance Measure	Related to CPE Strategic Agenda Performance Metric
Student Diversity	
Employee Diversity	
Media Focus	

STRONGER by DEGREES

Kentucky Adult Education



Progress Update

Presentation to the Council on Postsecondary Education

By Reecie Stagnolia, Vice President

November 10, 2011

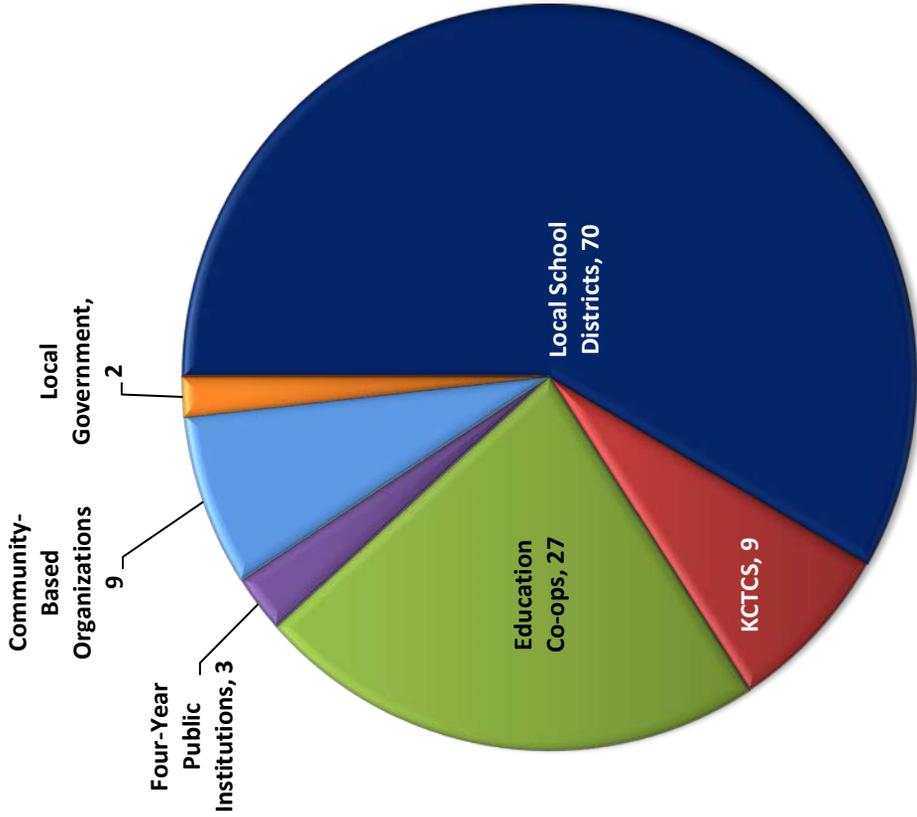


“A preemptive focus on adult education actually saves governments money by reducing societal healthcare, public assistance and incarceration costs. Adult education also improves and expands the nation’s available pool of human capital by helping motivated but under educated people achieve gainful employment in today’s increasingly high-tech and global job market, and at a far lower cost per learner when compared to either K-12 or higher education.”

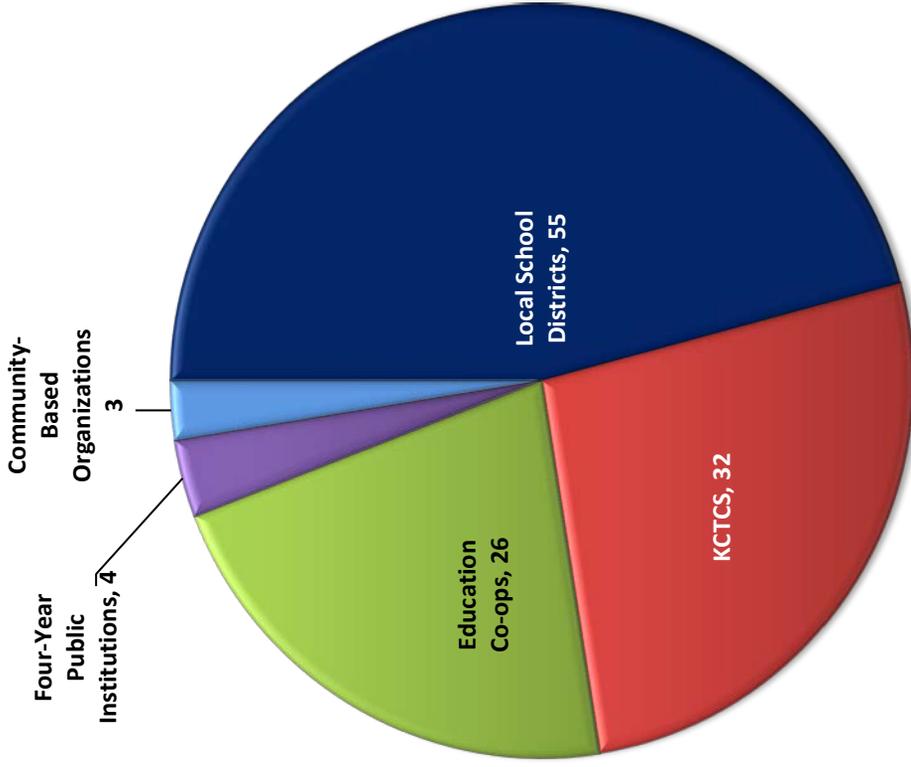
“*The Return on Investment from Adult Education and Training*,” a policy paper by the McGraw-Hill Research Foundation, May 2011



KYAE Provider Network



2000-01



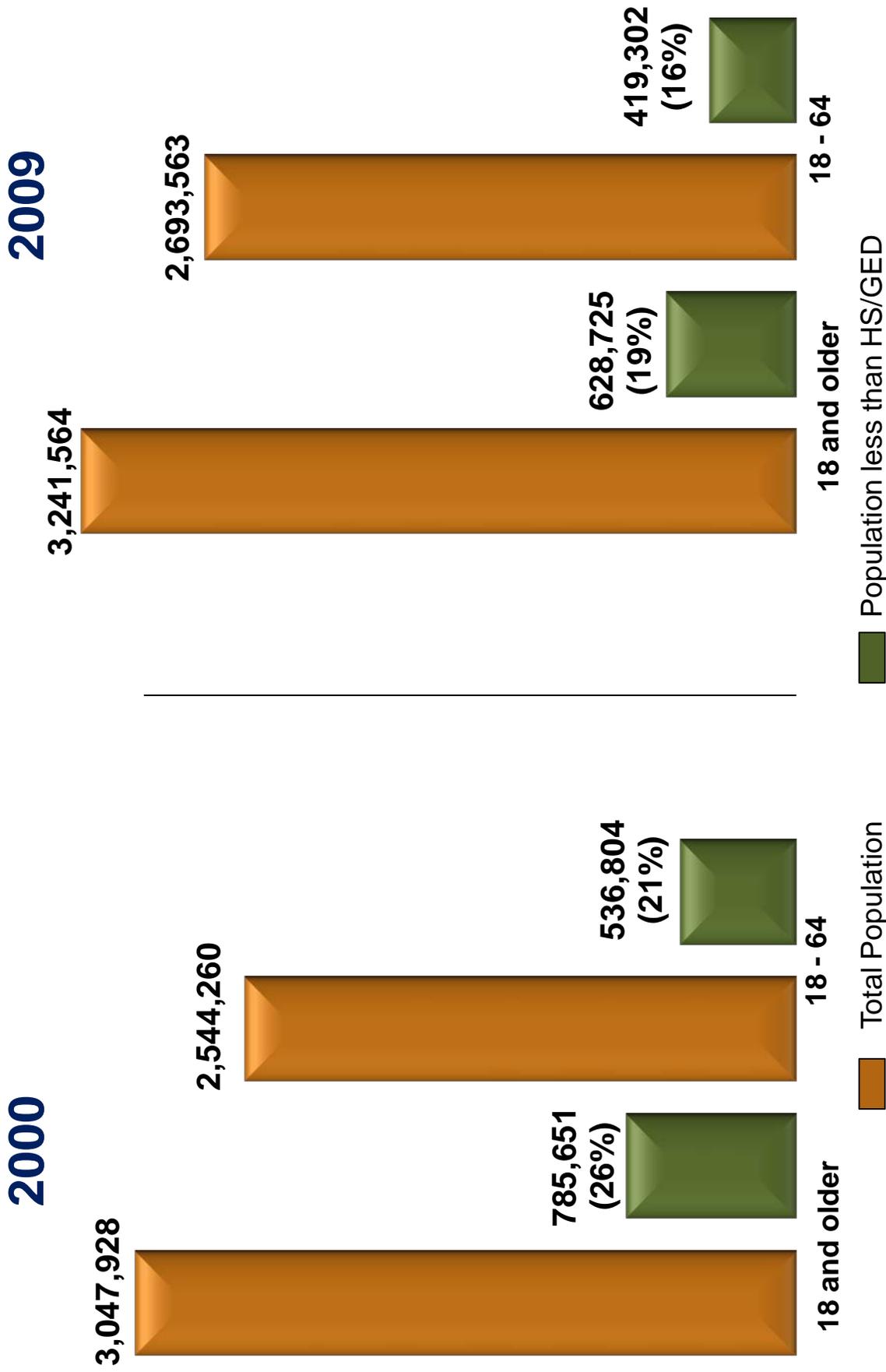
2011-12



KYAE Academic Programs

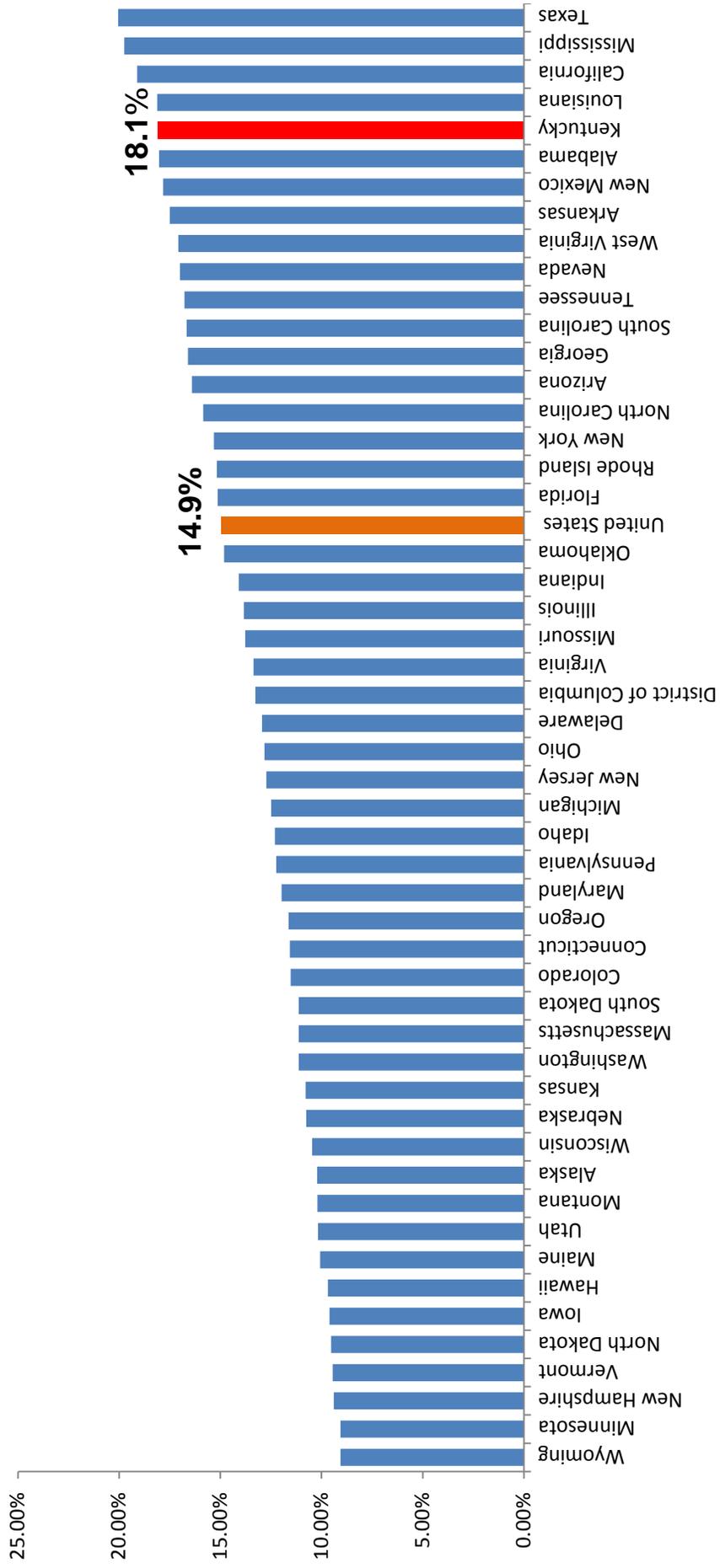
- ❖ Basic academic skills
- ❖ GED® preparation
- ❖ College and Career Readiness
- ❖ English as a Second Language (ESL)

Kentucky's Challenge..... Progress



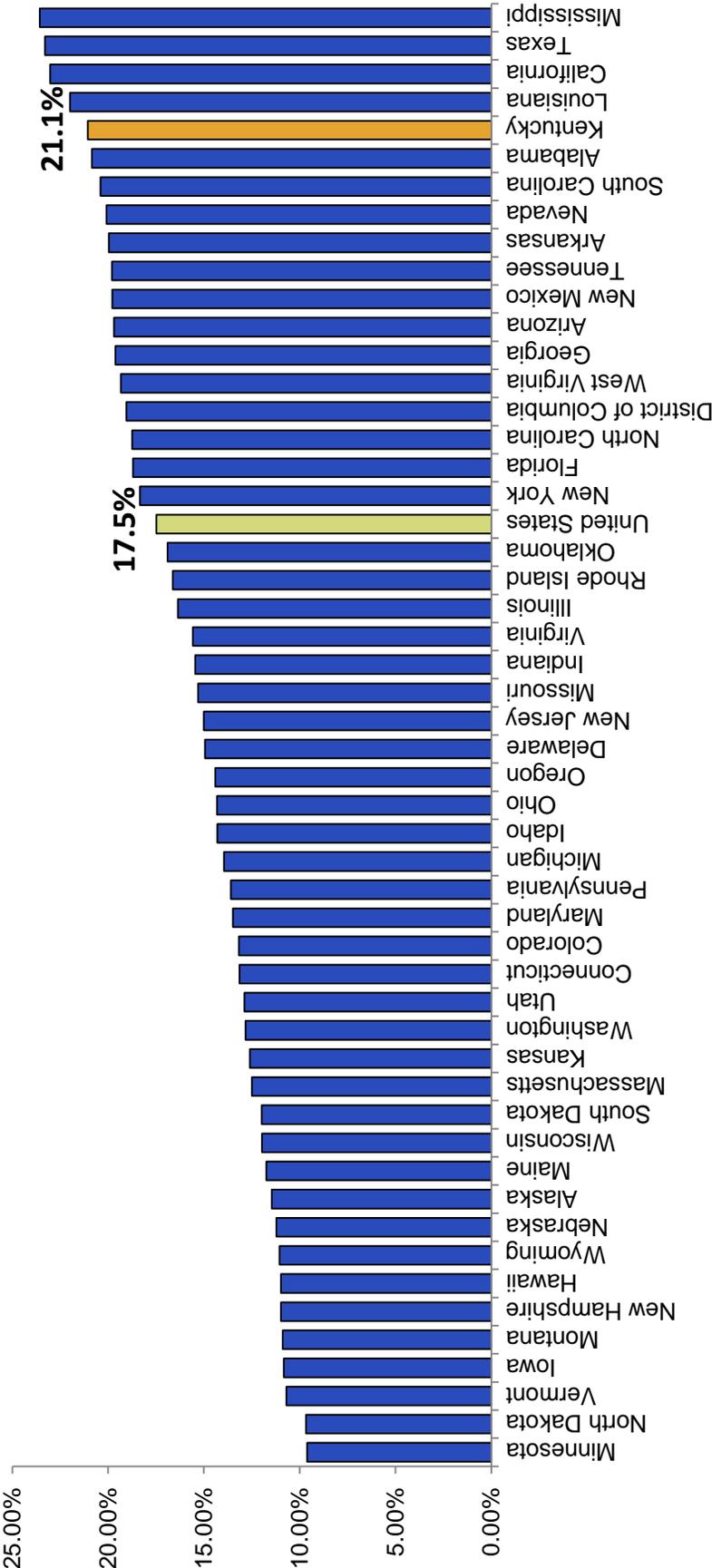
Source: U.S. Census 2000 and 2005-2009 ACS

Percent of Population 18 and older without a High School Credential



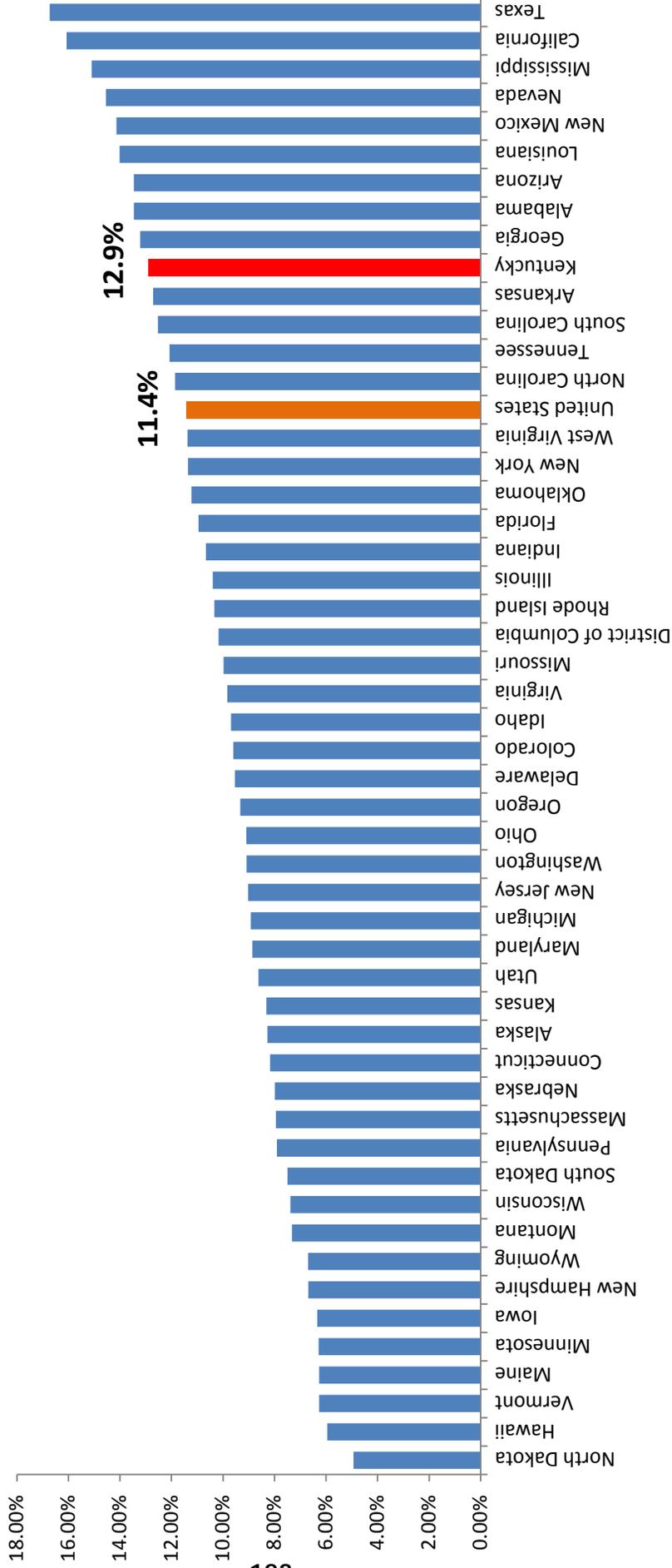
Source: 2009 American Community Survey - 1 Year Estimates

Percent of Population 18-64 without a High School Credential



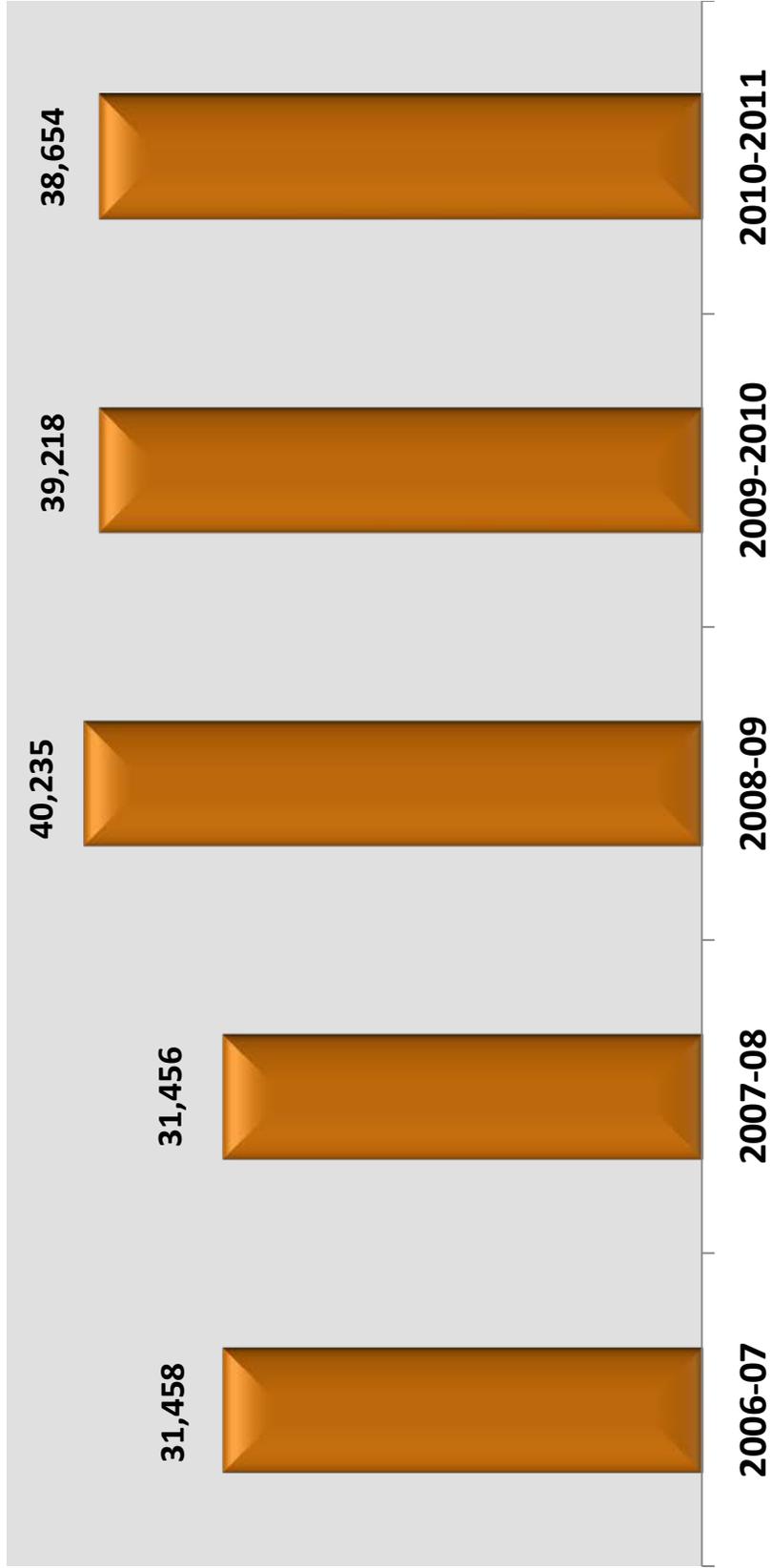
Source: U.S. Census 2000

Percent of Population 18-64 without a High School Credential



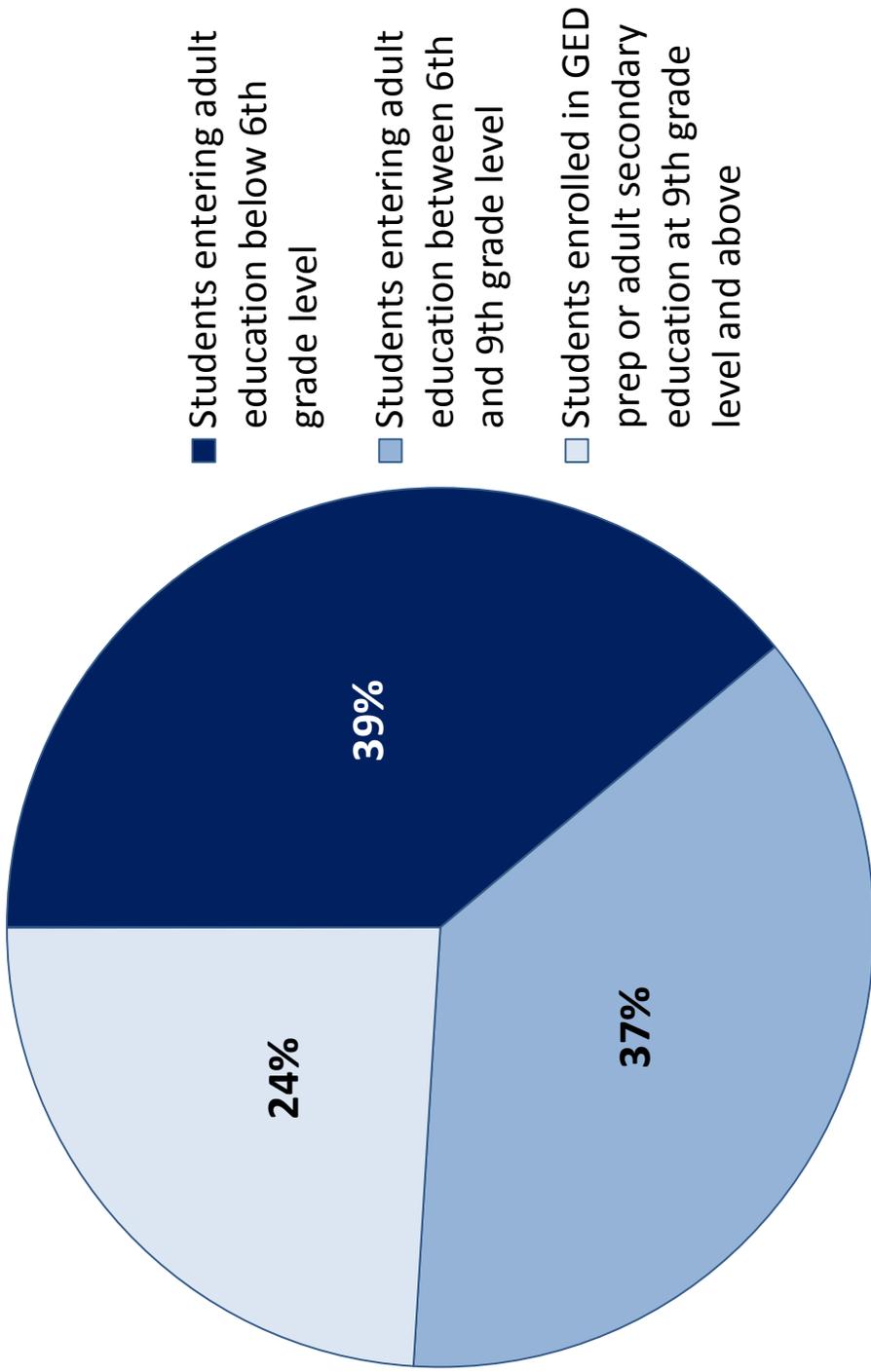
Source: 2009 American Community Survey - 1 Year Estimates

Enrollment

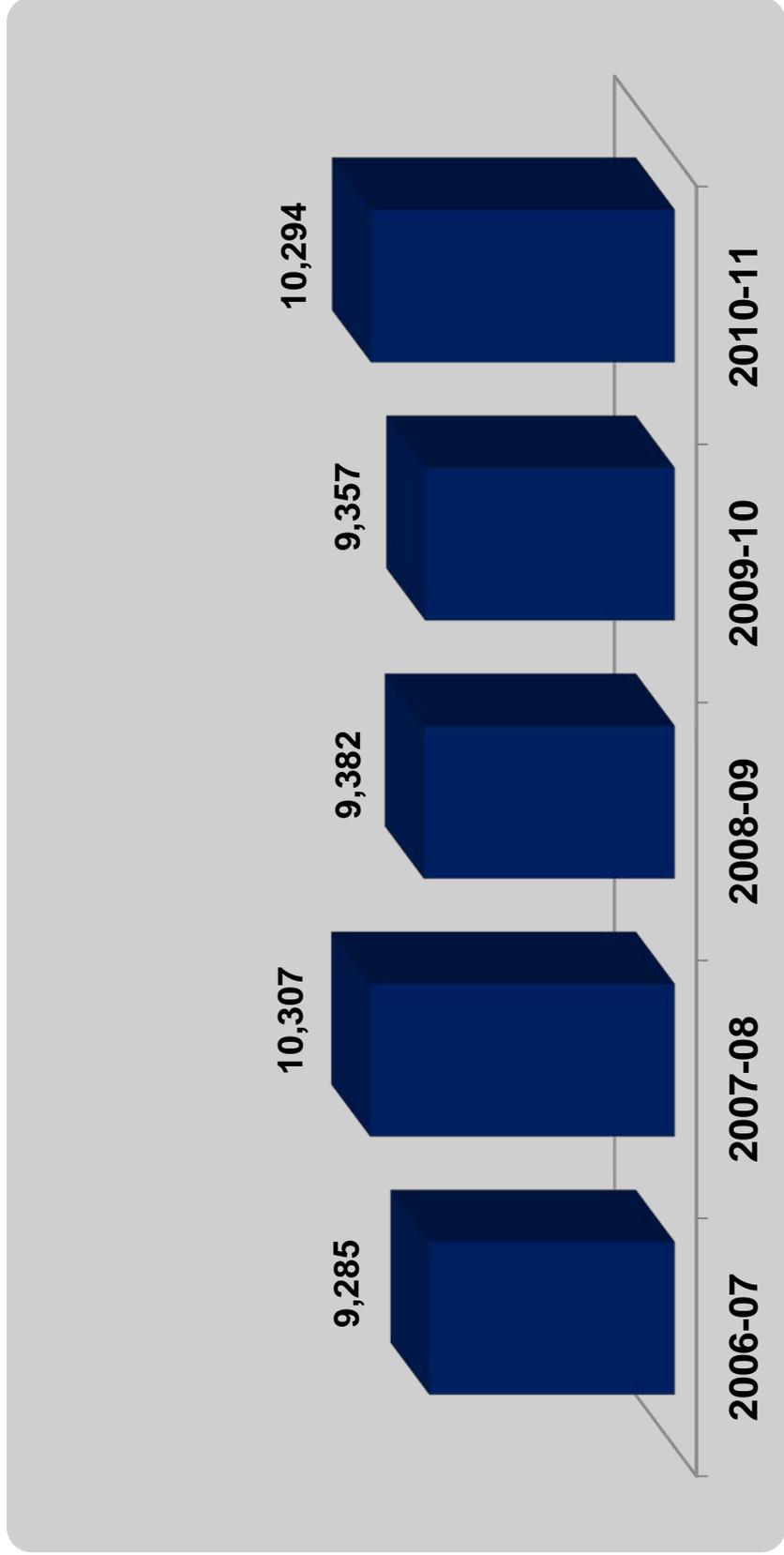


Students in Academic Instruction by Educational Level

FY 2010-11



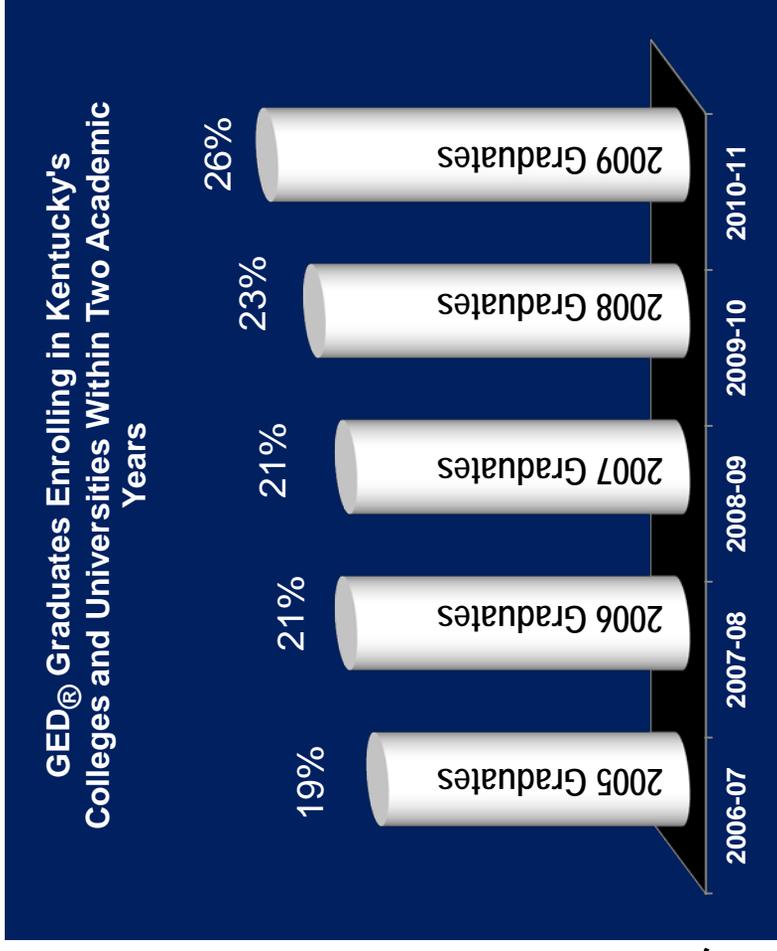
GED® Graduates



GED Graduates Enrolling in Kentucky's Colleges and Universities* Within Two Academic Years

KYAE has set a goal of increasing the college-going rates of GED graduates to 30 percent by 2015.

- 12 Of those who enrolled in postsecondary education by summer 2011:
- 89% enrolled in KCTCS
 - 8% enrolled in a public four-year institution
 - 3% enrolled in an independent institution



* Kentucky's state-supported colleges and universities and the regionally accredited, non-profit, independent colleges and universities



FOUR AREAS OF FOCUS



**STUDENT
SUCCESS**

**EFFICIENCY &
INNOVATION**

**COLLEGE
READINESS**

**RESEARCH,
ECONOMIC, &
COMMUNITY
DEVELOPMENT**



College Readiness

Kentucky Adult Education

Performance Metric	Historical (2005-06)	Baseline (2009-10)	2015 Target	Percent Change Baseline to Target
GED Graduates	9,007	9,357	11,500	23%



College Readiness



Policy Objective 2: Increase the number of college-ready GED graduates.

Strategy 2.1

Transform the delivery of adult education services leading to higher student engagement levels.

Strategy 2.2

Implement initiatives to increase the number of Kentucky Adult Education students advancing to postsecondary education.

Strategy 2.3

Attract, retain and prepare highly effective adult educators.



STRONGER by DEGREES

Kentucky Adult Education



Progress Update

Presentation to the Council on Postsecondary Education

By Reecie Stagnolia, Vice President

November 10, 2011

President's Report to the Council on Postsecondary Education

Robert L. King – November 10, 2011

Advanced Practice Degrees – The Council recently sent a report on advanced practice doctorates to the legislature (see attached). In that report, we outlined a proposed statutory change to allow a maximum of 18 advanced practice doctoral programs at the comprehensive universities. Each of the six comprehensive universities would be assured access to at least two of these programs. After approval of the 18th program, or the expiration of five years from the effective date of this legislation, the Council would work with the campus presidents to assess the process of review and approval of the programs. At that time, the Council would have the authority, with the consensus of the Advisory Conference of Presidents, to retain the current cap, establish a new cap, or proceed without a statewide cap on advanced practice doctorates at comprehensive universities.

Agency Audit – Due to the complexity and amount of funds flowing through the agency's budget, the Council contracts with an independent auditor to conduct an annual review of the agency's financial statements. This audit is not statutorily required, but having an outside entity review Council finances, internal controls, and regulation and grant compliance serves the Council well. Blue and Company LLP, a certified public accounting agency in Lexington, conducted the audit this year.

The Executive Committee met with representatives from the audit firm this morning to discuss the report and recommendations. For the year ending June 30, 2011, the auditors issued an unqualified opinion with no findings or questioned costs, stating that the Council's financial statements present fairly the financial position of the agency. The firm noted a few areas that could be strengthened in terms of internal controls and operating efficiencies. These included timesheet training and reminders to supervisors with responsibility for signing timesheets, timely submission of subrecipient reports, and timely submission of invoices from subrecipients. Although the submission of reports and invoices are dependent on outside agencies submitting documents to the Council, Council staff continues to work on monitoring the activity of its subrecipients in order to improve in both of these areas.

National Governors Association (NGA) Policy Academy – The Council was one of six states selected to participate in the National Governors Association Policy Academy on strengthening postsecondary education accountability systems. Other states selected in the highly competitive process include Colorado, Connecticut, Missouri, Nevada, and Utah.

The policy academy focuses on efficiency and effectiveness metrics and incorporating those metrics into decision making processes. Participating states will receive guidance and technical assistance from NGA staff and faculty experts, as well as consultants from the private sector, research organizations, academia, and the federal government. The strategies and policies developed by the selected states are intended to serve as ideas and best practices for all states. Funding for the academy is provided by Lumina Foundation and the Bill & Melinda Gates Foundation.

As part of this project, the Council will receive a \$30,000 subgrant that will be used to improve Kentucky's capacity to gather, analyze, and communicate postsecondary performance data as it relates to Kentucky's workforce and economy, as well as strengthen efficiency and effectiveness. Funds will be used to convene state workforce, education, and economic development experts to further define higher education's role in workforce development and to forge stronger ties between Kentucky's postsecondary education accountability system, the P-20 Data Collaborative housed in the Education and Workforce Development Cabinet, and economic and workforce metrics, goals and priorities.

College Readiness Partnership – Kentucky is one of seven states selected to participate in the College Readiness Partnership (CRP), sponsored by the American Association of State Colleges and Universities (AASCU), Council of Chief State School Officers (CCSSO), and the State Higher Education Executive Officers (SHEEO). Teams from these states gathered in Memphis this week. Kentucky was represented at the meeting by John DeAtley and Jillian Starman of the Council staff, EKU President Doug Whitlock, and Todd Baldwin of the Kentucky Department of Education.

The CRP promotes broad implementation of Common Core State Standards (CCSS) in mathematics and English Language Arts (ELA) with a focus on those issues at the intersection of K-12 and higher education systems. The state leadership teams are comprised of individuals representing the membership of each of the three partner organizations.

The CRP will work directly with the selected state leadership teams to achieve the following three objectives:

- Identify how the Common Core State Standards should be implemented in each participating state in order to actually improve college and career readiness for all students.
- Define how leaders and faculty across K-12 and higher education need to work together to improve both teaching and learning in ways essential to achieving the goal of college and career readiness.
- Delineate the specific steps that higher education and states must take together in order to make effective implementation a reality; in other words, to make college and career readiness expectations more transparent, to align curricula, to assess student performance more effectively, and to improve teacher preparation and professional development.

The CRP will compile effective practices and state models and will translate the experiences of the state leadership teams to create a policy and process roadmap for CCSS implementation. Together, the roadmap and the collection of best practices will serve to support and guide all states in their CCSS implementation efforts. The work of the CRP is supported through grants from the Lumina and Hewlett Foundations.



Kentucky Council on Postsecondary Education

Steven L. Beshear
Governor

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Robert L. King
President

October 19, 2011

The Honorable Kenneth Winters
Senator
Kentucky State Senate
702 Capitol Ave
Capitol Annex, Room 215
Frankfort, KY 40601

The Honorable Carl Rollins
Representative
Kentucky House of Representatives
702 Capitol Ave
Capitol Annex, Room 367
Frankfort, KY 40601

Dear Senator Winters and Representative Rollins:

Attached, please find the report required by KRS 164.295 (SB 130 from the 2011 regular session) outlining the criteria and explanation of the approval process for advanced practice doctoral programs at Kentucky's public universities.

As outlined in the report, the criteria includes a determination of the academic and workforce needs for a program, consideration of whether the program can be delivered through a collaborative effort with another Kentucky public university, an evaluation of the capacity of a university to effectively offer the program, and an assurance that funding for the program will not impair funding of any existing program at any other public university.

As required by KRS 164.295, the Council is in the process of promulgating a regulation setting forth the criteria and approval process for advanced practice doctorates as outlined in this report. The draft regulation, 13 KAR 2:110, will be considered by members of the Council on Postsecondary Education at their meeting on November 10, and will be forwarded on to the Legislative Research Commission following Council approval.

The Honorable Kenneth Winters
The Honorable Carl Rollins
Page 2
October 19, 2011

After lengthy consultation with the Advisory Conference of Presidents, the Council recommends that KRS 164.295, subsection (2) be amended to allow for a maximum of eighteen (18) advanced practice doctoral programs to be offered by the comprehensive universities. Each of the six (6) comprehensive universities shall be assured access to a minimum of two (2) such programs. Upon approval of the eighteenth (18th) advanced practice doctoral program, or the expiration of five (5) years from the effective date of this legislation, the Council on Postsecondary Education, in consultation with the Advisory Conference of Presidents, shall assess the process of review and approval of the programs. The Council shall determine whether the process is effective in assuring those requirements set forth in 13 KAR 2:110 are being met. At that time, the Council would have the authority, with the consensus of the Advisory Conference of Presidents, to retain the current cap, establish a new cap, or proceed without a statewide cap on advanced practice doctorates at comprehensive universities.

Sincerely,



Robert L. King
President

Attachment

C: The Honorable Steven L. Beshear, Governor
The Honorable David L. Williams, President, Senate
The Honorable Greg Stumbo, Speaker, House of Representatives
Robert Sherman, Director, Legislative Research Commission
Public University Presidents and KCTCS President

ADVANCED PRACTICE DOCTORATES IN KENTUCKY

Statutory authority to offer advanced practice doctorates is provided by KRS 164.295. This statute allows all state universities to offer, upon Council approval, programs beyond the master's-degree level to meet the requirements for teachers, school leaders, and other certified personnel. It also allows comprehensive universities, upon Council approval to offer an advanced practice doctoral program in nursing in compliance with KRS 314.111 and 314.131. The statute limits comprehensive universities to three advanced practice doctoral programs including an Ed.D. program and an advanced practice doctoral program.

KRS 164.295 also requires the Council, in consultation with the Advisory Conference of presidents, to develop the criteria and conditions for approval of advanced practice doctorates and promulgate an administrative regulation related to these criteria. In addition, the Council is required to submit the approval process to the Interim Joint Committee on Education by October 15, 2011.

KRS 164.295 allows the Council, with the unanimous consent of the members of the Advisory Conference of Presidents, to make a recommendation to the Interim Joint Committee as to whether the current limit of three advanced practice doctorates at comprehensive universities should be amended.

Criteria for the Approval of Advanced Practice Doctorates

The Council staff worked with university presidents, chief academic officers, and other campus leaders to develop the criteria by which advanced practice doctorates may be approved. The criteria are outlined below and are based on research conducted by Council staff and institutional representatives.

Centrality to Institutional Mission and Consistency with Kentucky's Postsecondary Education Goals:

Institutions should demonstrate centrality to the institution's mission and consistency with state's postsecondary education goals by providing evidence that includes (a) the program's objectives, along with the specific institutional and societal needs that will be addressed; (b) the relationship of the program to the university's mission and academic plan; and (c) the relationship of the program to the strategic agenda.

Program Quality and Student Success: Institutions should demonstrate program quality and commitment to student success by such measures as (a) proposed learning outcomes, (b) how the curriculum will achieve the objectives of the program, (c) any distinctive qualities of the program; (d) availability of faculty, library resources, physical facilities, and instructional equipment; (e) degree completion requirements; (f) methods of program delivery, (g) how the program builds upon the reputation and resources of an existing master's degree program in the field, (h) the impact of the proposed program on undergraduate education at the institution, and (i) demonstration of available clinical sites for those program with clinical requirements.

Program Demand: Institutions should demonstrate demand for the program by providing evidence of (a) student demand; (b) employer demand; and (c) academic disciplinary needs, including new practice or licensure requirements in the profession and/or requirements by specialized accrediting agencies.

Unnecessary Duplication: Institutions should show that the program does not unnecessarily duplicate an existing program at another state university by including information about (a) differences in curriculum between the proposed program and an existing program; (b) differences in student population; (c) documentation of excess student demand for an existing program; and (d) collaboration between the proposed program and an existing program.

Cost and Funding: Institutions should provide information on the sources of funding and the costs associated with the program, including (a) all sources of revenue; (b) all sources of costs; (c) whether the program will require additional resources; (d) whether the program will impact financially an existing program or organizational unit within the state university; (e) the return on investment to Kentucky; and (f) evidence that funding for the program will not impair funding of an existing program at another state university. A detailed spreadsheet of revenue and costs must be submitted to the Council.

Program Assessment: Institutions should provide information on program evaluation procedures, including (a) what program components will be evaluated; (b) when and how the components will be evaluated; (c) who is responsible for the data collection; (d) how the data will be shared with faculty; (e) how the data will be used for program improvement; and (f) how students' post-graduation success will be measured and evaluated.

Promulgation of Administrative Regulation

Given the consensus of the Advisory Conference of Presidents on the criteria for assessing new advanced practice doctorates, the Council staff will work with the Legislative Research Commission to promulgate an administrative regulation, 13 KAR 2:110, outlining these criteria. This process is expected to be completed by April 2012.

Approval Process for Advanced Practice Doctorates

Institutions must pre-post a proposed advanced practice doctorate on the online Kentucky Postsecondary Program Proposal System (KPPPS) after it has been approved at the college level. Pre-posting a program upon initial approval at the college level allows more time for institutions to share information and create collaborative arrangements, including articulation agreements with KCTCS institutions.

As part of the pre-proposal, the following information should be posted to KPPPS:

- CIP code, program name, and degree level;
- proposed implementation date;
- program description and objectives and their consistency with institutional mission, statewide postsecondary education strategic plan, and the statewide strategic implementation plan;
- intended student learning outcomes and preliminary assessment plan;
- justification, including a preliminary needs assessment;
- relationship with other programs within the institution;
- relationship with programs at other institutions;¹

¹ Before submitting a pre-proposal, proposing institutions must contact institutions with similar programs, as defined by CIP and degree level, to initiate discussions about the possibilities for collaborative or joint programs. Similar programs can be identified through the Council's Registry of Degree Programs, also known as the program inventory. The program inventory can be found on the Council's website at <http://cpe.ky.gov>.

- course delivery methods;
- faculty qualifications and resources; and
- preliminary cost estimate.
- availability of clinical sites (if applicable);
- evidence that the program builds upon the reputation and resources of an existing master's degree in the field;
- new practice, licensure, or accreditation requirements;
- impact on undergraduate education; and
- evidence that funding for the program will not impair funding of any existing program at any other public university.

