

AGENDA
Council on Postsecondary Education
March 9, 1998

8:30 a.m. (ET) CPE Conference Room, Frankfort, Kentucky (map enclosed)

A.	Roll Call	
B.	Approval of Minutes	1
C.	Discussion: Draft Strategic Agenda	17
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L.	Action: Resolution for Jim Miller	
M.	Other Business	
N.	Next Meeting – May 17-18	
O.	Adjournment	

All agenda materials will be available on our home page at <http://www.cpe.state.ky.us>.

Discussion:

The Kentucky Postsecondary Education Improvement Act of 1997 directs CPE to develop a strategic agenda and strategic implementation plan. At the January 1998 CPE meeting, Chair Hardin made a presentation about the nature of these two planning documents, the process and participants to be involved in developing them, and a general timeframe to guide the process. On February 20, 1998, the CPE work group charged with directing the conceptualization and development of the strategic agenda met to discuss a draft strategic agenda and agreed to move the attached working draft forward to CPE for discussion.

This draft, entitled *2020 Vision: A Strategic Agenda for Kentucky's System of Postsecondary Education*, is in keeping with the definition offered at the January 1998 CPE meeting, i.e., that the strategic agenda be "a brief, written statement that communicates to the citizens of Kentucky what they can expect as a result of the efforts of the Commonwealth's postsecondary education system." Also in keeping with the January presentation, this draft is intended to:

- Further the public purposes of postsecondary education
- Identify statewide priorities and a vision for long-term economic growth
- Recognize aspirations of and reflect high expectations for the state's students, employers, and workforce
- Sustain a long-term commitment to constant improvement
- Properly align system assets with needs
- Improve system productivity
- Guide institutional missions and plans

With these purposes in mind, the draft reflects the belief that the strategic agenda should be directed to several audiences including the general public, state-level policy makers, students, business and industry, institutional leaders, and faculty and staff. In effect, the strategic agenda will increase public awareness of the entire postsecondary education community's commitment to implementing the reforms outlined in House Bill 1.

Once finalized, the strategic agenda will set the stage for development of a more detailed strategic implementation plan. This plan will be a blueprint for action that guides systemwide and institutional policies and decisions toward achieving the strategic agenda. House Bill 1

stipulates that the strategic implementation plan will include goals, principles, strategies, objectives, performance indicators, benchmarks, and incentives to achieve desired results. Its development will involve a longer process that will begin with CPE approval of the strategic agenda and extend through 1998.

Discussion of this draft strategic agenda at the March CPE meeting will initiate a broad review process involving the Strategic Committee on Postsecondary Education (SCOPE), university boards, presidents, administrators, faculty and student leaders, and other postsecondary education constituents. It is expected that comments will be forthcoming from these constituents following the March CPE meeting and that CPE could act on the strategic agenda as early as the May meeting or have a "final working draft" to be completed immediately after selection of the CPE president.

**2020 Vision:
A Strategic Agenda for
Kentucky's System of Postsecondary Education**

The Vision

Envision a Kentucky in the year 2020 recognized throughout the nation and across the world for having:

- ◆ An educated citizenry that hungers for knowledge and aspires to high standards of achievement
- ◆ Globally competitive businesses and industries renowned for their highly knowledgeable and technologically advanced employees
- ◆ Vibrant communities offering a quality of life and standard of living unsurpassed by those in other states and nations
- ◆ A collection of the best minds in the world dedicated to generating new ideas, processes, and human knowledge
- ◆ A quality system of elementary and secondary education that fully prepares students for the future
- ◆ An integrated network of high-performance postsecondary education providers committed to serving state interests and acclaimed for its excellence, innovation, collaboration, and responsiveness.

The Call for Change

Pure and simple, Kentuckians deserve this future. That is why our public leaders have set a goal that puts Kentucky on a path to achieving economic opportunity and a standard of living above the national average in 20 years. By all indications, the key to achieving this goal is lifelong education.

A responsive and flexible system of postsecondary education in-sync with the new realities of the 21st century is by far the most important tool we'll need to move us along this critical path. Only through strategic investment in postsecondary education with strong linkages to a statewide mission can the Commonwealth reach its full potential.

We need to cultivate an appetite for knowledge, and our system of education needs to satisfy that hunger. Right now, nearly half of the state's population lacks the knowledge and skills to fully participate in the economy. The proportion of the population with less than a high school diploma is greater in Kentucky than all but one of our competitor states. And, Kentucky still ranks almost last in the nation in the percent of our citizens with a bachelor's degree. Low participation in postsecondary education and below average per capita income produce the vicious cycle that needs to be broken.

Creating an unquenchable thirst for knowledge among all Kentuckians must be augmented by the discovery of *new* knowledge within our postsecondary education system. A higher standard of living and quality of life for all Kentuckians will only be possible if the Commonwealth can compete for and sustain new generation businesses and industries that rely on innovative ideas and technologies.

The Kentucky Postsecondary Education Improvement Act of 1997 calls for a commitment to clearing the path for a life and love of learning. It is the key to prosperity—for our citizens, our businesses and industries, our communities, and our children.

