

**Minutes**  
**Council on Postsecondary Education**  
**November 13, 2015**

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The Council on Postsecondary Education met Friday, November 13, 2015, at 9:00 a.m., ET, at Gateway Community and Technical College in Florence, Kentucky. Chair Glenn Denton presided.

- WELCOME** Mr. Denton called the meeting to order and welcomed everyone. He thanked President Keith Bird and Gateway Community and Technical College for hosting the meeting.
- ROLL CALL** The following members were present: Bruce Ayers, Glenn Denton, Maryanne Elliott, Joe Ellis, Dan Flanagan, Mark Guilfoyle, Dennis Jackson, Pam Miller, Elizabeth Ruwe, Robert Staat, and Sherrill Zimmerman. Brenda McGown, Donna Moore, Marcia Ridings, and Stephen Pruitt did not attend.
- OATH OF OFFICE** Judge Jeffrey Smith, Boone County District Court Judge, administered the oath of office to new student member, Elizabeth Ruwe.
- APPROVAL OF MINUTES** The minutes of the September 29, 2015 meeting were approved as distributed.
- EXECUTIVE COMMITTEE REPORT** Chair Denton discussed the FY 2014-15 audit results presented at the Executive Committee meeting on November 13, 2015. Due to the complexity and amount of funds flowing through the agency's budget, the Council annually contracts with an independent auditor to compile financial statements and perform the agency's financial audit. This audit is not statutorily required, but it serves the Council well to have an outside entity review Council finances, internal controls, and regulation and grant compliance. Blue and Company LLP, a certified public accounting agency in Lexington, conducted the audit this year.
- The auditors issued an unmodified opinion, stating that the Council's financial statements present fairly, in all material respects, the financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Council as of June 30, 2015, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, the expenditures of federal awards and supplementary information are fairly stated in all material respects in relation to the basic financial statements as a whole. The firm also noted that it did not identify any deficiencies in internal control that they consider to be material weaknesses.
- Chair Denton thanked Blue and Company, LLC for performing the audit, and Mr. Robert King, president, Council on Postsecondary Education, thanked CPE's administrative services team for their compliance with the audit requirements.

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CPE PRESIDENT'S  
REPORT TO THE  
COUNCIL

A written report from President King was provided in the agenda book. Highlights included updates on the 2016-21 Strategic Agenda development process and metrics negotiations and CPE's participation at the Reach Higher White House Convening in early November. President King also commended Aaron Thompson, CPE's executive vice president, for the continuous recognition he receives both statewide and nationally, and Jay Morgan, CPE's vice president for academic affairs and student affairs, for being appointed to the transition team for Governor-elect Matt Bevin.

COMMISSIONER OF  
EDUCATION REPORT

Commissioner Stephen Pruitt was not available to attend the November 13 meeting. He provided a written report in the agenda book.

PERFORMANCE  
PRESENTATION –  
UNIVERSITY OF  
KENTUCKY

President Eli Capilouto provided the Council with an update on UK's progress toward achieving its performance goals as set forth in the state's Strategic Agenda. Following the presentation, Dr. Capilouto answered questions regarding UK's involvement with the Kentucky Department of Agriculture's local meat processing program and the new honors college program that is looking to increase enrollment from 1,400 to 2,000 students. Ms. Miller also commented on UK's ability to increase their 4- and 5-year graduation rates. Dr. Capilouto stated the increase is partially due to their concentration of comprehensive wrap-around services and focusing on student financial literacy.

ACTION: 2016-18  
POSTSECONDARY  
EDUCATION BUDGET  
RECOMMENDATION

The *Kentucky Postsecondary Education Improvement Act of 1997* (House Bill 1), codified under KRS 164.020, authorizes the Council on Postsecondary Education to submit to the Governor and General Assembly the biennial budget recommendation for the postsecondary education sector and its nine institutions. Over the course of eight months, Council staff worked collaboratively with campus presidents, provosts, chief budget officers, institutional research directors, and members of the Council's Budget Development Work Group to develop the budget recommendation, and all nine public institution presidents and the Council president endorsed the recommendation in its entirety.

Dr. Bill Payne, associate vice president for budget and finance, and Mr. Scott Boelscher and Mr. Shaun McKiernan, both senior associates of budget and finance for CPE, presented the Council's 2016-18 budget recommendation, consisting of the following four major funding categories:

- 1) Institutional Operating Funds: General Fund appropriations for institutional operations, along with tuition and fee revenue, support education and general (E&G) expenditures on campus, including faculty and staff salaries and benefits, student financial aid, utilities, building maintenance, libraries, student support services, and numerous other operating expenses. In addition to these uses, operating funds also are used to pursue specialized activities and

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initiatives that further the goals of the *Postsecondary Education Improvement Act of 1997* (HB 1) and objectives of the Council's *2011-15 Strategic Agenda for Kentucky Postsecondary and Adult Education*.

- 2) Strategic Investment and Incentive Trust Funds: The *Kentucky Postsecondary Education Improvement Act of 1997* (HB 1) created six Strategic Investment and Incentive Trust Funds to bring about change and improvement in Kentucky colleges and universities by providing strategic, financial incentives for institutions to pursue desired state goals for postsecondary education. When the General Assembly authorizes appropriations for trust fund programs, they are typically maintained and administered by the Council, but represent resources that are passed through to postsecondary institutions based on compliance with Council approved guidelines and procedures.
- 3) Capital Construction and Information Technology: anticipated capital construction and information technology and equipment needs of Kentucky's public postsecondary institutions. The principal components of this funding category include bond issue and debt service requests for: (a) asset preservation and renovation; (b) new and expanded space; and (c) information technology and equipment.
- 4) CPE Agency Budget: Includes five existing expenditure categories - (a) Agency Operations; (b) Adult Education; (c) Student Aid and Assistance; (d) Technology and Academic Support; and (e) Research and Economic Development.