After posting this information to KPPPS, the chief academic officers, or their designees, of other public institutions and Council staff will have 45 days to review and comment on the proposed program. If another institution or the Council staff expresses concerns about the proposed program, the Council staff may require additional information and may request review by the chief academic officers of public institutions. If additional information is requested, the proposing institution must submit that information within 30 days of the request.

When there are no unresolved objections to the proposed program, the Council staff will notify the institution that it may continue the process for developing the program. The institution should submit a full proposal, which has been approved by the institutional governing board, to the Council within 18 months of the approval of the pre-proposal. If applicable, the proposal should address concerns and any possibilities for collaboration with other institutions that arose during the pre-proposal process.

The proposal should address the following elements:

- i. centrality to the institution's mission and consistency with state's goals;
- ii. program quality of student success issues;
- iii. program demand and unnecessary duplication;
- iv. cost and funding sources; and
- v. program review and assessment.

A principal purpose of the full proposal is to establish the criteria against which future program reviews will be gauged. Comments on the full proposal from other institutions will generally not be solicited by the Council; however, the Council reserves the right to confer with institutions that submitted comments during the pre-proposal process to establish the extent to which these comments have been adequately addressed.

Council staff will review the full proposal. If there are no issues, staff will recommend approval to the Council. If approved by the Council, new programs will be placed on provisional status and will be subject to an initial review process. In addition, comprehensive universities must submit annual reports to the Council identifying the full cost of and all funding sources for each approved advanced practice doctorate and the performance of each approved program.

Recommendation to the Interim Joint Committee on Education on the Amendment of KRS 164.295

After lengthy consultation with the Advisory Conference of Presidents, the Council recommends that KRS 164.295, subsection (2) be amended to reflect the following:

Upon approval of the Council on Postsecondary Education, a maximum of eighteen (18) advanced practice doctoral programs may be offered by the comprehensive universities. Each of the six (6) comprehensive universities shall be assured access to a minimum of two (2) such programs. Upon approval of the eighteenth (18th) advanced practice doctoral program, or the expiration of five (5) years from the effective date of this legislation, the Council on Postsecondary Education, in consultation with the Advisory Conference of Presidents, shall assess the process of review and approval of the programs. As part of this assessment, the Council shall determine whether the process is effective in assuring those requirements set forth in 13 KAR 2:110 are being met. At that time, the Council would have the authority, with the consensus of the Advisory Conference of Presidents, to retain the current cap, establish a new cap, or proceed without a statewide cap on advanced practice doctorates at comprehensive universities.

APPENDIX 1:
Background Research on Advanced Practice Doctorates

Background

Advanced practice doctorates, commonly referred to as professional doctorates, are not a new concept. In fact, the first advanced practice doctorate awarded in the United States, the M.D., predates the first research doctorate by almost 100 years. Many of the earliest advanced practice doctorates, known as the first wave, were first professional degrees. In the decades after World War II, there was gradual increase in the number of these doctorates. This second wave of advanced practice doctorates included the D.Pharm., Ed.D., J.D., and the DPH.¹ The 1990s and early 2000s ushered in the third wave of these doctorates, starting with audiology then physical therapy, occupational therapy, and nursing.² Driving forces for this latest wave of advanced practice doctorates include revenue generation for institutions as well as occupational reasons such as the perceived need for legitimacy within certain professions, need for additional training to deal with increasing loads of information, and lack of external standards.³

Proponents argue that the increasing complexity of certain fields, especially in allied health, require training beyond the master's degree. Critics, however, are concerned that accrediting agencies have caused both degree creep as well as degree inflation. That is, although accrediting agencies and professional organizations have increased the requirements to enter certain professions, some accrediting agencies have increased degree qualifications without requiring significant curricular changes or clinical requirements. In addition, critics argue that technology could be better utilized to deal with health care complexity and that advanced practice doctorates will lead to higher health care costs.⁴

This third wave of advanced practice doctorates has created "widespread calls for rethinking modes of organizing and classifying advanced degrees."⁵ In response, the Higher Learning Commission (HLC) of the North Central Association of Colleges and Schools convened a task force on professional doctorates and released a report in 2006, and the Council of Graduate Schools created a task force and released a report in 2007.

Characteristics of Advanced Practice Doctorates

Currently, there are two broad categories of advanced practice doctorates – those that require a dissertation or capstone project (e.g. Ed.D., D.N.P, and O.T.D) and those that do not. Advanced practice doctorates that do not require some kind of capstone project typically lead to licensure (e.g., M.D., J.D., and D.V.M). In fact, "The lack of a capstone experience can be justified only when the degree is tightly linked to professional licensure. Otherwise, advanced practice doctorates degrees have the same basic structure of coursework, qualifying experiences, and capstone experience that

¹ Julia Wrigley and William Ebenstein. January 2010. Report on Options for Organizing Professional Doctorates at CUNY: A Report Prepared for Executive Vice Chancellor and University Provost Alexandra Logue.

² Ibid.

³ Higher Learning Commission, North Central Association of Colleges and Schools. 2006. Report of the Task Force on the Professional Doctorate.

⁴ Isaac Montoya. 2007. "A Marketing Clinical Doctorate Programs. *Journal of Allied Health*, 36 (2): 107-12.

⁵ Julia Wrigley and William Ebenstein. January 2010. Report on Options for Organizing Professional Doctorates at CUNY: A Report Prepared for Executive Vice Chancellor and University Provost Alexandra Logue, p. 3.

characterizes the research doctorate.”⁶ According to the Council of Graduate Schools’ task force, those programs that include practica or capstone projects should require a written report that is defended by the student.

The curricula of advanced practice doctorates are focused on real-world problems within a particular profession. These doctorates are less focused on theory and more focused on practical application, but that does not mean that they are without a research component. For instance, advanced practice doctorates can teach people to evaluate and utilize research and design and conduct applied research.

According to IPEDS, a “doctor’s degree – professional practice” is awarded upon completion of a program providing the knowledge and skills for the recognition, credential, or license required for professional practice. The total time to the degree, including both pre-professional and professional preparation, equals at least six full-time equivalent academic years. Some of these degrees were formerly classified as “first-professional.” And a “doctor’s degree – research/scholarship” requires advanced work beyond the master’s level, including the preparation and defense of a dissertation based on original research, or the planning and execution of an original project demonstrating substantial artistic or scholarly achievement.

In addition to a lack of a standard definition, there are no nationally accepted common core characteristics of advanced practice doctorates. They vary in terms of necessary prior degrees, length of study, rigor and amount of coursework, clinical practica, threshold examination, capstone experience, and whether or not it leads to licensure. Coursework and overall length of study may be shorter than for research doctorates, especially in fields with longer-than-average master’s degrees.

“In order to differentiate practice-focused from research-focused doctoral programs, and practice doctorates from master’s programs, and to make the degree understandable to patients, potential employers, and the public, it is advisable to achieve as much standardization as possible among practice-focused doctoral programs.”⁷ To that end, the Higher Learning Commission task force recommended that regional accrediting agencies develop core characteristics of professional doctorates and focus their evaluation on institutional capacity to offer these types of doctorates. The HLC task force recommended that core characteristics include:⁸

- clear learning outcomes;
- solid curriculum;
- comparisons to other professional doctorates within the institution or similar programs offered at other institutions;
- faculty credential and resources;
- length of study appropriate to learning outcomes;
- inclusion of stakeholders in program design; and
- evaluation and quality assurance.

⁶ Council of Graduate Schools. 2007. CGS Task Force Report on the Professional Doctorate. Washington, D.C: Council of Graduate Schools, p. 27.

⁷ Elizabeth Lenz. 2005. The Practice Doctorate in Nursing: An Idea Whose Time Has Come. *Online Journal of Issues in Nursing*, Vol. 10 Issue 3, p57-72.

⁸ Higher Learning Commission, North Central Association of Colleges and Schools. 2006. Report of the Task Force on the Professional Doctorate.

The Council of Graduate Schools' task force also identified core characteristics, including:⁹

- focus on professional practice and employer needs;
- focus on applied research or advanced practice; and
- focus on students who are leaders within the profession “who will drive the creative and knowledge-based development of its practices and the development of standards for others.”

Possible Criteria for Evaluation As Identified in the Literature

When evaluating proposed doctorates, SHEEOs should look at both institutional capacity to offer this type of degree as well as the need for and expected quality of the particular proposed program.

Institutions should focus on the role of advanced practice doctorates as they relate to the mission as well as the strengths and weaknesses of each institution.¹⁰ Institutional leaders must demonstrate that the advanced practice doctorate supports the institution's mission and that the leaders have analyzed the degree's impact on the institution, including both anticipated and unanticipated consequences.¹¹ It is also important to note that “Even among institutions with similar missions, a program that is part of a cluster of strong, interlinked programs has a different value from one that stands in isolation or is surrounded by weak programs.”¹²

The Higher Learning Commission's task force concluded that regional accreditors should use the following criteria when evaluating institutional capacity to offer professional doctorates:

- how well programs meet standards of specialized accreditors;
- strength of institution's quality assurance;
- relationships among administration, faculty government, and program approval;
- institution's relationship with the profession, especially in needs assessment;
- thoroughness of financial planning; and
- understanding of the need for clinical sites.

The Council of Graduate Schools' task force and the HLC task force identified this combined list of fundamental questions that can inform program evaluation:¹³

- What need is served? Who determined the need?
- Who benefits from these degrees – the profession, the degree holder, the employer, the patient or client?
- Will the program advance the well-being of society, not just the well-being of the degree holders?
- Who defines quality? Who ensures quality?
- Will it transform practice?
- Does it measure up to a rigor of a Ph.D.?

⁹ Council of Graduate Schools. 2007. CGS Task Force Report on the Professional Doctorate. Washington, D.C: Council of Graduate Schools, p. 7.

¹⁰ Ibid, p. v.

¹¹ Higher Learning Commission, North Central Association of Colleges and Schools. 2006. Report of the Task Force on the Professional Doctorate.

¹² Council of Graduate Schools. 2007. CGS Task Force Report on the Professional Doctorate. Washington, D.C: Council of Graduate Schools, p. 22.

¹³ Ibid, p. 30.

- How important is institutional background, especially prior experience in offering graduate degrees?
- How do these degrees related to other types of degrees?
- How do these degrees relate to mission creep, credential creep, and flexible program delivery methods?
- Can a common understanding of doctoral quality inform the content and rigor of professional degrees?

The Council of Graduate Schools' task force also identified specific criteria for reviewing proposed advanced practice doctorates, including:

- ability to meet accreditation standards;
- "standing of the sponsoring unit within the discipline" (departmental quality);
- characteristics of the best professional doctorates in the discipline;
- evidence that graduates will be prepared to lead their fields;
- relationships with research programs within the department and college;
- faculty qualifications;
- ability to attract students;
- ability to evaluate student progression, student outcomes, and other student success measures;
- contribution to mission, goals, and reputation of the department, college, and institution; and
- intellectual and material resources.

When assessing these types of programs, it is important to remember that they are focused on needs of particular professions. Therefore, job placement and leadership within the profession are important indicators of program success.

Wisconsin has been on the forefront of state policy related to advanced practice doctorates. The University of Wisconsin Board of Trustees created a task force that developed criteria for evaluating advanced practice doctorates at comprehensive universities, including:

- presence of high-quality master's program;
- focus on underserved geographic areas;
- impact on undergraduate programs;
- reliance on adjuncts;
- alignment with institutional mission and strategic plan as well as statewide goals; and
- demonstration of labor market needs at local, regional, and national levels.

Summary

While limited research on advanced practice doctorates is available, the Higher Learning Commission and the Council of Graduate Schools have published helpful reports that have informed the Council's discussion with institutional leaders. In addition, the Wisconsin Board of Trustees conducted background research that informed its criteria for approving advanced practice doctorates, and this research has guided the Council's criteria development as well.

**Council on Postsecondary Education
November 10, 2011**

2012-14 Budget Recommendation

Each biennium, state agency leaders are required to communicate to the Legislative Research Commission, the Office of State Budget Director, and the Governor's Office for Policy and Management a formal statement of biennial budget request. The purpose of the budget request is to identify, organize, and present useful information that permits elected policy-makers to make decisions regarding the state budget.

At the time of publication of this agenda book, the 2012-14 biennial budget request for postsecondary education was still under development. The final document will be provided to Council members prior to the November 10 meeting.

The documents will include:

- Institutional Operating and Capital Recommendations
- Council Agency Operating Recommendation

Staff Preparation by John Hayek and Sherron Jackson

Council on Postsecondary Education
November 10, 2011

2012-14 Postsecondary Education Budget Recommendation
Executive Summary

Under KRS 164.020 and the Kentucky Postsecondary Education Improvement Act of 1997 (House Bill 1), the Council on Postsecondary Education is authorized to submit the biennial budget recommendation for postsecondary education.

ACTION: The staff recommends that the Council approve the budget recommendation as submitted for 2012-14.

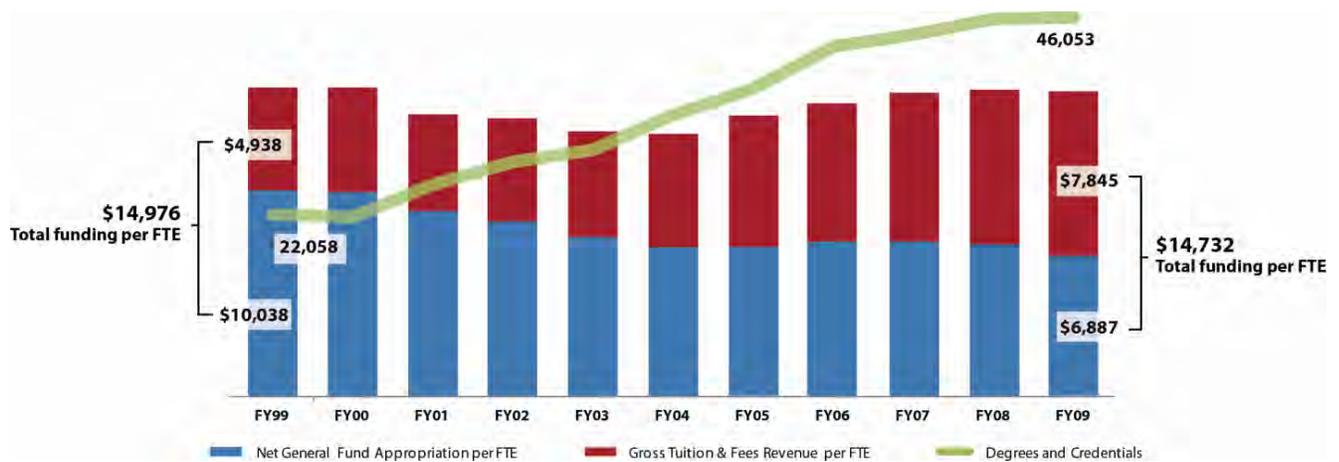
Ongoing economic and fiscal uncertainty provides a challenging environment for the Council to make a reasonable yet aggressive 2012-14 budget recommendation that is aligned with the new Strategic Agenda, *Stronger by Degrees*, and consistent with the mandates of House Bill 1 (1997). HB 1 charges postsecondary education with the primary responsibility of increasing the skills and abilities of Kentucky's workforce and citizenry, leading to improved quality of life and higher standards of living for all Kentuckians.

The 2012-14 operating and capital request builds upon impressive gains on the Commonwealth's investment in postsecondary education over the past decade. According to a recent report by the National Center for Higher Education Management Systems, Kentucky's state rank in percent change versus other states between 2000 and 2009 has been extraordinary. Kentucky is the only state in the nation to rank in the top five in improvement for each of the following educational attainment/degree production categories.

- Kentucky ranked 1st - Percent of adults 25-64 with college degrees
- Kentucky ranked 2nd - Percent of adults 25-44 with college degrees
- Kentucky ranked 1st - Six-year graduation rates at four-year institutions
- Kentucky ranked 3rd - Three-year graduation rates at two-year institutions
- Kentucky ranked 5th - Total undergraduate degrees and credentials produced
- Kentucky ranked 1st - Undergraduate credentials awarded relative to population with no college degrees

Consistent with the Council's new Strategic Agenda goal on efficiency and innovation, Kentucky's public institutions more than doubled the number of degrees and credentials produced over the past decade. This was accomplished in a challenging resource environment where state support per student, adjusted for enrollment growth and inflation, decreased by more than \$3,100 per student (\$10,038 in FY99 to \$6,887 in FY09). A portion of that funding loss was offset by tuition paid by students and families, which is highlighted in Figure 1 on the following page, as well as increased financial aid.

Figure 1: Public degree and credential production doubled while state support declined.



Aggressive cost containment, cost avoidance, and reallocation strategies helped produce savings and enabled postsecondary education to maintain quality and move forward on improvement efforts in a fiscally challenging environment.

2012-14 Budget Development Process

The Council’s Budget Development Workgroup, chaired by Dan Flanagan, with members Glenn Denton, Joe Graviss, and Lisa Osborne, assisted in the 2012-14 budget recommendation process and met several times with Council staff over the past six months to discuss core elements of the recommendation. The workgroup reinforced the necessity to achieve strong alignment with the Council’s new Strategic Agenda.

The Council staff is pleased to report that after months of collaboration and discussion, Kentucky’s public institutions are unified behind the proposed approach and have signed an endorsement of support for the 2012-14 operating and capital request for postsecondary education.

A signed copy of the endorsement by the Advisory Conference of Presidents will be available at the meeting on November 10, 2011.

The 2012-14 postsecondary education budget recommendation is divided into four major components, presented in priority order:

1. Institutional Operating Funds

These are General Fund appropriations requested on behalf of the institutions to support new public investments aligned with the 2011-15 Strategic Agenda and House Bill 1 (1997) reform goals, as well as funds for the maintenance and operations of recently constructed facilities. Specifically, these state appropriations are used for educational and general expenditures on campus including faculty and staff salaries, benefits, student scholarships, utilities, operating costs, and other strategic initiatives.

2. **Bucks for Brains (Research Challenge & Comprehensive Univ. Excellence Trust Funds)**
 These are typically state bond funds that match public dollars with private donations to encourage research and promote economic development at the University of Kentucky and the University of Louisville and to strengthen key programs at Kentucky’s comprehensive universities. The purpose of these funds is to accelerate statewide achievement of the Strategic Agenda and HB 1 (1997) reform goals.

3. **Capital Investments and Information Technology**
 These are state bond funded and institution agency funded capital projects proposed for the 2012-14 biennium. A new capital investment strategy for postsecondary education promotes a multi-biennial request that mirrors the six-year capital planning process and significantly improves the balance between preserving and renovating existing facilities with the demand for new education, general and research space across the system, as well as much needed enhancements in information technology.

4. **CPE Agency Funds**
 These are General Funds used primarily to support various statewide educational programs and services (e.g., Kentucky Adult Education, contract spaces, science and technology funding programs, Kentucky Postsecondary Education Network, Kentucky Virtual Campus and Library, etc.), as well as Council staff and operating costs.

Table 1 below highlights the staff recommended General Fund appropriation for each of the four categories.

Table 1. Postsecondary Education 2012-14 General Fund Recommendation		
Description	2012-13	2013-14
Institutional Operating Funds	\$1,071,722,100	\$1,101,916,900
Bucks for Brains (RCTF and CUETF)* - Debt Service		8,126,000
Capital Investments / Information Technology – Debt Service		111,602,000
CPE Agency Funds	51,370,300	51,902,900
Total	\$1,123,092,400	\$1,273,547,800

*Note: For display purposes only. Technically, this debt service is included in the CPE agency funds budget request.

1. Institutional Operating Funds

The Council staff’s institutional operating funds budget recommendation for 2012-14 (Table 2) seeks to ensure that General Funds for postsecondary education are available to make appropriate base adjustments, to promote strategic investments that will improve college readiness and student success, and to enhance research activities consistent with the new Strategic Agenda and mandates of HB 1 (1997), as well as to advocate for maintenance and operations funds for newly constructed campus facilities.

- **Base Adjustments.** These base adjustments are technical in nature and relate to existing postsecondary obligations by the state.
 - Changes in debt service requirements for institutional bonds issued prior to reform, supported by state appropriations, and still paid by the institution.
 - Changes to the UofL hospital contract (Quality and Charity Care Trust).
 - Changes to the federal match required for KSU's land grant program.

- **Strategic Investment Funds.** These are investment funds intended to produce significant returns to the state in terms of improving college readiness, promoting research and economic development, and increasing student success over the next several years.
 - **College Readiness.** These funds are strategic investments (\$17.2 million in FY13, recurring in FY14) for SB 1 (2009) implementation activities related to improving and revising new teacher preparation programs; enhancing professional development of college faculty and existing K-12 educators; improving and redesigning developmental education courses, curriculum, and pedagogy; and increasing the number of college ready students in Kentucky.
 - **Research and Economic Development.** These funds are strategic investments (\$15 million in FY13, recurring in FY14) to enhance the research missions of UK and UofL, make progress on HB 1 (1997) reform goals, and stimulate local, regional, and statewide economic development. These funds will be used primarily to recruit and retain renowned research faculty and staff, bolster critical research infrastructure, develop "proof-of-concept" and translational research grant programs, establish planning and interdisciplinary grant programs, and leverage and/or attract federally-sponsored centers, programs, and research grants and contracts to Kentucky.
 - **Student Success.** These funds are strategic investments (\$25 million in FY14) for a new performance funding concept developed with campus representatives that will provide institutional financial incentives to achieve aggressive performance targets on undergraduate degree production, graduation rates, achievement gap of underprepared students, and transfers. These strategic investment funds will be requested in FY14, preallocated based upon each institution's percent share of total public funds, and distributed based upon improvements in institutional performance in FY12-13. Unearned funds will carry forward into the next biennium to either be earned by institutions for surpassing improvement goals or to be transferred in FY16 to the Student Financial Aid and Advancement Trust Fund and used to enhance need-based aid across the Commonwealth. The technical assumptions of the performance funding concept will be brought to the Council for review and discussion at its February 10, 2012, meeting.

- **Maintenance and Operations (M&O) Funds for New Buildings.** These are funds (\$38.3 million in FY13 and an additional \$1.8 million in FY14) to support the additional costs associated with the maintenance and operations of newly constructed facilities, which historically have been provided by the state. M&O costs stem from day-to-day activities necessary for operating a building and its systems and equipment to perform their intended function and include utility and energy costs, as well as salaries and benefits of janitorial and maintenance staff. To manage unfunded M&O in recent years, institutions were forced to move funds away from strategic priorities and reallocate tuition revenue or other internal sources of funds in order to open, operate, and maintain facilities coming online during this period. Lack of state General Fund support for M&O has been equivalent to additional budget cuts totaling approximately 4 percent of the \$1.006 billion in institutional operating funds provided by the state in FY12.

Table 2. Institution Operating Funds 2012-14 General Fund Recommendation		
Description	2012-13	2013-14
Institutional Operating Funds (Baseline 2011-12)	\$1,006,730,800	\$1,006,730,800
Base Adjustments	(5,487,300)	(2,124,500)
Strategic Investments		
College Readiness	17,194,500	17,194,500
Research and Economic Development	15,000,000	15,000,000
Student Success (Performance Funding)		25,000,000
Maintenance and Operations Funds for New Buildings	38,284,100	40,116,100
Total	\$1,071,722,100	\$1,101,916,900

For more details, please see agenda item on institutional operating funds.

2. Bucks for Brains (Research Challenge Trust Fund and Comprehensive University Excellence Trust Fund)

“Bucks for Brains” (B4B) has been a key strategic funding component of Kentucky’s postsecondary reform agenda. B4B matches public dollars with private donations to encourage research at the University of Kentucky and the University of Louisville and to strengthen key programs at Kentucky’s comprehensive universities.

The B4B program has received four previous rounds of funding totaling \$410 million, which has generated an additional \$410 million in private investments in public postsecondary education over the past decade. Returns from these investments have been impressive. For example, from 1997 to 2010 (UK and UofL combined), the market value of endowments grew from \$447 million to \$1.4 billion, the number of endowed chairs/professors increased from 102 to 534, and the level of extramural R&D expenditures increased from \$105 million to \$365 million.

“Bucks for Brains” is comprised of three distinct programs – two existing and one new.

- **Endowment Match Program.** This program matches public dollars with private donations to support research at UK and UofL and to strengthen key programs at Kentucky’s comprehensive universities. All funds (excluding those used for the Capital Match Program), both public and private, must be endowed, which provides a perpetual source of funding for endowed chairs, professorships, research staffs and infrastructure, graduate fellowships, scholarships, and mission support. Council staff is recommending \$60 million (\$50 million for UK and UofL and \$10 million for the comprehensive universities) for this program.

- **Capital Match Program.** This program was added to B4B during the 2008-10 budget session and provides UK and UofL flexibility to use part of the B4B distribution for research infrastructure support (e.g., lab renovations and renovations of research space) and comprehensive universities flexibility to use funds to enhance educational and general facilities. Institution boards of regents/trustees designate the amount of the endowment match program to be allocated for this purpose. These funds also require a private match.

- **Research Match Program (New).** This is a new program in 2012-14 for UK and UofL and will provide public matching funds (e.g., 25 cents on the dollar) for increased external research and development expenditures generated above their current levels of research production. These funds (\$10 million for UK and \$5 million for UofL) will be used to help recruit and retain renowned research-intensive faculty and staff, bolster critical research infrastructure, develop “proof-of-concept” and translational research grant programs, establish planning and interdisciplinary grant programs, and leverage or attract federally-sponsored centers, programs, and research grants to Kentucky.

Table 3. Bucks for Brains 2012-14 Recommendation		
Description	2012-14	Full Year Debt Service*
Research Challenge Trust Fund (UK and UofL)		
Endowment and Capital Match Programs	\$50,000,000	\$5,417,000
Research Match Program	15,000,000	1,626,000
Comprehensive University Excellence Trust Fund	10,000,000	1,083,000
Total	\$75,000,000	\$8,126,000

The Council staff will work collaboratively with institutional representatives on necessary additions and changes to the Bucks for Brains guidelines and reporting procedures and will present these for review and discussion at the February 10, 2012, Council meeting.

3. Capital Investments and Information Technology

The Council staff's capital recommendation for 2012-14 (Table 4) provides a new and innovative capital investment strategy for public postsecondary education. The new approach is grounded in the results from the comprehensive facilities study conducted in 2007 and recommended by the Kentucky General Assembly's Capital Planning Advisory Board in the 2012-18 Statewide Capital Improvements Plan (November 2011). The new capital approach promotes a multi-year capital investment strategy that aligns with the six-year capital planning process (\$3 billion in capital investments over six years equates to 38 percent of projected need based upon 2007 VFA study), helps improve campus planning and student services, and improves the balance between asset preservation/renovation and new projects.

- **Asset Preservation and Renovation.** These funds are intended to preserve and renovate existing capital infrastructure (e.g., HVAC, electric and lighting, plumbing, sanitary sewer, windows, and roofs) across the public postsecondary education institutions.
- **New and Expanded E&G and Research and Economic Development Space.** These funds will provide new and expanded capacity to support the statewide Strategic Agenda and the mandates of House Bill 1 (1997) to increase college access, educational attainment, and research and economic development.
- **Information Technology Initiatives.** These funds are designed to upgrade and support information technology initiatives both at the campus (\$48 million) and the state (\$12 million) level.

Table 4. State Bond-Funded Capital Investments 2012-14 Recommendation			
Description	2012-14	Full Year Debt Service*	Est. Annual M&O**
Asset Preservation and Renovation	\$550,000,000	\$55,332,000	
New/Expanded E&G and Research Space	450,000,000	45,272,000	\$21,234,000
Information Technology Initiatives	60,000,000	10,998,000	
Total	\$1,060,000,000	\$111,602,000	\$21,234,000

*Note: Debt service for all capital investments is included in the agency funds budget request.

**Note: Estimated annual M&O costs based upon average M&O of new and expanded projects in 2012-14.

The Council staff also recommends institutionally funded capital projects in 2012-14 that support institutional missions and the mandates of HB 1 (1997) which include the following:

- Authorization of \$1,567,313,000 in agency bond authority.
- Authorization of \$3,386,983,000 in agency, federal, private, and other funds to address life safety, major maintenance, equipment acquisitions, infrastructure repair and upgrades, and new construction.
- Authorization for nine projects to improve energy efficiency on campus funded energy projects using third party financing techniques available through the Finance and Administration Cabinet.

For more details, please see agenda item on capital investments.

4. CPE Agency Funds

The Council staff's 2012-14 budget recommendation (Table 5) falls into three main categories.

- **CPE Staff and Operating Costs.** These funds support the traditional responsibilities and operating expenses of the statewide coordinating board (e.g., defined calculations for salary and fringe benefits, rent, and utilities), costs of managing KYVC/VL, as well as personnel costs associated with statewide administration of KYAE.
- **Kentucky Adult Education (KYAE).** These funds support personnel, programs, and services targeted to the 536,000 adults, 21 percent of the working age population (ages 18 to 64) who lack a high school credential or GED and have produced impressive returns to the Commonwealth. For example, in 2008, among 18 to 24 year olds, Kentucky's rank in percent of population with a high school diploma or equivalent improved to 30th.
- **Statewide Educational Programs and Services**
 - **Student Assistance and Educational Support.** These funds primarily support the state's Contract Spaces Program which provides Kentucky residents access to professional training programs in veterinary medicine and optometry and several other programs that support low income or minority students.
 - **Technology and Academic Support.** These funds support statewide internet access via the Kentucky Postsecondary Education Network (KPEN) and electronic library services, materials, and funding for KYVC/KYVL and statewide IT/data initiatives.
 - **Research and Economic Development.** These funds support various statewide science and technology high impact investments primarily coordinated by the Kentucky Science and Technology Corporation (KSTC).

Larger than average increases are strategically requested for KYAE, SREB doctoral scholars program, SB 1 (2009) implementation, as well as KYVC/KYVL/KPEDS. All other General Fund increases are based upon the Consensus Forecast Group's October 15, 2011, General Fund revenue growth estimates of 1.8 percent in FY13 and an additional 2.4 percent in FY14.

Description	2012-13	2013-14
CPE Agency Funds (Baseline 2011-12)	\$47,966,700	\$47,966,700
CPE Staff and Operating Costs	47,900	320,500
Defined calculation & other mandated increases	532,200	665,000
Kentucky Adult Education	715,800	1,518,300
Student Assistance and Educational Support	326,100	549,800
Technology and Academic Support*	256,400	506,500
Research and Economic Development**	115,200	275,300
SB 1 (2009) Implementation	\$1,410,000	100,800
Total	\$51,370,300	\$51,902,900

*Note: Technically, this will also include \$111,414,000 in debt service in 2013-14 for the requested information technology and statewide capital investments.

**Note: Technically, this will also include \$8,126,000 in debt service in 2013-14 for the "Bucks for Brains" request.

For more details, please see agenda item on agency funds.

Table 6 summarizes the four main priorities for the Council staff's 2012-14 General Fund recommendation.

Table 6. Postsecondary Education 2012-14 General Fund Recommendation		
Description	2012-13	2013-14
1. Institutional Operating Funds (Baseline 2011-12)	\$1,006,730,80	\$1,006,730,800
Base Adjustments	(5,487,300)	(2,124,500)
Strategic Investments	32,194,500	57,194,500
Maintenance and Operating Funds for New Bldgs.	38,284,100	40,116,100
Total Institutional Operating Funds	\$1,071,722,10	\$1,101,916,900
2. Bucks for Brains – Debt Service* (DS)		
RCTF (\$65 million) and CUETF (\$10 million) - DS		\$8,126,000
3. Capital Investments*		
Asset Preservation and Renovation – DS		\$55,332,000
New/Expanded E&G and Research Facilities – DS		45,272,000
Information Technology Initiatives – DS		10,998,000
Total Capital Investment Debt Service (DS)		\$111,602,000
4. CPE Agency Funds (Baseline 2011-12)	\$47,966,700	\$47,966,700
CPE Staff and Operating Costs	47,900	320,500
Defined Calculation and Other Mandated Costs	532,200	665,000
Kentucky Adult Education	715,800	1,518,300
Student Assistance and Educational Support	326,100	549,800
Technology and Academic Support*	256,400	506,500
Research and Economic Development*	115,200	275,300
SB 1 (2009) Implementation	1,410,000	100,800
Total Agency Funds	\$51,370,300	\$51,902,900
Total General Fund Recommendation	\$1,123,092,4	\$1,273,547,800

*Note: For display purposes only, the debt service for "Bucks for Brains" and capital investments are included separately in 2013-14. Technically, the debt service is included in the agency funds request under Research and Economic Development and Technology and Academic Support, respectively.

**Council on Postsecondary Education
November 10, 2011**

2012-14 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 strengthen strategic initiatives consistent with the mandates of House Bill 1 (1997).

- The Council staff recommends that the Council request total General Fund appropriations of \$1,071,722,100 in 2012-13 and \$1,101,916,900 in 2013-14 to support public postsecondary institution operations.

A detailed breakdown of the request by institution is provided in Attachment A1. As can be seen in the attachment, the recommended totals represent an increase of \$64,991,300 in 2012-13 and an additional increase of \$30,194,800 in 2013-14, for a total increase of \$95,186,100 over the 2011-12 total postsecondary General Fund appropriation.

Major components of the 2012-14 operating recommendation include base adjustments, maintenance and operations (M&O) of facilities, and strategic investments (Table 1). Each of these components is described in more detail below.

Table 1: Components of 2012-14 Institutional Operating Funds Request

Description	2012-13	2013-14
Beginning Base (2011-12 Total General Fund)	\$ 1,006,730,800	\$ 1,006,730,800
Changes & Additions:		
Base Adjustments	(5,487,300)	(2,124,500)
Maintenance & Operations	38,284,100	40,116,100
Strategic Investments	32,194,500	57,194,500
Total Operating Funds Request	\$ 1,071,722,100	\$ 1,101,916,900

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, changes in the University of Louisville's hospital contract, and transfers of prior-year trust fund or pass-through program funds from the Council's base to the institutions. Beginning with the 2012-14 budget recommendation, staff proposes that changes in Kentucky State University's land grant match be included as a base adjustment (see the following for more details).

Components of the base adjustments request are shown in Table 2 below, followed by a brief description of each component.

Table 2: Components of 2012-14 Base Adjustments Request

Description	2012-13	2013-14
Changes In:		
Debt Service	\$ (6,396,900)	\$ (3,893,500)
UofL Hospital Contract	715,500	1,370,700
KSU Land Grant Match	194,100	398,300
Total Base Adjustments Request	\$ (5,487,300)	\$ (2,124,500)

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 bonds were issued to finance the construction of state-supported 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 institutional 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 new, state-funded postsecondary projects has resided 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 prior to 1998), which has decreased over the last decade due to debt retirement. In 2011-12, the General Assembly appropriated \$8,365,200 for debt service obligations on bond indebtedness maintained at the institutional level.

- The Council staff recommends that the Council request appropriations of \$1,968,300 in 2012-13 and \$4,471,700 in 2013-14 for debt service requirements on institutional bond issues supported by state appropriations and paid by the institution.

These amounts represent a reduction in debt service of \$6,396,900 in 2012-13 and a reduction in debt service of \$3,893,500 in 2013-14.

UofL Hospital Contract. In 1983, the University of Louisville and the University Medical Center entered into a contractual agreement with Metro Louisville and the Commonwealth of Kentucky to provide hospital care services to economically disadvantaged citizens of the Louisville/Jefferson County metropolitan area. The university receives annual, line-item appropriations for the Quality and Charity Care Trust (QCCT) to provide these services, which are adjusted over time for inflation. UofL's enacted appropriation for the QCCT totaled \$19,718,900 in 2011-12.

- The Council staff recommends that the Council request appropriations of \$20,434,400 in 2012-13 and \$21,089,600 in 2013-14 to support QCCT agreement services provided by the University of Louisville Hospital.

These amounts represent increases of \$715,500 in 2012-13 and \$1,370,700 in 2013-14 to reflect anticipated increases in contract costs.

KSU Land Grant Match. Kentucky State University is a public, comprehensive 1890 land-grant institution. KSU's land grant program (LGP), which is funded through a combination of federal and state funds, fulfills the university's land grant mission through commitments to research, service, and teaching in the food and agricultural sciences. Through its agricultural research and extension activities, the KSU LGP works to resolve agricultural, educational, economic, and social problems of Kentucky's citizens, especially among persons and families of limited resources.

To receive federal funding for its LGP, KSU must match annual, federal awards with an equal amount of institutional funds, historically provided by the state in the form of General Fund appropriations. Due to budget cuts in recent years, it has become increasingly difficult for KSU to meet this matching requirement. To remedy the situation, KSU has requested that its LGP match be treated as a base adjustment.

In 2011-12, the federal distribution for KSU's LGP is estimated to be \$7,153,200. Over the previous four years, federal distributions to KSU's LGP have increased at an average annual rate of 6.9 percent.

- The Council staff recommends that the Council request appropriations of \$7,347,300 in 2012-13 and \$7,551,500 in 2013-14 to support KSU's land grant program match.

These amounts represent increases of \$194,100 in 2012-13 and \$398,300 in 2013-14 to support anticipated increases in federal land grant distributions and KSU's required match.

Maintenance & Operations

When the General Assembly authorizes and issues bonds for new capital construction projects at Kentucky public postsecondary institutions, in addition to debt service obligations, there are added costs associated with the maintenance and operation of those facilities (i.e., M&O costs) upon completion. These costs stem from day-to-day activities necessary for a building and its systems and equipment to perform their intended function and include salaries and benefits of janitorial and maintenance staff, as well as utility and energy costs.

Prior to 2008-10, it had been standard practice in Kentucky for the Council to recommend, and the General Assembly to appropriate, funding to support the maintenance and operation (M&O) of previously authorized education and general (E&G) facilities expected to come online during a given biennium. Over the past two biennia, however, austere state budget conditions contributed to a suspension of this practice, with KCTCS being the only institution to receive partial M&O funding in 2008-10, and no institution receiving M&O in 2010-12.

To manage this situation, institutions have relied on tuition revenue or internal reallocation to open, operate, and maintain facilities coming online during this period. Lack of state General Fund support for M&O during this period has been equivalent to a budget cut.

As can be seen in Table 3, unfunded M&O from the 2008-12 time period accounts for more than 90 percent of the total 2012-14 M&O request.

Table 3: Components of 2012-14 M&O Request

Description	2012-13	2013-14
Additional Budget Requests For:		
Facilities that Came Online in 2008-12	\$ 37,036,500	\$ 37,036,500
Facilities Coming Online in 2012-14	1,247,600	3,079,600
Total M&O Request	\$ 38,284,100	\$ 40,116,100

- The Council staff recommends that the Council request appropriations of \$38,284,100 in 2012-13 and \$40,116,100 in 2013-14 to support the cost of operating and maintaining E&G facilities that came online in 2008-10 and 2010-12, and those that are expected to come online in 2012-14.

Attachment B contains a breakdown of the requested M&O appropriations by institution.

Strategic Investments

At its February 3, 2011, meeting, the Council approved the 2011-15 Strategic Agenda for Postsecondary and Adult Education. The agenda highlights four policy areas that demand sustained attention if Kentucky is to make substantive progress toward the vision and goals articulated in the *Postsecondary Education Improvement Act of 1997 (HB 1)*. These policy areas are (a) college readiness; (b) student success; (c) research, economic, and community development; and (d) efficiency and innovation.

The Council staff’s 2012-14 budget recommendation for postsecondary institution operations is well aligned with the goals, objectives, and strategies outlined in the Council’s 2011-15 Strategic Agenda. As can be seen in Table 4, the recommended strategic investments request includes funding components for college readiness, performance funding for student success, and research and economic development.

Table 4: Components of 2012-14 Strategic Investments Request

Description	2012-13	2013-14
Additional Budget Requests For:		
College Readiness	\$ 17,194,500	\$ 17,194,500
Research/Economic Development	15,000,000	15,000,000
Performance Funding For Student Success	-	25,000,000
Total Strategic Investments Request	\$ 32,194,500	\$ 57,194,500

College Readiness. Students who are not academically prepared for college face greater obstacles to degree completion than those who enroll college ready. Developmental education lengthens a student’s time-to-degree, increases costs, and consumes institutional resources. While Kentucky has made great strides in ensuring that a growing proportion of its students are ready for college, many still matriculate unprepared for the rigors of higher education.

With passage of Senate Bill 1 (2009), college readiness moved to the forefront of Kentucky’s postsecondary education policy agenda. Strengthening K-12 educator programs and expanding 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 are principal objectives of the Council’s college readiness agenda.

- The Council staff recommends that the Council request an appropriation of \$17,194,500 in 2012-13, recurring in 2013-14, to support college readiness and SB 1 initiatives at the public four-year universities and KCTCS.

These funds will be allocated among the public four-year universities and KCTCS using a formula that provides \$500,000 in infrastructure funds to each university (\$4 million total) and \$8 million to KCTCS, for a total of \$12 million; that allocates \$2.5 million of teacher preparation funds among the public four-year universities according to each institution’s share of total K-12 teachers produced; and that allocates \$2.5 million of developmental education funds among the public four-year universities and KCTCS according to each institution’s share of total developmental education students served (Attachment C). The remaining \$194,500 is allocated to KSU, the result of adopting a \$775,000 minimum adequate funding level floor for all institutions.

Research & Economic Development. Over the past decade, Kentucky's research universities have tripled 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 state's economy has been slow to transform and a number of challenges remain. Kentucky currently ranks in the bottom quintile among U.S. states on the New Economy Index, on the proportion of STEM degrees produced by its universities, and on generation of academic R&D expenditures per capita.

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 research, *Kentucky Innovation Act* investments, and multi-campus collaborations.

In keeping with the aims of the Strategic Agenda, staff recommends investment in research and economic development at the University of Kentucky and the University of Louisville to support initiatives that will bolster recruitment and retention of outstanding research intensive faculty and staff, increase federal and extramural research funding, accelerate translation of discoveries from technological development to commercial utility, and support increased economic development and quality of life in Kentucky.

- The Council staff recommends that the Council request an appropriation of \$15,000,000 in 2012-13, recurring in 2013-14, to support expanded research and economic development initiatives at the University of Kentucky and the University of Louisville.

The funds will be allocated one-third to the University of Louisville and two-thirds to the University of Kentucky, based on traditional statutory allocations of the Research Challenge Trust Fund. They will be used to recruit and retain renowned research faculty and staff, bolster critical research infrastructure, develop "proof-of-concept" and translational research grant programs, establish planning and interdisciplinary grant programs, and leverage or attract federally-sponsored centers, programs, and research grants to Kentucky.

Performance Funding for Student Success. The Council's 2011-15 Strategic Agenda calls for Kentucky's postsecondary education system 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 adequate institutional resources and structuring appropriate institution and student incentives are identified as important strategies for achieving the state's student success goals.

- The Council staff recommends that the Council request \$25 million in 2013-14 for a new Performance Funding for Student Success program that will provide monetary incentives for institutions to make progress toward achieving Kentucky's student success goals.

If approved, the funds will be requested in the second year of the biennium in consideration of anticipated state budgetary conditions and to allow time for institutions to ramp up student success efforts and make adequate progress on degree production targets prior to fund distribution.

The funds will be allocated among the public postsecondary institutions based on each institution's share of system total 2009-10 total public funds (Attachment D). Institutions will earn allocated funds by making progress toward, or attaining, a specified set of HB 1 improvement goals, including goals related to degree production, graduation rates, achievement gaps, and transfer.

HB 1 improvement goals for student success were developed by Council staff, working in collaboration with National Center for Higher Education Management Systems (NCHEMS) staff, and may differ slightly from student success targets developed for use in the Council's accountability system. However, the HB 1 improvement goals represent progress needed by each institution to achieve postsecondary system goals for student success by 2015.

Distribution amounts will be determined using a momentum point system, whereby the point value of percent of goal attained (i.e., 75 percent = .75) on each of four equally weighted metrics will be summed to obtain a composite momentum point score. Total points earned will then be divided by total possible points to determine the proportion of available funds distributed.

For example, an institution that achieves 75 percent of its goal on each metric will accumulate 3.0 out of a total possible 4.0 momentum points (i.e., $.75 \times 4 = 3.0$). Thus, the institution will be eligible to receive three-fourths of its Performance Funding for Student Success allocation (i.e., $3.0 \text{ divided by } 4.0 = 75 \text{ percent}$).

To maximize incentives and encourage institutions to succeed in attaining their HB 1 goals, flexibility has been built into the performance assessment model in several ways. During the biennium, excess momentum points earned on one metric may be used to compensate for point deficiencies in another metric, up to a specified maximum of .25 points per metric. Any funds not earned during the 2012-14 biennium will be carried forward into 2014-16, so that institutions will have a second opportunity to earn those funds by exceeding HB 1 goals.

After 2014-16, any unearned performance funds from 2012-14 will be transferred to the Student Financial Aid and Advancement Trust Fund to be used in the respective institution's primary service area to strategically support need-based student financial aid.

The technical assumptions of the performance funding concept will be brought to the Council for review and discussion at its February 10, 2012, meeting.