The Spectrum of Providers

Kentucky's system of postsecondary education comprises a rich array of institutions—each with its own unique strengths and role but collectively creating a spectrum of opportunity and choice for our citizens. By leveraging institutional strengths and creating synergy through collaboration, we will create an integrated network of strategically focused, high-performance learning organizations. *The Kentucky Postsecondary Education Improvement Act of 1997* sets the year 2020 as a target for reaching the following goals for the key public providers in the education network:

- ♦ The Kentucky Community and Technical College System will be the primary provider of two-year transfer programs, workforce training for existing and new businesses and industries, and remedial and continuing education to improve the quality of life and employability of the citizens of the Commonwealth.
- ♦ The Regional Universities—Eastern Kentucky University, Kentucky State University, Morehead State University, Murray State University, Northern Kentucky University, and Western Kentucky University—will work cooperatively to assure statewide access to baccalaureate and master's degrees of a quality at or above the national average and will each host at least one academic program of national distinction.
- ♦ The University of Louisville will be a premier, nationally recognized metropolitan research university.
- ♦ The University of Kentucky will be a major comprehensive research institution ranked nationally in the top twenty public universities.

In addition to these public institutions, Kentucky's independent postsecondary education institutions, located throughout the state, provide a rich resource of postsecondary education choices. This resource is a vital component of our system that will be embraced as a full partner in the network.

The Commonwealth Virtual University, through distance learning technology, will be one of the primary vehicles for transforming Kentucky's collection of institutions into a coherent, seamless system. It will be a student-centered, technology-based system delivering programs, courses, and student services that enhance opportunities for access to place- and time-bound students, minimize inefficiencies such as low enrollment courses and programs, and capitalize on unique institutional roles and specialized faculty strengths.

Regional postsecondary education centers represent a new concept in Kentucky aimed at extending the existing network of providers to more physical locations. These jointly planned and designed facilities will be used by multiple providers—both public and private—to expand physical and electronic access to postsecondary education and services.

The Stakeholder Benefits

Everyone—students, the public, policymakers, business and industry, communities—is a stakeholder in the Commonwealth’s postsecondary education system. These key stakeholders will reap the benefits of this bold reform effort:

- ♦ *Students* will be able to move easily across and through a rich array of education and training opportunities. Those fresh out of high school will come to postsecondary education ready to learn, will come away as critical thinkers and lifelong learners, and will be competent in a technologically advanced world. Adult students will experience first hand the concept of “anytime, anyplace” education and support services customized to their learning needs, time requirements, and physical location.
- ♦ *Business and Industry* benefit by having a workforce that is well trained and has continuous access to “just-in-time” education to further upgrade skills. An advanced research infrastructure will provide innovation and support for new generation businesses and corporate enterprises.
- ♦ *Communities and Regions* benefit because resources and services will be customized to meet their distinct needs. The saying that “there is more than one Kentucky” is particularly true when it comes to matching education and training needs with the appropriate programs and providers. Regional advisory groups will be used to help capitalize on the diversity that is a part of Kentucky’s strengths and to assure that every region of the state has the educational resources it needs to flourish and prosper.
- ♦ *The Public Education Community* benefits from extensive collaboration between schools and colleges. Teacher preparation programs and professional development opportunities will keep teachers and administrators on the cutting edge of knowledge, techniques, and technology. Coordination will assure that students’ transition to postsecondary education programs will be smooth and that students are academically prepared to succeed.
- ♦ *The General Public* benefits from an educated citizenry ready to fully participate in their community. From arts and leisure to environmental health and public safety, educated professionals and research results contribute in myriad ways to creating vibrant, nurturing communities with a rich and fulfilling quality of life.
- ♦ *State Government* furthers its strategic goal of “achieving economic opportunity and a standard of living above the national average in 20 years.” Economic development, improved education, self-sustaining families, a strengthened financial position, and reduced crime—all of these statewide objectives are bolstered through postsecondary education.

The Investment

Kentucky has a significant asset in its postsecondary education system. The demands of the emerging 21st century require us to maximize our return on this and future investments in creative ways not imagined or even possible in the past. We have . . .

- ♦ An investment in *governing boards and institutional leaders* committed to act in the best interests of the state while creating unique places for their institutions among the network of providers.
- ♦ An investment in *faculty* dedicated to creating a community that puts the student in the center of the learning process, to helping students become active learners and critical thinkers, to generating new ideas and technologies, and to working with colleagues beyond their own institutional boundaries.

- ♦ An investment in *staff* who understand that continuous improvement and professional development are the keys to providing ultimate service to students and other customers.
- ♦ An investment in *libraries* that provide equitable access to knowledge and information resources.
- ♦ An investment in *technology* that allows faculty to collaborate, expands the availability of knowledge resources, extends campus services, and exposes students to the latest in technological advancements.
- ♦ An investment in *physical facilities* that foster interaction of students with faculty and each other, support cooperative programming among multiple providers, and create a positive and healthy environment in which to learn, work, and gather.