The entire 2016-18 postsecondary education budget recommendation can be found in the meeting agenda book; however, Mr. McKiernan made the following verbal amendment to the Capital Construction and Information Technology request:

- Kentucky State University: The addition of one General Fund supported project, "Repair Boilers and Aging Distribution Lines Phase II" – \$9,443,000.

MOTION: Mr. Graviss moved that the Council approve the budget recommendation as submitted for 2016-18. Mr. Flanagan seconded the motion.

VOTE: The motion passed.

**ACTION: IMPROVING  
EDUCATOR QUALITY  
STATE GRANT  
PROGRAM**

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.

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Dr. Jay Morgan presented the staff recommendation that the Council on Postsecondary Education award federal *No Child Left Behind*, Title II, Part A, funds in the amount of \$485,000 for January 1, 2016 through June 30, 2017 to support the following four projects:

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

MOTION: Ms. Zimmerman moved that the Council approve the motion as presented. Dr. Staat seconded the motion.

VOTE: The motion passed.

**ACTION: NEW  
ACADEMIC PROGRAMS**

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

Dr. Jay Morgan presented the staff recommendation that the Council approve the following new academic program:

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

MOTION: Dr. Ayers moved that the Council approve the new academic program as presented. Ms. Zimmerman seconded the motion.

VOTE: The motion passed.

**2016-21 STRATEGIC  
PLAN**

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

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purposes under KRS 164.003 by creating high-quality, relevant, postsecondary education and adult education opportunities in the Commonwealth.

Ms. Lee Nimocks, vice president of policy, planning and operations, presented a preliminary draft of the 2016-21 Strategic Agenda and accompanying metrics to measure and monitor progress toward the objectives. The draft is the result of over a year of work and numerous contributors including the Strategic Agenda Steering Committee, CPE members and staff, institutional planners, provosts, campus presidents, chief business officers, representatives from the business community, KDE, and other agencies and organizations.

This agenda highlights three key policy areas that will demand sustained attention over the next six years if Kentucky is to make significant progress toward the goals and vision articulated in the 1997 reform legislation. They are Opportunity, Success, and Impact. The agenda also includes updated mission, vision, and value statements for postsecondary and adult education, as well as performance metrics and statewide objectives and strategies to guide work in each of the three areas of focus.

Ms. Zimmerman, chair of the Strategic Agenda Steering Committee, stated that over the next several months, CPE staff and institutional representatives will continue to meet regularly to negotiate statewide and institution-level performance targets based on the metrics. She also suggested that Council members complete an in-depth review of the preliminary draft and refer any questions or suggestions to her or Ms. Nimocks prior to the February meeting.

The 2016-21 Strategic agenda will be formally presented for adoption at the February 12, 2016, meeting.

COMMITTEE ON  
EQUAL  
OPPORTUNITIES  
REPORT

Dr. Rana Johnson, CPE's chief diversity officer, provided an update on the activities of the Committee on Equal Opportunities. She gave an overview of the successful Diversity Summit held on November 9, 2015. Mr. Jackson, chair of the Committee on Equal Opportunities, echoed her sentiments, stating that he was impressed with the speakers and the number of attendees.

GEAR UP KENTUCKY  
UPDATE

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

Mr. Bruce Brooks, executive director of GUK, Ms. Kim Millerd, director of strategic initiatives, and Ms. Dawn Offutt, director for program services,

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presented to the Council the work of GUK since their last update in June 2013. Through the services provided to students, parents, and schools, GUK has increased the quality and quantity of K-12 partnerships, created more opportunities for students to participate in summer academies, increased students' assessment results, and closed achievement gaps among student cohorts.

**ECONOMIC BENEFITS  
OF INCREASED  
EDUCATIONAL  
ATTAINMENT IN  
KENTUCKY**

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

CBER Director Dr. Chris Bollinger presented the findings of the study, which was released in October 2015. The report found that increasing Kentucky's educational attainment to the national average would add over \$900 million annually to the state's coffers. Of that amount:

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

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

**COMMITTEE  
APPOINTMENTS**

Chair Denton made the following committee appointments:

- Ms. Ruwe to the Committee on Equal Opportunities, which oversees the Commonwealth's desegregation and equal opportunity plans for postsecondary education. The Committee reviews institutional progress and makes recommendations for policy improvements to the Council. This student member appointment replaces Josh Tuning, whose term on the Council expired.
- Ms. Moore, Mr. Ellis, and Mr. Jackson to the Nominating Committee, which will present nominations for Council chair and vice chair at the February 12, 2016 meeting. The appointments will be one-year terms, from February 12, 2016, to January 31, 2017.

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REPORTS FROM  
INSTITUTIONS

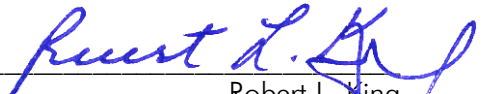
Reports from the institutions were provided in the agenda book.

NEXT MEETING

The next Council meeting is February 12, 2016, at the Council offices in Frankfort, Kentucky.

ADJOURNMENT

The meeting adjourned at 12:10 p.m., ET.

  
Robert L. King  
CPE President

  
Heather M. Bingham  
Associate, Executive Relations