Kentucky Public Postsecondary Institution Total and Net General Fund Requests
Council on Postsecondary Education 2012-14 Budget Recommendation

ATTACHMENT A1: Total General Fund Request
November 10, 2011

Beginning Net Base:	UK	UofL	EKU	KSU	MoSU	MuSU	NKU	WKU	KCTCS	Total
2011-12 Enacted Total Appropriation (a)	\$ 303,199,200	\$ 177,715,600	\$ 72,221,000	\$ 25,146,800	\$ 44,363,000	\$ 51,288,200	\$ 50,713,000	\$ 77,377,300	\$ 204,706,700	\$ 1,006,730,800
Minus:										
Debt Service	-	(7,147,600)	-	-	(542,100)	-	(675,500)	-	-	(8,365,200)
UofL Hospital / KSU Land-Grant Match	-	(19,718,900)	-	(7,153,200) (b)	-	-	-	-	-	(26,872,100)
2011-12 Enacted Net Appropriation	\$ 303,199,200	\$ 150,849,100	\$ 72,221,000	\$ 17,993,600	\$ 43,820,900	\$ 51,288,200	\$ 50,037,500	\$ 77,377,300	\$ 204,706,700	\$ 971,493,500
First-Year Operating Request:										
2011-12 Enacted Net Appropriation	\$ 303,199,200	\$ 150,849,100	\$ 72,221,000	\$ 17,993,600	\$ 43,820,900	\$ 51,288,200	\$ 50,037,500	\$ 77,377,300	\$ 204,706,700	\$ 971,493,500
Plus:										
Base Adjustments										
Debt Service	-	1,420,200	-	-	548,100	-	-	-	-	1,968,300
UofL Hospital / KSU Land-Grant Match	-	20,434,400	-	7,347,300	-	-	-	-	-	27,781,700
M&O of Facilities (2008-13)	6,721,300	6,976,200	3,898,000	770,300	2,924,300	762,600	4,393,900	3,299,400	8,538,100	38,284,100
Strategic Investment (College Readiness/SB1)	831,800	855,600	1,098,100	775,000	888,200	899,500	829,200	1,202,500	9,814,600	17,194,500
Strategic Investment (Research/Econ. Develop.)	10,000,000	5,000,000	-	-	-	-	-	-	-	15,000,000
2012-13 Requested Total General Fund	\$ 320,752,300	\$ 185,535,500	\$ 77,217,100	\$ 26,886,200	\$ 48,181,500	\$ 52,950,300	\$ 55,260,600	\$ 81,879,200	\$ 223,059,400	\$ 1,071,722,100
Dollar Change from Prior Year	\$ 17,553,100	\$ 7,819,900	\$ 4,996,100	\$ 1,739,400	\$ 3,818,500	\$ 1,662,100	\$ 4,547,600	\$ 4,501,900	\$ 18,352,700	\$ 64,991,300
Percent Change from Prior Year	5.8%	4.4%	6.9%	6.9%	8.6%	3.2%	9.0%	5.8%	9.0%	6.5%

Beginning Net Base:	UK	UofL	EKU	KSU	MoSU	MuSU	NKU	WKU	KCTCS	Total
2012-13 Requested Total General Fund	\$ 320,752,300	\$ 185,535,500	\$ 77,217,100	\$ 26,886,200	\$ 48,181,500	\$ 52,950,300	\$ 55,260,600	\$ 81,879,200	\$ 223,059,400	\$ 1,071,722,100
Minus:										
Debt Service	-	(1,420,200)	-	-	(548,100)	-	-	-	-	(1,968,300)
UofL Hospital / KSU Land-Grant Match	-	(20,434,400)	-	(7,347,300)	-	-	-	-	-	(27,781,700)
2012-13 Requested Net General Fund	\$ 320,752,300	\$ 163,680,900	\$ 77,217,100	\$ 19,538,900	\$ 47,633,400	\$ 52,950,300	\$ 55,260,600	\$ 81,879,200	\$ 223,059,400	\$ 1,041,972,100
Dollar Change from Prior Year	\$ 17,553,100	\$ 12,831,800	\$ 4,996,100	\$ 1,545,300	\$ 3,812,500	\$ 1,662,100	\$ 5,223,100	\$ 4,501,900	\$ 18,352,700	\$ 70,478,600
Percent Change from Prior Year	5.8%	8.5%	6.9%	8.6%	8.7%	3.2%	10.4%	5.8%	9.0%	7.3%

Second-Year Operating Request:	UK	UofL	EKU	KSU	MoSU	MuSU	NKU	WKU	KCTCS	Total
2012-13 Requested Net General Fund	\$ 320,752,300	\$ 163,680,900	\$ 77,217,100	\$ 19,538,900	\$ 47,633,400	\$ 52,950,300	\$ 55,260,600	\$ 81,879,200	\$ 223,059,400	\$ 1,041,972,100
Plus:										
Base Adjustments										
Debt Service	-	3,927,900	-	-	543,800	-	-	-	-	4,471,700
UofL Hospital / KSU Land-Grant Match	-	21,089,600	-	7,551,500	-	-	-	-	-	28,641,100
M&O of Facilities (2013-14)	66,900	125,900	-	229,700	-	-	-	-	1,409,500	1,832,000
Strategic Investment (Student Success)	6,532,500	4,070,000	2,105,000	512,500	1,122,500	1,452,500	1,825,000	2,540,000	4,840,000	25,000,000
2013-14 Requested Total General Fund	\$ 327,351,700	\$ 192,894,300	\$ 79,322,100	\$ 27,832,600	\$ 49,299,700	\$ 54,402,800	\$ 57,085,600	\$ 84,419,200	\$ 229,308,900	\$ 1,101,916,900
Dollar Change from Prior Year	\$ 6,599,400	\$ 7,358,800	\$ 2,105,000	\$ 946,400	\$ 1,118,200	\$ 1,452,500	\$ 1,825,000	\$ 2,540,000	\$ 6,249,500	\$ 30,194,800
Percent Change from Prior Year	2.1%	4.0%	2.7%	3.5%	2.3%	2.7%	3.3%	3.1%	2.8%	2.8%

Ending Net Base:	UK	UofL	EKU	KSU	MoSU	MuSU	NKU	WKU	KCTCS	Total
2013-14 Requested Total General Fund	\$ 327,351,700	\$ 192,894,300	\$ 79,322,100	\$ 27,832,600	\$ 49,299,700	\$ 54,402,800	\$ 57,085,600	\$ 84,419,200	\$ 229,308,900	\$ 1,101,916,900
Minus:										
Debt Service	-	(3,927,900)	-	-	(543,800)	-	-	-	-	(4,471,700)
UofL Hospital / KSU Land-Grant Match	-	(21,089,600)	-	(7,551,500)	-	-	-	-	-	(28,641,100)
2013-14 Requested Net General Fund	\$ 327,351,700	\$ 167,876,800	\$ 79,322,100	\$ 20,281,100	\$ 48,755,900	\$ 54,402,800	\$ 57,085,600	\$ 84,419,200	\$ 229,308,900	\$ 1,068,804,100
Dollar Change from Prior Year	\$ 6,599,400	\$ 4,195,900	\$ 2,105,000	\$ 742,200	\$ 1,122,500	\$ 1,452,500	\$ 1,825,000	\$ 2,540,000	\$ 6,249,500	\$ 26,832,000
Percent Change from Prior Year	2.1%	2.6%	2.7%	3.8%	2.4%	2.7%	3.3%	3.1%	2.8%	2.6%

Net General Fund	Dollar Change for Biennium	Percent Change for Biennium	Total General Fund	Dollar Change for Biennium	Percent Change for Biennium
\$ 24,152,500	\$ 17,027,700	8.0%	\$ 24,152,500	\$ 17,027,700	8.0%
\$ 24,152,500	\$ 15,178,700	8.0%	\$ 24,152,500	\$ 15,178,700	8.0%
\$ 7,048,100	\$ 7,048,100	12.0%	\$ 7,048,100	\$ 7,048,100	12.0%
\$ 7,048,100	\$ 7,041,900	12.0%	\$ 7,048,100	\$ 7,041,900	12.0%
\$ 24,602,200	\$ 24,602,200	12.0%	\$ 24,602,200	\$ 24,602,200	12.0%
\$ 95,186,100	\$ 95,186,100	9.5%	\$ 95,186,100	\$ 95,186,100	9.5%

(a) These figures reflect the enacted 2011-12 total General Fund appropriation prior to a technical adjustment transferring \$18.9 million from 2011-12 to 2010-11 to maintain Kentucky's eligibility for the federal Ed. Jobs program. It is anticipated that the \$18.9 million will be restored when OSBD calculates the beginning base for 2012-13.

(b) Amount of state General Fund required to achieve a 100% federal match for KSU's land grant program. Estimated General Fund match was \$5.6 million in 2011-12.

Total GF Requests

Net GF Requests

Kentucky Public Postsecondary Institution Total and Net General Fund Requests
Council on Postsecondary Education 2012-14 Budget Recommendation

ATTACHMENT A2: Strategic Investments
November 10, 2011

Beginning Net Base:	UK	UofL	EKU	KSU	MoSU	MUSU	NKU	WKU	KCTCS	Total
2011-12 Enacted Total Appropriation ^(a)	\$ 303,199,200	\$ 177,715,600	\$ 72,221,000	\$ 25,146,800	\$ 44,363,000	\$ 51,288,200	\$ 50,713,000	\$ 77,377,300	\$ 204,706,700	\$ 1,006,730,800
Minus:										
Debt Service	-	(7,147,600)	-	-	(542,100)	-	(675,500)	-	-	(8,365,200)
UofL Hospital / KSU Land-Grant Match	-	(19,718,900)	-	(7,153,200)	-	-	-	-	-	(26,872,100)
2011-12 Enacted Net Appropriation	\$ 303,199,200	\$ 150,849,100	\$ 72,221,000	\$ 17,993,600	\$ 43,820,900	\$ 51,288,200	\$ 50,037,500	\$ 77,377,300	\$ 204,706,700	\$ 971,493,500

First-Year Operating Request:	UK	UofL	EKU	KSU	MoSU	MUSU	NKU	WKU	KCTCS	Total
2011-12 Enacted Net Appropriation	\$ 303,199,200	\$ 150,849,100	\$ 72,221,000	\$ 17,993,600	\$ 43,820,900	\$ 51,288,200	\$ 50,037,500	\$ 77,377,300	\$ 204,706,700	\$ 971,493,500
Plus:										
Base Adjustments										
Debt Service	-	1,420,200	-	-	548,100	-	-	-	-	1,968,300
UofL Hospital / KSU Land-Grant Match	-	20,434,400	-	7,347,300	-	-	-	-	-	27,781,700
Strategic Investment (College Readiness/SB1)	831,800	855,600	1,098,100	775,000	888,200	899,500	829,200	1,202,500	9,814,600	17,194,500
Strategic Investment (Research/Econ. Develop.)	10,000,000	5,000,000	-	-	-	-	-	-	-	15,000,000
2012-13 Requested Total General Fund	\$ 314,031,000	\$ 178,559,300	\$ 73,319,100	\$ 26,115,900	\$ 45,257,200	\$ 52,187,700	\$ 50,866,700	\$ 78,579,800	\$ 214,521,300	\$ 1,033,438,000
Dollar Change from Prior Year	\$ 10,831,800	\$ 843,700	\$ 1,098,100	\$ 969,100	\$ 894,200	\$ 899,500	\$ 153,700	\$ 1,202,500	\$ 9,814,600	\$ 26,707,200
Percent Change from Prior Year	3.6%	0.5%	1.5%	3.9%	2.0%	1.8%	0.3%	1.6%	4.8%	2.7%

Beginning Net Base:	UK	UofL	EKU	KSU	MoSU	MUSU	NKU	WKU	KCTCS	Total
2012-13 Requested Total General Fund	\$ 314,031,000	\$ 178,559,300	\$ 73,319,100	\$ 26,115,900	\$ 45,257,200	\$ 52,187,700	\$ 50,866,700	\$ 78,579,800	\$ 214,521,300	\$ 1,033,438,000
Minus:										
Debt Service	-	(1,420,200)	-	-	(548,100)	-	-	-	-	(1,968,300)
UofL Hospital / KSU Land-Grant Match	-	(20,434,400)	-	(7,347,300)	-	-	-	-	-	(27,781,700)
2012-13 Requested Net General Fund	\$ 314,031,000	\$ 156,704,700	\$ 73,319,100	\$ 18,768,600	\$ 44,709,100	\$ 52,187,700	\$ 50,866,700	\$ 78,579,800	\$ 214,521,300	\$ 1,003,688,000
Dollar Change from Prior Year	\$ 10,831,800	\$ 5,855,600	\$ 1,098,100	\$ 775,000	\$ 888,200	\$ 899,500	\$ 829,200	\$ 1,202,500	\$ 9,814,600	\$ 32,194,500
Percent Change from Prior Year	3.6%	3.9%	1.5%	4.3%	2.0%	1.8%	1.7%	1.6%	4.8%	3.3%

Second-Year Operating Request:	UK	UofL	EKU	KSU	MoSU	MUSU	NKU	WKU	KCTCS	Total
2012-13 Requested Net General Fund	\$ 314,031,000	\$ 156,704,700	\$ 73,319,100	\$ 18,768,600	\$ 44,709,100	\$ 52,187,700	\$ 50,866,700	\$ 78,579,800	\$ 214,521,300	\$ 1,003,688,000
Plus:										
Base Adjustments										
Debt Service	-	3,927,900	-	-	543,800	-	-	-	-	4,471,700
UofL Hospital / KSU Land-Grant Match	-	21,089,600	-	7,551,500	-	-	-	-	-	28,641,100
Strategic Investment (Student Success)	6,532,500	4,070,000	2,105,000	512,500	1,122,500	1,452,500	1,825,000	2,540,000	4,840,000	25,000,000
2013-14 Requested Total General Fund	\$ 320,563,500	\$ 185,792,200	\$ 75,424,100	\$ 26,832,600	\$ 46,375,400	\$ 53,640,200	\$ 52,691,700	\$ 81,119,800	\$ 219,361,300	\$ 1,061,800,800
Dollar Change from Prior Year	\$ 6,532,500	\$ 7,232,900	\$ 2,105,000	\$ 716,700	\$ 1,118,200	\$ 1,452,500	\$ 1,825,000	\$ 2,540,000	\$ 4,840,000	\$ 28,362,800
Percent Change from Prior Year	2.1%	4.1%	2.9%	2.7%	2.5%	2.8%	3.6%	3.2%	2.3%	2.7%

Ending Net Base:	UK	UofL	EKU	KSU	MoSU	MUSU	NKU	WKU	KCTCS	Total
2013-14 Requested Total General Fund	\$ 320,563,500	\$ 185,792,200	\$ 75,424,100	\$ 26,832,600	\$ 46,375,400	\$ 53,640,200	\$ 52,691,700	\$ 81,119,800	\$ 219,361,300	\$ 1,061,800,800
Minus:										
Debt Service	-	(3,927,900)	-	-	(543,800)	-	-	-	-	(4,471,700)
UofL Hospital / KSU Land-Grant Match	-	(21,089,600)	-	(7,551,500)	-	-	-	-	-	(28,641,100)
2013-14 Requested Net General Fund	\$ 320,563,500	\$ 160,774,700	\$ 75,424,100	\$ 19,281,100	\$ 45,831,600	\$ 53,640,200	\$ 52,691,700	\$ 81,119,800	\$ 219,361,300	\$ 1,028,688,000
Dollar Change from Prior Year	\$ 6,532,500	\$ 4,070,000	\$ 2,105,000	\$ 512,500	\$ 1,122,500	\$ 1,452,500	\$ 1,825,000	\$ 2,540,000	\$ 4,840,000	\$ 25,000,000
Percent Change from Prior Year	2.1%	2.6%	2.9%	2.7%	2.5%	2.8%	3.6%	3.2%	2.3%	2.5%

Net General Fund	UK	UofL	EKU	KSU	MoSU	MUSU	NKU	WKU	KCTCS	Total
Dollar Change for Biennium	\$ 17,364,300	\$ 9,925,600	\$ 3,203,100	\$ 1,287,500	\$ 2,010,700	\$ 2,352,000	\$ 2,654,200	\$ 3,742,500	\$ 14,654,600	\$ 57,194,500
Percent Change for Biennium	5.7%	6.6%	4.4%	7.2%	4.6%	4.6%	5.3%	4.8%	7.2%	5.9%
Total General Fund	\$ 17,364,300	\$ 8,076,600	\$ 3,203,100	\$ 1,685,800	\$ 2,012,400	\$ 2,352,000	\$ 1,978,700	\$ 3,742,500	\$ 14,654,600	\$ 55,070,000
Dollar Change for Biennium	\$ 17,364,300	\$ 8,076,600	\$ 3,203,100	\$ 1,685,800	\$ 2,012,400	\$ 2,352,000	\$ 1,978,700	\$ 3,742,500	\$ 14,654,600	\$ 55,070,000
Percent Change for Biennium	5.7%	4.5%	4.4%	6.7%	4.5%	4.6%	3.9%	4.8%	7.2%	5.5%

^(a) These figures reflect the enacted 2011-12 total General Fund appropriation prior to a technical adjustment transferring \$18.9 million from 2011-12 to 2010-11 to maintain Kentucky's eligibility for the federal Ed. Jobs program. It is anticipated that the \$18.9 million will be restored when OSD calculates the beginning base for 2012-13.

^(b) Amount of state General Fund required to achieve a 100% federal match for KSUs land-grant program. Estimated General Fund match was \$5.6 million in 2011-12.

Total GF Requests



**Kentucky Public Postsecondary Institution Total and Net General Fund Requests
Council on Postsecondary Education 2012-14 Budget Recommendation**

**ATTACHMENT A3: Maintenance and Operations Funds for New Buildings
November 10, 2011**

Beginning Net Base:		UK	UofL	EKU	KSU	MoSU	MUSU	NIKU	WKU	KCTCS	Total
2011-12 Enacted Total Appropriation ^(a)		\$ 303,199,200	\$ 177,715,600	\$ 72,221,000	\$ 25,146,800	\$ 44,363,000	\$ 51,288,200	\$ 50,713,000	\$ 77,377,300	\$ 204,706,700	\$ 1,006,730,800
Minus:			(7,147,600)			(542,100)		(675,500)			(8,365,200)
UofL Hospital / KSU Land-Grant Match			(19,718,900)		(7,153,200)						(26,872,100)
2011-12 Enacted Net Appropriation		\$ 303,199,200	\$ 150,849,100	\$ 72,221,000	\$ 17,993,600	\$ 43,820,900	\$ 51,288,200	\$ 50,037,500	\$ 77,377,300	\$ 204,706,700	\$ 971,493,500
First-Year Operating Request:											
2012-13 Requested Net General Fund		\$ 303,920,500	\$ 179,679,900	\$ 76,119,000	\$ 26,111,200	\$ 47,293,300	\$ 52,050,800	\$ 54,431,400	\$ 80,676,700	\$ 213,244,800	\$ 1,039,527,600
Minus:			(1,420,200)		(7,347,300)	(548,100)					(1,968,300)
Debt Service			1,420,200			548,100					1,968,300
UofL Hospital / KSU Land-Grant Match			20,434,400		7,347,300						27,781,700
M&O of Facilities (2008-13)		6,721,300	6,976,200	3,898,000	770,300	2,924,300	762,600	4,993,900	3,299,400	8,538,100	38,284,100
2012-13 Requested Total General Fund		\$ 309,920,500	\$ 179,679,900	\$ 76,119,000	\$ 26,111,200	\$ 47,293,300	\$ 52,050,800	\$ 54,431,400	\$ 80,676,700	\$ 213,244,800	\$ 1,039,527,600
Dollar Change from Prior Year		\$ 6,721,300	\$ 1,964,300	\$ 3,898,000	\$ 964,400	\$ 2,930,300	\$ 762,600	\$ 3,718,400	\$ 3,299,400	\$ 8,538,100	\$ 32,796,800
Percent Change from Prior Year		2.2%	1.1%	5.4%	3.8%	6.6%	1.5%	7.3%	4.3%	4.2%	3.3%
Beginning Net Base:											
2012-13 Requested Total General Fund		\$ 309,920,500	\$ 179,679,900	\$ 76,119,000	\$ 26,111,200	\$ 47,293,300	\$ 52,050,800	\$ 54,431,400	\$ 80,676,700	\$ 213,244,800	\$ 1,039,527,600
Minus:			(1,420,200)		(7,347,300)	(548,100)					(1,968,300)
Debt Service			1,420,200			548,100					1,968,300
UofL Hospital / KSU Land-Grant Match			20,434,400		7,347,300						27,781,700
M&O of Facilities (2013-14)		6,721,300	6,976,200	3,898,000	770,300	2,924,300	762,600	4,993,900	3,299,400	8,538,100	38,284,100
2012-13 Requested Net General Fund		\$ 309,920,500	\$ 179,679,900	\$ 76,119,000	\$ 26,111,200	\$ 47,293,300	\$ 52,050,800	\$ 54,431,400	\$ 80,676,700	\$ 213,244,800	\$ 1,039,527,600
Dollar Change from Prior Year		\$ 6,721,300	\$ 6,976,200	\$ 3,898,000	\$ 770,300	\$ 2,924,300	\$ 762,600	\$ 4,993,900	\$ 3,299,400	\$ 8,538,100	\$ 38,284,100
Percent Change from Prior Year		2.2%	4.6%	5.4%	4.3%	6.7%	1.5%	8.8%	4.3%	4.2%	3.9%
Second-Year Operating Request:											
2012-13 Requested Net General Fund		\$ 309,920,500	\$ 179,679,900	\$ 76,119,000	\$ 26,111,200	\$ 47,293,300	\$ 52,050,800	\$ 54,431,400	\$ 80,676,700	\$ 213,244,800	\$ 1,039,527,600
Plus:											
Base Adjustments											
Debt Service			3,927,900			543,800					4,471,700
UofL Hospital / KSU Land-Grant Match			21,089,600		7,551,500						28,641,100
M&O of Facilities (2013-14)		66,900	125,900		229,700					1,409,500	1,832,000
2013-14 Requested Total General Fund		\$ 309,987,400	\$ 182,968,700	\$ 76,119,000	\$ 26,545,100	\$ 47,289,000	\$ 52,050,800	\$ 54,431,400	\$ 80,676,700	\$ 214,654,300	\$ 1,044,722,400
Dollar Change from Prior Year		\$ 66,900	\$ 3,288,800	\$ 3,288,800	\$ 433,900	\$ (4,300)	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 1,409,500	\$ 5,194,800
Percent Change from Prior Year		0.0%	1.8%	0.0%	1.7%	0.0%	0.0%	0.0%	0.0%	0.7%	0.5%
Ending Net Base:											
2013-14 Requested Total General Fund		\$ 309,987,400	\$ 182,968,700	\$ 76,119,000	\$ 26,545,100	\$ 47,289,000	\$ 52,050,800	\$ 54,431,400	\$ 80,676,700	\$ 214,654,300	\$ 1,044,722,400
Minus:											
Debt Service			(3,927,900)			(543,800)					(4,471,700)
UofL Hospital / KSU Land-Grant Match			(21,089,600)		(7,551,500)						(28,641,100)
2013-14 Requested Net General Fund		\$ 309,987,400	\$ 157,951,200	\$ 76,119,000	\$ 18,993,600	\$ 46,745,200	\$ 52,050,800	\$ 54,431,400	\$ 80,676,700	\$ 214,654,300	\$ 1,011,609,600
Dollar Change from Prior Year		\$ 66,900	\$ 125,900	\$ 0.0%	\$ 229,700	\$ 46,745,200	\$ 0.0%	\$ 0.0%	\$ 0.0%	\$ 1,409,500	\$ 1,832,000
Percent Change from Prior Year		0.0%	0.1%	0.0%	1.2%	0.0%	0.0%	0.0%	0.0%	0.7%	0.2%
Net General Fund											
Dollar Change for Biennium		\$ 6,788,200	\$ 7,102,100	\$ 3,898,000	\$ 1,000,000	\$ 2,924,300	\$ 762,600	\$ 4,393,900	\$ 3,299,400	\$ 9,947,600	\$ 40,116,100
Percent Change for Biennium		2.2%	4.7%	5.4%	5.6%	6.7%	1.5%	8.8%	4.3%	4.9%	4.1%
Total General Fund		\$ 6,788,200	\$ 5,253,100	\$ 3,898,000	\$ 1,398,300	\$ 2,926,000	\$ 762,600	\$ 3,718,400	\$ 3,299,400	\$ 9,947,600	\$ 37,991,600
Dollar Change for Biennium		\$ 6,788,200	\$ 5,253,100	\$ 3,898,000	\$ 1,398,300	\$ 2,926,000	\$ 762,600	\$ 3,718,400	\$ 3,299,400	\$ 9,947,600	\$ 37,991,600
Percent Change for Biennium		2.2%	3.0%	5.4%	5.6%	6.6%	1.5%	7.3%	4.3%	4.9%	3.8%

^(a) These figures reflect the enacted 2011-12 total General Fund appropriation prior to a technical adjustment transferring \$18.9 million from 2011-12 to 2010-11 to maintain Kentucky's eligibility for the federal Ed. Jobs program. It is anticipated that the \$18.9 million will be restored when OSBD calculates the beginning base for 2012-13.

^(b) Amount of state General Fund required to achieve a 100% federal match for KSUs land-grant program. Estimated General Fund match was \$5.6 million in 2011-12.

Total GF Requests

Net GF Requests

**Kentucky Public Postsecondary Institutions
Historical and New Maintenance and Operations (M&O) Funds**

Institution	Historical M&O 2008-12 ^(a)	New M&O 2012-13	New M&O 2013-14
University of Kentucky	\$6,459,400	\$261,900	\$66,900
University of Louisville	6,504,600	471,600	125,900
Eastern Kentucky University	3,898,000	0	0
Kentucky State University	521,000	249,300	229,700
Morehead State University	2,924,300	0	0
Murray State University	762,600	0	0
Northern Kentucky University	4,393,900	0	0
Western Kentucky University	3,299,400	0	0
KCTCS	8,273,300	264,800	1,409,500
Total	\$37,036,500	\$1,247,600	\$1,832,000

^(a) Includes M&O for facilities that came online during the 2008-10 and 2010-12 biennia, which was requested in the Council's 2010-12 budget recommendation, but not funded.

Source: Kentucky Council on Postsecondary Education, 2010-12 Biennial Budget Recommendation.

Allocation of M&O Funding Request

Institution	2012-13 Request	2013-14 Request	Biennial Total
University of Kentucky	\$6,721,300	\$66,900	\$6,788,200
University of Louisville	6,976,200	125,900	7,102,100
Eastern Kentucky University	3,898,000	0	3,898,000
Kentucky State University	770,300	229,700	1,000,000
Morehead State University	2,924,300	0	2,924,300
Murray State University	762,600	0	762,600
Northern Kentucky University	4,393,900	0	4,393,900
Western Kentucky University	3,299,400	0	3,299,400
KCTCS	8,538,100	1,409,500	9,947,600
Total	\$38,284,100	\$1,832,000	\$40,116,100

Percentage of Total Requested:

100%

Kentucky Public Postsecondary Institutions
Allocation of College Readiness/Senate Bill 1 Funding Request

Institution	A			B			C			(A+B+C)
	Infrastructure Allocation	Number of Teachers	Teacher Preparation	Developmental Education	Total College Readiness					
University of Kentucky	\$500,000	217	11.5%	433	\$831,800					
University of Louisville	500,000	220	11.7%	629	855,600					
Eastern Kentucky University	500,000	363	19.2%	1,148	1,098,100					
Kentucky State University	500,000	20	1.1%	527	775,000					
Morehead State University	500,000	225	11.9%	883	888,200					
Murray State University	500,000	250	13.2%	670	899,500					
Northern Kentucky University	500,000	221	11.7%	358	829,200					
Western Kentucky University	500,000	372	19.7%	2,052	1,202,500					
KCTCS	8,000,000	-	0.0%	17,740	9,814,600					
Total	\$12,000,000	1,888	100.0%	24,440	\$17,194,500					

Funding Category	Funding Level
Infrastructure Funds	\$12,000,000
Teacher Preparation	2,500,000
Developmental Education	2,500,000
Funding Floor	194,500
Total College Readiness	\$17,194,500

**Kentucky Public Postsecondary Institutions
Proportionate Share of Total Public Funds ⁽¹⁾**

Institution	2009-10 Total Public Funds	Percent of Total
University of Kentucky	\$592,119,600	26%
University of Louisville	368,767,218	16%
Eastern Kentucky University	190,858,700	8%
Kentucky State University	46,480,900	2%
Morehead State University	101,677,900	4%
Murray State University	131,561,900	6%
Northern Kentucky University	165,370,200	7%
Western Kentucky University	230,185,100	10%
KCTCS	438,507,200	19%
Total	\$2,265,528,718	100%

⁽¹⁾ Total Public Funds figures are calculated by summing each institution's net General Fund appropriation and its gross tuition and fee revenue.

Sources: Commonwealth of Kentucky, 2008-10 Budget of the Commonwealth; Council on Postsecondary Education, Comprehensive Database.

Student Success Performance Funding Allocation

Institution	Institutional Allocations
University of Kentucky	\$6,532,500
University of Louisville	4,070,000
Eastern Kentucky University	2,105,000
Kentucky State University	512,500
Morehead State University	1,122,500
Murray State University	1,452,500
Northern Kentucky University	1,825,000
Western Kentucky University	2,540,000
KCTCS	4,840,000
Total	\$25,000,000

Total Student Success Funding:

\$25,000,000

**Council on Postsecondary Education
November 10, 2011**

**2012-14 Postsecondary Education Budget Recommendation
Bucks for Brains**

The *Postsecondary Education Improvement Act of 1997* (HB 1) created six Strategic Investment and Incentive Trust Funds to bring about change and improvement in Kentucky's colleges and universities by providing strategic financial incentives that advance the state's 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 provides appropriations for the trust funds, they typically are 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 program guidelines. The purpose of such funds is to accelerate statewide achievement of reform goals.

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. To accomplish this aim, it highlights the importance of securing additional funding for a research matching program and of exploring new funding approaches to maximize research, *Kentucky Innovation Act* investments, and multi-campus collaborations.

Consistent with this goal is the recommendation for a fifth round of Bucks for Brains funding.

- The Council staff recommends an appropriation of \$8,126,000 in 2013-14, recurring in subsequent years, to pay debt service on a \$75 million bond issue that supports a fifth round of funding for Bucks for Brains which includes a new Research Grant Matching Program.

If approved, bonded funds will be allocated \$65 million to the research universities via the Research Challenge Trust Fund (RCTF) and \$10 million to the comprehensive institutions through the Comprehensive University Excellence Trust Fund (CUETF).

A breakdown of debt service by trust fund is provided in Table 1 below, followed by brief descriptions of 2012-14 trust funds request components.

Table 1: Components of 2012-14 Trust Funds Request

Description	2012-13	2013-14
Additional Budget Requests For:		
Research Challenge Trust Fund (debt service)	-	\$7,043,000
Comprehensive University Excellence Trust Fund (debt service)	-	1,083,000
Total Trust Funds Request	\$ -	\$8,126,000

Bucks for Brains

“Bucks for Brains” (B4B) has been a key strategic funding component of Kentucky’s postsecondary reform agenda. B4B matches public dollars with private donations to encourage research at the University of Kentucky and the University of Louisville and to strengthen key programs at Kentucky’s comprehensive universities.

Since 1998, the General Assembly has appropriated four rounds of Bucks for Brains funding totaling \$410 million, with \$350 million of that amount allocated to the two research universities and \$60 million allocated to the state’s six comprehensive institutions.

The state investment has been used to leverage \$410 million in private contributions through a dollar-for-dollar matching feature. Thus, when 2008-10 pledges are fully paid, a total of \$820 million will have been generated through the program, with \$767.9 million added to public university endowments and \$52.1 million used to support construction of new research facilities at the University of Kentucky (i.e., \$43.8 million) and education and general facilities at the comprehensive universities (i.e., \$8.3 million).

Returns from these investments have been impressive. For example, from 1997 to 2010 (UK and UofL combined), the market value of endowments grew from \$447 million to \$1.4 billion, the number of endowed chairs/professors increased from 102 to 534, and the level of extramural R&D expenditures increased from \$105 million to \$365 million.

“Bucks for Brains” is comprised of three distinct programs – two existing and one new.

- 1. Endowment Match Program.** This program matches public dollars with private donations to support research at UK and UofL and to strengthen key programs at Kentucky’s comprehensive universities. All funds, both public and private, must be endowed, which provides a perpetual source of funding for endowed chairs, professorships, research staffs and infrastructure, graduate fellowships, scholarships, and mission support. Council staff is recommending \$60 million for the Endowment Match Program, \$50 million for UK and UofL and \$10 million for the comprehensive universities.

If approved, the bonded RCTF funds will be allocated two-thirds to the University of Kentucky (i.e., \$33,333,000) and one-third to the University of Louisville (i.e., \$16,667,000) in accordance with statutory requirements of the Research Challenge Trust Fund outlined in KRS 164.7917.

In addition, the \$10 million for the comprehensive universities will be allocated in accordance with statutory requirements of the Comprehensive University Excellence Trust Fund outlined in KRS 164.7919 and highlighted in Table 2 below.

Table 2: Allocation of Requested 2012-14 CUETF Endowment Match Program Funds

Institution	Allocation
Eastern Kentucky University	\$2,258,000
Kentucky State University	786,000
Morehead State University	1,370,000
Murray State University	1,603,000
Northern Kentucky University	1,564,000
Western Kentucky University	2,419,000
Total CUETF Allocation	\$10,000,000

2. **Capital Match Program.** This program was added to B4B during the 2008-10 budget session and provides UK and UofL flexibility to use part of the B4B distribution for research infrastructure support (e.g., lab renovations and renovations of research space) and comprehensive universities flexibility to use funds to enhance educational and general facilities. Institution boards of regents/trustees designate the amount of the endowment match program to be allocated for this purpose. These funds also require a private match.
3. **Research Match Program (New).** This is a new Bucks for Brains program in 2012-14 for UK and UofL and will provide public matching funds (e.g., 25 cents on the dollar) for increased external research and development expenditures generated above their current levels of research production. Council staff is recommending \$15 million for the Research Match Program.

If approved, the bonded funds will be allocated two-thirds to the University of Kentucky (i.e., \$10,000,000) and one-third to the University of Louisville (i.e., \$5,000,000) in accordance with statutory requirements of the RCTF outlined in KRS 164.7917.

These funds will be used to help recruit and retain renowned research-intensive faculty and staff, bolster critical research infrastructure, develop “proof-of-concept” and translational research grant programs, establish planning and interdisciplinary grant programs, and leverage or attract federally-sponsored centers, programs, and research grants to Kentucky.

Technical guidelines for this new program will be included in the revised Bucks for Brains guidelines to be presented to the Council at its February 10, 2012, meeting.

Institutional allocations of the 2012-14 recommended Bucks for Brains funds are included in Attachment E.

Changes to Reporting and Guidelines

In coming months, a workgroup comprised of Council staff and campus officials will review and discuss possible changes to Bucks for Brains guidelines and reporting requirements, including moving from the current dollar-for-dollar match to a two-for-one match, which will fully leverage the state's investment and produce twice the level of private giving in support of public higher education research activities.

It is anticipated that staff will bring draft 2012-14 Endowment Match Program and Capital Match Program guidelines and revised reporting procedures for Council review at the February 10, 2012, meeting.

Over the next several months, Council staff will also work with research university officials to develop draft 2012-14 Research Matching Program Guidelines. It is anticipated that the draft guidelines will be presented for Council review and discussion at the February 10, 2012, meeting.

Staff preparation by John Hayek and Bill Payne

**Kentucky Public Postsecondary Institutions
Bucks for Brains Request and Allocation**

Endowment Match and Capital Match Programs

<u>Sector/Institution</u>	<u>Statutory RCTF Allocation Factors</u>	<u>Allocation Percentages</u>	<u>Bucks for Brains Dollar Allocation</u>
Research Sector			
University of Kentucky	2/3	67%	\$33,333,000
University of Louisville	1/3	33%	<u>16,667,000</u>
Totals		100%	\$50,000,000

<u>Sector/Institution</u>	<u>2010-11 Net General Fund</u>	<u>Percent of Total</u>	<u>Bucks for Brains Dollar Allocation</u>
Comprehensive Sector			
Eastern Kentucky University	\$72,950,500	23%	\$2,258,000
Kentucky State University	25,400,800	8%	786,000
Morehead State University	44,263,500	14%	1,370,000
Murray State University	51,805,500	16%	1,603,000
Northern Kentucky University	50,543,000	16%	1,564,000
Western Kentucky University	<u>78,158,900</u>	24%	<u>2,419,000</u>
Totals	\$323,122,200	100%	\$10,000,000

Total Endowment & Capital: \$60,000,000

Research Match Program

Grant Matching Program: **\$15,000,000** ^(a)

(a) Comprised of a \$10 million pool for UK and \$5 million pool for UofL over the biennium, to be distributed (e.g., 25 cents on the dollar) to research institutions that generate new external R&D expenditures above their current base. Necessary definitions will be included in edits to B4B guidelines.

Total Bucks for Brains Request

\$75,000,000

2012-14 Postsecondary Education Budget Recommendation **Capital Investments and Information Technology**

Each biennium the Council is asked to present a recommendation to the Governor and the General Assembly that identifies the capital needs of postsecondary education institutions. The recommendation is expected to reflect the need for asset preservation, modernization of existing facilities, and the level of space required to achieve the goals established by House Bill 1 (1997). Going into the future, CPE policy is to pursue and present a blended capital approach that invests more heavily in asset preservation and renovation while continuing to provide new and expanded space.

Comprehensive Facilities Study (a.k.a., VFA Study)

Additional capital investments will be needed to maintain current infrastructure and support additional classroom, lab, and research space needs across the public institutions. In the past, the typical postsecondary capital budget recommendation included a list of capital projects ranked on a statewide basis using a model developed jointly by the Council and institutions.

Using an independent resource to help identify the need and illustrate the importance of modern facilities to support achieving House Bill 1 (1997) goals, the Council and institutions contracted with VFA, Inc., of Boston, MA, in 2007 to conduct a comprehensive review of education and general facilities and to recommend a balanced approach to address asset preservation and the need for new or expanded space.

The study recommends a level of blended investment in existing and new space to achieve the goals established by House Bill 1 (1997). Kentucky has made significant progress toward adding expanded space, albeit not at the pace preferred by institutions. The VFA recommendation of a blended approach that invests more heavily in asset preservation/renovation than in the creation of new and expanded space has not been realized.

Across the system over 700 education and general buildings were assessed and the study found that:

- Most of Kentucky's buildings are over 30 years old and their condition is consistent with age and building systems have exceeded their useful life expectancies.
- Kentucky's facilities are in relatively poor condition (Facilities Condition Index of 22 percent) compared to the industry standard and, if left unaddressed, this will deteriorate to 36 percent within five years, which is twice the national average of 18 percent.

- A significant number of buildings no longer adequately support the academic programming originally envisioned, and there is a significant need to add new capacity to support the increased number of students coming into the system.
- Kentucky should provide a blend of capital investments for asset preservation, renovation (adequacy), new and expanded space for degree production, and expanded research capacity.
- Postsecondary education facilities are in need of a sustained infusion of funds to promote high quality learning and services.

The results of this facilities study provide the foundation for the Council's new multi-biennia capital investment policy and recommendation.

New Concept: Multi-Biennial Capital Investment

The new concept offers flexibility for institutions to implement capital projects, allows campuses to better plan for construction, offers stronger protection of state owned assets, provides a funding distribution process that is transparent and data driven, and offers strong support for accountability.

The state's investment in postsecondary education capital infrastructure over the past 12 years has not been balanced or predictable in terms of timing and amounts. The newly proposed capital investment strategy seeks a commitment of state investments over the next several biennia to enhance master planning, improve the condition of existing state assets, ensure enough new space is available for current and future enrollments, and align existing space with modern educational standards.

Council staff, working collaboratively with institutional representatives, developed this new capital investment strategy and it is intended to yield high returns with moderate investment by the state. Listed below are highlights of the new capital investment concept for postsecondary education.

- Grounded in the results from the comprehensive facilities study conducted in 2007.
- An investment of \$3 billion spread evenly across three biennia (\$1 billion in 2012-14; \$1 billion in 2014-16; and \$1 billion in 2016-18) to mirror the state's six-year capital planning process, and represent approximately 38 percent of the projected need based upon the 2007 VFA study.
- Recommended by the Kentucky General Assembly's Capital Planning Advisory Board in the 2012-18 Statewide Capital Improvements Plan (November 2011).
- New policy envisions that over the three biennia the overall distribution of capital investment, as closely as possible, should reflect the blended approach identified by the VFA study which equates to 55 percent in asset preservation and renovation and 45 percent in new and expanded education and general and research space.
- A blended methodology is used to distribute the capital investments to the public four-year universities and KCTCS that incorporates VFA data, the number of FTE students, the amount of total public funds, and research expenditures.
- Use of funds at the institutional level should, with a degree of flexibility, follow the VFA report recommendations for each individual campus.

Details of the new approach are highlighted in Attachment F.

2012-14 Capital Investment Policy/Recommendation

The Council staff recommendation is that the Commonwealth commit to an investment strategy that provides \$3 billion over the next three biennia (\$1 billion each biennium) to address asset preservation, renovation, and new space. The recommendation addresses both short and long-term capital needs and strengthens the link between facility condition, renovation, and the need for new space and proposes to establish projects in the three distinct priority categories described below.

1. Asset preservation and renovation.
2. New and expanded education and general and research space.
3. Information technology initiatives.

To facilitate implementation for the first two project categories (asset preservation and new and expanded space) institutions may reserve or use up to \$1 million of their share of the \$1 billion in each biennium to identify and demolish space that is no longer needed or that is being replaced with new or expanded space. The 2007 Report by Paulien & Associates and VFA for each institutional campus includes suggestions regarding space that, if replaced, should be strongly considered for demolition rather than renovation or remodeling.

1. Asset Preservation & Renovation

- The Council staff recommends \$550 million of the total \$1 billion in state bonds for 2012-14 to fund asset preservation and renovation projects in 2012-14 as the initial installment to begin addressing a backlog of over \$3.5 billion of deferred asset preservation needs due by 2014 that were identified by the statewide facilities assessment conducted by VFA.

Annual debt service for the bonds (\$55,332,000) is included in the Council agency funds budget request for 2013-14 and, if authorized, will be temporarily allocated to the Physical Facilities Trust Fund. The recommendation addresses findings by the statewide facilities assessment that buildings should serve a program's current and future need either by design or retrofit, ensure that the buildings fit today's expectations, and meet program needs including safety issues.

Only projects involving education and general facilities are eligible for funding. The projects would be authorized in 2012-13. Projects eligible for funding from the authorization (\$1,063,166,000) are identified by the 2007 study by VFA and are included in Attachment G.

The \$550 million is allocated among the institutions using a consensus blended distribution model that includes VFA data, FTE students, total public funds, and research expenditures. The Council policy position is to not require an institution match on these dollars.

2. New and Expanded Education and General and Research and Economic Development Space

- The Council staff recommends \$450 million of the total \$1 billion in state bonds for 2012-14 to build new and expanded education and general space and research space.

Annual debt service for the bonds (\$45,272,000) is included in the Council agency funds budget request for 2013-14 and, if authorized, will be temporarily allocated to the Council's Physical Facilities Trust Fund. The state bonds will address \$786,649,000 of projects. Projects will provide new and expanded capacity to support the mandates of House Bill 1 (1997) to increase access, educational attainment, and research and economic development. Projects for 2012-14 are included in Attachment H.

The research and economic development projects address the HB 1 goal that by year 2020 the University of Kentucky will be competing as a top 20 public research institution and the University of Louisville will be competing as a premier metropolitan research university.

3. Information Technology Initiatives

- The Council staff recommends \$60 million in state bonds to fund information technology initiatives at the institutional and state level.

Annual debt service for the bonds (\$10,998,000) is included in the agency funds budget request for 2013-14 and, if authorized, will be allocated to the Council's Technology Trust Fund.

Only projects involving education and general activities, the Kentucky Virtual Campus, the Kentucky Virtual Library, and the Kentucky Postsecondary Education Data System are eligible for funding from the pool. The projects would be authorized in 2012-13. Approximately \$220,984,000 in equipment projects are eligible for funding from the pool and are included in Attachment I.

Consistent with the Council's Strategic Agenda goal of improving efficiency and innovation, the public four-year universities and KCTCS would receive \$48 million to enhance efforts related to college readiness, student success, and research, economic, and community development, and CPE/KYVC/KYVL would receive \$12 million to support statewide information technology efforts to do the same.

The \$48 million distributed to the institutions would be allocated as follows: (a) each institution would receive a base allocation of \$1 million and (b) the remaining \$39 million would be allocated to institutions based on their proportionate share of 2009-10 actual unrestricted instruction expenditures.

See Attachment J for specific pool distribution and guidelines.

Institutionally Funded Capital Investments

The Council staff also recommends institutionally funded capital projects that support the objectives of *The Kentucky Postsecondary Education Improvement Act of 1997* and the 2011-15 Strategic Agenda for Postsecondary and Adult Education, *Stronger by Degrees*. The Council staff recommends the following 2012-14 agency-funded projects:

- 2012-14 authorization of \$1,567,313,000 in agency bond authority. This allows authorization and completion of each institution's highest priorities for agency bond funded capital projects. The total value of projects identified for completion in this category from all sources is \$1,427,288,000. The specific projects recommended for authorization and funding are listed in Attachment K.
- 2012-14 authorization for \$3,386,983,000 in agency, federal, private, and other funds to address life safety, major maintenance, equipment acquisitions, infrastructure repair and upgrades, and new construction. These projects would be funded using agency, federal, private, or other nonstate funds. These projects are shown in Attachment L.
- 2012-14 authorization for nine agency-funded projects 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 techniques available through the Finance and Administration Cabinet and private contractors or other nonstate funds. These projects are shown in Attachment M.

Special Budget Language (Postsecondary Education Pools)

In as much as the identification of specific projects in a variety of areas of postsecondary institutions 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: ECU, KCTCS, KSU, MoSU, MuSU, NKU, UK, UofL, and WKU 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.

Capital Projects Recommendations
Capital Investment: Asset Preservation/Renovation and New/Expanded Space
General Fund 2012-14

Institution	2012-18		Campus Mix Based on VFA Report			Campus Mix Adjusted for Flexibility for Top Priority New Projects				
	Total Capital Investment (a)	Percent of Total	Asset Preservation & Renovation	Percent of Total	New & Expanded	Percent of Total	Asset Preservation & Renovation	Percent of Total	New & Expanded	Percent of Total
University of Kentucky	\$ 814,064,700	27%	\$ 580,811,100	71%	\$ 233,253,600	29%	\$ 580,811,100	71%	\$ 233,253,600	29%
University of Louisville	661,871,700	22%	207,703,100	31%	454,168,600	69%	207,703,100	31%	454,168,600	69%
Eastern Kentucky University	189,501,300	6%	148,590,300	78%	40,911,000	22%	124,461,300	66%	65,040,000	34%
Kentucky State University	86,778,000	3%	52,038,900	60%	34,739,100	40%	52,038,900	60%	34,739,100	40%
Morehead State University	136,882,200	5%	114,009,600	83%	22,872,600	17%	79,746,200	58%	57,136,000	42%
Murray State University	143,517,600	5%	128,819,200	90%	14,698,400	10%	110,385,600	77%	33,132,000	23%
Northern Kentucky University	192,197,400	6%	101,226,700	53%	90,970,700	47%	101,226,700	53%	90,970,700	47%
Western Kentucky University	273,627,900	9%	147,371,200	54%	126,256,700	46%	147,371,200	54%	126,256,700	46%
KCTCS	501,559,200	17%	223,408,900	45%	278,150,300	55%	223,408,900	45%	278,150,300	55%
System Totals	\$ 3,000,000,000	100%	\$ 1,703,979,000	57%	\$ 1,296,021,000	43%	\$ 1,627,153,000	54%	\$ 1,372,847,000	46%

(a) Based upon blend of 60% VFA, 20% FTE, 10% RESEARCH, and 10% TPF, with \$15 million base.

Institution	2012-14		Institutional 2012-14 Capital Request	
	Capital Investment	Percent of Total	Asset Preservation/Renovation	New/Expanded Top Priority (b)
University of Kentucky	\$ 271,354,900	27%	\$ 185,900,000	\$ 210,700,000
University of Louisville	220,623,900	22%	180,634,000	77,580,000
Eastern Kentucky University	63,167,100	6%	5,750,000	65,040,000
Kentucky State University	28,926,000	3%	16,978,000	46,382,000
Morehead State University	45,627,400	5%	62,160,000	57,136,000
Murray State University	47,839,200	5%	70,188,000	33,132,000
Northern Kentucky University	64,065,800	6%	220,050,000	80,000,000
Western Kentucky University	91,209,300	9%	129,600,000	77,200,000
KCTCS	167,186,400	17%	118,342,000	171,881,000
System Totals	\$ 1,000,000,000	100%	\$ 989,602,000	\$ 819,051,000

(b) Includes top priority for universities and top four priorities for KCTCS.

Capital Projects Recommendations
Asset Preservation and Renovations
Projects Eligible for General Fund

Total # Projects	2012-14 Inst. Priority	Institution/Project	General Funds	Other Funds	Total	Est. Debt Service	Est. Annual M & O
Asset Preservation							
1	#3	EKU - E&G Life Safety Begley Elevator	\$ 750,000		\$ 750,000	\$ 81,000	N/A
2	#13	EKU - Renovate HVAC Systems E&G	5,000,000	\$ 5,000,000	10,000,000	506,000	N/A
3	#21	KCTCS - Capital Renewal & Deferred Maintenance Pool	38,000,000		38,000,000	3,824,000	N/A
4	#25	KCTCS - Renovate HVAC Systems Meece Building, Somerset	3,000,000		3,000,000	306,000	N/A
5	#4	KSU - Roof Repair & Replacement Pool 2012	4,478,000	2,028,000	6,506,000	454,000	N/A
6	#15	KSU - Capital Renewal & Maintenance Pool E&G 2012	2,110,000		2,110,000	216,000	N/A
7	#23	KSU - Life Safety Upgrade Pool E&G	1,362,000		1,362,000	142,000	N/A
8	#9	MoSU - Retube Coal Fired Boilers	3,500,000		3,500,000	356,000	N/A
9	#16	MoSU - Upgrade Fire Alarms	1,511,000		1,511,000	157,000	N/A
10	#20	MoSU - Comply with ADA E&G	3,877,000		3,877,000	394,000	N/A
11	#27	MoSU - Capital Renewal & Maintenance Pool E&G	7,944,000		7,944,000	801,000	N/A
12	#26	MoSU - Capital Renewal and Maintenance Pool - Univ Farm	1,209,000		1,209,000	126,000	N/A
13	#2	MuSU - Upgrade Campus Electrical Distribution System	11,600,000		11,600,000	1,168,000	N/A
14	#8	MuSU - Replace Campus Steam Distribution System	5,310,000		5,310,000	537,000	N/A
15	#9	MuSU - Complete Life Safety Projects: E&G Pool < \$600,000	1,364,000		1,364,000	142,000	N/A
16	#10	MuSU - Complete ADA Compliance: E&G Pool < \$600,000	4,954,000		4,954,000	502,000	N/A
17	#11	MuSU - Complete Capital Renewal: E&G Pool < \$600,000	14,810,000		14,810,000	1,490,000	N/A
18	#12	MuSU - Complete Abate Asbestos: E&G Pool < \$600,000	340,000		340,000	43,000	N/A
19	#16	MuSU - Replace Expo Center Roof	714,000		714,000	77,000	N/A
20	#5	NKU - Repair Structural Heaving Landrum & Fine Arts	6,400,000		6,400,000	646,000	N/A
21	#9	NKU - Renew E&G Elevators 2012-14	1,400,000		1,400,000	146,000	N/A
22	#10	NKU - Replace Health Center & Regents Hall Roofs	2,450,000		2,450,000	251,000	N/A
23	#17	UK - Purchase/Upgrade Pollution Controls	21,150,000		21,150,000	2,128,000	N/A
24	#19	UK - Improve Life Safety, Project Pool E&G	15,000,000		15,000,000	1,510,000	N/A
25	#21	UK - Capital Renewal & Maintenance Pool E&G	33,750,000		33,750,000	3,396,000	N/A
26	#55	UK - Repair/Upgrade/Improve Electrical Infrastructure E&G	28,000,000		28,000,000	2,817,000	N/A
27	#56	UK - Repair/Upgrade/Improve Mechanical Infrastructure E&G	26,000,000		26,000,000	2,616,000	N/A
28	#59	UK - Repair/Upgrade/Improve Building Mechanical	25,000,000		25,000,000	2,516,000	N/A
29	#62	UK - Repair/Upgrade/Improve Building Shell	5,000,000		5,000,000	506,000	N/A
30	#65	UK - Repair/Upgrade/Improve Building Electrical	5,000,000		5,000,000	506,000	N/A
31	#68	UK - Repair/Upgrade/Improve Building Elevator System	5,000,000		5,000,000	506,000	N/A
32	#71	UK - Repair/Upgrade/Improve Civil/Site Infrastructure	14,000,000		14,000,000	1,409,000	N/A
33	#3	UofL - Renovate Capital Renewal Pool 2012-14	60,000,000		60,000,000	6,036,000	N/A
34	#2	WKU - Replace Underground Steam/Electrical Infrastructure	35,000,000		35,000,000	3,521,000	N/A
35	#9	WKU - Capital Renewal (Maintenance) Pool	10,000,000		10,000,000	1,006,000	N/A
36	#46	WKU - Upgrade Campus Retaining Walls	1,000,000		1,000,000	106,000	N/A
Total - Asset Preservation			\$ 405,983,000	\$ 7,028,000	\$ 413,011,000		

**Capital Projects Recommendations
Asset Preservation and Renovations
Projects Eligible for General Fund**

Total # Projects	2012-14 Inst. Priority	Institution/Project	General Funds	Other Funds	Total	Est. Debt Service	Est. Annual M & O
Major Renovations							
1	#3	KCTCS - Renovate JCTC Downtown Campus, Phase II	\$ 28,612,000		\$ 28,612,000	\$ 2,879,000	N/A
2	#15	KCTCS- Renovate Academic/LRC Building, Ashland CTC	22,678,000		22,678,000	2,282,000	N/A
3	#17	KCTCS- Renovate Administration Building Elizabethtown CTC	2,720,000		2,720,000	278,000	N/A
4	#13	KCTCS- Renovate Buildings, New Parking & Loop Road, BGTC	9,500,000		9,500,000	956,000	N/A
5	#12	KCTCS- Renovate Southeast Education Alliance Center SKCTC	13,832,000	\$ 1,400,000	15,232,000	1,392,000	N/A
6	#1	KSU - Renovate & Expand Betty White Nursing Building	9,028,000		9,028,000	909,000	\$ 86,480
7	#1	MoSU - Renovate/Expand Student Services Facility	57,136,000		57,136,000	5,748,000	397,450
8	#2	MoSU - Renovate Combs Classroom Building	28,490,000		28,490,000	2,867,000	N/A
9	#11	MoSU - Renovate Button Auditorium	8,540,000		8,540,000	860,000	N/A
10	#28	MoSU - Renovate Academic Center & Tennis Team Facilities	5,449,000		5,449,000	551,000	N/A
11	#8	MoSU- Renovate McClure Pool	1,640,000		1,640,000	169,000	N/A
12	#5	MuSU - Renovate Blackburn Science	31,096,000		31,096,000	3,129,000	N/A
13	#1	NKU - Renovate Old Science & Construct Health Innovation	92,500,000		92,500,000	9,307,000	1,404,000
14	#3	NKU - Renew/Renovate University Center Phase II	38,000,000		38,000,000	3,824,000	N/A
15	#4	NKU - Renovate Civic Center Building	3,700,000		3,700,000	376,000	N/A
17	#7	NKU - Renovate Applied Science and Technology	6,000,000		6,000,000	606,000	N/A
16	#8	NKU - Renovate Gateway/Highland Heights Campus	5,600,000		5,600,000	566,000	N/A
18	#11	NKU - Renew/Renovate Fine Arts Center	64,000,000		64,000,000	6,440,000	N/A
19	#1	UK - Renovate Academic Facility	8,000,000		8,000,000	806,000	N/A
20	#5	UofL - Renovate & Expand Life Sciences Building	64,289,000		64,289,000	6,468,000	600,000
21	#6	UofL - Renovate Medical Dental Research Building	56,345,000		56,345,000	5,669,000	N/A
22	#1	WKU - Renovate Science Campus, Phase IV	48,000,000		48,000,000	4,830,000	N/A
23	#6	WKU - Renovate Radcliff Regional Center	3,500,000		3,500,000	356,000	N/A
24	#12	WKU - Renovate Dollar General Store Space	2,000,000		2,000,000	206,000	N/A
25	#14	WKU - Renovate Academic Complex	7,000,000		7,000,000	706,000	N/A
26	#18	WKU - Renovate Art Lab/Museum Project	3,600,000		3,600,000	365,000	N/A
27	#28	WKU - Interior Renovation Jones Jagers Building	1,000,000		1,000,000	106,000	N/A
28	#41	WKU - Renovate Movie Theatre Space @ CRD	1,800,000		1,800,000	186,000	N/A
29	#42	WKU - Renovate Big Lots Retail Space @ CRD	10,600,000		10,600,000	1,067,000	N/A
30	#43	WKU - Renovate Kentucky Building	14,100,000		14,100,000	1,419,000	N/A
Total - Major Renovation			\$ 648,755,000	\$ 1,400,000	\$ 650,155,000		
Total Asset Preservation and Renovations			\$ 1,054,738,000	\$ 8,428,000	\$ 1,063,166,000		

Capital Projects Recommendations
New/Expanded E&G and Research and Economic Development Space
Projects Eligible for General Fund

Total # Projects	2012-14 Inst. Priority	Institution/Project Name	2012-14		
			General Funds	Other Funds	Total
New/Expanded E&G, Space Adequacy and Support Facilities					
1	#1	EKU - Construct Science Building, Phase 2	\$	\$	65,040,000
2	#1	KCTCS/MoSU - Construct Postsecondary Education Center Exc - Phase I			36,000,000
3	#2	KCTCS - Construct Hopkinsville Allied Health/Science Building			28,000,000
4	#4	KCTCS - Construct Bluegrass Newtown Campus, Phase I			45,000,000
5	#5	KCTCS - Construct Gateway Urban Campus			62,881,000
6	#2	KSU - Construct Centralized Boiler Plant, South Campus			46,382,000
7	#3	MoSU - Construct Vet - Tech Clinical Service Center			24,734,000
8	#1	MuSU - Construct/Complete New Science Complex, Final Phase			33,132,000
9	#2	NKU - Construct New College of Business Building			80,000,000
10	#1	JoilL - Construct Belknap Classroom/Academic Building			77,580,000
11	#3	WKU - Construct New Gordon Ford College of Business			77,200,000
Research & Economic Development Projects					
12	#2	UK - Construct Science Research Building 2	\$	\$	210,700,000
Total New & Expanded 2012-14			\$	\$	786,649,000

Total # Projects	2012-14 Inst. Priority	Institution/Project Name	2012-14		
			General Funds	Other Funds	Total
Projects Identified for Consideration 2014-16 and 2016-18					
1	#2	EKU - Construct College of Education Complex	\$	\$	81,819,000
2	#4	EKU - Construct Danville Postsecondary Ed. Center			20,300,000
3	#6	EKU - Construct Aviation Instruction Facility			5,575,000
4	#6	KCTCS - Construct Madisonville Postsecondary Education Center (additional)			19,574,000
5	#7	KCTCS - Construct Owensboro Advanced Technology Center, Phase II			9,500,000
6	#8	KCTCS - Construct JCTC Carrillion Campus, Phase I			15,000,000
7	#9	KCTCS - Construct Madisonville Muhlenberg Campus, Phase II	\$	200,000	12,200,000
8	#10	KCTCS - Construct West KY Arts School			18,000,000
9	#3	KSU - Construct Pedestrian Bridge across US 60			2,206,000
10	#5	KSU - Construct Business & Technology Center			31,528,000
11	#6	KSU - Construct Classroom/Performing Arts Center			96,034,000
12	#4	MoSU - Construct MSU Campus at Ashland			16,410,000
13	#5	MoSU/Maysville - Construct Postsecondary Education Center of Exc Phase I			36,000,000
14	#3	MuSU - Construct New University Library			62,033,000
15	#4	MuSU - Construct Madisonville Postsecondary Education Center			19,574,000
16	#6	MuSU - Construct New Breathitt Veterinary Center			32,468,000
17	#5	NKU - Construct Chiller Plant			16,900,000
18	#3	UK - Construct Gatton Building Complex		25,000,000	131,540,000
19	#4	UK - Construct Law School		15,000,000	110,400,000
20	#5	UK - Construct Learning Center			48,000,000
21	#2	JoilL - Construct Instructional Building HSC (Renovate Kornhauser Library)			67,000,000
22	#4	WKU - Construct South Regional Glasgow Postsecondary Ed. Center, Phase II			10,000,000
23	#5	WKU - Construct Owensboro Technology Center, Phase II			10,000,000
Total - New/Expanded 2014-2018			\$	\$	872,061,000
Research & Economic Development Projects					
24	#4	JoilL - Construct Belknap Research/Academic/CONN Center	\$	\$	94,235,000
Total - Research 2014-18			\$	\$	94,235,000
Total New/Expanded/Research 2014-18			\$	\$	926,096,000

Notes
1 The KCTCS Construct MCTC/MoSU Postsecondary Education Center of Exc, Phase I is the same project as requested by MoSU \$36.0 M.

Capital Projects Recommendations
Information Technology Initiatives
2012-14

Institution/Institution Priority / Project Title	Project Scope	Bonds or State Funds	Rest/Other Funds	Federal Funds
Eastern Kentucky University				
1 EKU - Upgrade Academic Computing	\$ 4,900,000	\$ 2,900,000	\$ 2,000,000	
2 EKU - Upgrade Administrative Computing System	3,150,000	3,150,000		
3 EKU - Purchase Networked Educ System Component	6,950,000	6,950,000		
4 EKU- Expand, Upgrade Campus Data Network	13,212,000	11,212,000	2,000,000	
Subtotal - EKU	\$ 28,212,000	\$ 24,212,000	\$ 4,000,000	\$ -
Kentucky State University				
1 KSU - Upgrade Information Technology Infrastructure	\$ 6,261,000	6,261,000		
2 KSU - Upgrade Computers Campus Wide	1,208,000	1,208,000		
3 KSU - Integrated Digital Campus	11,450,000	11,450,000		
4 KSU - Expand Emergency Notification System	4,580,000	4,580,000		
Subtotal - KSU	\$ 23,499,000	\$ 23,499,000	\$ -	\$ -
Morehead State University				
1 MoSU - Enhance Network/Infrastructure Resources	\$ 5,945,000	\$ 5,945,000		
2 MoSU - Enhance Library Automation Resources	1,169,000	1,169,000		
3 MoSU - Upgrade and Expand Distance Learning	1,293,000	1,293,000		
4 MoSU - Upgrade Administrative Office Systems	3,372,000	3,372,000		
5 MoSU - Upgrade Instructional PCs/LANS/Peripherals	5,620,000	5,620,000		
Subtotal - MoSU	\$ 17,399,000	\$ 17,399,000	\$ -	\$ -
Murray State University				
1 MuSU - Upgrade Campus Phone and Data Network	\$ 4,078,000	\$ 4,078,000		
2 MuSU - ITV Upgrade to Murray State University System	1,453,000	1,453,000		
3 MuSU - Campus Desktop Virtualization	1,725,000	1,725,000		
4 MuSU - Student Desktop Virtualization	1,150,000	1,150,000		
Subtotal - MuSU	\$ 8,406,000	\$ 8,406,000	\$ -	\$ -
Northern Kentucky University				
1 Enhance Administrative Systems	\$ 10,000,000	\$ 10,000,000		
2 Enhance Instructional Technology	4,000,000	4,000,000		
3 Upgrade Communication and Network Infrastructure	2,500,000	2,500,000		
4 Implement Web 2.0 and Mobile Apps	1,000,000	1,000,000		
5 Disaster Recovery/Business Continuance	2,200,000	2,200,000		
6 Improve Customer Service System and Technology	650,000	650,000		
Subtotal - NKU	\$ 20,350,000	\$ 20,350,000	\$ -	\$ -
Western Kentucky University				
1 WKU- Upgrade IT Infrastructure	\$ 2,300,000	\$ 2,300,000		
2 Equipment Pool 2012-14	2,518,000	2,518,000		
Subtotal - WKU	\$ 4,818,000	\$ 4,818,000	\$ -	\$ -
University of Kentucky				
1 Research Equipment Replacement	\$ 30,000,000	\$ 30,000,000		
Subtotal - UK	\$ 30,000,000	\$ 30,000,000	\$ -	\$ -

Capital Projects Recommendations
Information Technology Initiatives
2012-14

Institution/Institution Priority / Project Title	Project Scope	Bonds or State Funds	Rest/Other Funds	Federal Funds
University of Louisville				
1 Purchase IT Data Center Support System	\$ 20,000,000	\$ 20,000,000		
2 Purchase Security and Firewall Infrastructure	4,000,000	4,000,000		
3 Purchase Storage System	6,000,000	6,000,000		
4 Purchase Enterprise Application System	6,000,000	6,000,000		
5 Purchase Computer Processing System	8,000,000	8,000,000		
Subtotal - UofL	\$ 44,000,000	\$ 44,000,000	\$ -	\$ -
Kentucky Community and Technical College System				
1 KCTCS - Information Tech Infrastructure Upgrade	\$ 12,000,000	12,000,000		
Subtotal - KCTCS	\$ 12,000,000	\$ 12,000,000	\$ -	\$ -
Total Institutions	\$ 188,684,000	\$ 184,684,000	\$ 4,000,000	\$ -
Council on Postsecondary Education				
1 Kentucky Virtual Library Infrastructure Rebuild	\$ 16,550,000	\$ 16,550,000		
2 Course Redesign Initiative Ph I	2,000,000	2,000,000		
3 Systemwide Data Analysis and Reporting System	2,000,000	2,000,000		
4 Expand KY Regional Optical Network Infrastructure	4,250,000	4,250,000		
5 Expand KnowHow2Go Portal	1,200,000	1,200,000		
6 Purchase Interactive Video Control Center	1,000,000	1,000,000		
7 Upgrade CPE Technology Infrastructure Ph I	500,000	500,000		
8 Purchase Asset Management System Ph I	500,000	500,000		
9 KYVC/KYVL Create Statewide Technology Laboratory Ph I	4,000,000	4,000,000		
10 Purchase Portable Training Lab Hardware/Software	300,000	300,000		
Subtotal - CPE	\$ 32,300,000	\$ 32,300,000	\$ -	\$ -
System Total	\$ 220,984,000	\$ 216,984,000	\$ 4,000,000	\$ -

Capital Projects Recommendations
Information Technology Initiatives
Pool Distribution 2012-14

Institution	2009-10 Actual Unrestricted Expend. for Instruction	Share of Total Unrest. Instr. Exp.	Minimum Base Amount	Alloc. Share of IT/Equip Pool	Total	% Share of Pool
Eastern Kentucky University	\$ 82,855,000	9.1%	\$ 1,000,000	\$ 3,546,500	\$ 4,546,500	7.6
Kentucky State University	12,793,516	1.4%	1,000,000	547,600	1,547,600	2.6
Morehead State University	42,385,700	4.7%	1,000,000	1,814,200	2,814,200	4.7
Murray State University	51,259,500	5.6%	1,000,000	2,194,100	3,194,100	5.3
Northern Kentucky University	63,566,714	7.0%	1,000,000	2,720,900	3,720,900	6.2
Western Kentucky University	89,181,400	9.8%	1,000,000	3,817,200	4,817,200	8.0
University of Kentucky	237,865,500	26.1%	1,000,000	10,181,400	11,181,400	18.6
University of Louisville	141,173,396	15.5%	1,000,000	6,042,700	7,042,700	11.7
Kentucky Community & Technical College System	190,066,767	20.9%	1,000,000	8,135,500	9,135,500	15.2
Subtotal	\$ 911,147,493	100.0%	\$ 9,000,000	\$ 39,000,100	\$ 48,000,100	80.0
CPE/KYVC/KYVL Statewide Initiatives			12,000,000	-	\$ 12,000,000	20.0
Total - IT & Equipment Pool	\$ 911,147,493	1.00	\$ 21,000,000	\$ 39,000,100	\$ 60,000,100	100.0
Total Pool Amount	\$ 60,000,000				\$ 60,000,100	
Base Allocation CPE	\$ 12,000,000					
Base Allocation Institutions	\$ 9,000,000					
Allocation based on % of Unrestr Exp for Instr	\$ 39,000,000					
Total Projects Completed						

Notes:

- 1 Minimum base allocation for any institution is \$1,000,000. For CPE it is 20.0% of the total appropriation (only).
- 2 The remaining \$39.0 million pool is allocated proportionately among the institutions based on 2009-10 actual unrestricted expenditure for instruction.
- 3 Institutions must certify that at least their 2009-10 level of actual unrestricted instruction expenditures for information technology and equipment will be maintained.
- 4 Each institution is to select approved projects that advance the achievement of the goals outlined in the 2012-14 CPE budget request for the institutions, specifically those leading to increased bachelor's degree production, as well as other key CPE initiatives related to access, affordability, developmental education, STEM, transfers, adult learners, use of technology, student learning, and increased capacity to support research and economic and community development.
- 5 These selected projects will be evaluated by an external consultant for compliance prior to the release of pool funds.
- 6 There will be an assessment process in place for accountability purposes.

Capital Projects Recommendations
Agency Bond Authority
2012-14

Institution and Project Title	Project Scope	Agency Bonds	Institution or Other Funds	Revenue Stream For Debt Service	Board Action	Status of Existing Fee	Est. Date to Issue Debt
Eastern Kentucky University							
1	Renovate Residence Hall	\$ 12,000,000	\$ 12,000,000	Rental Rates in Place	Pending	Pending	January 2013
2	Construct New Student Housing-Garden Apts.	\$ 54,000,000	\$ 54,000,000	Rental Rates in Place	Pending	Pending	January 2014
3	Construct University Activity Center, Phase II	\$ 31,275,000	\$ 31,275,000	Rental Rates in Place	Pending	Pending	January 2014
4	Construct North Campus Res. Dist. Retail Unit	\$ 2,250,000	\$ 2,250,000	Rental Rates in Place	Pending	Pending	January 2014
5	Expand Thompson Schwendeman Building	\$ 6,025,000	\$ 6,025,000	Rental Rates in Place	Pending	Pending	January 2014
	Subtotal - EKV	\$ 105,550,000	\$ 105,550,000				
Kentucky State University							
1	Construct Parking Structure	\$ 13,470,000	\$ 13,470,000	Parking Fees	To be determined	None	Undetermined
2	Construct New Residence Hall, Phase III	\$ 52,762,000	\$ 52,762,000	Residential Housing Fees	To be determined	N/A	Undetermined
	Subtotal - KSU	\$ 66,232,000	\$ 66,232,000				
Morehead State University							
1	Renovate West Mignon Residence Hall	\$ 5,562,000	\$ 5,562,000	Housing fees	March 2012	Currently in place	May 2012
2	Renovate Carmell Residence Hall	\$ 11,064,000	\$ 11,064,000	Housing fees	To be determined	Currently in place	May 2013
3	Renovate Mignon Residence Hall	\$ 9,268,000	\$ 9,268,000	Housing fees	To be determined	Currently in place	May 2014
4	Construct Food Svcs/Retail & Parking Structure in	\$ 18,867,000	\$ 18,867,000	Parking fees and food service revenues	To be determined	Currently in place	May 2014
5	Replace Exterior Precast Panels-Nunn Hall	\$ 3,372,000	\$ 3,372,000	Housing fees	To be determined	Currently in place	May 2014
6	Construct Residential Facility-University Farm	\$ 2,837,000	\$ 2,837,000	Housing fees	To be determined	Currently in place	May 2014
7	Construct Student Residential Apartment Complex	\$ 58,586,000	\$ 58,586,000	Housing fees	To be determined	Currently in place	May 2014
8	Comply with ADA - Auxiliary	\$ 3,445,000	\$ 3,445,000	Auxiliary services revenues	To be determined	Currently in place	May 2014
9	Capital Renewal & Maintenance Pool -Auxiliary	\$ 2,668,000	\$ 2,668,000	Auxiliary services revenues	To be determined	Currently in place	May 2014
	Subtotal - MoSU	\$ 115,669,000	\$ 115,669,000				
Murray State University							
1	Construct New University Library (Student Funded)	\$ 62,033,000	\$ 62,033,000	Student Fee	May 2012	TBD	Nov. 2012
2	Renovate Hester Hall	\$ 8,400,000	\$ 8,400,000	Housing Fees	May 2012	TBD	Nov. 2012
3	Complete Life Safety Projects H&D <\$600,000	\$ 590,000	\$ 590,000	Housing Fees	May 2012	TBD	Nov. 2012
4	Complete ADA Compliance: H&D Pool <\$600,000	\$ 629,000	\$ 629,000	Housing Fees	May 2012	TBD	Nov. 2012
5	Complete Capital Renewal: H&D Pool <\$600,000	\$ 6,534,000	\$ 6,534,000	Housing Fees	May 2012	TBD	Nov. 2012
6	Abate Asbestos: H&D Pool <\$600,000	\$ 962,000	\$ 962,000	Housing Fees	May 2012	TBD	Nov. 2012
7	Renovate Buildings H&D Pool <\$600,000	\$ 590,000	\$ 590,000	Housing Fees	May 2012	TBD	Nov. 2012
	Subtotal - MuSU	\$ 79,738,000	\$ 79,738,000				
Northern Kentucky University							
1	Expand/Renovate Albright Health Center	\$ 60,000,000	\$ 45,000,000	Student Fee	Yes	Approved	March 2013
2	Acquire/Renovate New Residence Hall	\$ 10,000,000	\$ 10,000,000	Housing Fees	Yes	Approved	October 2012
3	Acquire Gateway/Highland Hts Campus	\$ 3,400,000	\$ 3,400,000	Restricted Funds	Yes	N/A	January 2014
4	Expand University Drive Parking Garage	\$ 12,000,000	\$ 12,000,000	Parking Fees	No	TBD	March 2014
5	Acquire Land/Master Plan 2012-2014	\$ 15,000,000	\$ 15,000,000	Rental Revenues	Yes	N/A	January 2013
6	Construct Satellite Parking Lot	\$ 3,775,000	\$ 3,775,000	Parking Fees	No	TBD	March 2013
	Subtotal - NKU	\$ 104,175,000	\$ 89,175,000				

Capital Projects Recommendations
Agency Bond Authority
2012-14

Institution and Project Title	Project Scope	Agency Bonds	Institution or Other Funds	Revenue Stream For Debt Service	Board Action	Status of Existing Fee	Est. Date to Issue Debt
Western Kentucky University							
1	Renovate Downing University Center Phase V	\$ 16,500,000	\$ -	Restricted Funds	Yes	N/A	November 2012
2	Construct Honors College Facility	22,000,000	-	Restricted Funds	Yes	N/A	January 2014
	Subtotal - WKU	\$ 38,500,000	\$ -				
University of Kentucky							
1	Construct Student Housing	\$ 120,000,000	\$ -	Housing Revenues	No	N/A	January 2013
2	Expand Patient Care Facility - Hospital Phase 3	150,000,000	-	Hospital Revenues	No	N/A	January 2014
3	Construct Ophthalmology Clinic - Hospital	20,000,000	-	Hospital Revenues	No	N/A	January 2013
4	Improve Life Safety, Projects Pool	5,000,000	-	Undetermined	No	N/A	January 2013
5	Renovate/Expand Commonwealth Stadium	100,000,000	-	Private Funds/Athletics Revenue	No	N/A	January 2014
6	Renovate/Upgrade Baseball Facilities	15,000,000	-	Private Funds/Athletics Revenue	No	N/A	January 2014
7	Renovate /Upgrade Softball Facilities	7,500,000	-	Private Funds/Athletics Revenue	No	N/A	January 2014
8	Renovate Dentistry Building	2,100,000	-	Hospital Revenues	No	N/A	January 2013
9	Repair Emergency Infrastructure/Building Systems	25,000,000	-	Undetermined	No	N/A	January 2013
10	Repair/Upgrade/Improve Building Mechanical	25,000,000	-	Undetermined	No	N/A	January 2013
11	Repair/Upgrade/Improve Building Shell Systems	5,000,000	-	Undetermined	No	N/A	January 2013
12	Repair/Upgrade/Improve Building Electrical Systems	5,000,000	-	Undetermined	No	N/A	January 2013
13	Repair/Upgrade/Improve Building Elevator Systems	5,000,000	-	Undetermined	No	N/A	January 2013
14	Acquire Land	50,000,000	-	Undetermined	No	N/A	January 2013
15	Construct Data Center	40,000,000	-	Hospital Revenues	No	N/A	January 2014
16	Construct Freestanding Clinic - UKHC	36,000,000	-	Hospital Revenues	No	N/A	January 2014
17	Construct Office Tower - UKHC	95,600,000	-	Hospital Revenues	No	N/A	January 2014
18	Acquire/Renovate Academic Facilities	25,000,000	-	Hospital Revenues	No	N/A	January 2013
19	Repair/Upgrade/Expand Central Plants	62,000,000	-	Undetermined	No	N/A	January 2013
20	Renovate /Upgrade Soccer Complex	7,500,000	-	Undetermined	No	N/A	January 2013
21	Capital Renewal Maintenance Pool - Housing	15,000,000	-	Private Funds/Athletics Revenue	No	N/A	January 2013
22	Expand/Renovate Student Center	100,000,000	-	Housing Revenues	No	N/A	January 2013
	Subtotal - UK	\$ 915,700,000	\$ -	Undetermined			
University of Louisville							
1	Purchase Land Support Service (Northeast Quad)	\$ 15,000,000	\$ -	Existing Funds Used to Lease Space	7/1/2012	N/A	January 2013
2	Renovate Guaranteed Energy Savings (2012-14)	20,000,000	-	Energy Savings	7/1/2012	N/A	January 2013
3	Expand Student Activities Center	19,530,000	-	Existing Student Activity Fee	7/1/2012	N/A	January 2013
4	Renovate Student Activities Center	15,000,000	-	Existing Student Activity Fee	7/1/2012	N/A	January 2013
5	Construct HSC Parking Structure III	44,949,000	-	Parking Fees	7/1/2013	N/A	January 2014
6	Construct Belknap Parking Garage II	42,270,000	-	Parking Fees	7/2/2013	N/A	January 2014
	Subtotal - UofL	\$ 156,749,000	\$ 156,749,000				
	System Total	\$ 1,582,313,000	\$ 1,567,313,000				

Capital Projects Recommendations
Restricted Agency, Federal, and Other Funds
2012-14

Institution/Institution Priority / Project Title	Project Scope	General Funds	Institution Funds	Other Funds	Federal Funds
Eastern Kentucky University					
1 Renovate Ambulance Building	\$ 930,000	\$ -	\$ 930,000		
2 Renovate Student Health Center	2,655,000		2,655,000		
3 Renovate and Expand Powell Building	41,830,000		41,830,000		
4 Renovate Weaver Building	13,584,000		13,584,000		
5 Purchase Minor Projects Equipment	5,000,000		5,000,000		
6 Renovate Lancaster Center Building	1,472,000		1,472,000		
7 EKV/UK Dairy Research Project (Meadowbrook Farm)	10,160,000		10,160,000		
8 Construct Alumni Coliseum Addition/Field House Shell	3,000,000			\$ 3,000,000	
9 Construct Addition to Ashland Building	1,775,000		1,775,000		
10 Construct Bio-Fuels Research Facility	12,000,000				12,000,000
11 Construct EKV Early Childhood Center	3,284,000		3,284,000		
12 Construct Public Safety Training Facility Addition	19,836,000			\$ 19,836,000	
13 Construct Regional Health Facility	12,500,000				12,500,000
14 Construct Student Athlete Support Facility	7,670,000		7,670,000		
15 Expand Indoor Tennis Facility	3,162,000				3,162,000
16 Install Lights for Baseball, Softball, and Soccer	1,200,000				1,200,000
17 Construct Miscellaneous Maintenance Pool	10,000,000		10,000,000		
18 Purchase of Adjacent Property	3,000,000		3,000,000		
19 Purchase Video Board & Sound System Alumni	1,500,000		1,500,000		
20 Renovate Ambulance Building	930,000		930,000		
21 Renovate Baseball Complex	2,000,000				2,000,000
22 Renovate Blanton House	1,100,000		1,100,000		
23 Renovate Property	2,000,000				2,000,000
24 Renovate Women's Softball Complex	1,500,000				1,500,000
Subtotal - EKV	\$ 162,088,000	\$ -	\$ 104,890,000	\$ 19,836,000	\$ 37,362,000
Kentucky State University					
1 Renovate or Replace Bradford Hall	\$ 27,266,000	\$ -	\$ 27,266,000		
2 Renovate Jackson Hall, Phase II	5,628,000		5,628,000		
3 Renovate Central Computing Facility, Carroll ASB	10,673,000		10,673,000		
4 Upgrade Computers Campus Wide	1,208,000		1,208,000		
5 Renovate Open Computer Lab - Hill Student Center	5,389,000		5,389,000		
6 Develop Bicycle/Pedestrian Trail	1,025,000		1,025,000		
7 Construct Hill Student Center Addition, Phase II	15,822,000		15,822,000		
8 Create Pedestrian Mall - Hathaway Hall - Hume Hall	1,125,000		1,125,000		
9 Renovate Blazer Library	25,966,000		25,966,000		
10 Improve Campus Landscape & Signage	906,000		906,000		
11 Renovate Carroll Academic Services Building	41,229,000		41,229,000		
12 Replace Alumni House	1,241,000		1,241,000		
13 Acquire Land/Campus Master Plan 2012	2,000,000		2,000,000		
14 Athletics Project Pool 2012	1,702,000		1,702,000		
15 Construct Retail Space/Hotel on E. Main & Douglas Avenue	36,588,000			\$ 36,588,000	
16 Construct Office for Center for Sustainability of Farms	1,221,000				\$ 1,221,000
17 Renovate Atwood Agricultural Research Building	12,368,000				12,368,000
18 Renovate Old Federal Building (old Paul Sawyer Library)	4,580,000				4,580,000
Subtotal - KSU	\$ 195,937,000	\$ -	\$ 141,180,000	\$ 36,588,000	\$ 18,169,000
Morehead State University					
1 Construct Space Science Center Clean Room	\$ 4,316,000	\$ -	\$ 4,316,000	\$ -	
2 Water Plant Sediment Basin	1,500,000		1,500,000		
3 Plan & Design Music Academic & Performance Building	1,500,000		1,500,000		
4 Construct Athletic & Sports Performance Building	28,582,000		28,582,000		
5 Acquire Land Related to Master Plan	4,000,000		4,000,000		
6 Construct Honors College Facility	1,948,000		1,948,000		
7 Purchase Equipment for Biochemistry Lab	450,000		450,000		
8 Plan and Design Library Facility	1,517,000		1,517,000		
9 Purchase Instructional Tech Initiatives	2,298,000		2,298,000		
10 Construct Classroom/Lab Building at Browning Orchard	1,632,000		1,632,000		
11 Lime Injection System	1,400,000		1,400,000		
12 Reconstruct Central Campus	2,810,000		2,810,000		
14 Construct Morehead/Rowan County Public Safety Complex	12,930,000				\$ 12,930,000
Subtotal - MoSU	\$ 64,883,000	\$ -	\$ 51,953,000	\$ -	\$ 12,930,000

Capital Projects Recommendations
Restricted Agency, Federal, and Other Funds
2012-14

Institution/Institution Priority / Project Title	Project Scope	General Funds	Institution Funds	Other Funds	Federal Funds
Murray State University					
1 Renovate Breathitt Veterinary Center	\$ 8,000,000	\$ -	\$ 8,000,000	\$ -	-
2 Renovate Lovett Auditorium	20,650,000		20,650,000		
3 Demolish Ordway Hall	1,158,000		1,158,000		
4 Renovate College Courts	10,000,000		10,000,000		
5 Waterproof Stewart Stadium	755,000		755,000		
6 Construct Open-sided Stall Barn at Expo Center	1,030,000		1,030,000		
7 Construct Livestock Instructional Laboratory	1,836,000		1,836,000		
8 Renovate Alexander Hall (Old Special Education Building)	705,000		705,000		
9 Install Sprinkler System - Blackburn Science Building	1,082,000		1,082,000		
10 Renovate Pogue Library Electric & HVAC	1,052,000		1,052,000		
11 Replace Breathitt Veterinary Center HVAC Controls/Heat Rec	960,000		960,000		
12 Replace Central Plant Boilers	820,000		820,000		
13 Renovate Exposition Center	7,639,000		7,639,000		
14 Upgrade Applied Science Electrical System	1,100,000		1,100,000		
15 College of Science Instructional/Research Equipment	3,500,000		3,500,000		
16 Extend Energy Management System	5,500,000		5,500,000		
17 Acquire Land	1,000,000		1,000,000		
18 Complete Business Research Center (unfinished space)	1,948,000		1,948,000		
19 Construct Student Life Office Building	2,000,000		2,000,000		
20 Establish Guaranteed Energy Savings Project, Phase II	13,080,000			\$ 13,080,000	
Subtotal - MuSU	\$ 83,815,000	\$ -	\$ 70,735,000	\$ 13,080,000	\$ -
Northern Kentucky University					
1 Renovate Norse Commons	\$ 2,500,000	\$ -		\$ 2,500,000	\$ -
2 Relocate Early Childcare Center	5,200,000			5,200,000	
3 Design Chiller Plant	1,000,000		\$ 1,000,000		
4 Replace Callahan Hall Roof	1,100,000		1,100,000		
5 Renovate Residence Halls 2012-14	2,500,000		2,500,000		
6 Design New Residence Hall	2,000,000		2,000,000		
7 Initiate Phase II of Master Plan	3,500,000		3,500,000		
8 Reconstruct Central Plaza Phase II	17,500,000		7,500,000	10,000,000	
9 Renovate/Expand Baseball Field	7,000,000			7,000,000	
10 Enhance Softball & Tennis Complex	5,500,000			5,500,000	
11 Lease Purchase Coach Bus	690,000			690,000	
12 Construct Athletics Practice Facility	9,800,000			9,800,000	
13 Lease Purchase Large Format Color Press	325,000			325,000	
14 Purchase FT-IR and Raman Microscope	395,000		395,000		
15 Construct Track and Field Stadium	10,000,000			10,000,000	
16 Construct Alumni Center	10,500,000			10,500,000	
17 Purchase Calorimetry Instrumentation	295,000		295,000		
18 Purchase DART Mass Spectrometer	295,000		295,000		
19 Purchase Optical Paragetic Oscillator	295,000		295,000		
20 Purchase Ultra Liquid Chromatography System	275,000		275,000		
21 METS Lease	-		-		
22 Lease Academic Space - Gateway Building	-		-		
23 Lease Academic Space - Highland Heights	-		-		
Subtotal - NKU	\$ 80,670,000	\$ -	\$ 19,155,000	\$ 61,515,000	\$ -

Capital Projects Recommendations
Restricted Agency, Federal, and Other Funds
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Institution/Institution Priority / Project Title	Project Scope	General Funds	Institution Funds	Other Funds	Federal Funds
Western Kentucky University					
1 Construct Central Regional Postsecondary Edu. Center, Elizabethtown	\$ 10,100,000	\$ -	\$ 10,100,000		
2 Acquire FFE for Nursing/Physical Therapy Programs	3,300,000	-	3,300,000		
3 Construct International Center	3,000,000		3,000,000		
4 Renovate Tate Page Hall	2,000,000		2,000,000		
5 Renovate Craig Alumni Center	1,700,000		1,700,000		
6 Design Agriculture Expo Center Renovation	1,000,000	-	1,000,000		
7 Acquire Land and Construct Head Start Facility	10,000,000			\$ 10,000,000	
8 Design Environmental Science & Technology Hall Renovation	2,500,000		2,500,000		
9 Design Garrett Conference Center Renovation	2,500,000		2,500,000		
10 Construct/Fit-out Leased Space @ Blk 12 TIF Phase II	5,000,000		5,000,000		
11 Develop Alumni Lawn	2,000,000		2,000,000		
12 Construct Center for Dairy Education & Innovation	5,000,000				5,000,000
13 Construct Scale-up Compost Heat Greenhouse	1,500,000				1,500,000
14 Purchase Property Parking/Street Improvements 2012-14	3,000,000		3,000,000		
15 Design Gordon Wilson Hall Renovation	1,000,000		1,000,000		
16 Purchase Property for Campus Expansion 2012-14	3,000,000		3,000,000		
17 Construct Mesonet Computer Center	5,800,000		800,000		5,000,000
18 Construct Track and Field Facilities	9,500,000			\$ 9,500,000	
19 Construct Nanotechnology Laboratory	1,800,000		1,800,000		
20 Construct Baseball Grandstand	10,900,000			10,900,000	
21 Construct Football Press box	2,200,000			2,200,000	
22 Construct South Plaza	2,500,000			2,500,000	
23 Construct New Lighted Tennis Courts	3,600,000			3,600,000	
24 Acquire Furniture, Fixtures & Equipment for DUC Renovation	8,000,000		8,000,000		
25 Diddle Arena Seating Project	1,600,000		1,600,000		
26 MACT Upgrade to Coal Boiler	11,000,000		11,000,000		
Subtotal - WKU	\$ 113,500,000	\$ -	\$ 63,300,000	\$ 28,700,000	\$ 21,500,000
University of Kentucky					
1 Renovate Multi-Disciplinary Science Bldg, Ph 2	\$ 26,000,000	\$ -	\$ 26,000,000		
2 Renovate Old North side Library Building	3,500,000		2,500,000	\$ 1,000,000	
3 Renovate Robotics Building	3,842,000		3,842,000		
4 Upgrade/Renovate/Improve/Expand Research Labs	33,500,000		33,500,000		
5 Lease-Purchase Electronic Health Records System	59,532,000		18,532,000	15,000,000	\$ 26,000,000
6 Lease-Purchase Construct Digital Village Bldg 3	25,310,000			25,310,000	
7 Renovate King Library South-1962 Section-Phase 2	4,430,000		4,430,000		
8 Construct Equine Campus, Phase 2	9,500,000		9,500,000		
9 Construct Library Depository Facility	8,925,000		8,925,000		
10 Renovate Dentistry Space in Ky Clinic	5,000,000		5,000,000		
11 Construct Center for Design Innovation	38,250,000		38,250,000		
12 Expand KGS Well Sample and Core Repository	5,000,000		5,000,000		
13 Renovate Whalen Building	5,425,000		5,425,000		
14 Expand/Renovate W.KY & Robinson Station	9,835,000		9,835,000		
15 Renovate Slone Building, Phase 1	5,445,000		5,445,000		
16 Renovate Chem/Physics Building	1,000,000		1,000,000		
17 Renovate Mineral Industries Building	4,900,000		4,900,000		
18 Renovate Erikson Hall	10,500,000		10,500,000		
19 Renovate Schmidt Vocal Arts Center	2,000,000		2,000,000		
20 Upgrade Student Center Infrastructure	18,205,000		18,205,000		
21 Expand/Renovate DLAR Quarantine Facility	3,750,000		3,750,000		
22 Renovate Dentistry Class Lab	3,300,000		3,300,000		
23 Renovate Memorial Hall	1,500,000		1,500,000		
24 Convert Taylor Ed.Space to Offices & Classrooms	5,800,000		5,800,000		
25 Renovate Central DLAR Facility	2,680,000		2,680,000		
26 Relocate/Replace Greenhouses	8,225,000		8,225,000		
27 Install Artificial Turf on Pieratt Recreational Fields	2,700,000		2,700,000		
28 Lease-Purchase Construct Parking Structure #9	42,990,000			42,990,000	
29 Handicapped Access Pool	1,000,000		1,000,000		
30 Expand Coldstream Research Campus	20,000,000		20,000,000		
31 Lease-Purchase Police Communications Equipment	675,000		675,000		
32 Expand/Renovate Sturgill Development Building	1,700,000			1,700,000	

Capital Projects Recommendations
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Institution/Institution Priority / Project Title	Project Scope	General Funds	Institution Funds	Other Funds	Federal Funds
33	Lease-Purchase Construct University Storage Bldg	5,800,000		5,800,000	
34	Lease-Purchase Acquire Off Campus Office Bldg	10,000,000		10,000,000	
35	Guaranteed Energy Savings Performance Contracts	5,000,000	5,000,000		
36	Guaranteed Energy Savings Performance Contracts - Parking	2,000,000	2,000,000		
37	Guaranteed Energy Savings Performance Contracts - Athletics	2,000,000	2,000,000		
38	Lease-Purchase High Performance Research	6,500,000	6,500,000		
39	Lease-Purchase Exchange Replacement	1,000,000	1,000,000		
40	Lease-Purchase Enterprise Storage System	2,200,000	2,200,000		
41	Lease-Purchase Document Imaging (ASG)	775,000	775,000		
42	Purchase Upgraded Communications Infrastructure	1,015,000	1,015,000		
43	Lease-Purchase Large Scale Computing	3,500,000	3,500,000		
44	Lease-Purchase Campus Infrastructure Upgrade	3,500,000	3,500,000		
45	Lease-Purchase Data Warehouse/Infrastructure	1,800,000	1,800,000		
46	Lease-Purchase Network Security Hardware (IT Pool)	1,500,000	1,500,000		
47	Lease-Purchase Remote Site Fiber	2,000,000	2,000,000		
48	Lease-Purchase Wireless/Cellular Infrastructure	3,000,000	3,000,000		
49	Lease-Purchase Campus Call Center System	750,000	750,000		
50	Renovate Central Computing Facility	5,000,000	5,000,000		
51	Purchase PKS2 Frame Room Emergency Generator	3,500,000	3,500,000		
52	Repair/Upgrade/Improve Bldg Systems-UKHC-RF	20,000,000	20,000,000		
53	Upgrade/Relocate Critical Care Facility-UKHC	10,000,000	10,000,000		
54	Lease-Purchase Fit-Up Hosp. Dining Facilities/Eq	17,000,000		17,000,000	
55	Lease-Purchase Construct Ambulatory Facility-UKHC	50,000,000		50,000,000	
56	Lease-Purchase Construct Data Center-UKHC	40,000,000	40,000,000		
57	Lease-Purchase/Construct Good Sam Med Office Bldg	23,700,000		23,700,000	
58	Construct/Renovate/Fit-Up Physicians Svc Fac	2,000,000	2,000,000		
59	Lease-Purchase Construct/Fit-Up Retail Space	4,000,000		4,000,000	
60	Construct/Renovate Imaging Services - Ky Clinic	15,000,000	15,000,000		
61	Construct/Renovate Lab Facilities	21,000,000	21,000,000		
62	Construct/Expand/Renovate Ambulatory Care - UKHC	20,000,000	20,000,000		
63	Implement Enterprise Security System	5,000,000	5,000,000		
64	Implement Land Use Plan - UKHC	20,000,000	20,000,000		
65	Implement Medication Bar Coding System	10,000,000	10,000,000		
66	Implement Patient Communication System	10,000,000	10,000,000		
67	Implement Real Time Locator System	5,000,000	5,000,000		
68	Implement Revenue Management System	20,000,000	20,000,000		
69	Implement Unified Communication System	3,000,000	3,000,000		
70	Lease-Purchase/Upgrade UKHC IT Sys	10,000,000	10,000,000		
71	Lease-Purchase Data Center Hardware-UKHC	15,000,000	15,000,000		
72	Lease-Purchase Data Repository System	5,000,000	5,000,000		
73	Lease-Purchase Mainframe Computer - UKHC	3,000,000		3,000,000	
74	Lease-Purchase Telemedicine/Virtual ICU	10,000,000	10,000,000		
75	Lease-Purchase Personal Electronic Health Records	10,000,000	10,000,000		
76	Purchase Allergy Info. System - UKHC	1,000,000	1,000,000		
77	Purchase Cardiology Info. System - UKHC	4,000,000	4,000,000		
78	Purchase Clinical Information System	10,000,000	10,000,000		
79	Purchase Digital Medical Record Expansion	5,000,000	5,000,000		
80	Purchase Document Scanning System	10,000,000	10,000,000		
81	Purchase Oncology Information System-UKHC	8,000,000	8,000,000		
82	Purchase Telephone System Replacement	3,000,000	3,000,000		
83	Purchase/Expand PACS System	5,000,000	5,000,000		
84	Renovate Diagnostic Treatment Services - UKHC	2,500,000	2,500,000		
85	Renovate Nursing Units - UKHC	6,000,000	6,000,000		
86	Renovate Parking Structure #3 - UKHC	3,500,000	3,500,000		
87	Renovate/Upgrade Hosp. Facilities - Good Samaritan	10,000,000	10,000,000		
88	Lease-Purchase Replace/Upgrade Perioper Inf. Sys	3,000,000	3,000,000		
89	Replace/Upgrade Radiology Info. System	2,000,000	2,000,000		
90	Upgrade Clinical Enterprise Network - UKHC	6,500,000	6,500,000		
91	Renovate/Expand Clinical Services - UKHC	15,000,000	15,000,000		
92	Upgrade Enterprise Information Systems	20,000,000	20,000,000		
93	Upgrade Support Services - UKHC	3,500,000	3,500,000		
94	Upgrade/Renovate Surgical Services - UKHC	5,000,000	5,000,000		
95	Upgrade/Expand Cancer Treatment Facilities - UKHC	10,000,000	10,000,000		

Capital Projects Recommendations
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Institution/Institution Priority / Project Title	Project Scope	General Funds	Institution Funds	Other Funds	Federal Funds
96 Upgrade/Fit-up Hospital Facilities	10,000,000		10,000,000		
97 Renovate/Expand Stadium Multi-Purpose/Kitchen-RF	8,714,000		8,714,000		
98 Renovate Memorial Coliseum Seating Area	4,000,000			4,000,000	
99 Expand Nutter Training Center Weight/Training Room	5,000,000			5,000,000	
100 Renovate Shively Sports Center	1,000,000			1,000,000	
101 Lease-Purchase Expand Boone Tennis Center	6,500,000			6,500,000	
102 Repair Stadium Structure	2,500,000			2,500,000	
103 Construct Stadium Suite Addition-RF	3,000,000		3,000,000		
104 Purchase Upgraded Integrated Library System	1,200,000		1,200,000		
105 Purchase Compact Shelving-Fine Arts Library	700,000		700,000		
106 Purchase Shelving for Storage Facility	630,000		630,000		
107 Purchase Upgraded Comm. Infrastructure-Ml King	1,250,000		1,250,000		
108 Purchase Metabolic Instructional Systems	205,000		205,000		
109 Purchase Physical Chemistry Teaching Lab	240,000		240,000		
110 Purchase Precision Machining System	250,000		250,000		
111 Upgrade Audio/Visual Equipment Guignol Theater	211,000		211,000		
112 Purchase Induction Furnace	210,000		210,000		
113 Purchase Burnout Furnace	250,000		250,000		
114 Perry Co. - Lease Rural Health Expansion-Hazard	-				
115 Fayette Co. - Lease Off-Campus #1	-				
116 Fayette Co. - Lease Off-Campus #2	-				
117 Fayette Co. - Lease Off-Campus #3	-				
118 Fayette Co. - Lease Off-Campus #4	-				
119 Fayette Co. - Lease Off-Campus #5	-				
120 Fayette Co. - Lease Off-Campus #6	-				
121 Fayette Co. - Lease Off-Campus #7	-				
122 Fayette Co. - Lease Grant Projects #1	-				
123 Fayette Co - Lease Grants Project #2	-				
124 Fayette Co - Lease Off-Campus Housing #1	-				
125 Fayette Co - Lease Off-Campus Housing #2	-				
126 Fayette Co - Lease Blazer Parkway	-				
127 Fayette Co - Lease Administrative Office	-				
128 Fayette Co - Lease Kentucky Utilities Building	-				
129 Fayette Co - Lease Health Affairs Office #2	-				
130 Fayette Co. - Lease Good Sam - Hospital	-				
131 Fayette Co. - Lease Athletic Facility	-				
132 Undetermined Co - Lease Health Affairs Office	-				
133 Undetermined Co.- Lease Health Affairs Office #3	-				
134 Undetermined Co. - Lease Health Affairs Office #4	-				
135 Undetermined Co.- Lease Health Affairs Office #5	-				
136 Undetermined Co - Lease Health Affairs Office #6	-				
137 Undetermined Co. - Lease Health Affairs Office #7	-				
138 Undetermined Co - Lease Med Center Grant Projects #1	-				
139 Undetermined Co - Lease Med Center Grant Project #2	-				
140 Undetermined Co - Lease Med Center Off-Campus Fac #1	-				
141 Undetermined Co - Lease Med Center Off-Campus Fac #2	-				
142 Undetermined Co - Lease Med Center Off-Campus Fac #3	-				
143 Undetermined Co - Lease Med Center Off-Campus Fac #4	-				
144 Construct WUKY Facility	4,000,000		4,000,000		
145 Renovate/Expand Stadium Multi-Purpose/Kitchen	8,714,000			8,714,000	
146 Construct Ophthalmology Clinic - Hospital RF	20,000,000		20,000,000		
147 Renovate/Upgrade Kastle Hall	16,900,000		16,900,000		
148 Renovate/Upgrade McVey Hall	13,100,000		13,100,000		
149 Renovate/Upgrade Pence Hall	10,600,000		10,600,000		
150 Renovate/Upgrade Funkhouser Bldg.	28,300,000		28,300,000		
151 Renovate/Upgrade Miller Hall	7,000,000		7,000,000		
152 Renovate/Upgrade Scovell Hall	17,200,000		17,200,000		
153 Renovate/Upgrade Law Bldg.	25,200,000		25,200,000		
154 Construct/Fit-up Retail Space	4,000,000		4,000,000		
155 Construct Marching Band Facilities	11,700,000			11,700,000	
156 Lease-Purchase Golf Facility	2,000,000			2,000,000	
157 Renovate/Upgrade Good Sam Cafeteria - UKHC	1,500,000		1,500,000		
158 Renovate Linden Walk Bldg.	1,000,000		1,000,000		
Subtotal - UK	\$ 1,134,033,000	\$ -	\$ 867,119,000	\$ 240,914,000	\$ 26,000,000

Capital Projects Recommendations
Restricted Agency, Federal, and Other Funds
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Institution/Institution Priority / Project Title	Project Scope	General Funds	Institution Funds	Other Funds	Federal Funds
University of Louisville					
1 Construct Administrative Office Building	\$ 48,654,000	\$ -	\$ 48,654,000		
2 Construct Artificial Turf Field for Intramural	693,000		693,000		
3 Construct Athletic Academic Support Facility	16,228,000			\$ 16,228,000	
4 Construct Athletics Office Building	7,045,000		7,045,000		
5 Construct Belknap 3rd Street Improvements	1,950,000		1,950,000		
6 Construct Belknap Brandeis Corridor Improvements	2,774,000		2,774,000		
7 Construct Belknap Center Place Plaza	7,883,000		7,883,000		
8 Construct Century Corridor Improvement	890,000		890,000		
9 Construct Floyd Street Corridor Improvement	3,500,000		3,500,000		
10 Construct Belknap Storm water Improvements	5,000,000		5,000,000		
11 Construct Center for Creative Studies	9,450,000		9,450,000		
12 Construct Center for Social Change	13,000,000			13,000,000	
13 Construct Center for the Performing Arts	76,660,000		76,660,000		
14 Construct Chestnut Street Garage Speed Ramp	875,000		875,000		
15 Construct Executive MBA/Business Program	23,500,000		23,500,000		
16 Construct Fitness & Health Institute	21,539,000		21,539,000		
17 Construct Flexner Way Mall-Floyd to Preston	1,660,000		1,660,000		
18 Construct Flexner Way Mall-Jackson to Hancock	750,000		750,000		
19 Construct Flexner Way Mall-Preston to Jackson	840,000		420,000	420,000	
20 Construct HSC Research Facility V	178,760,000		178,760,000		
21 Construct HSC Steam/Chilled Water Plant II	34,595,000		34,595,000		
22 Construct Intramural Field Complex	7,234,000		7,234,000		
23 Construct IT Center Data Center	38,000,000		38,000,000		
24 Construct Physical Plant Space in HSC Garage	2,318,000		2,318,000		
25 Construct Soccer Stadium	16,119,000			16,119,000	
26 Construct Utilities, Remove Overhead Lines	10,350,000		10,350,000		
27 Expand Ambulatory Care Building Academic Addition	72,649,000			72,649,000	
28 Expand Chilled Water and Electrical Service Upgrade	12,750,000		12,750,000		
29 Expand Patterson Baseball Stadium	4,573,000			4,573,000	
30 Expand Rauch Planetarium	3,220,000				\$ 3,220,000
31 Expand Sackett Hall	14,758,000		14,758,000		
32 Expand School of Public Health & Information Sciences	11,561,000		11,561,000		
33 Expand Ulmer Softball Stadium	2,600,000			2,600,000	
34 Expand/Renovate College of Education	48,190,000		48,190,000		
35 Expand/Renovate Founders Union Building Phase II	19,112,000		19,112,000		
36 Purchase/Construct Chevron Parking Lot	4,430,000		4,430,000		
37 Renovate Burhans Hall	15,537,000		15,537,000		
38 Renovate Chemistry Fume Hood Redesign, Phase II	16,467,000		16,467,000		
39 Renovate Code Improvement Pool	4,047,000		4,047,000		
40 Renovate College of Business Classrooms	1,800,000		1,800,000		
41 Renovate College of Business Faculty Offices	1,000,000		1,000,000		
42 Renovate Ekstrom Library	44,705,000		44,705,000		
43 Renovate Gross Anatomy Lab	5,520,000		5,520,000		
44 Renovate Housing - Capital Renewal Pool	4,400,000		4,400,000		
45 Renovate J. B. Speed Building	12,200,000		12,200,000		
46 Renovate Kornhauser Library	16,030,000		16,030,000		
47 Renovate Lions Eye Research Institute	19,860,000		19,860,000		
48 Renovate Law School	36,081,000		36,081,000		
49 Renovate Life Sciences Building Vivarium	1,096,000		1,096,000		
50 Renovate Medical School Tower - 55A	75,768,000		75,768,000		
51 Renovate Miller Hall	17,087,000		17,087,000		
52 Renovate Natural Science Building	23,508,000		23,508,000		
53 Renovate Oppenheimer Hall	4,792,000		4,792,000		
54 Renovate Papa John's Stadium Seat Replacement	5,000,000		5,000,000		
55 Renovate Research Resource Center	14,708,000		14,708,000		
56 Renovate Resurface Track and Cardio Path	700,000		700,000		
57 Renovate W S Speed Building	11,927,000		11,927,000		
58 Utility Distribution - South Belknap Campus	12,000,000		12,000,000		
59 Purchase Artificial Turf - Practice Field Facility	865,000			865,000	
60 Purchase Artificial Turf for Field Hockey	1,000,000			1,000,000	
61 Purchase Artificial Turf for Papa John's Stadium	1,000,000			1,000,000	
62 Purchase Land Near Belknap Campus North	8,000,000		8,000,000		
63 Purchase Land Near Belknap Campus South	6,000,000		6,000,000		
64 Purchase Land Near Floyd Street - Parcel I	5,000,000		5,000,000		
65 Purchase Land Near HSC Parcel I	34,246,000			34,246,000	

Capital Projects Recommendations
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Institution/Institution Priority / Project Title	Project Scope	General Funds	Institution Funds	Other Funds	Federal Funds
66 Purchase Land Near HSC Parcel II	6,034,000		6,034,000		
67 Purchase Land Near HSC Parcel III	3,000,000		3,000,000		
68 Purchase Robotic Cranes (2) for Automated Book	2,200,000		2,200,000		
69 Purchase 3D Surface Deformation Measurement	200,000				200,000
70 Purchase Additive Microdeposition Machine	825,000				825,000
71 Purchase AMTI Split-Belt Instrumented Treadmill	270,000		270,000		
72 Purchase Atomic Force Microscope	600,000				600,000
73 Purchase Atomic Layer Deposition System	500,000				500,000
74 Purchase Automatic Bedding Dispensing & Removal	278,000		278,000		
75 Purchase BD FACSAria III Cell Sorter	350,000				350,000
76 Purchase BD LSR II Fluorescence Asst Cell Sorter	200,000				200,000
77 Purchase Biological Material Deposition Machine	600,000				600,000
78 Purchase Bulk Sterilizer	421,000		421,000		
79 Purchase Cage and Rack Washer	398,000		398,000		
80 Purchase Cathodoluminescence	230,000				230,000
81 Purchase Chemical Vapor Deposition System	500,000				500,000
82 Purchase Classroom AV Recording Equipment	600,000		600,000		
83 Purchase Computational Cluster System	1,500,000		1,500,000		
84 Purchase Confocal Microscope	250,000		250,000		
85 Purchase Confocal Microscope	300,000				300,000
86 Purchase Digital Communications System	6,000,000		6,000,000		
87 Purchase Electronic Research Information System	2,700,000		2,700,000		
88 Purchase Equipment Replacement Research & Instruction	15,000,000		15,000,000		
89 Purchase FACSCanto II Analyzer	210,000		210,000		
90 Purchase Etch System	300,000				300,000
91 Purchase FACSAria II Special Order System	530,000				530,000
92 Purchase Fiber Infrastructure	7,000,000		7,000,000		
93 Purchase Fluorescence Imaging System	200,000				200,000
94 Purchase Focused Ion Beam Microscope	1,800,000				1,800,000
95 Purchase Gene Chip Scanner	250,000				250,000
96 Purchase High Resolution Triple TOF Mass Spectrometer	400,000				400,000
97 Purchase Illumina Genome Analyzer lie	610,000				610,000
98 Purchase Imprint Lithography System	250,000				250,000
99 Purchase Individually - Ventilated Caging System	600,000		600,000		
100 Purchase Individually - Ventilated Caging System	597,000		597,000		
101 Purchase Laser Jet Cutting System	750,000				750,000
102 Purchase Library Chairs and Tables	275,000		275,000		
103 Purchase Live Cell Intracellular Nanoprobe Station	400,000				400,000
104 Purchase Magnetic Resonance Imaging System	3,000,000				3,000,000
105 Purchase Magnetic Resonance Imaging Equipment	3,000,000				3,000,000
106 Purchase MALDI-TOF Mass Spectrometer	500,000				500,000
107 Purchase MALDI-TOF Mass Spectrometer	500,000				500,000
108 Purchase Metal Additive Fabrication Machine	800,000				800,000
109 Purchase Micro Computed Tomography	350,000				350,000
110 Purchase Mobile Animal Runs	323,000		323,000		
111 Purchase MoFlo Cell Sorter	500,000				500,000
112 Purchase Multiphoton Microscope	500,000		500,000		
113 Purchase Multispectral Imaging Flow Cytometer	390,000		390,000		
114 Purchase Nanoindenter	225,000				225,000
115 Purchase Nanomaerial Equipment	500,000		500,000		
116 Purchase Networking System	8,000,000		8,000,000		
117 Purchase OPUS Urology Table	300,000		300,000		
118 Purchase Orbitrap Ion Trap Mass Spectrometer	712,000				712,000
119 Purchase Orbitrap Mass Spectrometer	593,000				593,000
120 Purchase PCs, Printers, Scanners for Libraries	700,000		350,000	350,000	
121 Purchase Plastic Additive Manufacturing Machine	900,000				900,000
122 Purchase Positron Emission Tomography System	2,500,000				2,500,000
123 Purchase Reactive Ion Etching System	250,000				250,000
124 Purchase Research Computing Infrastructure	7,000,000		7,000,000		
125 Purchase Research Equipment for Dental	210,000				210,000
126 Purchase Resonance Raman Spectrometer	500,000				500,000
127 Purchase Rodent Plastic Caging	398,000		398,000		
128 Purchase Scanning Biological Microwave Microscope	600,000				600,000
129 Purchase Shared Memory Computer	500,000		500,000		
130 Purchase Small Animal Computed Tomography	400,000		400,000		
131 Purchase Small Animal Positron Emission Tomography	600,000		600,000		
132 Purchase Small Animal Single Photon Emission Tomography	400,000		400,000		

Capital Projects Recommendations
Restricted Agency, Federal, and Other Funds
2012-14

Institution/Institution Priority / Project Title	Project Scope	General Funds	Institution Funds	Other Funds	Federal Funds
133 Purchase Soccer Stadium Video Boards	1,000,000		1,000,000		
134 Purchase Spectral Confocal Microscope	440,000				440,000
135 Purchase Sputtering System	500,000				500,000
136 Purchase SQUID Magnetometer	500,000		500,000		
137 Purchase Technology Enhanced Classroom	500,000		500,000		
138 Purchase Three Telsa Magnetic Resonance Imager	3,000,000		3,000,000		
139 Purchase Transmission Electron Microscope	1,500,000				1,500,000
140 Purchase Tunnel Cage Washer	208,000		208,000		
141 Purchase Two Photon Imaging System	480,000				480,000
142 Purchase Two-Photon Laser Scanning Microscope	500,000				500,000
143 Purchase UHR_TOF Mass Spectrometer	500,000				500,000
144 Purchase Ultra view ERS 6FO Confocal Microscope	420,000		420,000		
145 Purchase Visualization System (Planetarium)	2,000,000				2,000,000
146 Lease Digital Output System	2,500,000		2,500,000		
147 Lease Masters of Fine Arts	0		0		
148 Lease West Louisville Center for Community Health, Edu., and Outreach	0		0		
149 Lease Ambulatory Care Building	0		0		
150 Lease HSC Communication Sciences	0		0		
151 Lease HSC Off-Campus Office Space	0		0		
152 Lease Medical Center One	0		0		
153 Lease IT Data Center Space	0		0		
Subtotal - UofL	\$ 1,230,781,000	\$ -	\$ 1,033,656,000	\$ 163,050,000	\$ 34,075,000
Kentucky Community and Technical College System					
1 Construct Advanced Manufacturing Facility Bluegrass CTC (additional)	\$ 24,000,000	\$ -	\$ 24,000,000	\$ -	
2 Construct Comm Intergeren Center (additional), Lees/Hazard CTC	16,015,000		16,015,000		
3 Expansion of Pikeville Campus Big Sandy CTC	19,952,000		19,952,000		
4 Construct Arts & Humanities Building, Somerset CC North	19,405,000		19,405,000		
5 Construct Allied Health Building Henderson CC	18,950,000		18,950,000		
6 Construct Allied Health /Education Alliance Center, SKCTC	29,031,000		29,031,000		
7 Construct Allied Health Building Phase II, West KY CTC	16,762,000		16,762,000		
8 Construct School of Craft, Phase II, Hazard	2,309,000		659,000	\$ 1,650,000	
9 Renovate Downtown Campus, Owensboro CTC	2,753,000		2,753,000		
10 Construct Technology Drive Campus, Phase II, additional, Ashland	11,000,000		11,000,000		
11 Construct Somerset CC Extension Center, Russell County	18,650,000		18,650,000		
12 Construct Student Services Building, Bowling Green TC	20,194,000		20,194,000		
13 Construct Bullitt County Campus, Jefferson CTC	28,916,000		28,916,000		
14 Construct Skilled Craft Training Center, Phase III, West KY CTC	2,630,000		2,630,000		
15 Master Plan Development & Upgrade Pool	1,500,000		1,500,000		
16 KCTCS Equipment Pool	20,000,000		20,000,000		
17 KCTCS Information Tech Infrastructure Upgrade	12,000,000		12,000,000		
18 Acquisition of System Office Building	7,100,000		7,100,000		
19 Space Modifications-System Office	3,000,000		3,000,000		
20 ADA Upgrades J Phil Smith Building, Hazard CTC	1,935,000		1,935,000		
21 Construct CPAT Center, Fire Commission	1,500,000		1,500,000		
22 Construct Trans Tech Building, Boone Campus Gateway CTC	9,704,000		9,704,000		
23 EKSC Planetarium Equipment Replacement - Big Sandy	205,000		205,000		
24 KCTCS Property Acquisition Pool	5,500,000		5,500,000		
25 Purchase & Improve Real Property, Jefferson CTC	10,500,000		10,500,000		
26 Purchase Combine for Agriculture Program, Hopkinsville CC	315,000		315,000		
27 Purchase Land Adjacent to Tech Drive, Ashland	2,000,000		2,000,000		
28 Renovate Classroom Facility, Phase I, Urban Campus Gateway	11,850,000		11,850,000		
29 Reroof & Enclose Concourses, Gray Building, Madisonville CC	3,600,000		3,600,000		
Subtotal - KCTCS	\$ 321,276,000	\$ -	\$ 319,626,000	\$ -	\$ 1,650,000
Council on Postsecondary Education					
1 CPE - New Lease	\$ 0.00		\$ 0.00		
System Total	\$ 3,386,983,000	\$ -	\$ 2,671,614,000	\$ 563,683,000	\$ 151,686,000

Attachment M
November 10, 2011

Capital Projects Recommendations
Guaranteed Energy Savings/Performance Contracting
2012-14

Institution and Project Title	Project Scope (1)
1 Eastern Kentucky University	\$ 0
2 Kentucky State University	0
3 Morehead State University	0
4 Murray State University	0
5 Northern Kentucky University	0
6 Western Kentucky University	0
7 University of Kentucky	0
8 University of Louisville	0
9 Kentucky Community and Technical College System	0

Note:

1. A scope amount is not required for this project.

**Council on Postsecondary Education
November 10, 2011**

**2012-14 Postsecondary Education Budget Recommendation
CPE Agency Funds**

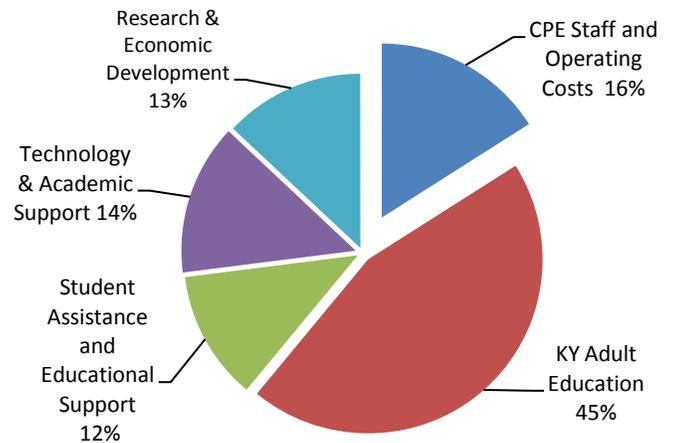
The Council's 2012-14 agency funds request is broken down into three main categories:

1. CPE Staff and Operating Costs

Agency funds for CPE staff and operating costs support the traditional expenditures associated with Kentucky's postsecondary education coordinating board, including resources to provide for policy leadership, strategic planning, regulation of the state's postsecondary education system, financial policy guidance and analysis (including biennial budget preparation and tuition setting), administrative services, communications, academic affairs and program review, economic and STEM initiatives, and information, research, and technology program support.

About 16 percent of the 2011-12 CPE agency General Fund budget is allocated to CPE operating. These funds include Kentucky Adult Education (KYAE) administrative personnel in Frankfort.

**CPE Agency General Funds
FY 11-12, \$48 M**



2. Kentucky Adult Education and Literacy Funding Program

Agency funds for Kentucky Adult Education go toward instructional activities throughout the state and system support.

3. Statewide Educational Programs and Services

Agency funds also go to support a number of important statewide educational programs and services including resources spent for student assistance and educational support (primarily contract spaces), technology and academic support (primarily KPEN and KYVC/KYVL technology contracts), and research and development (primarily to support new economy initiatives coordinated by the Kentucky Science and Technology Corporation). About 39 percent of the agency's General Fund budget is allocated to statewide educational programs and services.

CPE Agency Funds 2012-14 General Fund Request

As an Executive Branch state agency, any recommendations for additional General Funds in 2012-14 will likely be limited and strongly linked to the state's overall budget environment.

Therefore, Council staff limited (with a few exceptions) expansion requests for the upcoming biennial budget request to the General Fund growth rates released by the Consensus Forecasting Group (CFG) in October 2011. The CFG predicted a 1.8 percent growth from 2011-12 to 2012-13 and a total of 4.3 percent growth from 2011-12 to 2013-14.

A small number of statewide initiatives have critical funding needs larger than the CFG growth estimates including Kentucky Adult Education, SB 1 (2009) implementation activities, KPEN/KYVC/KYVL technology initiatives, and the Contract Spaces program.

Finally, staff is required as part of the budget process to request funds related to personnel increases which include "defined calculations" and an additional pay period in 2012-13. These mandated expenditure increase requests exceed the staff's self-imposed 1.8 and 4.3 percent growth limits.

- The Council staff recommends that the Council request a total General Fund appropriation of \$51,370,300 in 2012-13 and \$51,902,900 in 2013-14 to support the agency's statewide work. Technically, when a full year of debt service (\$111,602,000) for the Council's postsecondary education capital and information technology investment recommendation is included, in addition to the debt service for an additional round of "Bucks for Brains" (\$8,126,000), the Council's General Fund request is \$171,630,900 in 2013-14.

A breakdown of this request is provided below in Table 1.

Table 1: Components of CPE Agency General Funds Requested for 2012-14

Description	2012-13	2013-14
Agency General Fund Baseline (FY 2011-12 level)	\$47,966,700	\$47,966,700
Additional Funds Requested		
CPE Staff and Operating Costs	580,100	985,500
Kentucky Adult Education	715,800	1,518,300
Student Assistance and Educational Support	326,100	549,800
Technology & Academic Support*	256,400	506,500
Research and Economic Development	115,200	275,300
SB 1 (2009) Implementation	1,410,000	100,800
Total	\$51,370,300	\$51,902,900

*Note: In addition to this amount, \$10,998,000 in debt service for information technology pools, and another \$100,604,000 in debt service for specific new and renovated campus facilities will be included in the agency request in FY 2013-14.

Please refer to Attachment N for a more detailed breakdown of the Council's CPE agency funds request for 2012-14.

Agency General Fund Baseline

The Council's agency General Fund baseline (\$47,966,700) for the upcoming biennium is the enacted 2011-12 budget less all recurring mandated expenditure reductions.

CPE Staff and Operating Costs – Defined Calculations and Growth

As a part of the state's Executive Branch, the Council is required to request an increase in General Fund appropriation to cover cost increases related to personnel and fringe benefits (statutory cost of living adjustment, retirement system contribution, etc.). Since these required increases are already "defined" and calculated, they are referred to in the budget process as "defined calculations."

- The Council staff recommends an increase in General Fund appropriations for defined calculations of \$242,700 in 2012-13 and \$665,000 in 2013-14.

An additional pay period is included in 2012-13 at a cost to the General Fund of \$289,500. Additional General Funds of \$47,900 in 2012-13 and \$320,500 in 2013-14 is also required to provide for inflationary increases. Staff recommends total increases (growth and defined calculations) in CPE operating General Funds of \$580,100 in 2012-13 and \$985,500 in 2013-14.

Kentucky Adult Education

The Kentucky Adult Education Act of 2000 (Senate Bill 1) challenges Kentucky Adult Education (KYAE) 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."

Consistent with this mandate, the Council approved new performance targets for KYAE which include achieving 11,500 GED graduates by 2015, in addition to transitioning a projected 26 percent to postsecondary education.

To achieve the aggressive performance targets for KYAE outlined in the Council's new Strategic Agenda, KYAE requests funds to support the base funding formula to allow county-level adult education programs to:

- Expand the number of instructional hours.
- Purchase new curricula resources to prepare adults for the demands of postsecondary education and the workforce.
- Purchase online curricula aligned to Common Core Standards to allow students remote access at their convenience.
- Support professional development for adult education instructors to ensure they have the knowledge and technical skills needed to teach to higher levels.
- Consistent with the Council's Strategic Agenda goal of improving college readiness, Council staff recommends an increase in KYAE's General Fund appropriation of \$715,800 in 2012-13 and \$1,518,300 in 2013-14.

Student Assistance and Educational Support

CPE agency funds support a small number of statewide student assistance and educational programs and services. Given the austere budget environment, the Council staff recommends an increase to the Contract Spaces Program (which is basically student financial aid), as well as General Fund replacement funds for the SREB Doctoral Scholars Program.

Contract Spaces Program. Kentucky's contract spaces program accounts for approximately 84 percent of the budget for student assistance and educational support. The program provides Kentucky students with access to veterinary medicine and optometry degree programs, which are not offered at public institutions in Kentucky, at certain out of state postsecondary institutions at resident tuition rates.

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, AL. The Council also contracts with Indiana University, IN, for optometry seats.

For 2012-13, Council staff recommends that the budget request maintain funding for 164 veterinary medicine seats and 44 optometry seats. For 2013-14, staff recommends that the Council request two additional veterinary medicine seats at Auburn University.

- Consistent with the Council's Strategic Agenda goal of increasing student success and STEM degrees, the Council staff recommends additional General Fund appropriations to support tuition rate increases and the two additional contract spaces seats in 2013-14. These additional funds total \$162,900 in 2012-13 and \$368,100 in 2013-14.

Replacement of Restricted Funds with General Funds. Several statewide educational programs that reside at the Council were until recently supported by nonrecurring, restricted agency funds. These programs include the Governor's Minority Student College Preparation Program (GMSCPP) which provides academic enrichment activities for middle and junior high school students, encourages them to stay in school, and makes young African American students aware of the benefits and value of college, and the SREB Doctoral Scholars Program which is administered by SREB and seeks to increase the number of minority college faculty members and executives by increasing the availability pool of minority candidates. Two years ago, the Council unsuccessfully requested additional General Funds to replace these restricted funds and keep the programs funded at their historic levels.

- Consistent with the Council's Strategic Agenda goal of closing achievement gaps, the Council staff recommends an increase in the SREB Doctoral Scholars Program of \$150,000 in 2012-13 and 2013-14. This request will restore six slots that were previously defunded.

The Council's agency General Fund appropriation also supports a small number of other student assistance programs including the Professional Educational Preparation Program, the Kentucky State Autism Training Center, GMSCPP, and the Washington, D.C., Internship Program. This request provides for funds to help these programs meet inflationary cost increases.

- In total, the Council staff recommends an increase in General Fund appropriations to support statewide student assistance and educational support programs of \$326,100 in 2012-13 and \$549,800 in 2013-14.

Technology and Academic Support

CPE agency funds 2012-14 budget recommendation also provides resources for a number of statewide academic support services, focused primarily on information technology, that are allocated to the Council's Technology Initiative Trust Fund.

While the technology programs coordinated by the Council have received significant budget reductions since 2007-08 similar to much of state government, the services of the Virtual Campus and Library (KYVC and KYVL), the Postsecondary Education Network (KPEN), and the Postsecondary Education Data System (KPEDS) have continued to contribute to improving the efficiency and innovation of many postsecondary education operations.

The **Kentucky Postsecondary Education Network (KPEN)** 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 agency funds financially support a baseline network for the state supported postsecondary education institutions. Institutions may purchase additional services and bandwidth directly from the master agreement with the vendor.

However, in an attempt to keep up with the growing demand from students, instructors, researchers, and administrators for Internet bandwidth, KPEN has increasingly depended on the volunteer effort of staff at the institutions. The increasing sophistication of the KPEN network coupled with the budget and staff cutbacks at CPE and the institutions now necessitate KPEN contracting directly for network management services. To insure that the network is reliably available 24 hours per day, seven days a week, and 365 days a year, this service needs to be put in place.

The **Kentucky Virtual Campus (KYVC)** maintains several statewide contracts which enable it to provide eLearning services to its academic and state agency partners. The **Kentucky Virtual Library (KYVL)** acts as the hub of a consortium which serves libraries from all public universities and colleges, 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. However, there is a lack of awareness among current and potential library patrons about the vast electronic holding that are available to every Kentucky citizen. Rather than focusing on the cost per acquisition, the KYVL wants to focus on the cost per use. This will require the creation and execution of a KYVL public awareness campaign.

If granted, a budget increase will help support a contract with a company with expertise in library public awareness campaigns. The resulting increase in utilization of KYVL's electronic holdings will impart many direct and indirect benefits to the users of the materials and reduce the cost per use of the electronic materials to KYVL. The goal is to drive the cost per search down 28 percent from \$.70 to \$.50 per search.

A fundamental responsibility of the Council is to collect and maintain longitudinal data on students and institutions through the **Kentucky Postsecondary Education Data System (KPEDS)**. The Council has been collecting comprehensive and detailed data for over 30 years. However, unfortunately, the usefulness of these data is hampered by the lack of modern reporting tools, and data quality is challenged by the lack of a systematic approach to data quality assurance.

To solve these critical data needs, the Council staff is recommending that the Council request funds to contract for expertise to reorganize the KPEDS data to make it more easily available to a wider audience (e.g., data and information that supports the Council's new Strategic Agenda dashboard) and to build a comprehensive, largely automated, system of data checks and communications with the colleges and universities that submit data to the Council.

With the expansion of the Council's licensure authority in recent years, the need is particularly great as the number of institutions from which data are collected has increased four-fold and Council staff is unable to process data in a timely way using current technology. Improved data and information systems will lead to more effective policy intervention at the state and institutional level.

- Consistent with the Council's Strategic Agenda goal of improving efficiency and innovation, the Council staff recommends the Council request an additional \$256,400 in 2012-13 and \$506,500 in 2013-14 for technology initiatives.

Research and Economic Development

CPE agency funds also finance 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.

Via 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.

These programs generate strong, increasing demand for funding that significantly outstripped current state 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.

- Consistent with the Council's Strategic Agenda on research and economic development, the Council staff recommends an increase in General Fund appropriations to support these statewide research and economic development investments of \$115,200 in 2012-13 and \$275,300 in 2013-14.

Senate Bill 1 (2009) Implementation Activities. SB 1 (2009) called for improvement in the rates of those students entering postsecondary education with developmental needs and for greater success of those students once they arrive on campuses. Activities designed to achieve these goals are ongoing on the campuses and serve not only students already enrolled in postsecondary education, but have impacted teacher preparation programs and achievement in P-12 schools.

In 2010-12, funding for the alignment of literacy and mathematics standards across the state from elementary school through high school and college was requested and provided by the General Assembly. The Council, Kentucky Department of Education, and the Education Professional Standards Board developed these standards and have been working with teachers throughout the state to implement them.

One outgrowth of SB 1 (2009) implementation was the development of Assessment Academies. Assessment Academies are collaborations of two public universities, a private institution, a community college, and an adult education center. The goal of these academies is to create a sustainable feedback loop between postsecondary and P-12 schools to improve student achievement. The academies will work with districts within their region to determine what the needs for professional development are, based on analysis of data, and will then work together to design and provide professional development that meets the needs of students. Three Assessment Academies are already in place.

- Consistent with the Council's Strategic Agenda to increase college readiness, the Council recommends that the Council request funding for five additional academies throughout the state \$1,410,000 in 2012-13 and \$100,800 in 2013-14.

Debt Service on Capital Investments, Information Technology, and Bucks for Brains. The Council is also statutorily required to request agency funds to support a full year of debt service needed to fund capital investments, information technology, and Bucks for Brains on behalf of postsecondary education institutions. Please refer to the agenda item on Capital Investments for details on capital and information technology and the agenda item on Trust Funds for details on Bucks for Brains.

- The Council staff recommends a General Fund appropriation to support a full year of debt service of \$55,332,000 in 2013-14 to support asset preservation and renovation projects.
- The Council staff recommends a General Fund appropriation to support a full year of debt service of \$45,272,000 in 2013-14 to support new and expanded education and general space and research and economic development space.
- The Council staff recommends \$10,998,000 in General Fund appropriations to support a full year of debt service in 2013-14 for institutional and state information technology initiatives.
- The Council staff recommends \$8,126,000 in General Fund appropriations to support a full year of debt service in 2013-14 for a fifth round of Bucks for Brains funding.

Other Funds

As discussed in the Council's 2009-10 operating budget, a small number of programs that are coordinated by the agency also receive funds from other sources, including tobacco settlement funds, restricted funds (which primarily support the Cancer Research Institution Matching Fund), federal funds that help support Kentucky's adult education programs, Kentucky GEARUP, teacher quality grants, and miscellaneous agency receipts.

As part of the budget request process, the Council is required to request spending authority to distribute and expend these funds during the biennium.

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

- The Council staff recommends an appropriation of \$4,367,700 in both 2012-13 and in 2013-14 for the Lung Cancer Research Fund. The source of funding for this program is Tobacco Settlement Funds. 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, statutorily, a request for an appropriation (spending authority) of these funds needs to be submitted. The largest restricted fund category is the Cancer Institution Matching Fund Program funded by the cigarette tax (one cent per pack of the total cigarette tax) and distributed to UK and UofL. Other restricted funds include indirect cost recovery on federal grants, as well as partner support for KYVC/KYVL technology contracts.

Two years ago, the Council started receiving licensure fees to support its statutory obligation to protect institutions and citizens of the Commonwealth against those colleges which resort to fraudulent practices, unfair competition, or substandard educational programs per KRS 164.947. These funds support site visits required by the new statute and support additional personnel and operating expenses to better handle the increased volume and complexity of licensing colleges and degree programs in Kentucky.

- In total, the Council staff requests a restricted funds appropriation of \$8,460,300 in 2012-13 and \$8,257,400 in 2013-14. These funds are not included in the Council's General Fund request.

Federal Funds. The Council receives federal funds through the administration of several federal programs, including Kentucky GEARUP (an additional \$300,000 will be requested in the current fiscal year and a total of \$4,500,000 in federal funds will be requested for both 2012-13 and 2013-14), Improving Educator Quality State Grant Program (\$1,200,000 total in both 2012-13 and 2013-14), and Kentucky Adult Education (\$12,322,000 total in both 2012-13 and 2013-14).

Federal funds are received and disbursed according to the terms and conditions associated with the award of the funds. Actual expenditures for these programs are always consistent with the funds available for them.

- The Council staff recommends an additional appropriation of \$300,000 in federal funds for 2011-12, and annual total appropriations of \$18,022,000 in both 2012-13 and 2013-14 to allow for federal expenditures related to Kentucky GEARUP, Improving Educator Quality State Grant Program, Statewide Longitudinal Database, and Kentucky Adult Education. These funds are not included in the Council's General Fund request.

Council on Postsecondary Education
Agency Funds
2012-14 General Funds Recommendation

Programs	FY 11-12 General Fund Base	FY 12-13 Increase*	FY 12-13 General Fund Request	FY 13-14 Increase*	FY 13-14 General Fund Request
CPE Staff and Operating Costs	\$7,641,000	\$47,900	\$7,688,900	\$320,500	\$7,961,500
Request Items mandated by state law**		532,200	532,200	665,000	665,000
Student Assistance and Educational Support					
Contract Spaces	4,886,700	162,900	5,049,600	368,100	5,254,800
Professional Education Prep. Program	296,800	5,300	302,100	12,800	309,600
Governor's Minority Student College Prep. Program	207,300	3,700	211,000	8,900	216,200
State Autism Training Center	148,200	2,700	150,900	6,400	154,600
SREB Doctoral Scholars Program	80,100	150,000	230,100	150,000	230,100
Washington Intern Program	84,500	1,500	86,000	3,600	88,100
Student Assistance Subtotal	\$5,703,600	\$326,100	\$6,029,700	\$549,800	\$6,253,400
Kentucky Adult Education Funding Program	\$21,689,700	\$715,800	\$22,405,500	\$1,518,300	\$23,208,000
Technology & Academic Support					
KY Postsecondary Education Network	\$2,696,600	\$95,600	\$2,792,200	\$188,000	\$2,884,600
KYVC/KYVL/KPEDS	2,105,000	160,800	2,265,800	318,500	2,423,500
Technology & Academic Support Subtotal	\$4,801,600	\$256,400	\$5,058,000	\$506,500	\$5,308,100
Research and Economic Development					
Science and Technology Funding Program	\$6,401,600	\$115,200	\$6,516,800	\$275,300	\$6,676,900
SB 1 (2009) Implementation					
Standards and Assessments (K-12 Professional Development)	\$257,900	\$1,410,000	\$1,667,900	\$100,800	\$358,700
Professional Development for Postsecondary Faculty	1,471,300	0	1,471,300	0	1,471,300
	\$1,729,200	\$1,410,000	\$3,139,200	\$100,800	\$1,830,000
Total General Funds	\$47,966,700	\$3,403,600	\$51,370,300	\$3,936,200	\$51,902,900

*Note: Compared to FY 11-12

**Note: Includes defined calculations in FY 12-13, the cost for the pay period moved from FY 11-12.

General Fund Debt Service for Bucks for Brains, Capital Investments, and Information Technology	Total Trust Fund / Capital Request	FY 13-14 General Fund Request
Bucks for Brains (Research Challenge and Comprehensive University Excellence Trust Funds)	\$75,000,000	\$8,126,000
Capital Investments and Information Technology		
Asset Preservation and Renovation Projects (Phase 1 of 3)	550,000,000	55,332,000
New and Expanded Education and General Space and Economic Development Space (Phase 1 of 3)	450,000,000	45,272,000
Information Technology	60,000,000	10,998,000
Capital Investments and Information Technology Request	1,060,000,000	111,602,000
Total	\$1,135,000,000	\$119,728,000

STRONGER by DEGREES



Council on Postsecondary Education
2012-14 Budget Recommendation
November 10, 2011

Kentucky Postsecondary & Adult Education System



- ❖ 8 four-year public postsecondary institutions
- ❖ KCTCS (16 community and technical colleges)
- ❖ 20 independent colleges and universities
- ❖ 120 adult education providers
- ❖ 241,590 college and university students
- ❖ 500,000+ postsecondary alumni
- ❖ 300,000+ GED graduates
- ❖ 30,000+ faculty and staff



A Decade of Progress



Kentucky is the only state in the nation to rank in the top five in improvement for each of the following college attainment and completion metrics.

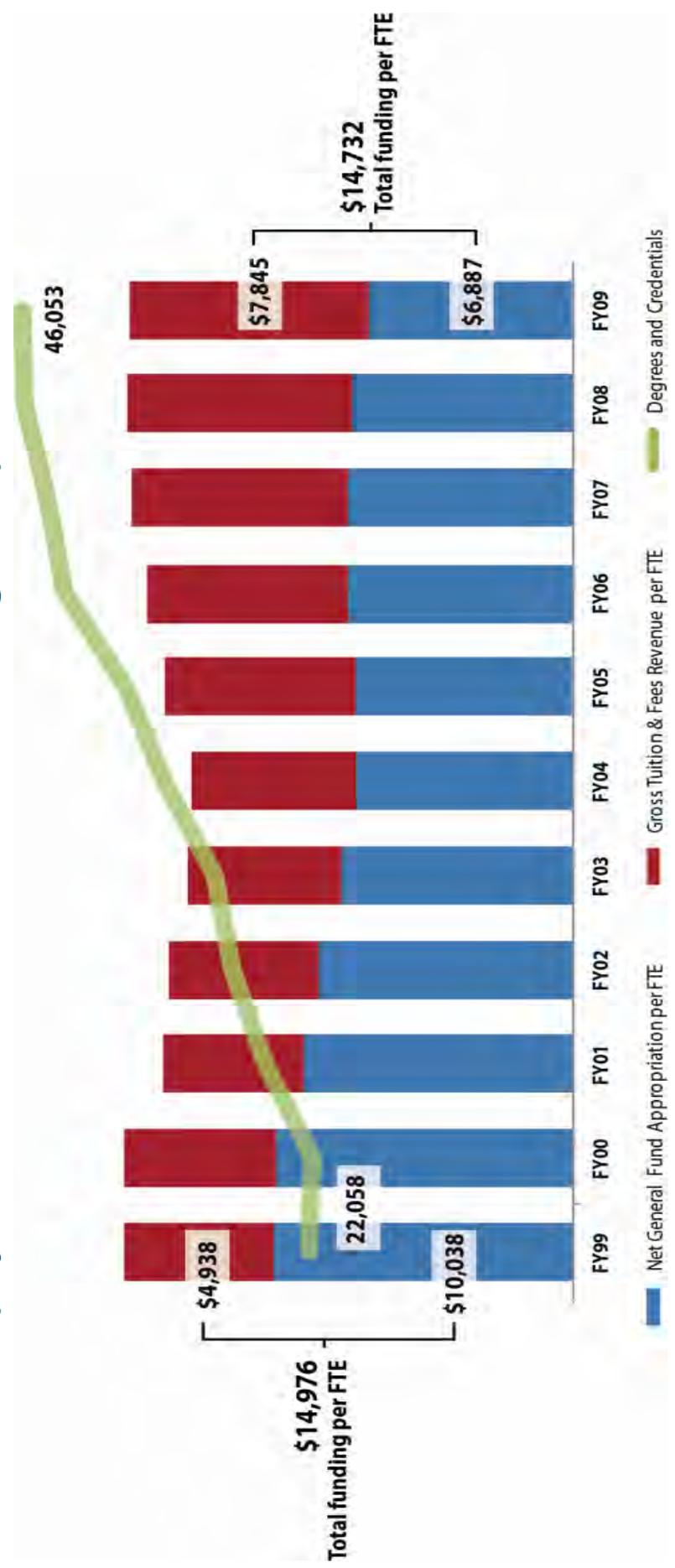
College Attainment and Completion Metrics	Kentucky Change from 2000 to 2009					
	Percent Change	Change Ranked Among States	2000	2009	State Rank in 2000	State Rank in 2009
Adults Aged 25 to 64 with College Degrees (Associate and Higher)	24.4	1	24.5	30.5	47	45
Adults Aged 25 to 44 with College Degrees (Associate and Higher)	23.6	2	27.3	33.7	44	36
Six-Year Graduation Rates at Four-Year Institutions (Public and Private)	21.7	1	39.3	47.8	44	35
Three-Year Graduation Rates at Two-Year Institutions (Public and Private)	42.7	3	21.4	30.5	38	16
Undergraduate Credentials (One-Year or More in Length)	55.7	5	23,115	35,999	NA	NA
Undergraduate Credentials Awarded per 1,000 18 to 44 Year Olds with No College Degree	63.0	1	18.4	29.9	45	36

Source: Realizing Kentucky's Educational Attainment Goal: A Look in the Rear View Mirror and Down the Road Ahead, 2011 Report by the National Center for Higher Education Management Systems



Efficiency and Innovation

Public degree and credential production doubled while state support declined
 (adjusted for inflation and enrollment growth)



Source: CPE KPEDS

2012-14 Budget Recommendation



- Presidents support
- Strongly aligned with new Strategic Agenda & HB 1 (1997) reform mandates
- Builds upon previous success
 - Bucks for Brains (research)
 - SB 1 (2009) Implementation (college readiness)
- Reinforces importance of M&O on new facilities
- Puts a few new strategic ideas on the table
 - Performance funding (student success)
 - Multi-biennial capital request with stronger balance between asset preservation/renovation and new (efficiency & innovation)

2012-14 Budget Recommendation



- 1) Institutional Operating Funds
- 2) Bucks for Brains
- 3) Capital Investments
- 4) CPE Agency Funds

Institutional Operating Funds



Context

- Strong support from General Assembly and Governor
- Base funding reduced by \$105 million since FY08
- Significant fixed cost increases
- Improved productivity and efficiencies (e.g., record degrees, record enrollments, and cost containment strategies)

Components

- **Base funding (\$1.006 billion)**
 - Technical adjustments
- **Maintenance and Operations (M&O) on new facilities (\$40 M)**
 - Utility costs, energy, janitorial costs, etc.
- **Strategic Investments (\$57 M)**
 - College Readiness (\$17 M in FY13)
 - SB 1 (2009) implementation funds
 - Research (\$15 M in FY13)
 - Stimulate increase in federal and other external contracts and grants
 - Student Success (\$25 M in FY14)
 - Incentive funds to increase degree production, graduation rates, close achievement gaps, and increase transfers
 - Performance needed to achieve HB 1 goals



Bucks for Brains



Context

- Award winning research & economic development program
- Four previous rounds totaling \$410 M
- Significant return on investment (1997 to 2010; UK and UofL only)
 - Market value of endowment grew from \$447 M to \$1.4 billion
 - Extramural R&D expenditures increased from \$105 M to \$365 M

Components

- **Endowment Match Program (\$60 M)**
 - Research Challenge Trust Fund (\$50 M)
 - Comprehensive University Excellence Trust Fund (\$10 M)
 - Endowed, matched, and provide perpetual source of funds for endowed chairs/professors, research staff, graduate fellowships, scholarships, and other mission critical support
- **Capital Match Program**
 - Flexibility to use part of B4B distribution for research infrastructure support (e.g., labs) and to enhance education and general space
 - Amount designated by institution board of trustees
- **Research Match Program (\$15 M)**
 - Designed to stimulate research productivity at UK and UofL
 - Matching funds for increased external R&D expenditures above current levels

Capital Investments



Context

- Approximately \$1.6 billion in capital investments since 1997
- 5 to 1 investment in new projects versus capital renewal/major renovations
- Approximately 2,000 buildings and 50 million square feet of space
- VFA facility study in 2007 – aging infrastructure/backlog of major system updates
- Multi-biennial approach - \$3 B over 6 years equates to 38% of projected need
- More balanced approach (55% asset preservation/renovation and 45% new projects) needed to start addressing critical needs

Components

- **Asset preservation/renovation (\$550 M in 2012-14)**
 - Capital renewal and major renovations (reduce utility costs)
 - Leverage data from VFA study
- **New buildings (\$450 M in 2012-14)**
 - Focus on funding top institutional priorities over next six years
- **Information technology (\$60 M in 2012-14)**
 - Critical need to maintain rural access to postsecondary and adult education
 - High speed connections and electronic resources
 - Reduces need for bricks and mortar

CPE Agency Funds



Context

- 85% of CPE agency general funds are statewide pass-through funds
- Most pass-through funds reduced similar to state agencies (20% or more)
- CPE attempting to meet statutory responsibilities with significantly fewer staff
- CFG growth of 1.8% in FY13 and 4.2% in FY14 with some larger increases

Components

- **Kentucky Adult Education**
 - State's 3rd largest educational provider; serving 536,000 Kentuckians (18 to 64) without H.S. diploma
- **KPEN / KYVC / KYVL / KPEDS**
 - Kentucky ranked high in terms of percent of credit hours delivered online
 - Serve over 1 million Kentuckians and helps provide high-speed internet across the state
- **Contract Spaces Programs**
 - Veterinary and optometry spaces at Auburn, Tuskegee, and Indiana
- **SB 1 (2009) Implementation**
 - Assessment academies and professional development of faculty and teachers
- **SREB Doctoral Scholars Program and Other Statewide Educational Programs**
 - Helping to close achievement gaps
- **Science and Technology Funding Programs**
 - Administered by KSTC to stimulate economic and job growth investments

State Student Financial Aid



Context

- Approximately \$190 million in state student financial distributed in FY10
- Funding gap for need-based aid increased dramatically, from \$39 million in FY06 to \$105 million in FY10
- 53,000 Kentucky students receive either CAP/KTG, while over 63,000 eligible students do not receive funds
- Less aid for part-time, transfer, and adult learners

Components

- Funding requests for financial aid comes through KHEAA
- Council policy objective #5 focused on decreasing financial barriers to college
- Key statewide performance metric aligned with reducing number of eligible students who do not receive state need-based aid by 2015



**Advisory Conference of Presidents Endorsement
2012-14 Operating and Capital Budget Recommendation for Postsecondary Education
November 10, 2011**

The Advisory Conference of Presidents, working in collaboration with CPE staff, is pleased to endorse the 2012-14 operating and capital budget recommendation for postsecondary education.



Robert L. King, President
Kentucky Council on Postsecondary Education



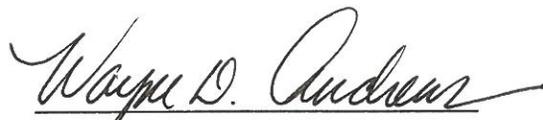
Charles D. Whitlock, President
Eastern Kentucky University and
Chair, Advisory Conference of Presidents



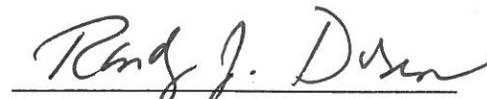
Mary Evans Sias, President
Kentucky State University



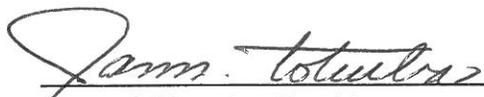
Michael B. McCall, President
Kentucky Community and Technical
College System



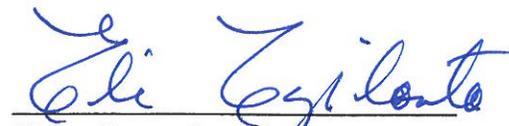
Wayne D. Andrews, President
Morehead State University



Randy J. Dunn, President
Murray State University



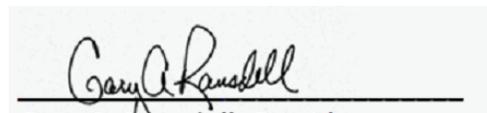
James C. Votruba, President
Northern Kentucky University



Eli Capilouto, President
University of Kentucky



James R. Ramsey, President
University of Louisville



Gary A. Ransdell, President
Western Kentucky University



Gary S. Cox, President
Association of Independent Kentucky
Colleges and Universities

**Council on Postsecondary Education
November 10, 2011**

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 \$1,080,000 for January 1, 2012, to June 30, 2013, to support eight projects.

- *Reading for the 21st Century: Improving Reading Comprehension Through Project-Based Learning* (Morehead State University): \$135,000
- *The Active Math Project: Increasing College Readiness Through Hands-On Math Instruction in Middle and High School Classrooms* (Morehead State University): \$135,000 - Year 2
- *Developing Standards-Based Digital Content for Next Generation Learning* (Murray State University): \$90,000
- *Continuous Assessment and Algebraic Thinking: Keys for Career and College Readiness* (University of Kentucky): \$140,000
- *Special Education Math Cadre* (University of Kentucky): \$145,000 - Year 2
- *Preparing All Students for Success: Career and College Readiness* (University of Kentucky): \$145,000 - Year 2
- *Collaborative Teacher Training in Content Literacy* (University of Louisville): \$145,000 - Year 2
- *Readers Matter: Common Goals, Core Learning, and Set Standards for Achievement* (Western Kentucky University): \$145,000 - 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.

Senate Bill 1 (2009 Regular Session) was signed by the governor on March 26, 2009. The bill calls upon the Kentucky Department of Education, in collaboration with the Kentucky Council on Postsecondary Education, to plan and implement a comprehensive process for revising academic content standards. Working collaboratively, the agencies have developed a comprehensive process to revise standards in all content areas. A comprehensive process was also developed to create a unified strategy to reduce college remediation rates and increase graduation rates of postsecondary students with developmental education needs.

Kentucky's participation in the Common Core Standards initiative for English/language arts and mathematics ensures that the tenets of Senate Bill 1 (codified as KRS 158.6451) are met. The Common Core State Standards Initiative is a state-led effort coordinated by the National Governors Association Center for Best Practices (NGA Center) and the Council of Chief State School Officers (CCSSO).

The Kentucky Department of Education, the Education Professional Standards Board, and the Council on Postsecondary Education jointly adopted these standards on February 10, 2010.

The standards are aligned with college and work expectations, include rigorous content and application of knowledge through high-order skills, build upon strengths and lessons of current state standards, are internationally-benchmarked so that all students are prepared to succeed in the global economy and society, and are evidence and/or research-based.

To that end, the Council is focusing Year 10 of the Improving Educator Quality State Grant Program on projects that fully integrate the new Common Core Standards in a way that assists teachers in providing intervention in content areas for students in need of accelerated learning.

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

Morehead State University: \$135,000

Reading for the 21st Century: Improving Reading Comprehension Through Project-Based Learning - Krista Barton, principal investigator

Morehead State University, in collaboration with Hazard Community and Technical College, will engage with 60 science, social studies, reading, and collaborating special needs teachers in a professional development delivery system that begins with on site data assessment meetings in every school followed by a summer institute. The project will enhance skills in recognizing reading difficulties and making appropriate content-based interventions or referrals for assistance in reading instruction. The project will also help teachers implement instructional practices, informed by scientifically based research, for teaching reading for comprehension in social studies and science. This project has been selected by Council staff as eligible for renewal for a second year based on adequate progress in the first year.

Morehead State University: \$135,000 - Year 2

The Active Math Project: Increasing College Readiness Through Hands-On Math Instruction in Middle and High School Classrooms - Krista Barton, principal investigator

Morehead State University, in collaboration with Hazard Community and Technical College, will work with approximately 30 middle and high school math and math-collaboration special education teachers to fully integrate the Common Core Standards in ways that assist teachers in providing intervention in math for students in need of accelerated learning. This program will identify the students in need of intervention, implement instructional practices for teaching algebra with a focus on depth of knowledge in algebraic concepts, and fully integrate assessment for learning models and strategies for teachers.

Murray State University: \$90,000

Developing Standards-Based Digital Content for Next Generation Learning

Yuejin Xu, principal investigator

Murray State University, in collaboration with Madisonville Community College, will offer professional development to help mathematics teachers meet the requirements of the Common Core Standards and help them learn to effectively use standards-based digital content for smart devices for students in need of accelerated learning. Through intensive summer training and online mentoring throughout the school year, participating teachers will gain insight into the new standards for mathematics and explore effective strategies for empowering their students to use standards-based digital content for smart devices to better serve their students of the digital generation. This project has been selected by Council staff as eligible for renewal for a second year based on adequate progress in the first year.

University of Kentucky: \$140,000

Continuous Assessment and Algebraic Thinking: Keys for Career and College Readiness

Kimberly Zeidler-Watters, principal investigator

The University of Kentucky, in collaboration with the University of Louisville, will provide approximately 60 teachers the content and strategies necessary for them to engineer effective classroom experiences for their students. The focus will be on deepening participating teachers' understanding of the content and pedagogical content knowledge necessary to teach the algebra standards in middle and high school. Additionally, the project will address the foundational elementary standards necessary for success in algebra. This project has been selected by Council staff as eligible for renewal for a second year based on adequate progress in the first year.

University of Kentucky: \$145,000 - Year 2

Special Education Math Cadre - Kimberly Zeidler-Watters, principal investigator

The University of Kentucky will provide content and strategies for teachers to facilitate and develop effective classroom experiences for their students. The focus will be on developing a deeper understanding for the teachers on number concepts as they relate to special needs students so that they can be successful in algebra. The proposal will target 60 regular and special education middle and high school mathematics teachers.

University of Kentucky: \$145,000 - Year 2

Preparing All Students for Success: Career and College Readiness

Kimberly Zeidler-Watters, principal investigator

The University of Kentucky, in collaboration with Western Kentucky University, will tie together important elements of Senate Bill 1 (2009) and Senate Bill 130 (2006) to help 60 teachers focus on integrating the Common Core Standards into preparation for the ACT EPAS exams in 8th, 10th, and 11th grades. In particular, this project will focus on literacy and language arts components of these standards and assessments. Specifically, the project will work with teachers to integrate literacy instruction into science classrooms with a focus on improving science achievement as measured by the EPAS exams.

University of Louisville: \$145,000 - Year 2

Collaborative Teacher Training in Content Literacy - Nicole Fenty, principal investigator

The University of Louisville will provide professional development for 25-30 general and special middle grades educators and instructional coaches. The project is designed to serve all students in reading/language arts including those diagnosed with disabilities. The objectives of the project include increasing teacher knowledge of the Common Core Standards in reading/language arts and facilitating increased use of research-based strategies for instruction and assessment for learning.

Western Kentucky University: \$145,000 - Year 2

Readers Matter: Common Goals, Core Learning, and Set Standards for Achievement

Pamela Petty, principal investigator

Western Kentucky University, in collaboration with West Kentucky Community and Technical College, will provide an individualized professional development model that ensures integration of the Common Core Standards in content-area instruction and provides for literacy instruction that promotes college and career readiness for students. This professional development is a peer-review process that aids teachers in supporting literacy learners in their classrooms. It relies on goal-setting and self-reflection to help teachers ensure that their classrooms are learning environments that support and develop literacy skills and strategies for learning.

**Council on Postsecondary Education
November 10, 2011**

Regulation on Advanced Practice Doctorates

ACTION: The staff recommends that the Council approve the attached draft of regulation 13 KAR 2:110 Advanced Practice Doctoral Degree Programs at Comprehensive Universities.

KRS 164.295 requires the Council on Postsecondary Education to work with the Advisory Conference of Presidents to develop the criteria and conditions for approval of advanced practice doctorates at the comprehensive universities. These criteria and conditions are formalized in the proposed regulation 13 KAR 2:110. The criteria focus on six areas which are outlined below.

1. Centrality to Institutional Mission and Consistency with Kentucky's Postsecondary Education Goals:

Institutions should demonstrate centrality to the institution's mission and consistency with the state's postsecondary education goals by providing evidence that includes (a) the program's objectives, along with the specific institutional and societal needs that will be addressed; (b) the relationship of the program to the university's mission and academic plan; and (c) the relationship of the program to the Strategic Agenda.

2. Program Quality and Student Success: Institutions should demonstrate program quality and commitment to student success by such measures as (a) proposed learning outcomes, (b) how the curriculum will achieve the objectives of the program, (c) any distinctive qualities of the program, (d) availability of faculty, library resources, physical facilities, and instructional equipment, (e) degree completion requirements, (f) methods of program delivery, (g) how the program builds upon the reputation and resources of an existing master's degree program in the field, (h) the impact of the proposed program on undergraduate education at the institution, and (i) demonstration of available clinical sites for those programs with clinical requirements.

3. Program Demand: Institutions should demonstrate demand for the program by providing evidence of (a) student demand, (b) employer demand, and (c) academic disciplinary needs, including new practice or licensure requirements in the profession and/or requirements by specialized accrediting agencies.

4. Unnecessary Duplication: Institutions should show that the program does not unnecessarily duplicate an existing program at another state university by including information about (a) differences in curriculum between the proposed program and an existing program, (b) differences in student population, (c) documentation of excess student demand for an existing program, and (d) collaboration between the proposed program and an existing program.

5. Cost and Funding: Institutions should provide information on the sources of funding and the costs associated with the program, including (a) all sources of revenue, (b) all sources of costs, (c) whether the program will require additional resources, (d) whether the program will impact financially an existing program or organizational unit within the state university, (e) the return on investment to Kentucky, and (f) evidence that funding for the program will not impair funding of an existing program at another state university. A detailed spreadsheet of revenue and costs must be submitted to the Council.

6. Program Assessment: Institutions should provide information on program evaluation procedures, including (a) what program components will be evaluated, (b) when and how the components will be evaluated, (c) who is responsible for the data collection, (d) how the data will be shared with faculty, (e) how the data will be used for program improvement, and (f) how students' post-graduation success will be measured and evaluated.

1 COUNCIL ON POSTSECONDARY EDUCATION

2 (New Administrative Regulation)

3 13 KAR 2:110. Advanced practice doctoral degree programs at comprehensive universities.

4 RELATES TO: KRS 164.001, 164.020(15), 164.295(3)

5 STATUTORY AUTHORITY: KRS 164.295(4)

6 NECESSITY, FUNCTION, AND CONFORMITY: KRS 164.295(4) requires the Council
7 on Postsecondary Education, in consultation with the Advisory Conference of Presidents pursuant
8 to KRS 164.021, to promulgate an administrative regulation to establish the criteria and conditions
9 upon which an advanced practice doctoral degree program may be approved for a comprehensive
10 university. This administrative regulation establishes the criteria and conditions for the approval of
11 an advanced practice doctoral degree program.

12 Section 1. Definitions. (1) “Advanced practice doctorate” means a program of study
13 beyond the master’s degree designed to meet the workforce and applied research needs of a
14 profession.

15 (2) “Board” or “governing board” is defined by KRS 164.001(4).

16 (3) “College” means an administrative unit within a state university, which consists of related
17 academic disciplines, that offers academic programs but does not have the authority to grant a
18 degree.

19 (4) “Comprehensive university” is defined by KRS 164.001(7).

20 (5) “Council” is defined by KRS 164.001(8).

21 (6) “Learning outcomes” is defined by KRS 164.001(25).

22 (7) “Postsecondary education system” is defined by KRS 164.001(17).

1 (8) “Public” is defined by KRS 164.001(19).

2 (9) “Specialization” means a set of courses designed to develop expertise within a major at the
3 doctoral level.

4 (10) “Southern Association of Colleges and Schools Commission on Colleges” means the regional
5 body for the accreditation of degree-granting higher education institutions in Alabama, Florida,
6 Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Texas,
7 Virginia and Latin America and other international sites

8 (11) “Strategic agenda” is defined by KRS 164.001(23).

9 Section 2. General Requirements. (1) In submitting the “Pre-Proposal for a New Academic
10 Program” required by Section 3(1) and the “Proposal for a New Doctoral Program” required by
11 Section 3(5), a comprehensive university shall demonstrate that an advanced practice doctorate
12 adheres to the role and scope of the institution as set forth in its mission statement and as
13 complemented by the institution’s academic plan by:

14 (a) Listing the objectives of the advanced practice doctorate;

15 (b) Explaining how the advanced practice doctorate relates to the institutional mission and
16 strategic plan;

17 (c) Explaining how the advanced practice doctorate addresses the state’s postsecondary
18 education strategic agenda; and

19 (d) Explaining how the advanced practice doctorate furthers the statewide implementation
20 plan for the strategic agenda.

21 (2) In submitting the “Pre-Proposal for a New Academic Program” required by Section
22 3(1) and the “Proposal for a New Doctoral Program” required by Section 3(5), a comprehensive
23 university shall demonstrate program quality and commitment to student success by:

24 (a) Listing all learning outcomes;

- 1 (b) Explaining how the curriculum achieves the objectives of the advanced practice
2 doctorate by describing the relationship between the overall curriculum or the major curricular
3 components and the objectives;
- 4 (c) Highlighting any distinctive qualities of the advanced practice doctorate;
- 5 (d) Noting whether the advanced practice doctorate will replace any specializations within
6 another doctorate program;
- 7 (e) Including the projected ratio of faculty to students;
- 8 (f) Explaining if the comprehensive university will seek specialized accreditation if
9 accreditation exists for the advanced practice doctorate;
- 10 (g) Demonstrating that faculty possesses terminal degrees, master's degrees with
11 professional experience in the field of study, and research experience;
- 12 (h) Demonstrating that library resources meet standards for study at the doctoral level and
13 in a particular field of study if standards are available from the Southern Association of Colleges
14 and Schools Commission on Colleges or a specialized accrediting agency for a specific field of
15 study;
- 16 (i) Demonstrating availability of classroom, laboratory, office space, and specialized
17 equipment;
- 18 (j) Explaining the admission and retention standards;
- 19 (k) Stating the degree completion requirements;
- 20 (l) Describing how the advanced practice doctorate articulates with related programs at
21 other comprehensive universities and at the University of Kentucky and the University of
22 Louisville;
- 23 (m) Providing course descriptions for all courses that will be offered as part of the
24 advanced practice doctorate;

1 (n) Describing alternative methods of program delivery involving use of technology,
2 distance education, or accelerated degree designs;

3 (o) Describing how the advanced practice doctorate builds upon the reputation and
4 resources of the comprehensive university's existing master's degree program in the field of study;

5 (p) Explaining the impact of the advanced practice doctorate on undergraduate education at
6 the comprehensive university; and

7 (q) Discussing the nature and appropriateness of available clinical sites if there is a clinical
8 component to the advanced practice doctorate.

9 (3) In submitting the "Pre-Proposal for a New Academic Program" required by Section
10 3(1) and the "Proposal for a New Doctoral Program" required by Section 3(5), a comprehensive
11 university shall demonstrate demand for the advanced practice doctorate and lack of unnecessary
12 duplication by:

13 (a) Providing evidence of student demand at the regional, state, and national levels;

14 (b) Identifying the potential pool of students and how potential students will be contacted;

15 (c) Describing the student recruitment and selection process;

16 (d) Identifying the undergraduate and master's level programs as well as employers from
17 which students will be identified;

18 (e) Providing any evidence of a projected net increase in total student enrollments to the
19 campus as a result of the advanced practice doctorate;

20 (f) Estimating student enrollment, doctoral candidacies, and degrees conferred for the first
21 five (5) years of the program;

22 (g) Describing the types of jobs available for graduates, average wages for these jobs, and
23 the number of anticipated openings for each type of job at the regional, state, and national levels;

24 (h) Justifying the advanced practice doctorate based on changes in the field of study or
25 other academic reasons;

1 (i) Explaining new practice or licensure requirements in the profession and new
2 requirements by specialized accrediting agencies;

3 (j) Identifying similar advanced practice doctoral programs in the member states of the
4 Southern Regional Education Board; and

5 (k) Comparing the program to similar programs within Kentucky in terms of curriculum or
6 areas of specialization, student populations, access to similar programs, demand for similar
7 programs, and potential for collaboration between the proposed program and similar programs.

8 (4) In submitting the “Pre-Proposal for a New Academic Program” required by Section
9 3(1) and the “Proposal for a New Doctoral Program” required by Section 3(5), a comprehensive
10 university shall demonstrate costs and funding sources for the advanced practice doctorate by:

11 (a) Identifying any necessary additional resources;

12 (b) Explaining the financial impact on existing programs and organizational units within
13 the comprehensive university;

14 (c) Demonstrating sufficient return on investment to Kentucky to offset new costs;

15 (d) Providing assurance that funding for the program will not impair funding of any
16 existing program at any other comprehensive institution;

17 (e) Estimating funding available from state, federal, other non-state, tuition, and
18 institutional allocations and reallocations; and

19 (f) Estimating costs associated with faculty, student employees, graduate assistants, and
20 professional staff; equipment and instructional materials; library materials; contractual services;
21 academic and student support services; other support services; faculty professional development;
22 student space and equipment; faculty space and equipment; and miscellaneous expenses.

23 (5) In submitting the “Pre-Proposal for a New Academic Program” required by Section
24 3(1) and the “Proposal for a New Doctoral Program” required by Section 3(5), a comprehensive
25 university shall demonstrate program evaluation procedures by:

- 1 (a) Identifying what program components will be evaluated;
- 2 (b) Explaining when and how the components will be evaluated;
- 3 (c) Identifying who is responsible for the data collection;
- 4 (d) Explaining how the data will be shared with faculty;
- 5 (e) Explaining how the data will be used for program improvement;
- 6 (f) Identifying measures of teaching effectiveness; and
- 7 (g) Identifying plans to assess students' post-graduation success.

8 Section 3. New Advanced Practice Program Application Procedures. (1) A comprehensive
9 university shall submit the "Pre-Proposal for a New Academic Program" to the online Kentucky
10 Postsecondary Program Proposal System (KPPPS) after the pre-proposal has been approved by the
11 appropriate college within the comprehensive university.

12 (2) After this information is posted to KPPPS, the chief academic officers, or their
13 designees, of the postsecondary education system and Council staff shall have forty-five (45) days
14 to review and comment on the proposed program. The forty-five (45) day time period shall begin
15 on the date that the pre-proposal is submitted.

16 (3) If another institution or the Council staff expresses concerns about the proposed
17 program, the Council staff may require additional information and may request review by the chief
18 academic officers of the postsecondary education system. If additional information is requested,
19 the proposing institution shall submit that information within thirty (30) days of the request.

20 (4) Once all concerns have been addressed, the Council staff shall notify the
21 comprehensive university that:

22 (a) The advanced practice doctoral degree program proposed for that comprehensive
23 university:

24 (a) has been pre-approved; and

25 (b) the comprehensive university may continue the process for developing the program.

1 (5) The comprehensive university shall submit a “Proposal for A New Doctoral Program”,
2 which has been approved by the institutional governing board, to the Council within eighteen (18)
3 months of the Council staff’s pre-approval.

4 (6) Upon receipt of the “Proposal for A New Doctoral Program,” Council staff shall
5 review the proposal. If Council staff determines that the comprehensive university has met all the
6 requirements per section 2 above, then staff shall recommend the proposal to the Council for
7 approval.

8 (7) Upon staff recommendation, the Council at its first subsequent meeting after
9 completion of the proposal process shall either:

10 (a) Approve the proposal; or

11 (b) Deny and identify deficiencies in the proposal which shall be corrected by the
12 comprehensive university by submitting revised proposal to Council staff within ninety (90)
13 working days.

14 Section 4. Incorporation by Reference. (1) The following material is incorporated by
15 reference:

16 (a) “Kentucky Postsecondary Program Proposal System”, November 2011;

17 (b) “Pre-Proposal for A New Academic Program”, November 2011; and

18 (c) “Proposal for A New Doctoral Program”, November 2011.

19 (2) This material may be inspected, copied, or obtained, subject to applicable copyright
20 law, at the Kentucky Council on Postsecondary Education, 1024 Capital Center Drive, Suite 320,
21 Frankfort, Kentucky 40601, Monday through Friday, 8 a.m. to 4:30 p.m.

APPROVED:

Paul Patton, Chair
Council on Postsecondary Education

Date

PUBLIC HEARING AND PUBLIC COMMENT PERIOD: A public hearing on this administrative regulation shall be held on December 28, 2011, at 10:00 a.m. at the Council on Postsecondary Education, 1024 Capital Center Drive, Suite 320, Frankfort, Kentucky, 40601 in Conference Room A. Individuals interested in being heard at this hearing shall notify this agency in writing five workdays prior to the hearing, of their intent to attend. If no notification to attend the hearing is received by that date, the hearing may be cancelled.

This hearing is open to the public. Any person who wishes to be heard will be given an opportunity to comment on the proposed administrative regulation. A transcript of the public hearing will not be made unless a written request for a transcript is made.

If you do not wish to be heard at the public hearing, you may submit written comments on the proposed administrative regulation. Written comments shall be accepted until January 3, 2012.

Send written notification of intent to be heard at the public hearing or written comments on the proposed administrative regulation to the contact person.

CONTACT PERSON:

Dr. Melissa Bell
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REGULATORY IMPACT ANALYSIS
AND TIERING STATEMENT

Administrative Regulation 13 KAR 2:110. *Advanced practice doctoral degree programs at comprehensive universities.*

Contact person: Dr. Melissa Bell
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- (1) Provide a brief summary of:
 - (a) What this administrative regulation does: This administrative regulation establishes the criteria and conditions upon which an advanced practice doctoral degree program may be approved for a comprehensive university.
 - (b) The necessity of this administrative regulation: KRS 164.295(3) requires that the Council on Postsecondary Education, in consultation with the Advisory Conference of Presidents pursuant to KRS 164.021, shall develop criteria and conditions upon which an advanced practice doctoral degree program may be approved.
 - (c) How this administrative regulation conforms to the content of the authorizing statutes: KRS 164.295(4) requires that the Council on Postsecondary Education shall promulgate administrative regulations in accordance with KRS Chapter 13A to carry out the provisions of KRS 164.295(3).
 - (d) How this administrative regulation currently assists or will assist in the effective administration of the statutes: This administrative regulation establishes the criteria and conditions upon which an advanced practice doctoral degree program may be approved for a comprehensive university.
- (2) If this is an amendment to an existing administrative regulation, provide a brief summary of:

- (a) How the amendment will change this existing administrative regulation: N/A – this is a new regulation.
 - (b) The necessity of the amendment to this administrative regulation: N/A – this is a new regulation.
 - (c) How the amendment conforms to the content of the authorizing statutes: N/A – this is a new regulation.
 - (d) How the amendment will assist in the effective administration of the statutes: N/A – this is a new regulation.
- (3) List the type and number of individuals, businesses, organizations, or state and local governments affected by this administrative regulation: There are six (6) comprehensive universities affected by this administrative regulation.
- (4) Provide an assessment of how the above group or groups will be impacted by either the implementation of this administrative regulation, if new, or by the change if it is an amendment:
- (a) List the actions that each of the regulated entities identified in question (3) will have to take to comply with this administrative regulation or amendment: Institutions will address each of the established criteria by gathering data, analyzing data, and conducting research in order to complete the online Pre-Proposal for A New Academic Program and Proposal for A New Doctoral Program which shall be submitted to the Council on Postsecondary Education for approval.
 - (b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (3): Each institution already has people and processes in place on its campus for these activities. As such, there should be no new costs to institutions.
 - (c) As a result of compliance, what benefits will accrue to the entities identified in question? Institutions will be authorized to deliver an advanced doctorate program to address the needs of students and employers in the state.
- (5) Provide an estimate of how much it will cost to implement this administrative regulation:
- (a) Initially: Existing staff will review application materials. There will be no additional costs as a result of this administrative regulation.
 - (b) On a continuing basis: Existing staff will review application materials. There will be no additional costs as a result of this administrative regulation.

- (6) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation: General state appropriations will be used to pay for Council staff.
- (7) Provide an assessment of whether an increase in fees or funding will be necessary to implement this administrative regulation, if new, or by the change if it is an amendment: No.
- (8) State whether or not this administrative regulation establishes any fees or directly or indirectly increases any fees: No.
- (9) TIERING: Is tiering applied? Tiering is not applied. This administrative regulation treats all comprehensive universities seeking to offer an advanced practice doctoral program the same.

FISCAL NOTE ON STATE OR LOCAL GOVERNMENT

Regulation No. 13 KAR 2:110

Contact Person: Melissa Bell, 502.573.1555 ext. 357

1. Does this administrative regulation relate to any program, service, or requirements of a state or local government (including cities, counties, fire departments, or school districts)? Yes, advanced practice doctoral programs are approved by the state government's Council on Postsecondary Education.
2. What units, parts, or divisions of state or local government (including cities, counties, fire departments, or school districts) will be impacted by this administrative regulation? The state government's Council on Postsecondary Education and six comprehensive universities will be impacted by this administrative regulation.
3. Identify each state or federal statute or federal regulation that requires or authorizes the action taken by the administrative regulation. KRS 164.295.
4. Estimate the effect of this administrative regulation on the expenditures and revenues of a state or local government agency (including cities, counties, fire departments, or school districts) for the first full year the administrative regulation is to be in effect.
 - (a) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for the first year? The administrative regulation will not generate any revenue.
 - (b) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for subsequent years? The administrative regulation will not generate any revenue.
 - (c) How much will it cost to administer this program for the first year? Existing staff will review application materials. There will be no additional costs as a result of this administrative regulation.
 - (d) How much will it cost to administer this program for subsequent years? Existing staff will review application materials. There will be no additional costs as a result of this administrative regulation.

Note: If specific dollar estimates cannot be determined, provide a brief narrative to explain the fiscal impact of the administrative regulation.

Revenues (+/-): The regulation will generate no revenue.

Expenditures (+/-): Existing staff will review application materials. There will be no additional costs as a result of this administrative regulation.

Other Explanation:

Summary of Material Incorporated by Reference

The “Kentucky Postsecondary Program Proposal System”, November 2011, is the 13-page online academic program approval system.

The “Pre-Proposal for A New Academic Program”, November 2011, is the six-page online application form that a comprehensive university is required to submit to seek approval at the pre-proposal stage for a new advanced practice doctoral program.

The “Proposal for A New Doctoral Program”, November 2011, is the seven-page online application form that a comprehensive university is required to submit after the Council has approved the pre-proposal in order to seek approval for a new advanced practice doctoral program.

**Council on Postsecondary Education
November 10, 2011**

New Academic Programs:

**M.A. in Sport Management – Morehead State University
M.A. in Library Media Education – Murray State University
M.M. in Music Therapy – University of Kentucky**

ACTION: The staff recommends that the Council approve the M.A. in Traditional Sport Management (CIP 31.0504) at Morehead State University, the M.A. in Library Media Education (CIP 13.1334) at Murray State University, and the M.M. in Music Therapy (CIP 51.2305) at the University of Kentucky.

KRS 164.020 (15) empowers the Council 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 programs from Morehead State University, Murray State University, and the University of Kentucky.

M.A in Sport Management (CIP 31.0504) at Morehead State University

This program provides a generalist education for future sport managers. The program will consist of 36 credit hours and focus on communication skills, ethical issues faced in sport business, the business environment of sports, the application of technology in sport organizations, leadership skills, and problem-solving skills.

M.A. in Library Media Education (CIP 13.1334) at Murray State University

The Master of Arts in Library Media Education program, with the Praxis II in Library Media, is intended to qualify students for certification as school media librarians in Kentucky. This program includes a minimum of nine credit hours in professional education, 12 credit hours focused on library media, and four supervised practicums of one credit hour each. Students seeking initial certification in education must meet all requirements for admission to the Teacher Education program and complete a 12-week supervised clinical experience in library media instead of the practicum. Students seeking initial certification may also be required to complete additional undergraduate coursework to fulfill prerequisites for teacher education and student teaching.

M.M. in Music Therapy (CIP 51.2305) at the University of Kentucky

The University of Kentucky proposes to start a master's program in music therapy because (a) there is no graduate program in music therapy in Kentucky or in most neighboring states, (b) it would build on an existing degree program, (c) the state and region are underserved not only in academic opportunities, but also in the provision of music therapy services, and (d) there is support for the program within the UK HealthCare system, which creates opportunities for funding, research collaboration, and student clinical training. The program will consist of 30 credit hours in music therapy, music, and elective coursework with one option for students with undergraduate degrees in music therapy and another option for students without an undergraduate degree in music therapy. The latter option allows students with related degrees to complete any missed entry level/professional competency prerequisites before finalizing the master's degree in music therapy.

**Council on Postsecondary Education
November 10, 2011**

**Institutional Diversity Plan
Eastern Kentucky University**

The Council on Postsecondary Education directed each public postsecondary institution to develop and submit to the Council a campus-based diversity plan in response to the Statewide Diversity Policy. The diversity plans, at a minimum, address four areas: (1) student body diversity that reflects the diversity of the Commonwealth or the institution's service area, (2) achievement gaps, (3) workforce diversity, and (4) campus climate. Upon approval by the Council, the institutional diversity plans will be implemented fall 2011.

ACTION: The Committee on Equal Opportunities (CEO) recommends that the Council review and accept the 2011-15 Eastern Kentucky University Diversity Plan that was developed in response to the Kentucky Public Postsecondary Education Diversity Policy and Framework for Institution Diversity Plan Development.

The Council's Committee on Equal Opportunities reviewed and accepted the institutional diversity plans developed by the eight public universities and KCTCS at its June 9, 2011 meeting. The Council accepted plans submitted by seven of the universities and KCTCS at the September 22 meeting. Eastern Kentucky University's diversity plan was adopted by its board of regents September 27, 2011, and is being submitted to the Council for review and acceptance.

The CEO found that the ECU diversity plan met the minimum requirements as outlined in the Kentucky Public Postsecondary Education Diversity Policy and Framework for Institution Diversity Plan Development. The CEO recommended that the plan be sent to the Council on Postsecondary Education for review and acceptance once approved by the ECU Board of Regents.

Institutional Diversity Plans

The institutional plans call for aggressive approaches to achieve objectives for the postsecondary and adult education system. To implement the Statewide Diversity Policy, the Council required each institution to submit a campus-based diversity plan that set forth specific strategies that promote diversity and measurable goals that reflect institutional demographics in comparison to the population.

The campus-based diversity plans, at a minimum, address four areas: (1) student body diversity that reflects the diversity of the Commonwealth or the institution's service area, (2) achievement gaps, (3) workforce diversity, and (4) campus climate. The plans were developed using the Kentucky Public Postsecondary Education Diversity Policy and Framework for Institution Diversity Plan Development, which includes guiding principles, commitments, and action statements. All institutional plans are narrowly tailored to preserve broad access to educational opportunities. Each campus-based plan shall:

- Assure consistency with systemwide and institutional diversity policies and practices.
- Describe diversity and equal opportunity for students, faculty, administrators, and staff in action plans that address the campus environment.
- Implement a system of institutional accountability by using metrics that are specific and measurable.
- Recognize that equal opportunity is essential to all members of the campus communities.
- Preserve broad access to high quality postsecondary education opportunities.

Next Steps

Following review and action by the Council, Eastern Kentucky University will implement the campus-based diversity plan.

**Council on Postsecondary Education
November 10, 2011**

**Equal Opportunity Goals Annual Assessment
Degree Program Eligibility - 13 KAR 2:060**

ACTION: The Committee on Equal Opportunities (CEO) recommends that the Council delay the annual assessment of equal opportunity goals as required by KRS 164.020 (19) and implemented through Kentucky Administrative Regulation 13 KAR 2:060. The CEO recommends that the next assessment be conducted for calendar year 2013.

The Council's Committee on Equal Opportunities (CEO) voted at their October 23, 2011, meeting to recommend that the Council on Postsecondary Education delay the assessment of annual progress by institutions on equal opportunity goals (degree program eligibility) until 2013 to allow institutions adequate time to implement the strategies of their newly adopted diversity plans.

Background:

The General Assembly enacted KRS 164.020(19) in 1992 requiring the Council on Postsecondary Education to postpone the approval of new academic programs for those institutions who fail to meet equal opportunity goals established by an institution and adopted by the Council. The 1997 Special Session of the General Assembly, which reorganized postsecondary education, left unchanged the authority of the Council related to approval of new academic programs.

In September 2010, the Council adopted the Kentucky Public Postsecondary Education Diversity Policy and Framework for Institution Diversity Plan Development which required modification of the Kentucky Administrative Regulation 13 KAR 2:060 related to program approval and equal opportunity goals. The Legislative Research Commission approved the revised regulation in June 2011.

13 KAR 2:060

The revised regulation provides accountability standards and metrics to assess progress and outlines the requirements for an institution to obtain a waiver. Following is a brief summary:

- An institution must develop and maintain an institution diversity plan.

- The process for goal setting, assessment of progress, and securing a temporary waiver is defined.
- The regulation defines an institutional diversity plan as a plan developed in conjunction with the Council to achieve diversity in student enrollment and in the workforce to eliminate gaps in retention and graduation rates.
- The regulation requires five areas of goal development: student body diversity, student success, achievement gaps, workforce diversity, and campus climate.
- It defines the period of waiver eligibility as one year and the time frame for a waiver as one year.
- Universities will be assessed on eight areas of interest: (1) enrollment of undergraduate students, (2) enrollment of graduate students, (3) first year to second year retention, (4) second year to third year retention, (5) baccalaureate degrees, (6) employment of executive/administrative/managerial staff, (7) employment of faculty, and (8) employment of other professionals.
- Community and technical colleges will be assessed on seven areas of interest (1) enrollment of undergraduate students, (2) first year to second year retention, (3) second year to third year retention, (4) associate degrees and credentials, (5) employment of executive/administrative/managerial staff, (6) employment of faculty, and (7) employment of other professionals.

The KAR is located on the Legislative Research Commission website at:
<http://www.lrc.ky.gov/kar/013/002/060.htm>.

Council staff will inform the Committee on Equal Opportunities and institutions of the status of the recommendation immediately following action by the Council.

**Council on Postsecondary Education
November 10, 2011**

**Review of Doctorates in Educational Leadership
Eastern Kentucky University
Northern Kentucky University
Western Kentucky University**

On July 16, 2007, the Council approved a set of comprehensive and rigorous criteria for the review of proposals for doctoral degrees in educational leadership at Kentucky's comprehensive universities. This action was the culmination of two years of reflection and study on how the comprehensive universities could expand their offerings in the area of educational leadership to have a positive impact on P-12 student achievement and the economy in their regions.

At its February 26, 2008, meeting, the Council approved the establishment of Ed.D. programs in educational leadership at Eastern Kentucky University, Northern Kentucky University, and Western Kentucky University. That approval was the result of a year-long process of institutional and Council staff collaboration to ensure the quality and necessity of these programs. Detailed criteria for the programs were created and each program underwent a thorough review process by both Council staff and an external review committee. As a result, Council staff brought the programs forward with a recommendation for approval.

The Council's approval included four criteria:

1. The submission of a report outlining the details of the seamless transfer articulation agreements among the universities.
2. Successful annual reviews of progress conducted by the external review committee that show commitment to meeting the recommendations included in the review committee's executive summary and in the review committee's evaluations of each individual proposal. In addition, a full review at the end of three years will be conducted of all public university Ed.D. programs to ensure the viability, sustainability, and effectiveness of the programs.
3. Evidence in the annual reviews that each program is on track to be financially self-sufficient by the time it is fully implemented.
4. The Council directed each institution granting an Ed.D. to collect and report annually to the Council staff information on the placement of all its graduates. The Council also directed each institution awarding an Ed.D. to evaluate whether these educational leaders have helped to improve student achievement in Kentucky. Finally, the Council directed the Council staff to incorporate information from these institutional reports in reports to the Council (e.g., the High School Feedback Report) and to the legislature (e.g., the annual accountability report).

To address item 1, the seamless transfer articulation agreement was approved by the Council at its March 6, 2009, meeting. Staff worked closely with the three institutions to shape an agreement that aligned with the wishes of the Council with regard to the Ed.D. programs. The collaborative agreement demonstrates the institutions' commitment to working together to meet the Commonwealth's needs in the area of educational leadership.

In 2011, a review committee consisting of Phillip Rogers, executive director of the Education Professional Standards Board; Felicia Cummings Smith, associate commissioner for the Office of Next Generation Learning, Kentucky Department of Education; and Council staff was established. This committee conducted reviews of each of these programs to address items 2 and 3. Please note that item 4 does not yet have any data as the programs are too new to be able to report on that item. Staff asked each institution to submit a report that included how:

- The program has accomplished the goals laid out in the original proposal.
- The program is adapting to meet the needs of those it serves.
- The program has strong collaborative agreements and working relationships with P-12 school districts.
- The program demonstrates candidates are prepared to interpret and analyze student achievement data.
- The program has rigorous curriculum standards, with identified competencies, and cohort-based instructional methods that motivate and engage students with a focus on dynamic instructional leadership, all with a flexible schedule to accommodate working professionals.
- The program has a process for evaluating program effectiveness.
- The program has an accountability model that tracks placement of graduates and their impact on P-12 student achievement.
- The program is financially self-sufficient and is operating under a sustainable model.
- The program offers seamless transfer options for students, allowing them to take courses from any approved program and have them count toward the degree.
- The program has a culminating experience appropriate to the needs of the candidates in the program.
- The program has a delivery model focused on data-based decision making, the efficient use of technology for management and instruction, and the establishment of virtual learning communities.
- The program faculty has appropriate qualifications with a balance between full- and part-time faculty in the program, ensuring quality and consistency of program outcomes.
- The program has support and resources to aid in the inculcation of a doctoral education culture within the department and institution, including the preparation of faculty to chair student committees.
- The program is interdisciplinary and collaborative across institutions and agencies, calling on a wide variety of resources.

- The program has worked collaboratively with other institutions to conduct annual meetings of faculty to share and plan together, including an annual colloquium for students.
- The program has worked collaboratively to create an interactive website through which students with similar research interests can work together across the Commonwealth.

After a thorough review of these reports, the committee submitted initial feedback to each campus. Items for further consideration were discussed at interviews with each campus and the committee was pleased with the responses from each program.

- The monthly meetings of leadership to coordinate the sharing of resources and faculty in order to enhance quality and sustainability.
- The website that has been designed to share information.
- Cultivating junior faculty and building capacity to serve doctoral students.
- The joint symposium to share research.

Feedback was also provided to each program individually.

Eastern Kentucky University

EKU, in particular, was commended for its:

- Focus on rural education and leadership, serving as a true example of regional stewardship.
- Concrete focus on P-12 improvement, as evidenced through proposal abstracts.
- Presence of doctorally-trained P-12 educators on candidate committees.
- Support for faculty and candidates to travel to conferences and present findings.
- Research programming linking educational practices to educational outcomes.

Areas for further discussion included:

- Financial sustainability of the program.
- The decrease in student cohort size and how that impacts the program.
- How field experiences are evaluated.
- What systems are in place to provide the program with data and information to evaluate needed programmatic changes.
- Student support services and how they are implemented in the program.
- How students are introduced to the program and how they are oriented to what will be expected of them throughout the program.
- How transferability is assured.
- How the program collaborates with other programs in Kentucky to assure that students have access to statewide resources.
- The capstone project and how it assures that the Ed.D. is an advanced practice degree.

Northern Kentucky University

NKU, in particular, was commended for its:

- Focus on civic engagement and action research.
- Strong description of its coursework.
- The building of a Leader Scholar Community.

Areas for further discussion included:

- Financial sustainability of the program.
- Small cohorts.
- How courses are connected to the focus on civic engagement.
- How faculty resources are made available to allow for growth in the program.
- How field experiences are evaluated.
- What systems are in place to provide the program with data and information to evaluate needed programmatic changes.
- Student support services and how they are implemented in the program.
- How students are introduced to the program and how they are oriented to what will be expected of them throughout the program.
- How transferability is assured.
- How the program collaborates with other programs in Kentucky to assure that students have access to statewide resources.
- The capstone project and how it assures that the Ed.D. is an advanced practice degree.

Western Kentucky University

WKU, in particular, was commended for its:

- Use of technology, social media, and data-driven delivery.
- Commitment to flexible scheduling and service to its students.
- Alignment with the new Teacher Leaders MA and the new Principal Preparation Program.
- Strong scope of dissertations with original research.
- Providing of mentoring support after candidate program completion.
- Strong orientation model with an orientation course.
- Strong and diverse faculty to meet programmatic needs.

Areas for further discussion included:

- Financial sustainability of the program.
- The decrease in student cohort size and how that impacts the program.
- How field experiences are evaluated.
- Student support services and how they are implemented in the program.
- How transferability is assured.
- How the program collaborates with other programs in Kentucky to assure that students have access to statewide resources.
- The capstone project and how it assures that the Ed.D. is an advanced practice degree.

Representatives from each campus met with the review committee to discuss these items. All the items were discussed and reported on to the committee's satisfaction. In addition, the committee made several recommendations regarding sustainability of the programs, transferability, and collaboration. In particular, the committee reinforced with the program faculties that the Ed.D.s must continue their focus on the improvement of P-12 education in the Commonwealth. Follow-up discussions will occur on a regular basis and the programs will enter each institution's cycle of program review.

The committee agreed that these programs are on track and are meeting the goals originally established with the creation of the programs.

**Council on Postsecondary Education
November 10, 2011**

**2012-13 Tuition Setting Process Update
Tuition Policy and Preliminary Timeline**

Attached for review and discussion is the Council's current Tuition and Mandatory Fee Policy (Attachment A). Other than inclusion of the Special Use Fees Exception Policy, adopted by the Council at its April 28, 2011, meeting, the attached policy is the same one used by Council staff and campus officials to guide the 2011-12 tuition setting process. The policy promotes five fundamental objectives: (1) funding adequacy; (2) shared benefits and responsibility; (3) affordability and access; (4) attracting and importing talent; and (5) effective use of resources.

The process for determining tuition and mandatory fee ceilings, submitting requests for exemptions under the Council's Special Use Fees Exception Policy, and bringing institution rate proposals for Council approval will be similar to the process used in 2011-12. One of the main objectives of the process is to provide ample time for exchange of information and stakeholder discussion among Council staff, institutional presidents, chief budget officers, and Council members, which will lead to better understanding of issues surrounding the tuition setting process and provide opportunity for feedback before final Council action.

A preliminary timeline describing Council staff and campus activities, and identifying expected completion dates, for the 2012-13 tuition setting process is attached (Attachment B). It is anticipated that Council members will review draft tuition policy and timeline documents at the November 10 meeting, approve revisions to these documents at the February 10, 2012, meeting, take action on recommended tuition ceilings at the April 20, 2012, meeting, and approve each institution's proposed tuition and fee rates at the June 20, 2012, meeting.

There are also several emerging issues related to future tuition setting that may surface in discussions over the next six months, including the possibility of providing some additional tuition flexibility to institutions that are meeting or exceeding institutional performance targets, the notion of moving the tuition setting process from an annual process to a biennial process, and the idea of encouraging state and/or institutional incentives for students to decrease the time to degree. CPE staff will provide updates to the Council and opportunities for discussion as additional details on these issues unfold.

Staff preparation by John Hayek and Bill Payne

Council on Postsecondary Education Tuition and Mandatory Fee Policy

The Council on Postsecondary Education is vested with authority under KRS 164.020 to determine tuition at public postsecondary education institutions in the Commonwealth of Kentucky. Kentucky's goals of increasing educational attainment, promoting research, assuring academic quality, and engaging in regional stewardship must be balanced in the context of current needs, effective use of resources, and economic conditions. For the purposes of this policy, mandatory fees are included in the definition of tuition. During periods of relative austerity, the proper alignment of the state's limited financial resources requires increased attention to the goals of the *Kentucky Postsecondary Education Improvement Act of 1997* (HB 1) and the Strategic Agenda for Kentucky Postsecondary and Adult Education.

Fundamental Objectives

- Funding Adequacy

HB 1 states that Kentucky shall have a seamless, integrated system of postsecondary education, strategically planned and adequately funded to enhance economic development and quality of life. In discharging its responsibility to determine tuition, the Council, in collaboration with the institutions, seeks to balance the affordability of postsecondary education for Kentucky's citizens with the institutional funding necessary to accomplish the goals of HB 1 and the Strategic Agenda.

- Shared Benefits and Responsibility

Postsecondary education attainment benefits the public at large in the form of a strong economy and an informed citizenry, and it benefits individuals through elevated quality of life, broadened career opportunities, and increased lifetime earnings. The Council and the institutions believe that funding postsecondary education is a shared responsibility of the state and federal government, students and families, and postsecondary education institutions.

- Affordability and Access

Since broad educational attainment is essential to a vibrant state economy and to intellectual, cultural, and political vitality, the Commonwealth of Kentucky seeks to ensure that postsecondary education is broadly accessible to its citizens. The Council and the institutions are committed to ensuring that college is affordable and accessible to all academically qualified Kentuckians with particular emphasis on adult learners, part-time students, minority students, and students from low and moderate income backgrounds. The Council believes that no citizen of the Commonwealth who has the drive and ability to succeed should be denied access to postsecondary education in Kentucky because of inability to pay. Access should be provided through a reasonable combination of savings, family contributions, work, and financial aid, including grants and loans.

In developing a tuition and mandatory fees recommendation, the Council and the institutions shall work collaboratively and pay careful attention to balancing the cost of attendance, including tuition and mandatory fees, room and board, books, and other direct and indirect costs, with students' ability to pay by taking into account (1) students' family and individual income; (2) federal, state, and institutional scholarships and grants; (3) students' and parents' reliance on loans; (4) access to all postsecondary education alternatives; and (5) the need to enroll and graduate more students.

- Attracting and Importing Talent to Kentucky

It is unlikely that Kentucky can reach its 2020 postsecondary education attainment goals by focusing on Kentucky residents alone. Tuition reciprocity agreements, which provide low-cost access to out-of-state institutions for Kentucky students that live near the borders of other states, also serve to attract students from surrounding states to Kentucky's colleges and universities. In fact, according to the Council's 2007 Brain Gain report, four out of every ten (37 percent) out-of-state graduates were still in Kentucky five years after receiving their degrees.

The Council and the institutions are committed to making Kentucky's institutions financially attractive to nonresident students while recognizing that nonresident undergraduate students should pay a significantly larger proportion of the full cost of their education. Any proposed policy on nonresident tuition and mandatory fees should also be evaluated based on its potential impact on attracting and retaining students which directly enhance diversity and Kentucky's ability to compete in a global economy.

- Effective Use of Resources

Kentucky's postsecondary education system is committed to using the financial resources invested in it as effectively and productively as possible to advance the goals of HB 1 and the Strategic Agenda, including undergraduate and graduate education, engagement and outreach, research, and economic development initiatives. The colleges and universities seek to ensure that every dollar available to them is invested in areas that maximize results and outcomes most beneficial to the Commonwealth and its regions. The Council's performance metrics shall be used to monitor both statewide and institutional performance toward HB 1 and Strategic Agenda goals.

The institutions also recognize their responsibility to demonstrate that they are good stewards of limited public resources by providing annual reports to their governing boards and the Council on their efforts to contain costs, improve efficiencies and productivity, and reallocate existing resources to high priority activities.

Special Use Fees Exception Policy

During the 2010-11 tuition setting process, campus officials requested that the Council consider excluding student endorsed fees from its mandatory fee definition, thus omitting consideration of such fees when assessing institutional compliance with Council approved tuition and fee rate ceilings. Based on feedback received from institutional Chief Budget Officers (CBOs) at their December 2010 meeting, it was determined that there was general interest in treating student endorsed fees differently from other mandatory fees.

In January and February 2011, Council staff collaborated with institutional presidents, CBOs, and their staffs in developing the following Special Use Fees Exception Policy:

- To the extent that students attending a Kentucky public college or university have deliberated, voted on, and requested that their institution's governing board implement a special use fee for the purposes of constructing and operating and maintaining a new facility, or renovating an existing facility, that supports student activities and services;
- And recognizing that absent any exemption such student endorsed fees, when implemented in the same year that the Council adopts tuition and fee rate ceilings, would reduce the amount of additional unrestricted tuition and fee revenue available for the institution to support its E&G operation;
- The Council may elect to award an exemption to its tuition and fee rate ceiling equivalent to all or a portion of the percentage increase resulting from imposition of the student endorsed fee, provided said fee meets certain eligibility requirements.

Definitions

A student endorsed fee is a mandatory flat-rate fee, that has been broadly discussed, voted on, and requested by students and adopted by an institution's governing board, the revenue from which may be used to pay debt service and operations and maintenance expenses on new facilities, or capital renewal and replacement costs on existing facilities and equipment, that support student activities and services, such as student unions, fitness centers, recreation complexes, health clinics, and/or tutoring centers.

Maintenance and Operations (M&O) expenses are costs incurred for the administration, supervision, operation, maintenance, preservation, and protection of a facility. Examples of M&O expenses include janitorial services, utilities, care of grounds, security, environmental safety, routine repair, maintenance and replacement of furniture and equipment, and property and facility planning and management.

Eligibility Criteria

A student endorsed fee will continue to be a mandatory fee within the context of the Council's current mandatory fee definition and may qualify for an exemption from Council approved tuition and fee rate ceilings. Campus officials and students requesting an exemption under this policy must be able to demonstrate that:

- All enrolled students have been afforded ample opportunity to be informed, voice their opinions, and participate in the decision to endorse a proposed fee. Specifically, it must be shown that fee details have been widely disseminated, broadly discussed, voted on while school is in session, and requested by students.

- For purposes of this policy, voted on means attaining:
 - a. A simple majority vote via campus wide referendum, with a minimum of one-quarter of currently enrolled students casting ballots;
 - b. A three-quarters vote of elected student government representatives; or
 - c. A simple majority vote via campus wide referendum, conducted in conjunction and coinciding with general election of a student government president or student representative to a campus board of regents or board of trustees.

- The proposed fee and intended exemption request have been presented to and adopted by the requesting institution's governing board. It is anticipated that elected student government representatives will actively participate in board presentations.

- Revenue from such fees will be used to pay debt service and M&O expenses on new facilities, or capital renewal and replacement costs on existing facilities and equipment, which support student activities and services, such as student unions, fitness centers, recreation complexes, health clinics, and/or tutoring centers. The Council expects these uses to be fully explained to students prior to any votes endorsing a fee.

- In any given year, the impact of a student endorsed fee on the overall increase in tuition and mandatory fees for students and their families will be reasonable. It may be appropriate to phase in the exemption over multiple years to maintain affordability and access.

- Requests for student endorsed exemptions are infrequent events. The Council does not expect requests for exemptions under this policy to occur with undue frequency from any single institution and reserves the right to deny requests that by their sheer number are deemed excessive.

- A plan is in place for the eventual reduction or elimination of the fee upon debt retirement, and details of that plan have been shared with students. The Council does not expect a fee which qualifies for an exemption under this policy to be assessed at full rate in perpetuity. Such fees should either terminate upon completion of the debt or, in the case of new facilities, may continue at a reduced rate to defray ongoing M&O costs. In either case, to qualify for an exemption, students should be fully aware of the extent of their obligation prior to any votes endorsing a fee.

Exemption Process

Requests for an exemption under this policy will be evaluated on a case by case basis. To initiate the process:

- The requesting institution will notify Council staff of any pending discussions, open forums, referendums, or student government actions pertaining to a proposed special use fee and discuss fee details with Council staff as needed.

- After a fee has been endorsed by student referendum or through student government action and approved by the institution's governing board, campus officials and students will submit a written exemption request to the Council for its consideration.
- Council staff will review the request, assess whether or not the proposed fee qualifies for an exemption, and make a recommendation to the Council.

To facilitate the exemption request process, requesting institutions and students are required to provide the Council with the following information:

- Documents certifying that the specific project and proposed fee details have been widely disseminated, broadly discussed, voted on, and requested by students, as well as adopted by the institution's governing board.
- Documents specifying the fee amount, revenue estimates, uses of revenue, impact on tuition and fees during the year imposed (i.e., percentage points above the ceiling), and number of years the fee will be in place.
- Documents identifying the project's scope, time frame for completion, debt payment schedule, and plan for the eventual reduction or elimination of the fee upon debt retirement.

Council on Postsecondary Education Preliminary 2012-13 Tuition Setting Timeline

- Nov 10, 2011 CPE Meeting – The staff provides Council members an update regarding the 2012-13 tuition setting process. They share the 2011-12 tuition policy and a preliminary 2012-13 tuition setting timeline with Council members.
- Nov-Dec 2011 Initiate discussions with institutions and generate draft tuition policy and tuition setting process documents for 2012-13.
- Council staff collects data and generates information related to funding adequacy, affordability, access, financial aid, and productivity.
- Institutional staffs collect data and generate information related to fixed cost increases, potential impacts of tuition increases, anticipated uses of additional tuition revenue, financial aid, and student debt.
- Jan 2012 Council and institutional staffs exchange information from respective data collection efforts and work together to finalize for distribution to Council members.
- Feb 10, 2012 CPE Meeting – The Council takes action on 2012-13 Tuition and Mandatory Fee Policy and 2012-13 Tuition Setting Process documents.
- The staff provides Council members with policy relevant information related to funding adequacy, affordability, access, financial aid, and productivity. Institutions share information regarding potential impacts of tuition increases and anticipated uses of additional tuition revenue.
- Feb-Apr 2012 Council and institutional staffs discuss policy relevant information and preliminary tuition parameters. The Council president updates Council members regarding these discussions.
- Apr 20, 2012 CPE Meeting – The Council takes action on recommended tuition and mandatory fee parameters.
- May 2012 Institutional staffs share proposed 2012-13 tuition and mandatory fee rates with the Council president. The Council president updates Council members regarding the proposed rates.
- Jun 20, 2012 CPE Meeting – The Council takes action on each institution’s proposed 2012-13 tuition and mandatory fee rates.

**Council on Postsecondary Education
November 10, 2011**

**Kentucky's Bucks for Brains Program
2011 Summary Report**

The Bucks for Brains Program is a key component of Kentucky's postsecondary reform agenda that began in 1997 with passage of the *Postsecondary Education Improvement Act (HB 1)*. The program matches public dollars with private donations and requires that the funds be endowed to support research at the University of Kentucky and the University of Louisville and to strengthen key programs at Kentucky's comprehensive universities.

The Council on Postsecondary Education provides administrative oversight for the Bucks for Brains Program. The Council establishes the areas of concentration within which program funds are used, develops guidelines for the distribution of program funds, and monitors the uses of funds and results achieved.

At the November 10 Council meeting, staff will provide an update on the Bucks for Brains Program. A 2011 Summary Report will be disseminated to Council members prior to the November 10 meeting. It includes a program overview, indicators of progress data, and information regarding the status of program endowments.

Staff preparation by John Hayek and Bill Payne

**Council on Postsecondary Education
November 10, 2011**

**Kentucky's Bucks for Brains Program
2011 Summary Report**

The Bucks for Brains program is a key component of Kentucky's postsecondary reform agenda that began in 1997 with passage of the *Postsecondary Education Improvement Act (HB1)*. House Bill 1 created the Strategic Investment and Incentive Trust Funds to bring about change and improvement in Kentucky's colleges and universities by providing financial incentives that advance state goals for postsecondary education.

The Bucks for Brains program, which has received four rounds of funding through the Research Challenge Trust Fund (RCTF) and the Comprehensive University Excellence Trust Fund (CUETF), was established and initially funded through a Surplus Expenditure Plan of the 1998-2000 Budget of the Commonwealth and was designed primarily to grow university endowments and attract top researchers to Kentucky.

Overview

The Bucks for Brains program matches public dollars with private donations to encourage research at the University of Kentucky and the University of Louisville and to strengthen key programs at Kentucky's comprehensive universities. All funds both public and private must be endowed, which provides a perpetual source of funding for research related activities.

The General Assembly has appropriated a total of \$410 million to this program over the past 13 years, with \$350 million of that amount allocated to the state's two research universities, and \$60 million allocated to the six comprehensive institutions. There have been four rounds of funding for the program, each appropriated in conjunction with the state's biennial budget cycle: (a) \$110 million in 1998-2000; (b) \$120 million in 2000-02; (c) \$120 million in 2002-04; and (d) \$60 million in 2008-10.

The state investment has been used to leverage \$410 million in private contributions, through a dollar-for-dollar matching feature. Thus, when 2008-10 pledges are fully paid, a total of \$820 million will have been generated through the program, with \$767.9 million added to public university endowments and \$52.1 million used to support construction of new research facilities at the University of Kentucky (i.e., \$43.8 million) and education and general facilities at the comprehensive universities (i.e., \$8.3 million).

The Council on Postsecondary Education provides administrative oversight for the Bucks for Brains program. The Council establishes the areas of concentration within which program funds are used, develops guidelines for the distribution of program funds, and monitors the uses of funds and results achieved.

Goals

The short-term goals of the Bucks for Brains program are to encourage private investment in public higher education research activities, grow university endowments, increase endowed chairs and professorships, and generate federal and externally sponsored research. Long-term goals include stimulating business development, creating better jobs and a higher standard of living, and facilitating Kentucky's transition to a knowledge-based economy.

Outcomes

Kentucky's progress toward achieving the goals of the Bucks for Brains program has been remarkable. Over the past 13 years, the state's public universities have recruited and retained world-class researchers, more than tripled their collective federal research funding, and made large investments in public service. These efforts have yielded new knowledge through basic and applied research, as well as new products, businesses, and jobs. The Bucks for Brains program has been a primary catalyst for this growth.

Table 1 below contains combined Bucks for Brains indicators of progress data for the University of Kentucky and the University of Louisville for the time period 1997 through 2010.

Table 1: Bucks for Brains Indicators of Progress
Combined UK & UofL Data (Dollars in Millions)

Outcome Category	1997	2010	% Change
Annual Giving	\$87.7	\$135.8	55%
Endowment Market Value	\$447.4	\$1,387.6	210%
Endowed Chairs	53	237	347%
Endowed Professorships	49	297	506%
Federal R&D Expenditures	\$75.6	\$264.8	250%
Extramural R&D Expenditures	\$105.2	\$364.8	247%
Invention Disclosures	70	195	179%
New Patent Applications	33	78	136%
Licenses & Options Executed	6	23	283%
Active Licenses & Options	59	215	264%
Start-Up Companies Formed	0	13	--

Recognition

On November 8, 2011, the Bucks for Brains program received national acclaim by receiving an Excellence in Technology Based Economic Development (TBED) award from the State Science and Technology Institute (SSTI). The Kentucky program garnered the award in the Expanding Research Capacity category, which is described on the SSTI website as initiatives that strengthen the capacity to conduct research in universities, federal labs, or the private sector. This may include centers of excellence, university-industry partnerships, and initiatives to expand research facilities, recruit eminent scholars, or increase research funding through R&D tax credits.

SSTI is billed as the most comprehensive resource available for those involved in technology based economic development. Since 1996, the institute has developed a nationwide network of practitioners and policymakers dedicated to improving the economy through science and technology. SSTI uses this network and its unique access to information to assist states and communities as they build technology based economies, conduct research on best practices, and seek to build cooperation between state and federal programs.

Status of Endowments

On Monday, October 6, 2008, the U.S. stock market began a weeklong decline in which the Dow Jones Industrial Average fell over 1,874 points or 18 percent in its worst weekly decline ever on both a point and percentage basis. This event marked the beginning of a sustained economic downturn which, combined with continuing losses in stock and bond markets, has had a profoundly negative effect on university and foundation endowment asset values.

At many institutions, these losses resulted in a substantial portion of their endowment funds becoming “underwater,” particularly those that were relatively new that lacked time to build sufficient reserves. An underwater endowment fund is one in which the market value of the fund has fallen below the Historic Dollar Value (HDV). The Uniform Management of Institutional Funds Act (UMIFA) defines HDV as the value of contributions made to the fund without increases or decreases from investment results, inflation, or other factors.

According to an Association of Governing Boards (AGB) 2009 survey of 184 colleges, universities, and institutionally-related foundations, respondents reported employing different strategies for managing underwater endowments:

- 38 percent discontinued all distributions for funds at or below HDV.
- 34 percent continued distributions with normal spending rule.
- 19 percent distributed only interest and dividends for funds at or below HDV.
- 7 percent continued distributions at a reduced rate, yielding more than interest and dividends.

Until July 2010, expenditures from underwater accounts with donor permission were permitted by Kentucky statutes under UMIFA guidelines. During the 2010 legislative session, the Kentucky General Assembly enacted Senate Bill 76, the Uniform Prudent Management of Institutional Funds Act (UPMIFA), which fundamentally changed the legal context surrounding management of endowment funds. UPMIFA provides boards with greater flexibility to distribute funds from underwater endowments requiring that the institutions act in good faith in making expenditure decisions upon consideration of several factors including, but not limited to, general economic conditions, other available resources, and the needs of the institution.

Since 2000, the Council’s program guidelines specify that “only the investment earnings are eligible for expenditure, not the principal” (p. 4, 2008-10 Endowment Match Program Guidelines). Council staff discussions with the institutions in 2010 revealed that the University of Kentucky, with permission from its private donors, distributed funds in excess of actual income from underwater endowments. Distributions from underwater endowments at the other public Kentucky universities have been limited to no more than actual income.

To preserve the state's investment in the RCTF program and provide future support of the university's research mission, UK will replenish the difference between the spending distribution and actual income for the state funded portion of the contributed value of underwater endowments for fiscal years 2009-10 and 2010-11. The amounts will be replenished over a period of time not to exceed seven years, beginning with fiscal year 2012-13. In addition, beginning with fiscal year 2012-13, the spending distribution for underwater RCTF endowments will be limited to actual income.

In coming months, a work group comprised of Council staff and campus officials will review and discuss possible changes to Bucks for Brains guidelines and reporting requirements, including an assessment of the implications of UPMIFA. It is anticipated that staff will bring draft 2012-14 Endowment Match Program guidelines and reporting procedures for Council review to the February 2012 meeting.

**UPDATE FROM COMMISSIONER TERRY HOLLIDAY
FOR THE
NOVEMBER 9-10, 2011, COUNCIL ON POSTSECONDARY EDUCATION MEETING**

Commissioner's Comments

The Kentucky Department of Education is in the process of preparing Kentucky's request to waive the requirements of No Child Left Behind and provide flexibility to use the new assessment and accountability system approved by the Kentucky Board of Education for both federal and state rewards, consequences and support. Kentucky's new system, Unbridled Learning: College and Career Ready for All, is more balanced and fairer to schools with the focus being on growth and college and career readiness.

U.S. Secretary of Education Arne Duncan announced this opportunity for flexibility and the guidelines for submission of the waiver. The waiver request will soon be made available for review by the public on the Kentucky Department of Education's website with instructions on how to provide feedback. We invite everyone to participate in the review process.

The deadline for submission to the United States Department of Education is November 14 and we plan to submit Kentucky's request prior to the deadline.

Highlights of the October 5, 2011 Kentucky Board of Education Meeting

BOARD DELAYS IMPLEMENTATION DATE OF WORLD LANGUAGE PROGRAM REVIEW

As part of the October 5 Kentucky Board of Education meeting, the board was apprised of concerns from legislators, superintendents, teachers and others about the timeline for requiring the world language program review that is included in state regulation 703 KAR 5:230, approved in August 2011. Commissioner Holliday advised the board that the concerns were widespread among superintendents and advised that a delay in the timeline can be used to educate all constituencies on how world language can be implemented effectively at all levels.

After much discussion that clearly reflected the board's commitment to the teaching of world language, a motion was approved to change the timeline for the world language program review at all levels. The new timeline would call for development and educational planning to occur in 2011-12 and 2012-13, educational planning and a pilot in 2013-14, implementation in 2014-15 and accountability in 2015-16.

For more information on this item, contact Felicia Smith at (502) 564-9850 or via e-mail at Felicia.Smith@education.ky.gov.

COMMONWEALTH DIPLOMA PROGRAM EXTENDED AN ADDITIONAL YEAR

Due to input from legislators, school district personnel and parents, Kentucky Department of Education staff recommended to the board that the Commonwealth Diploma program be continued an additional year, with no funding, before its discontinuation. It was conveyed that this would allow those already in the pipeline to earn the diploma to complete the program. This would extend the life of the program through the 2012-13 school year and give more time for other options to be developed to take the place of the Commonwealth Diploma. The board unanimously approved this proposal.

For more information on the extension of the Commonwealth Diploma program, contact Robin Chandler at (502) 564-9850 or via e-mail at robin.chandler@education.ky.gov.

2012-2014 BIENNIAL BUDGET APPROVED

Members of the state board gave approval to the additional funding request items and the overall biennial budget request so that these can be submitted to the Governor's Office of Policy and Management in November for consideration as part of the 2012-2014 budget. The total of additional funding requests for 2012-14 is \$828,325,500 and this is part of a total operating budget of \$5,216,257,861.

The breakout of additional funding requests can be found at the following link within the October *Board Notes* newsletter on page 2:

<http://www.education.ky.gov/Users/spalmer/Board%20Notes%20October%202011.pdf>

For more information on the Kentucky Department of Education's budget submission, contact Hiren Desai at (502) 564-1976 or via e-mail at Hiren.Desai@education.ky.gov.

KENTUCKY BOARD OF EDUCATION LEGISLATIVE AGENDA FOR THE 2012 LEGISLATIVE SESSION APPROVED

As part of the October 5 meeting, the board approved its legislative agenda for the 2012 legislative session. Four items were approved as follows:

Compulsory School Attendance

Amend KRS 159.010 to raise the compulsory school age for attendance from 16 to 18.

Under the current law, students in Kentucky are eligible to leave school, before graduating, at the age or 16. This proposed change will raise compulsory school age to 18. This statutory change will be supported by many initiatives being undertaken by the department and local districts through the dropout prevention grants as well as through other means. An estimated 6,500 Kentucky students drop out of grades 9-12 each year. Many programs exist to support retaining these students including access to dual credit, middle college, career learning (CTE), credit recovery and alternative education programs.

Innovation

Amend and add new sections to the Kentucky Revised Statutes.

Expand current and craft new statutes to provide additional flexibility for districts in organizing schools and instructional programs to meet the needs of students. There are several tools to support innovative pathways to graduation including AdvanceKY, Alternative Programming, Early/Middle College, Competency-Based Graduation, Board Examination Systems, Advanced/Dual Credit, and Digital Learning.

Preschool Funding

Amend KRS 157.226 to adjust the preschool funding formula.

The current formula is based on the December 1 count of the previous year (December 1, 2009) for each preschool funding category: at-risk, speech, developmental delay, and severe. Additional funds from a supplemental 3s count (three-year-olds with disabilities) are included in each district's allocation. Districts whose enrollments decreased more than five percent from the last two December 1 counts receive a negative funding adjustment and districts whose enrollment increased by more than five percent receive a growth adjustment. By removing the five percent negative and positive (growth) adjustments, funding is stabilized for the districts and they can plan decisions on more current data.

Career and Technology Education

Amend and add new sections to the Kentucky Revised Statutes.

The Transforming Education in Kentucky (TEK) Task Force provided numerous recommendations including improving prospects for students in career and technology education programs. The Career and Technical Education Steering Committee has released a draft report with recommendations centered on streamlining operations of the state and local centers as well as on improving and aligning curriculum, developing programs and professional development.

For more information on the legislative agenda, contact Tracy Herman at (502) 564-4474 or via e-mail at Tracy.Herman@education.ky.gov.

ALTERNATIVE EDUCATION REGULATION APPROVED

704 KAR 19:001, Alternative Education Programs (Final) was given final approval in August. Kentucky Department of Education staff noted that the regulation is being promulgated to provide a better framework for local districts to address issues surrounding alternative education programs. The regulation includes a definition for alternative education programs, data to be tracked by districts through the student information system and how districts will catalogue expenditures of alternative education programs.

For more information on 704 KAR 19:001, contact Associate Commissioner Dewey Hensley at (502) 564-4772 or via e-mail at Dewey.Hensley@education.ky.gov or Associate Commissioner Kevin Brown at (502) 564-4472 or via e-mail at Kevin.Brown@education.ky.gov.

Next KBE Meeting: December 7, 2011, Frankfort

**Council on Postsecondary Education
November 10, 2011**

Strategic Agenda Workgroups

ACTION: The staff recommends that the Council approve the formation of four workgroups to help monitor and guide implementation of *Stronger by Degrees, Kentucky's 2011-2015 Strategic Agenda for Postsecondary and Adult Education*.

The four workgroups will focus on the policy priority areas of the Strategic Agenda: college readiness; student success; research, economic, and community development; and efficiency and innovation. The workgroups will be comprised of Council members, but membership may be expanded to include university representatives and other key stakeholder groups.

The workgroups will meet twice a year with Council staff to discuss progress on the objectives in the policy areas, review strategies, and evaluate performance on key measures. The workgroup meetings will allow a deeper level of conversation and engagement and a more detailed review of materials than is allowed within the regular Council meeting structure.

Similar Council subcommittees were formed in 2010 to support the development of the Strategic Agenda. Council membership on those, which was limited to those serving on the Strategic Agenda Workgroup, included:

- **College Readiness:** Lisa Osborne and Joe Weis
- **Student Success:** Pam Miller and former member Chris Crumrine
- **Research, Economic, and Community Development:** Nancy McKenney and former member Phyllis Maclin
- **Efficiency and Innovation:** Dan Flanagan and Joe Graviss

Governor Patton will consult with Council members about their preferences in terms of policy area, and workgroup memberships will be finalized before the February meeting.

Staff preparation by Lee Nimocks

**Council on Postsecondary Education
November 10, 2011**

Committee Appointments

Governor Patton will appoint a nominating committee at the November 10 meeting. The committee will present nominations for Council chair and vice chair at the February 2012 meeting. The appointments will be one-year terms, from February 10, 2012, to January 31, 2013.

Members of the Council's Executive Committee will be appointed by the new chair at the February 2012 meeting. This committee consists of the chair, vice chair, and three other members appointed by the chair who serve one-year terms.

EKU Report

Eastern Kentucky University News for the Council on Postsecondary Education

November 2011



EKU Center for the Arts Hosts Gubernatorial Debate

The ECU Center for the Arts hosted a Kentucky gubernatorial debate on Oct. 11. From left are moderator Bill Bryant of WKYT-TV, and candidates Gov. Steve Beshear, Lexington attorney Gatewood Galbraith and State Sen. David Williams. The event was sponsored by the Kentucky Broadcasters Association and the League of Women Voters.

Effort to Honor Soldiers Reaches 50 States

A nationwide effort that originated at ECU to honor American service men and women who paid the ultimate sacrifice in Iraq and Afghanistan now encompasses all 50 states.

On Veterans Day, Friday, Nov. 11, campus and community volunteers at more than 140 college and universities, including ECU, will read the names of the 6,200-plus casualties of Operation Enduring Freedom (OEF) and Operation Iraqi Freedom (OIF), now called Operation New Dawn.

Each campus participating in Remembrance Day National Roll Call will organize its own reading of names and will observe a simultaneous nationwide minute of silence at 2 p.m. EST. A ceremony will begin at ECU at 1:30 p.m.

The Remembrance Day National Roll Call is sponsored nationally by the Veterans Knowledge Community of NASPA Student Affairs Administrators in Higher Education. NASPA is a 12,000-member association for the advancement, health, and sustainability of the student affairs profession. The Veterans Knowledge Community (VKC) mission is to advocate for best practices to help student veterans transition to college and succeed.

At ECU, the reading of the names, in chronological order, will begin at 6 a.m. between the Powell Building and the campus bookstore and continue into the early afternoon. At 10:30 a.m., an ROTC contracting ceremony will be held at adjacent Memorial Plaza, followed at 11 a.m. by a memorial service for ROTC alumni. The main ceremony at 1:30 p.m. will be on the north end of the Powell Building.

STEM-H Institute Focuses on Critical Fields, Advances College Readiness

EKU has established a STEM-H Institute to enhance teaching and learning in the fields of science, technology, engineering, mathematics and health at all educational levels by focusing on outreach, teaching, professional development and research.

"These are the fields that guide our future economic growth as a region, state and nation," said Dr. Jaleh Rezaie, associate dean of Graduate Education and Research and interim executive director of ECU's STEM-H Institute. "Unfortunately, the pipeline that begins at pre-kindergarten and extends to STEM-H related jobs is shrinking. By focusing on outreach, teaching, professional development and research with the goal of increasing the number of students who are interested and prepared to enroll in the STEM-H fields and assisting them to complete their degrees and enter the workforce, ECU will be fulfilling its mission of student success and regional stewardship."

The institute also complies with Kentucky Senate Bill 1 (2009) as it relates to college readiness.

The first task of the institute will be to work with and support ECU's Mathematics Transitions Initiative, which was developed by a faculty team in the University's Department of Mathematics and Statistics. For the past three years, the team has facilitated "transition to college" mathematics courses to help school districts throughout the region prepare their students for college coursework and reduce the need for remediation. The ECU team's work has resulted in a significantly reduced need for developmental college courses and, consequently, a cost savings for many ECU students and families. Ultimately, it is expected to result in improved retention and graduation rates.

"The knowledge gained from this initiative and the relationships developed with the K-12 schools will serve as a foundation for the Institute's initiatives for outreach, teaching, professional development and research in the other STEM-H fields," said Rezaie.



Front row, from left: Gary Abney, chair, EKU Board of Regents; State Rep. Rita Smart; Mark Brown, Secretary, Kentucky Labor Cabinet; Dr. Charles Hickox, dean, EKU Continuing Education and Outreach; Tammy Cole, system director for non-credit programs, EKU Continuing Education and Outreach; Kimberlee Perry, director of education and training, Ky. Department of Workplace Standards. Back row, from left: Kathy Murphy, training specialist, OSHA Training Institute Education Center; Josh Dahl, training, OSHA Training Institute Education Center; Will Drake, administrator, OSHA Training Institute Education Center; Danny Vernon, branch manager, education and training, Department of Workplace Standards; Bill Carey, construction partnership administrator, Department of Workplace Standards, education and training; and State Sen. Jared Carpenter.

OSHA Institute at EKU Partners with Ky. Labor Cabinet

The Kentucky Labor Cabinet's Department of Workplace Standards and EKU's OSHA Training Institute Education Center (OTIEC) have entered into a partnership that will advance their common goal of workplace safety.

At the conclusion of a recent news conference on the Richmond campus, Cabinet and University officials joined to sign the agreement, which calls for the partners to:

- sustain an open communications policy in a manner that encourages respect and understanding.
- share knowledge of the best work practices that improve job site safety and health performance.
- cooperate in the development and continuous improvement of safety training programs for the workplace and Kentucky Occupational Safety and Health personnel.
- promote the recognition for excellence in workplace safety.

Kentucky Labor Cabinet Secretary Mark Brown said Kentucky "is well-known for having a very productive workforce. What we're working for is having one of the safest workplaces in the nation."

Justice & Safety Dean Featured in Newsweek

"I can't always remember their names, but in my nightmares I can see their faces."

That's how Dr. Allen Ault, now dean of EKU's College of Justice & Safety, describes in Newsweek magazine his oversight of five executions when he served as the commissioner of the Georgia Department of Corrections from 1992 to 1995.

The recent execution of Georgia inmate Troy Davis thrust Ault into the national spotlight. He was interviewed live on MS-NBC from his home and has been quoted in numerous other national media outlets.

The Oct. 3 issue of Newsweek contained a column penned by Ault entitled "In My Nightmares I Can See Their Faces: Ordering Death in Georgia," in which he argues that the United States "should be like every other civilized country in the Western world and abolish the death penalty," even though he doesn't believe any of those five executions were mistaken.

Ault brought his 30-plus years of experience to EKU in 2003. Previously, he had served as commissioner of state Departments of Corrections in Georgia, Colorado and Mississippi, was a warden of a maximum-security prison, and for 11 years was president of a national criminal justice consulting firm.



Program Assists Children with Autism, Their Families

A series of grants from the WHAS Crusade for Children has enabled EKU to enhance a program designed to assist children with Autism Spectrum Disorders (ASD) and their families.

The University recently received \$4,068.75 from the Crusade, the third consecutive year the Louisville station has assisted the ASD program, which was begun many years prior to the grants.

One evening a week throughout much of each spring semester, faculty and students from the EKU departments of Psychology and Occupational Therapy lead social skills groups for 10-15 children with ASD in the University's Psychology Clinic while simultaneously the children's parents (and, in some cases, siblings) are meeting with Psychology faculty and graduate students. In addition, each fall faculty and student leaders work with school groups in the community.

Most of the children served by the EKU program are of elementary school age, and some of the families drive as much as two hours to visit the Richmond campus. Services are provided at a modest cost on an ability-to-pay basis.

EKU Partners with Minger Foundation to Enhance Fire Safety

The first phase of an innovative national community service project aimed at improving fire awareness and safety was launched at EKU on Sept. 26.

Gail Minger, founder of the Michael H. Minger Foundation, EKU President Doug Whitlock and other officials were on hand to kick off "Help Save A Life, Get on the Truck," which pairs EKU students with Richmond Fire Department officers to engage the campus and community in projects that will enhance safety.

Minger, who lost her son, Michael, in a 1998 arson fire in a residence hall at Murray State University, sees the project as a way to "make a difference by working to minimize risks and save lives. We felt this was the perfect place" for the launch, and "we are pleased to join with EKU on this very important life-saving educational initiative."

The project is funded by a Department of Homeland Security Fire Prevention and Safety Grant.

KCTCS GOOD NEWS REPORT

HIGHER EDUCATION BEGINS HERE

OCTOBER 2011

KCTCS Vice President Gwen Joseph, ACCT President and CEO J. Noah Brown, 2010-2011 ACCT Chair Peter E. Sercer, Sr., and 2010-2011 ACCT Diversity Committee Chair Robin Smith.



KCTCS RECEIVES PRESTIGIOUS EQUITY AWARD

The Kentucky Community and Technical College System (KCTCS) is this year's recipient of the coveted **Charles Kennedy Equity Award** from the Association of Community College Trustees (ACCT). The Association awards recognize the tremendous contributions made by trustees, equity programs, chief executive officers, faculty members, and professional board staff members. KCTCS was specifically recognized for outstanding efforts and commitment to equity through a number of initiatives, including:

ENROLLMENT

Diversity among the student body at the 16 KCTCS colleges grew significantly between 2005 and 2010. The total student enrollment has grown by almost 26 percent. The largest growth occurred among the Latino population, which saw a 121.5 percent increase, followed by African-Americans with a 59.1 percent increase.

PARTNERSHIPS IN SUPPORT OF MOBILITY

Ready to Work/Work and Learn: Ready to Work (RTW)/Work and Learn (WL) is a partnership between KCTCS and the Kentucky Cabinet for Health and Family Services (KCHFS) designed to serve the Commonwealth's low income parents interested in postsecondary education at community and technical colleges with intensive case management/support services to aid their success. RTW targets students taking college credit courses, while WL targets students in Adult Education/GED courses planning to transition into college. In 2010, the program served 2,430 low-income parents, of which 1,800 were college-level students and 630 adult education students. From fall 2008 to fall 2009, retention was 53 percent for RTW students and 44 percent for the general population. Additionally, 44 percent of the RTW students had GPAs that exceeded the general college population.



KENTUCKY COMMUNITY & TECHNICAL COLLEGE SYSTEM

KCTCS GOOD NEWS REPORT

HIGHER EDUCATION BEGINS HERE

OCTOBER 2011

CAMPUS ENVIRONMENT

Offices of Cultural Diversity: The 16 colleges and the System Office each created an Office of Cultural Diversity (OCD). The OCDs are designed to develop/implement strategies to increase minority participation and engagement of students and employees in events and activities.

KCTCS Diversity Action Planning Process: In alignment with the Strategic Plan, the Diversity action research/planning process initiated an appreciative dialogue about diversity, built critical relationships, and constructed a shared vision of cultural diversity. The research and planning activities focused on reframing the diversity efforts as a change initiative that utilizes organizational development concepts, such as appreciative inquiry and cross-functional collaboration. The outcome of the planning process was the KCTCS Diversity Action Plan and framework, *Beyond the Numbers: KCTCS 2010-16 Diversity Action Plan for Inclusion, Engagement, and Equity*. The plan was designed as a roadmap to a future where diversity is infused throughout all functional areas of the organization. The plan's four priority areas are:

- Student Success and Access
- Education, Scholarship, and Service
- Campus Climate
- Institutional Leadership and Transformation

EMPLOYMENT AND PROMOTION

KCTCS Fellows Initiative: Modeled after the Visiting Scholars Program, the KCTCS Fellows initiative was developed in July 2005 to increase diversity at the faculty and administrative levels systemwide. The initiative was designed to offer colleges and the System Office an incentive to create employment opportunities, outside of the traditional budgeting and hiring cycles. The System Office provides up to 50 percent funding, for up to two years, with the commitment of continued employment at the end of the Fellowship. As a result of the Fellows initiative, \$1,596,859 has been allocated systemwide to support the hiring of 30 individuals in faculty, executive, administrative, manager, and professional positions.

INVOLVEMENT IN MINORITY COMMUNITY

KCTCS Super Sunday: Super Sunday is an annual student recruitment initiative specifically targeting African-American students and their families with information and resources to support college admission and enrollment. The inaugural event was held on February 27, 2011, and was declared "KCTCS Super Sunday Day" in the state by Governor Steve Beshear. All 16 KCTCS colleges and the System Office partnered with 23 African-American churches

across the Commonwealth to host college information fairs for prospective students and their families. The focus of Super Sunday was to educate African-American students and their families about the importance of a college education in an effort to increase the number of African-American students enrolling in college. All 16 college presidents, the KCTCS President and other campus and System executives were on hand at each church to give a brief presentation about the value of education, its connection to employability and quality of life, and the benefits of early planning. Host pastors re-emphasized these messages and promoted the importance of parental involvement. More than 3,000 prospective students and their families attended these community-based events, with each church and college varying their schedule and agenda to accommodate participants. Next year's event will be Sunday, February 12.

REPRESENTATION

Kentucky Community and Technical College Board of Regents: In July, the Board elected Porter G. Peebles, Sr. as its new chair. Not only is he the first African-American to serve in this position, he is a community college graduate who offers a unique perspective and serves as a role model to students.

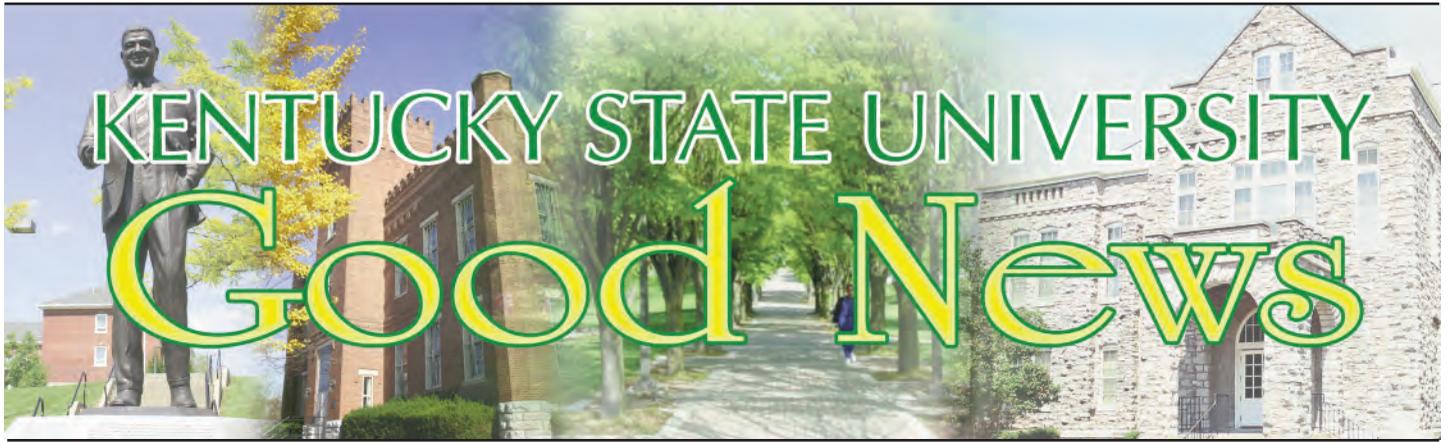
KCTCS is governed by a 14-member Board of Regents. Eight members are appointed by the Governor and six are elected members. The elected members include two members of the teaching faculty elected by faculty, two members of the nonteaching personnel elected by nonteaching personnel, and two members of the student body elected by students. The demographics of the current Board members are as follows: 50 percent female, 50 percent male, and 14 percent African-American. In addition to the minority representation on the KCTCS Board of Regents, 13 minorities serve on college advisory Boards of Directors.

CONTRACTING AND VENDOR PARTICIPATION

Diversity Supplier Initiative: KCTCS has developed a strategy to increase both the number of diverse suppliers from whom purchases are made and the dollar volume of business conducted with diverse suppliers. Through this KCTCS Board of Regents' endorsed initiative, KCTCS is committed to using suppliers that reflect the diversity of the students attending KCTCS colleges and the citizens of the Commonwealth of Kentucky. The business classifications used by KCTCS to define diverse suppliers include, but are not limited to, ethnic minorities, women-owned businesses, veterans, and individuals with disabilities.

KCTCS was recognized by the ACCT earlier in the year with a regional-level award. All regional winners were the sole contenders for the national-level awards. The awards were announced during the ACCT Awards Gala on October 14, 2011, in Dallas, Texas.





Kentucky State University

www.kysu.edu

October 2011

Interim Provost Plans To Help Keep University Moving



Dr. Mac A. Stewart, who began his tenure as interim provost at Kentucky State University in August, does not plan to serve as a placeholder until a new provost is selected.

Stewart plans to join President Mary Evans Sias, however, in moving the university forward.

“I would love to leave feeling that

there was some particular effort I brought closure to,” he says.

Stewart recently retired from the position of special assistant to the president for diversity and vice provost at

Ohio State University, where he earned his doctoral degree in higher education administration, following a long career of senior-level administrative positions in higher education.

A native of Macon, Ga., Stewart has two sons and is married to Tena Stewart, a media specialist for the public school district in Columbus, Ohio. At OSU, Stewart helped improve retention among African-American males. He also started a program to increase the number of minority students studying abroad. Under that program, the students rendered service to various countries.

The interim provost says distance learning and study abroad programs may be two areas where KSU can become distinctive.

New Dean For New College



Dr. Teferi Tsegaye was surrounded by accolades and family photos of his wife and young daughter as he described his excitement about Kentucky State University’s newest college and his role as dean of the College of Agriculture, Food Science and Sustainable Systems.

The dean, whose office is located on the second floor of the Cooperative Extension Building, is also director of the Land Grant program.

Tsegaye plans to develop unique, signature programs that differentiate KSU from other universities and make it one of the leading schools in certain areas.

“I hope it will make an impact on our state economy,” Tsegaye says of the college.

He adds that KSU, the college and its students have the opportunity to make an impact nationally and globally. The

world needs good food and clean water. “This is what the college is all about,” he says.

Tsegaye came to KSU with a checklist of ideas. He was a professor and chair of the Department of Natural Resources and Environmental Sciences at Alabama A & M University.

Tsegaye says he wants KSU students to get involved in research opportunities with the U.S. Department of Agriculture in Bowling Green, Ky. He wants to work with alumni, reach underserved minorities and recruit more students. He says the college is developing online courses, and he plans to implement 21st century smart classrooms.

A team player, Tsegaye says he wants to help create opportunities across campus for multidiscipline research.

Tsegaye says students who graduate from KSU should remember being nurtured.

“Our hope is to provide students with the best learning environment,” Tsegaye says.

Former Interim Dean Returns To KSU For Permanent Position



The new dean of the College of Business and Computer Science came to Kentucky State University in early October after 26 years in various roles at Savannah State University. But Dr. Tsehai Alemayehu, who was born in Ethiopia, is no stranger to the Bluegrass State.

Alemayehu received his bachelor's degree in economics from Berea College in 1971. He then earned his master's degree in economics and Ph.D. in international economics from the University of Kentucky.

His first teaching job, in the mid-1970s, was at Pikeville College as an assistant professor of economics. Alemayehu started as a professor of economics and finance in 1985 at Savannah State University, where he stayed until leaving for the dean's position at KSU. However, Alemayehu served as interim dean of KSU's

School of Business Administration from 1999 to 2000.

"I was very, very impressed with the quality of students who were here at the time," Alemayehu says.

Now, a decade after that brief stint at KSU, Alemayehu has returned to energize students and faculty. He has published numerous articles in various journals over the years and taken on myriad roles in addition to teaching.

Alemayehu says he wants to create a high-energy environment in the college where students are excited about being in the program and employers are excited about hiring KSU business students. He plans to work with area business leaders, bring executives to campus to work with students and talk with successful alumni about their experience at KSU.

Alemayehu says he will study and update the curriculum to reflect modern business practices.

"We have to be sure that our students are prepared for the workplace of the 21st century," he says.

Inaugural President's Awards Presented To Three On Founder's Day

Kentucky State University President Mary Evans Sias introduced a new tradition during the 2011 Founder's Day convocation, on Oct. 7 making the program, which already fell amid KSU's 125th anniversary celebration, even more memorable than in recent years.

The inaugural President's Awards – which consist of the Tradition of John Henry Jackson Service Award, the Tradition of James Sheldon Hathaway Achievement Award and the Tradition of Rufus B. Atwood Alumni Spirit Award, named after former KSU presidents – were presented to Brigadier Gen. Henry Huntley, Travis Grant and Dr. James C. Letton, respectively.

There were also four KSU National Alumni Association Awards presented during the convocation. The William H. Goodwin Alumni Commitment Award went to Valinda Livingston and JoJuana Leavell-Greene of Lexington, Ky., and Francis V. Goins of Dayton, Ohio. Joseph P. Perkins of New York received the Distinguished Alumni Award.

"Jackson developed an early template for service," Sias said of KSU's first president in presenting the first award.

Huntley, who has a Bachelor of Science degree from KSU, has served the country in a variety of ways for more than 30 years, and he has been extensively decorated for military and humanitarian service. He is a brigadier general of the Fort Knox Army Base.

The Tradition of James Sheldon Hathaway Achievement Award was presented to Travis Grant, who brought national

recognition to KSU for his athletic and basketball excellence and NCAA record scoring. The award honors someone who has demonstrated a personal passion for creating access and opportunity in higher education for underserved populations for a minimum work life of 25 years.

Grant has been an educator – serving as a teacher, basketball coach, assistant principal and athletic director – for 29 years.

Rufus B. Atwood was KSU's longest-serving president. He had a profound impact on shaping the university's future as an accredited four-year college, according to the award description. The recipient exemplifies a positive attitude, professionalism and dedication to excellent service by putting forth extra effort and producing high-quality results.

Letton, who was born in Paris, Ky., is a 1955 graduate of KSU and has a Ph.D. from the University of Illinois. He has worked as a high school science teacher in Kentucky, a research scientist at the Percy L. Julian Laboratories in Chicago and a professor at KSU. He is retired from Proctor and Gamble in Cincinnati, Ohio, where he was a member of the Victor Mills Society, the highest recognition awarded to P & G scientists. Letton was awarded several patents while working at P & G.





We aspire to be the best public regional university in the South.

November 2011



Nell Painter starts 2011-12 Presidential Lecture Series

Dr. Nell Irvin Painter, a leading historian of the United States, opened up the 2011-12 Morehead State University’s Presidential Lecture Series on Monday, Oct. 3. She presented “Art and Truth in African-American History.”

Dr. Painter is the Edwards Professor of American History Emerita at Princeton University. In addition to her doctorate in history from Harvard University, she has received honorary doctorates from Wesleyan, Dartmouth, SUNY-New Paltz, and Yale.



Alex Taylor named 2011 Chaffin Award winner

MSU’s Department of English and the Kentucky Folk Art Center (KFAC) have announced that Alex Taylor, author of the short story collection “The Name of the Nearest River,” was the recipient of the 2011 Thomas and Lillie D. Chaffin Award for Appalachian Writing.

A celebration honoring Taylor was held Saturday, Oct. 1, at the Kentucky Folk Art Center.

Morehead State sets enrollment record of 10,235

Morehead State University set a record for fall enrollment headcount of 10,235 students, President Wayne D. Andrews announced. This represents a 15.8 percent increase over fall 2010. The previous record of 9,509 students was set in fall 2003.

Fall enrollment is being bolstered by an 18.2 percent increase in first-time freshmen on campus. This fall, MSU’s Class of 2015 grew by more than 215 additional freshmen compared to last year. Improved student retention is also contributing to the record enrollment. From fall 2004 to fall 2010, the retention rate of first-time freshmen increased from 61 percent to nearly 73 percent, Dr. Andrews noted. “We are very pleased with the progress we are making in student retention but will not be satisfied until that critical measure of student success exceeds 80 percent.

The fall number also includes record enrollment in the Early College Program which enables academically qualified students to dual enroll in college-level courses during their junior and senior years of high school. While MSU has offered dual enrollment opportunities for several years, the efforts to enhance and expand the Early College Program were a direct initiative in support of Senate Bill 1 passed by the General Assembly in 2009 to strengthen the college-going rate of Kentucky high school graduates and to better align the curriculum between K-12 and postsecondary education.

“The Early College Program is an incredible opportunity for high school students to be better prepared as they enter postsecondary education as full-time university students,” said Dr. Andrews. “The program not only allows them to get a jump-start on courses reducing their time to degree but also increases affordability. It is possible for a student to complete as many as 24 lower-division college credit hours prior to graduating from high school and do it at no cost to the student.” Nearly 1,600 students from 31 high schools are participating in Early College in the fall 2011 term.

The number of students choosing to attend MSU isn’t the only area where the University has experienced growth and improvement over last year. “We are especially pleased that along with the increase in the size of the freshman class, the average ACT composite score has also improved to 21.8,” said Jeffrey Liles, assistant vice president for enrollment services.

The University’s campus community is also more diverse this fall. The number of minority students seeking a degree increased by 26.2 percent during the past year and represents 5 percent of the total student population.



Seven inducted into Halls of Fame; Lucille Caudill Little honored during Homecoming

The 2011 Homecoming Banquet was held on Friday, Oct. 21, in the Crager Room of the Adron Doran University Center (ADUC).

Alumni and Athletic Halls of Fame inductees were installed and the 2011 Founders Award for University Service was presented, posthumously, to Lucille Caudill Little.

The inductees for the Alumni Hall were Larry Cordle (75); Dr. Ann Lake Greenwell (74); and The Rev. Marlon Longacre (86). The inductees for the Athletic Hall were: Val Falcone (74); Josh Teater (01); Harlan “Fats” Tolle (57); and Diane (Long) Wetherill (81).

Little was a teacher, singer, actress, director and philanthropist. She gave of herself to improve the educational and cultural life in eastern Kentucky. During her lifetime, her generous contributions were numerous. On the campus, the Caudill College of Humanities, Arts and Social Sciences, the Little Bell Tower and the Little Theatre all bear her name.

The W. Paul and Lucille Little Foundation has provided multiple millions of dollars for arts and arts education at Morehead State. Most recently, MSU received a \$2.5 million grant from the Little Foundation to establish the W. Paul and Lucille Caudill Little Endowment for Study of the Arts, which will provide scholarships for MSU students primarily from Rowan or Elliott counties who pursue a baccalaureate degree in art, music and theatre.

Career Fair breaks record

MSU held its annual Fall Career Fair on Tuesday, Oct. 4, with a record 72 employers and graduate schools participating. More than 250 students, alumni and community members were able to network with employers and graduate programs with the hope of landing an interview for an internship, part-time or full-time position.



“Journey Stories” exhibit opens at Kentucky Folk Art Center

MSU’s Kentucky Folk Art Center has announced the opening of a new exhibition “Journey Stories.” The exhibition will be on display at KFAC through Dec. 3.

“The history of America is about the movement of peoples,” said Adrian Swain, KFAC artistic director.

“Journey Stories” is a Museum on Main Street exhibition. The program is a partnership between the Smithsonian Institution and the state humanities councils nationwide, including the Kentucky Humanities Council.

The story of how transportation has shaped American society is complicated, but it tells us much about who we are – people who see our societal mobility as a means for asserting our individual freedom. “Journey Stories” will use engaging images with audio and artifacts to tell the individual stories that illustrate the critical roles travel and movement have played in building our diverse American society.

“This exhibition is an exceptional educational opportunity for schools in our region. And, we have already worked with a number of schools whose students told their own journey stories. I would encourage teachers to contact us or come by and view the exhibition to see how it could be useful for their students,” said Matt Collinsworth, KFAC director.

Kentucky Folk Art Center is a cultural, educational and economic development service of Morehead State University. The Center is open Monday-Saturday, 9 a.m. to 5 p.m. For more information, call 606-783-2204 or go to www.kyfolkart.org.



MURRAY
STATE UNIVERSITY

MSU ranked among *U.S. News* top 10 public universities in the South

Murray State University has been recognized for the 21st consecutive year as one of the best schools in the country in the 2012 *U.S. News & World Report's Best Colleges* rankings. The university is at eighth place among the top public regional universities in the South. Murray is in the Top Tier as the highest-ranked and only Kentucky regional public university to appear among the South's top 25 private and public schools. MSU's scoring shows it to be the 14th top public regional university in the nation.



Group travels to China to benefit the university and the state of Kentucky

MSU took its relationship and Kentucky's expertise in all things equine to Qingdao Agricultural University (QAU) in the Shandong Province of China in September. MSU faculty and administrators explored the possibilities of faculty/student exchanges and consulted with the university regarding equine and mass communications programs, along with M.B.A. (master of business administration) programming. Qingdao has begun an equine program that is modeled after Murray State's, with a particular concentration in performance horsemanship. Qingdao approached Murray State because of its outstanding equine program and its location in the state most identified with the horse industry.

MSU COE partners with NASA

MSU's college of education has established a partnership with NASA's Aerospace Education Services Project (AESP) to provide professional development for pre-service and in-service teachers in the west Kentucky region. An AESP educational specialist will provide educational resources to science methods students and National Science Teacher Association student chapter members. Students will also be able to utilize NASA educators, scientists and engineers as special resources. Area teachers will be allowed to check out materials such as moon rocks, items used by astronauts in space and NASA lesson plans that are aligned with the Common Core Standards. They will also have access to online materials and a list of classroom activities.



Jesse D. Jones continues support of the university

Dr. Jesse D. Jones is once again supporting initiatives at MSU with a recent gift of \$1 million to be used to complete the building that houses the Regional Business Innovation Center (RBIC). Thanks to Jones' gift, the facility will go from unfinished to a central outreach arm of the university and a place of honor for all those who have been major contributors to the university legacy.



State Farm Financial Services Resource Center dedicated

Murray State dedicated its State Farm Financial Services Resource Center in October. The center had been a long-time goal of the department of economics and finance in the college of business. The focus of the center is on career development and education for students interested in banking, financial planning, financial analysis and economic education to go beyond textbook theories and applications into a practical learning environment. They will gain hands-on experience working with commercial-grade financial planning software. At multiple workstations students will have live-feed and historic information on bonds, equities, commodities and currencies used by financial professionals around the world. Major gifts from alum Kris Robbins and U.S. Bank support the new center.



Dill Distinguished Professor receives national award

Dr. L. Murphy Smith, the David and Ashley Dill Distinguished Professor of Accounting at Murray, received the Outstanding Paper Award for articles published in the *Journal of the American Taxation Association* from the American Accounting Association.

MSU is “Military Friendly”

Murray State is once again ranked as a “2012 Military Friendly School” by *G.I. Jobs* magazine. According to magazine officials, the list honors the top 20 percent of all colleges, universities and trade schools nationwide that are doing the most to embrace America’s veterans as students. Murray State has a history of promoting higher education in the nearby Fort Campbell area, which has accelerated with the opening of the MSU-Hopkinsville campus. With the expansion of other Murray campuses into Madisonville, Henderson and Paducah, as well as the main campus in Murray, veterans have options on where they attend MSU.

Muuka earns Best Paper/Presentation Award



Dr. Gerry Muuka, associate dean of the college of business, won the Best Paper/Presentation Award at the Academy of Business Research conference in Atlantic City, N.J., for his paper, “Navigating AACSB’s Intellectual Contributions and Assurance of Learning Landmines: A Blueprint for Business Schools.” The paper, which will be published in the *Academy of Business Research Journal*, dealt with AACSB (Association to Advance Collegiate Schools of Business) accreditation issues. Since this is a hot topic for all schools of business accredited by AACSB, his presentation included a lengthy question-and-answer session.

Seed grant for Women in Computing received

Murray State University’s Women in Computing student organization received a ReturnPath Student Seed Grant from the National Center for Women and Information Technology (NCWIT). The grant will help with the recruitment of females in the computing field.

NSF awards ecological grant

The National Science Foundation has awarded funding for a project in the university’s department of biological sciences. “Collaborative Research: Stream Consumers and Lotic Ecosystem Rates (SCALER): Sealing from Centimeters to Continents” will be under the direction of Dr. Michael Flinn, assistant professor in biological sciences at MSU. The principal question that SCALER will address is: How can small-scale ecological experiments be applied to understand the behavior of entire ecological systems?

Cofer co-chair of national board

Jody Cofer, academic program specialist at MSU, has been selected as co-chair of The Equality Federation board of directors. The federation is a national alliance of statewide LGBT organizations working to build a more skilled and effective state-based equality movement.

Dressler publishes book on prolific composer

Dr. John Dressler, professor of horn and musicology at Murray State, has had a third book, *William Alwyn: A Research and Information Guide*, released by Routledge Books. The bio-bibliography of British composer William Alwyn (1905-85) features biographical, chronological highlights of life and career, documentation of Alwyn’s over-400 compositions and writings, a discography of all known recordings of his works, and over 1,200 annotated citations of related reviews and other references to his life and output. Some of Alwyn’s work included the musical scoring of many British propaganda films during World War II, as well as documentaries for the government and private companies.

MSU RBIC — Operation JumpStart

Loretta Daniel, director of the RBIC, is one of two local coordinators of the Operation JumpStart initiative, a national micro-enterprise training program that offers conferences on resources to help communities, particularly rural ones, to create systems to support entrepreneurs and the start-up of new businesses. Chris Wooldridge, district director of the Kentucky Small Business Development Center at MSU, aided in the coordination of a recent JumpStart symposium in the area.





GOLD RUSH

OCT. 2011 NORTHERN KENTUCKY UNIVERSITY



GO FIGURE

▶ 12,928

That's how many fans and followers NKU has on its official university Facebook (<http://facebook.com/nkuedu>) and Twitter (@nkuedu and @NKU_News) pages.

▶ 109

That's how many Kentucky counties are represented by NKU's student body. It also represents 42 states and 52 countries.

▶ 550

That's how many student-accessible computers are inside Griffin Hall, including labs in both Mac and PC environments.

NKU OPENS GRIFFIN HALL

NKU officially opened the doors to Griffin Hall, the spectacular \$53 million home of the NKU College of Informatics, in October.

"Today represents NKU's continuing efforts to help strengthen our region and our commonwealth's position in the high-technology, knowledge-based economy of the 21st century," NKU President James Votruba told the 600-plus in attendance at the grand opening.

Amid Griffin Hall's shimmering steel and walls of glass that shine with vivid stripes of color there lives a level of technology almost unheard of at a Midwest university. The facility, which has hosted classes since August, is a marvel of modern classroom, communication and energy-efficient technology. The 110,000-square-foot structure contains 300,000 feet of data cable.

Emily Crawford, an alumna working on her master's degree in Computer Information Technology, said she's blown away by the technology NKU has made available through extensive private



fundraising. "Before, to have access to this kind of technology you'd have to go to New York City or Southern California, but now it's right here on campus. That's beyond amazing."

In a pre-recorded message, Michael Dell, chairman of the board and CEO of Dell, touted the facility. "At Dell we've always believed that the real benefit of technology is enabling human potential, helping people to do more of what they enjoy and to better achieve their goals," he said. "You've done a fantastic job connecting students and faculty across disciplines to be best in class with technology tools and training."

PINPOINTS

LOUISVILLE



RON BURSE is a junior public relations major from Louisville. He graduated from Louisville Male High School in 2009. Ron is executive director of the Activities Programming Board and is a member of Norse Leadership Society, the Student Alumni Association and Tau Kappa Epsilon fraternity. "The people here are some of the nicest I've ever met in my life," Ron says. "NKU seems like it would be a big university, but the campus is still a small community. I really like that. I don't feel like a little fish in a big bowl here."

COLLEGE CORNER

THE NKU CHASE COLLEGE OF LAW

The NKU Chase College of Law has announced the creation of its Law & Informatics Institute dedicated to promoting thoughtful public discourse on the regulation and use of information systems.

The institute is run by Jon Garon, a nationally recognized authority on intellectual property. Garon's teaching and scholarship often focus on business innovation and the development of best business

practices regarding the exploitation and effectiveness of the information and data systems in business, healthcare, media, entertainment and the public sector.

The Law & Informatics Institute provides a critical interdisciplinary approach to the study of information in the fields of intellectual property law, privacy law, evidence (regulating government and the police), business law and international law.

JIM BUNNING DONATES PAPERS, BASEBALL MEMORABILIA



NKU will celebrate Jim Bunning, a national figure known for his Major League Baseball play and long political career, Nov. 10 with “U.S. Senator Jim Bunning: Baseball and Beyond,” a reception, dinner and lecture to raise money to support the processing of Bunning’s Congressional papers and baseball memorabilia.

The former Kentucky senator has donated items to NKU’s W. Frank Steely Library from his years with the Detroit Tigers and Philadelphia Phillies along with correspondence and reports from his 24 years as a U.S. representative and senator.

His collection will join the political papers of Kentucky Congressmen Eugene Snyder and Ken Lucas, also housed in the Eva G. Farris Special Collections and Schlachter Archives. Once it’s opened to the public, scholars researching Bunning’s life can learn about some of the key decisions Bunning faced while in office as well as see artifacts from his days as a Hall of Fame pitcher.

FOR MORE INFORMATION, visit bunning.nku.edu.

THE SCOREBOARD



At the midway point of fall, NKU’s volleyball and soccer programs are enjoying outstanding seasons. At publication, the defending Division II national champion men’s soccer team (12-2, 10-2 GLVC) was ranked No. 6 nationally while the women (13-1, 11-1 GLVC) were ranked No. 9. In volleyball, the Norse were ranked No. 12 nationally with an impressive record of 18-2 (9-2 GLVC).

The Norse appear to be well on their way to capturing a fifth straight GLVC Commissioner’s Cup.

FACULTY FOCUS

NKU professors Drs. Ted Hodgson and Sara Eisenhardt have been awarded a \$97,289 extension grant from the Kentucky Department of Education to support the Northern Kentucky Mathematics Specialists Project, which works with elementary and middle grades teachers and administrators in 11 northern Kentucky school districts to develop content and pedagogical expertise in mathematics through rigorous, faculty-led courses and job-embedded professional development.

The project has included summer institutes taught by teams of NKU faculty and acknowledged teacher leaders providing participants with 12 graduate credits in mathematics content and pedagogy as well as collaborative action research and leadership projects addressing recognized needs in each district.

BRIEFS

STEM DAY FOR LOCAL HIGH SCHOOLERS

STEM Day was for high school students interested in a career in science, technology, engineering or mathematics fields.

They took part in various science- and technology-related activities, interacted with NKU STEM students, and learned about college and career programs in STEM fields.

“There are companies looking for students with technical and quantitative skills, and they cannot fill the positions,” said Dr. Bethany Bowling, assistant biological sciences professor. “We need to make sure students of all backgrounds have the potential to go into STEM areas and be successful.”

MORE: stem.nku.edu

NKU HONORED AS ‘MILITARY FRIENDLY’

For the second straight year, NKU has been recognized by G.I. Jobs as among the nation’s Military Friendly Schools for the services it provides to students with military experience. This semester, there are more than 450 NKU students using educational benefits.

NKU’s Learning Through Military Leadership course gives veterans and active-duty personnel the opportunity to receive up to 18 credits for what they learned in the military. Students identify learning outcomes associated with their military training and occupations and connect those outcomes to NKU courses.

MORE: tinyurl.com/NKUGIJobs

‘DREAMERS WELCOME’ TV SPOT HONORED

NKU’s “Dreamers Welcome” TV commercial is one of 168 nationwide to win the American Pixel Academy’s 2011 EMPixx Platinum Award.

The commercial was produced in partnership with WSTR Channel 64. Other brands honored include AT&T, HBO, Disney-Pixar and The Coca-Cola Company. “When you consider that most of these brands invest significant resources into producing such award-winning commercials, this honor is even more impressive,” said chief marketing officer Rick Meyers. “Our spot was produced at no cost to the university.”

MORE: tinyurl.com/NKUspot

LIFESAVING NKU MOBILE APP COMING TO KENTUCKY

Erlanger Fire and EMS has announced a partnership with the PulsePoint Foundation to bring the lifesaving Fire Department mobile app developed by NKU students to the city.

Tim Ferguson, NKU CIO, said the foundation will make it easier for agencies across the commonwealth and the country to gain access to the technology. “Through the PulsePoint Foundation, fire and EMS agencies can now adopt this important application at a much faster rate, and we are proud that NKU can be part of it,” he said.

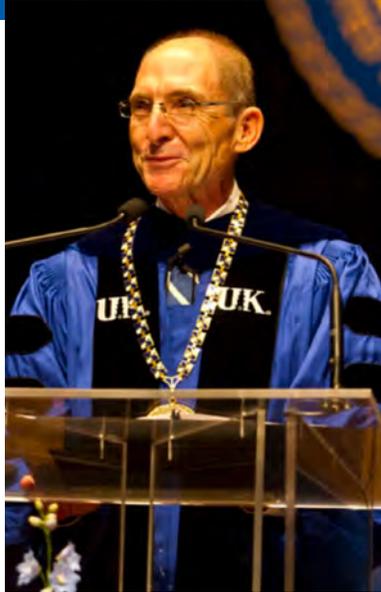
MORE: pulsepoint.org

ALUMNI NEWS

True (NKU) Blood

Meet Joyce Watney, founder of the Living Dead Student Alliance at her school and host of the “Just Say No To Hate” festival – a multimedia extravaganza meant to foster togetherness between humans and, um, the un...dead. You know. Vampires. Which makes sense on a smash-hit show like HBO’s *True Blood*, which is exactly where you can find alum Galadriel Stineman ('07) starring as the “bleeding-heart” young Joyce this season. Check her out! You can also catch the Kentucky native and Newport Central Catholic High School graduate in some of her other work, including Cartoon Network’s *Ben 10: Alien Swarm* and the indie movie *Junkyard Dog* with Vivica A. Fox.





Investiture of President Eli Capilouto

As he was formally installed as the University of Kentucky's 12th president, Eli Capilouto said that for the University of Kentucky to fulfill its promise, it must begin now "with a fierce sense of urgency" to "rebuild this campus."

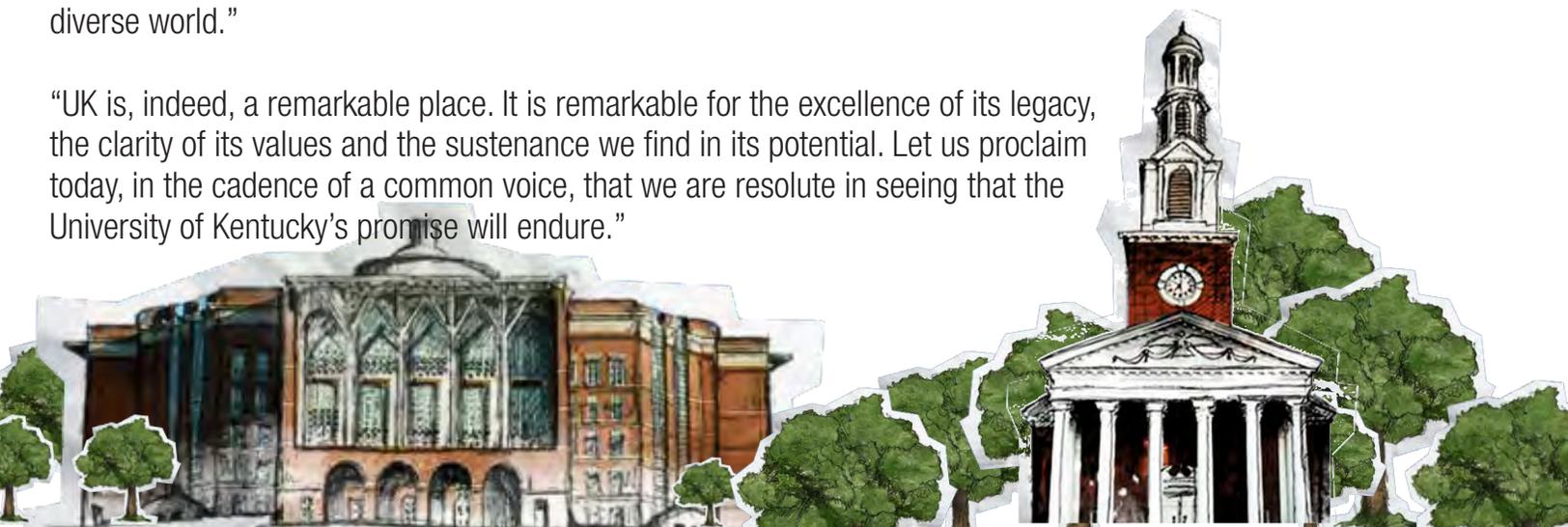
"UK is a promise we have made to each other that says that young Kentuckians from all walks of life, backgrounds and experiences are welcome here and that they leave as our best and brightest because we foster their potential and brilliance," Capilouto said during a late afternoon ceremony at the Singletary Center for the Arts.

But Capilouto said that ensuring the long-term health of that promise will require confronting issues such as the need to expand and enhance undergraduate education and scholarships to ensure the state's top students don't leave Kentucky, while also providing more opportunities for young Kentuckians, from a variety of backgrounds, to attend UK.

We must also turn our attention to a core of campus where, "we have more than \$1 billion in construction needs;" where classroom space averages nearly 50 years old and we have a lack of modern student housing.

Specifically, building new classroom space, equipped with technology that sparks students' creativity and provides innovative ways for our faculty to integrate course materials. Additionally, the University must improve and expand their residential space. Currently, only 500 of 5,500 beds are modern. Capilouto said new residence halls must provide high-tech living and learning opportunities for students, "where they can learn as part of a community and be prepared for a more diverse world."

"UK is, indeed, a remarkable place. It is remarkable for the excellence of its legacy, the clarity of its values and the sustenance we find in its potential. Let us proclaim today, in the cadence of a common voice, that we are resolute in seeing that the University of Kentucky's promise will endure."



Davis Marksbury Building Dedicated

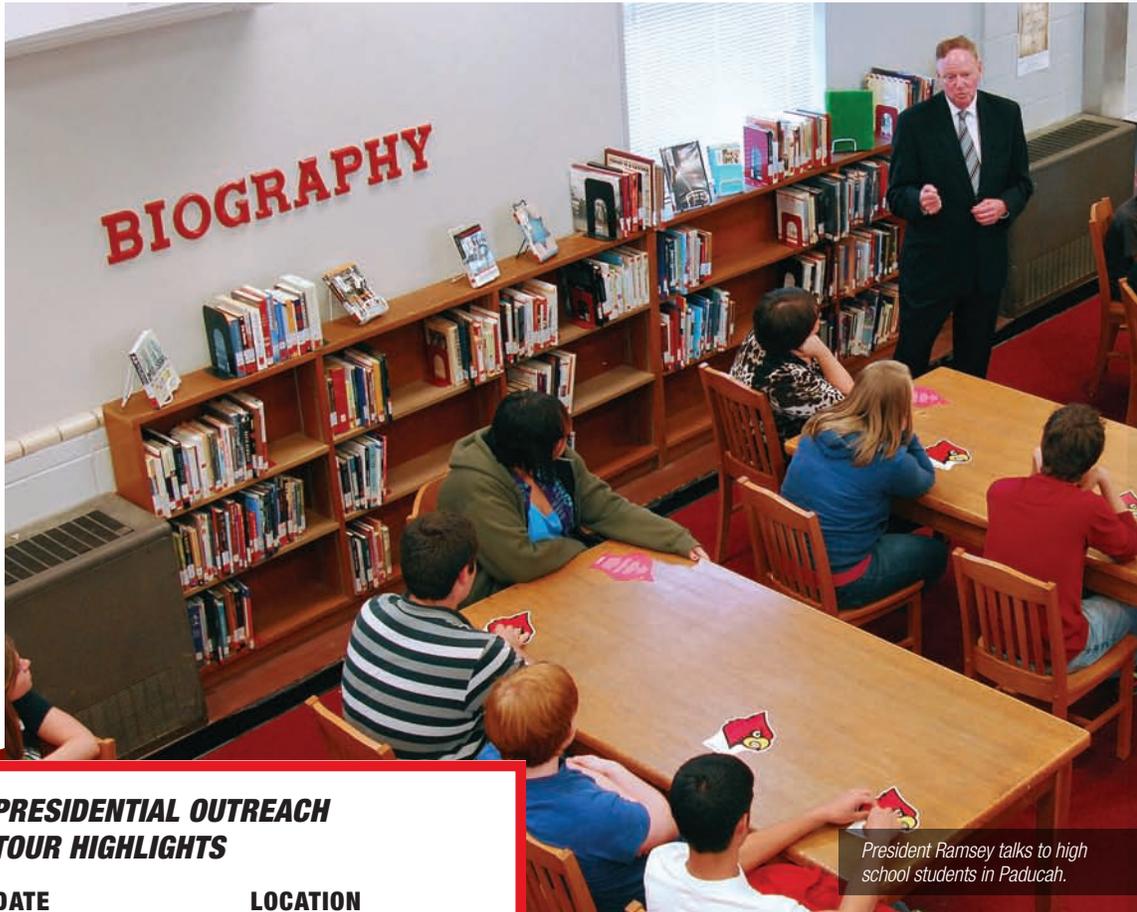
The University of Kentucky's Davis Marksbury building, part of the UK College of Engineering's "Digital Village," was formally dedicated with a ribbon cutting ceremony and public tour of the building.

A unique feature of the Marksbury Building is it contains no traditional classrooms. Rather, students and faculty utilize the building's generous lab space to conduct meaningful research through groundbreaking methods and new technologies. It is home to the UK Center for Visualization and Virtual Environments, as well as the departments of Computer Science and Electrical and Computer Engineering.

The three-story, 45,014 gross-square-foot facility officially opened earlier this year, and was certified as a LEED Gold building in August by the USGBC, making it the first building at UK to receive a LEED certification.



Reaching out to Kentucky's 'best and brightest'



President Ramsey talks to high school students in Paducah.

PRESIDENTIAL OUTREACH TOUR HIGHLIGHTS

DATE	LOCATION
September 26	Paducah
September 29–30	Lexington
October 4	Lebanon
October 14	Hebron
October 14	Park Hills
October 21	Cecilia
October 21	Elizabethtown
October 21	Ft. Knox
October 24	Prestonsburg
December 8	Louisville

The fall Presidential Outreach Tour conducted annually by President James Ramsey has dual goals: first, to keep Kentucky's high school juniors and seniors headed on the path to higher education; and second, to ensure top scholars are aware of the extraordinary possibilities that await them at UofL.

As "recruiter in chief" for the university, Ramsey stresses the importance of a college degree and the positive impact it has on a person's employability and lifetime earnings.

In addition to pointing out the small class sizes and attractiveness of Belknap Campus and its proximity to the vibrant arts, entertainment, sports and restaurant venues, a variety of other UofL officials and alumni also discuss opportunities for students to conduct research as sophomores and juniors, as well as the "family" feel of the university.

"We don't want to be the biggest (university); we want to be the best. We want more students like you" who excel in the classroom and are engaged in the community, Ramsey told students at the first stop at Paducah's Reidland High School.

A Letter From the President

Dear Friends and Family of UofL,

At Reidland High School in McCracken County, an English teacher told me how excited she is that her daughter is a student at the University of Louisville and how much her daughter loves it. At Paul Dunbar High School in Lexington we met with more than 250 high performing students who are leaders in their school, most of whom spent close to an hour asking questions and learning more about UofL – just a few hours after new Board of Trustees chairman Frank Minnifield hosted about 50 students and their parents at the Campbell House Inn. In Lebanon, at the home of one of our best recruiters, Dr. Salem George, I mingled with honors students from four central Kentucky counties as they go through the nerve-racking process of choosing a college and moving away from home.

Meeting these students and parents gets me excited. Telling them about the quality education they will receive by



coming to UofL is even more exciting. That's what we do each fall during our Presidential Outreach. We're on a road trip across Kentucky, chatting with high school students and encouraging them to continue their education, even if it's not at UofL.

At UofL, it's plain to see that our academic reputation is improving. This year's freshman class includes 68 valedictorians and an average ACT score that continues to rise and is now at 24.6, five points above the statewide average. So I hope a little gas money and gentle persuasion from the president will continue the flow of the best and brightest students to Kentucky's school on the move – the University of Louisville.

A handwritten signature of James Ramsey.



Dr. Bolli: UofL's 100 million dollar man

A \$12.8 million renewal grant from the National Institutes of Health has put Dr. Roberto Bolli, director of UofL's Institute of Molecular Cardiology and chief of Cardiovascular Medicine, over the \$100 million mark in NIH awards.

The NIH funded the original grant at \$11.7 million in 2006. Under the current project, Bolli will continue to investigate: how to improve adult stem cell therapies by introducing genes into stem cells; the signaling pathways of stem cells in the body; the effect of diabetes on stem cells; and how cytokines – a class of proteins – affect stem cells during heart failure.

Bolli and his team are also conducting research into the use of a person's own stem cells in regenerating dead heart muscle after a heart attack. Fifteen patients are participating in the study. Five are at or nearing completion. All of the participants have shown improvement, such as increased blood pumping through the lower chambers of the heart and increased physical stamina.

UL OF CHARTING OUR COURSE

The Campaign for Kentucky's Premier Metropolitan Research University



Naming of Harry Frazier Hall UofL officials celebrated the generous gift of \$10 million by the Harry S. Frazier Family and the Owsley Brown Frazier Family Sept 13. The College of Business's primary building is now named in honor of the late Harry S. Frazier Jr., a real estate pioneer and UofL alumnus. L-R, Sculptor Ed Hamilton joined Harry Frazier's family: daughters Sandra and Virginia, brother Owsley Brown Frazier, seated, and wife Jean; business Dean Charles Moyer; UofL President James Ramsey; and Frank Minnifield, chair of the Board of Trustees, at the unveiling of the plaque honoring Frazier and the newly named Harry Frazier Hall.

Engineering breakthroughs foster medical innovations

When President Obama signed the bipartisan "America Invents Act," researchers at the UofL Speed School of Engineering and School of Medicine have become one of four teams nationwide given the opportunity to work together to further American innovation.

The five-year, \$3.3 million Wallace H. Coulter Foundation grant will allow interdisciplinary teams from University of Louisville, Johns Hopkins University, University of Maryland and University of Pittsburgh to each create \$20 million endowments to foster research collaboration between biomedical engineers and clinicians, with the goal of developing new technologies to improve patient care and human health.

The goal of the Coulter Translational Partnership Award is to save, extend and improve patients' lives by quickly translating research from bench to bedside.



Learn more about the announcement on this video link: bit.ly/nwcMLi.



Foreground: Dr. Robert Keynton, Speed School bioengineering department chair, will lead the Coulter Foundation research team at UofL.

Harkema honored with 2011 Breakthrough Award from Popular Mechanics

Susan J. Harkema, Ph.D., professor in UofL's Department of Neurological Surgery and rehabilitation research director at the Kentucky Spinal Cord Injury Research Center, and a team of her colleagues from UofL, Frazier Rehab, CalTech and UCLA were honored for unprecedented research that resulted in a paralyzed patient, Rob Summers, being able to stand, take steps with assistance and move his legs voluntarily. This was achieved through continual direct epidural electrical stimulation of Summers' lower spinal cord, mimicking signals the brain normally transmits to initiate movement. Once that signal is given, the spinal cord is able to direct the muscle and joint movements required to stand and step with assistance on a treadmill.

Popular Mechanics' seventh annual Breakthrough Awards, held Oct. 10 at a New York City gala, are given in two categories: innovators, whose inventions will make the world smarter, safer and more efficient in the years to come, and products, which are setting benchmarks in design and engineering today.



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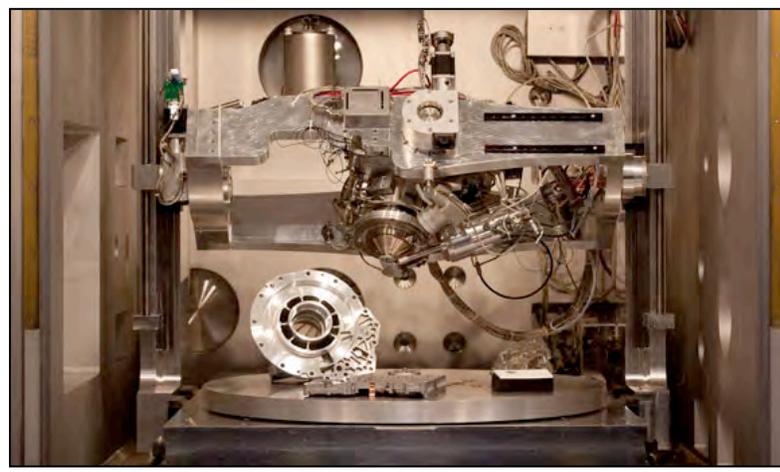
Western Kentucky University news for the Council on Postsecondary Education, November 2011
For more WKU news, visit <http://wkunews.wordpress.com/> or www.wku.edu.

WKU celebrates NOVA Center opening with ribbon cutting

The Bowling Green Area Chamber of Commerce celebrated the opening of the WKU NOVA Center featuring the Large Chamber Scanning Electron Microscope (LC-SEM). The Nondestructive Analysis (NOVA) Center, in the Center for Research and Development, positions WKU as a leader in nondestructive analysis testing.

The acquisition of the LC-SEM has positioned WKU as the only university in North America with this type of instrument. U.S. Rep. Brett Guthrie thanked those at WKU, in the community and in the state and federal governments who had the vision to make the NOVA Center and the Center for Research and Development a reality and provide opportunities for world class research in Bowling Green.

The LC-SEM performs scientific, microscopic analysis of extremely large samples, allowing for investigation of components without destroying them. Maximum sample size is 40 inches diameter by 40 inches tall, with a weight limit of 650 pounds. This allows it to easily hold a V-6 engine block. The LC-SEM has a magnification power of 100,000 times, which is 100 times that of a standard light microscope. See <http://wkunews.wordpress.com/2011/10/19/photos-nova/>



Dr. Stolger

WKU astronomer played role in Nobel-winning research

WKU astronomer Louis-Gregory Strolger had a hand in the 2011 Nobel Prize in Physics. Three of his colleagues — Saul Perlmutter of Lawrence Berkeley National Laboratory and the University of California at Berkeley; Brian Schmidt of the Australian National University; and Adam Riess of The Johns Hopkins University and the Space Telescope Science Institute — won the award for their discovery that the expansion of the universe is accelerating.

The astronomers made their discovery in 1998 and are continuing research into the role dark energy plays in cosmic expansion. Dr. Strolger joined the research as a graduate student and worked with Riess at the Space Telescope Science Institute. Since coming to WKU in 2005, Dr. Strolger and his students have played a significant role in measuring and quantifying data in the study of dark energy and supernovae.

The astronomers knew early on that dark energy, one of the biggest mysteries in physics, was a big deal, Dr. Strolger said, “but it sort of caught fire” as more scientists became interested in the research.

Even though his name isn’t on the award, Dr. Strolger takes a great sense of pride in the Nobel-winning research. “It’s the quintessential award and a reaffirmation that everything you’ve done up to this point is good. It’s just amazing to have that sort of recognition. How many people can say they’ve worked with three Nobel Prize-winning scientists?” For more, see <http://wkunews.wordpress.com/2011/10/04/strolger-nobel/>

Dr. Julia Link Roberts receives two statewide awards

Dr. Julia Link Roberts, Mahurin Professor of Gifted Studies and executive director of The Center for Gifted Studies and the Carol Martin Gatton Academy of Mathematics and Science in Kentucky at WKU, has received two statewide honors: the Acorn Award for teaching excellence and the William T. Nallia Award from the Kentucky Association of School Administrators.

Dr. Roberts is president-elect of The Association for the Gifted, a member of the Executive Committee of the World Council for Gifted and Talented Children and co-chair of the Legislative and Advocacy Committee of the National Association for Gifted Children. She is also a member of the board of the Kentucky Association for Gifted Education and the Kentucky Advisory Council for Gifted and Talented Education. See

<http://wkunews.wordpress.com/2011/09/23/roberts-acorn/> or <http://wkunews.wordpress.com/2011/10/17/kasa-roberts/>.



Dr. Roberts

12 Gatton Academy seniors recognized as National Merit Semifinalists

One quarter of Gatton Academy seniors have been recognized as semifinalists in the 2012 National Merit Scholarship Program, an honor that potentially opens the door to college scholarship opportunities. In all, 12 members of the Class of 2012 will go on to the next round of the competition. Since the Gatton Academy’s inception in 2007, 45 students have been named as National Semifinalists. See

<http://wkunews.wordpress.com/2011/09/23/gatton-semifinalists/>

6 students receive SMARRT scholarships from Noyce Program

Six WKU students have received \$10,000 Science and Math Alliance for Recruitment and Retention of Teachers (SMARRT) Scholarships for the 2011-12 school year funded through the National Science Foundation’s Robert Noyce Teacher Scholarship Program.

The WKU Robert Noyce Teacher Scholarship Program aims to prepare science and mathematics majors who are committed to teaching high school in a high needs district in the region. These students will receive \$10,000 scholarships for the last two years of the SKyTeach Program, the teacher education program at WKU. SKyTeach is funded by the National Math and Science Initiative and models the UTeach program at the University of Texas at Austin. See <http://wkunews.wordpress.com/2011/09/22/noyce-2011/>

Perdue supports WKU-Owensboro Food Processing and Technology program

A \$50,000 gift from Perdue, through the Arthur W. Perdue Foundation, will support the Food Processing and Technology program at WKU’s Owensboro Campus. The gift will allow WKU-Owensboro to purchase two important pieces of equipment to supplement the laboratory for the Food Processing and Technology program, part of WKU’s Ogden College of Science and Engineering.

The program at WKU-O was established in 2008 in response to the needs of the food processing industry in western Kentucky and the state. It is the only program of its type in Kentucky. A bachelor’s degree in Food Processing and Technology prepares graduates for technical and managerial positions within the food processing industry. See <http://wkunews.wordpress.com/2011/09/13/perdue-wkuo/>

WKU’s Terry Wilson among first recipients of GREEN Educator Award

Dr. Terry Wilson, director of WKU’s Center for Environmental Education and Sustainability, has been recognized as one of the first five recipients of the Chevrolet GREEN Educator Award. The Chevrolet GREEN (Global Rivers Environmental Education Network) Educator Award, presented by Earth Force and the General Motors Foundation, recognizes teachers, college professors and volunteers who have taken an initiative to integrate environmental education into their schools and community programs. Dr. Wilson, who has been at WKU for 22 years, has devoted the majority of his career to teacher and leadership training in environmental education. See <http://wkunews.wordpress.com/2011/09/27/wilson-gmaward/>



News from the Association of Independent Kentucky Colleges and Universities November 2011

2012 Teachers of the Year all have AIKCU ties

It was an all-AIKCU affair when the awards for Kentucky Teacher of the Year were presented in the Capitol Rotunda. The **2012 Kentucky Teacher of the Year** is **Kimberly Pangburn Shearer (center)**, an English teacher at Boone County High School. Shearer is a 2001 *summa cum laude* graduate of **Georgetown**



College who also holds master's degrees from Northern Kentucky University and Western Kentucky University. **Elizabeth Ann Fuller (left)** is the **2012 Elementary School Teacher of the Year**. She is a third-grade reading and writing teacher at Jefferson County's J.B. Atkinson Academy and obtained her bachelor's degree at **Bellarmino University**. The **2012 Middle School Teacher of the Year** is **Jenni Lou Jackson (right)**, an eighth grade teacher at Corbin Middle School. Jackson holds a master's and teaching certification from **Union College**.

Berea College names 9th president

The Berea College Board of Trustees has named Lyle D. Roelofs the ninth president of the college. He will succeed current Berea president Larry Shinn, who previously announced he will retire on June 30, 2012.

Dr. Roelofs comes to Berea with more than 35 years experience in higher education. He currently serves as provost and dean of the faculty (on leave), and professor of physics at Colgate University. Read the full announcement at <http://bcnow.berea.edu/2011/10/berea-college-names-ninth-president/>



Thomas More College announces 3-year bachelor's degree

Thomas More College has launched a new three-year degree program that enables motivated undergraduate students in pursuit of a bachelor's degree a traditional college experience and an extra year of earning power. TMC3 is a new and innovative program that allows qualified students to save both time and money by completing a traditional four-year bachelor's degree in just three years.

The three-year degree is completed during the course of eight semesters. While TMC3 compresses the time frame for degree attainment by an entire year, the classes themselves are not accelerated. The structure of TMC3 is year-round, with students taking 18 hours in the fall and spring semesters and 12 hours in two summer terms. Learn more:

http://thomasmore.edu/about/news.cfm?news_id=2857

Kentucky Christian receives \$1 million for new biology pre-professional program

Kentucky Christian University recently announced that it has received a \$500,000 grant from the James Graham Brown Foundation and an anonymous matching gift to help build the healthcare workforce in its region. The grant and matching gift are making it possible for KCU to launch a pre-professional biology program. KCU plans to remodel a 2,000-square foot building that once housed the library and nursing school for the new program. KCU hopes that a biology degree designed specifically to help prepare undergraduates to enter medical, dental, pharmacy, veterinary, and other professional schools will encourage those graduates to eventually return to the medically underserved region.

AIKCU Delegation travels to China

Eleven AIKCU representatives traveled to China and Hong Kong at the end of October to meet with secondary school and university officials there and with prospective students and families. The goal of the trip is to develop relationships that may lead to cultural exchange opportunities and to promote Kentucky as a higher education destination. Making the trip were the presidents of Thomas More College and Lindsey Wilson College, along with administrators from Georgetown College, Midway College, St. Catharine College, Transylvania University, the University of Pikeville, and AIKCU. The trip is an outgrowth of AIKCU's collaborative Chinese Student Recruitment Initiative and was developed in cooperation with the Kentucky Cabinet for Economic Development.

To Adron Doran University Center, Morehead State University

- From Lexington, I-64 E
- Travel approximately 60 miles
- Take Exit 137 toward Morehead
- Turn right onto Flemingsburg Road/KY-32
- Turn left onto Main Street (Entering MoSU Campus)
- Turn left onto University Blvd.
- Turn right onto Second Street to the parking lot next to Adron Doran University Center (ADUC)

To the Hampton Inn

From Lexington, I-64 E
Travel approximately 60 miles
Take Exit 137 toward Morehead
Turn right onto Flemingsburg Road/KY-32
Turn left at the first traffic light
Follow the street to the Hampton Inn

From the Hampton Inn to Adron Doran University Center, Morehead State University

From the Hampton Inn
Turn left at the traffic light
Follow KY 32 for approximately 3 miles
Turn left onto Main Street (Entering MoSU Campus)
Turn left onto University Blvd.
Turn right onto Second Street to the parking lot next to Adron Doran University Center (ADUC)

MOREHEAD STATE UNIVERSITY

Council on Postsecondary Education Meeting

November 9-10, 2011

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