The System of Accountability

The public deserves to know whether its sizable investment is reaping returns. Our stakeholders have a legitimate need to know how well the system is doing what it has been asked to do. Are we taking the appropriate steps to assure achievement of the strategic agenda? Is the quality of our educational product the best it can be? Do prospective students have the information they need to make informed choices about where to go to college? Are students satisfied with and enriched by their experiences? Are taxpayers getting their money's worth? Are incentives fostering the right kinds of behavior? Are institutions preparing their students and themselves for the global marketplace of the 21st century? A coordinated system of accountability and public information will be fashioned to answer these types of questions.

The Call for Leadership

Effective partnerships between a state, its coordinating board, and its postsecondary education institutions are forged when the leaders involved hold a shared vision of excellence for the system. In Kentucky, we must join our collective strengths and cultivate leaders who support this strategic agenda.

The Council on Postsecondary Education is charged with leading the reform efforts envisioned by state policy leaders. Council members have pledged enlightened coordination, staunch advocacy, decisive leadership, and effective stewardship channeled toward these results:

- ♦ public understanding of and appreciation for the value of postsecondary education;
- ♦ alignment of policies and practices with the strategic agenda;
- ♦ students informed about their postsecondary education options;
- ♦ coordination among the spectrum of providers to assure quality, innovation, and cooperation;
- ♦ data and research that inform decisions and advance state interests;
- ♦ public information about the performance of the system; and
- ♦ incentives and regulatory relief that stimulate change and prompt institutions to redesign programs and services, realign resources to strategic priorities, improve productivity, and generate new resources.

Institutional governing boards and campus leadership will bring about the cultural changes necessary to transform Kentucky's individual postsecondary education entities into a collective whole. They have pledged to think creatively and imaginatively, plan strategically, respond quickly, strive for excellence, spend wisely, and work cooperatively.

The Strategic Committee on Postsecondary Education brings together state policy leaders in a forum to exchange ideas about the future of postsecondary education in Kentucky. Its members, including the Governor, legislative leadership, Council members, and other representatives, play a pivotal role in assuring that the efforts of the postsecondary education system have the long-term support of policy makers and are tightly linked to statewide needs and economic well-being.

The Next Steps

This strategic agenda sets in motion a fundamental shift in culture and mindset about postsecondary education. It is the driving force underpinning every policy developed, action taken, and decision made. It is the starting point for extensive, detailed strategic thinking and planning.

Over the coming months, the development of a strategic implementation plan will translate this agenda into more specific goals, strategies, performance indicators, and incentives. The process will be a collaborative one in which the shared vision of Council members, policy makers, institutional faculty and staff, students, employers, elementary and secondary education, and the public is crafted and crystallized. Strategic partnerships will be forged, advisory groups formed, and feedback will be sought from stakeholders so that their needs remain uppermost in our minds.

The Desired Results

We must quickly bring focus to the tasks before us. The following set of desired results will help shape our plans and actions. They are examples of the types of concrete, tangible indicators, to be included in the strategic implementation plan, that will determine the extent of our success. Offered now, they force us to begin with the end in mind and, in doing so, provide us with continuous checkpoints for keeping our individual and collective efforts on a common course.

Student Access and Success

- ◆ Increased physical and electronic access points for postsecondary education courses and services
- ◆ Reduced need for remediation for high school graduates
- ◆ Statewide access to financial assistance and comprehensive student services
- ◆ Increased college-going, graduation, and educational attainment rates
- ◆ Alternative credentialing mechanisms that enhance mobility, status, and economic security
- ◆ Improved transferability of competencies and credits across programs and institutions
- ◆ Greater satisfaction of employers with graduates

Academic Quality

- ◆ Restructured statewide academic policies that promote quality, innovation, and cooperation
- ◆ Nationally recognized programs of distinction at the regional universities
- ◆ Nationally recognized research programs at UK and UofL
- ◆ Improved outcomes as evidenced by demonstrated competencies, licensure exams, and test scores
- ◆ Redesigned curricula that reflect best practices in terms of effective teaching and learning
- ◆ Increased curricular relevance to employment in the changing economy
- ◆ Greater collaboration among faculty and institutions
- ◆ Strategic application of instructional technology

Economic Development

- ◆ Expanded research and development activities and spin-offs
- ◆ Greater numbers of entrepreneurial business ventures
- ◆ Higher standing of Kentucky's businesses and industries among global competitors
- ◆ Increased availability of skilled workers
- ◆ Enhanced strategic partnerships with business and industry

Efficiency, Productivity, and Coordination

- ◆ Fewer low enrollment courses and programs
- ◆ Elimination of unnecessary program duplication
- ◆ Re-engineered business processes and student services
- ◆ Shared use of facilities and information resources by multiple providers
- ◆ Increased productivity and cost containment

Resource Development

- ◆ Increased funding from public and private sources
- ◆ Reallocation of existing resources to high priority areas
- ◆ New resources and financial incentives tied to achievement of the strategic agenda
- ◆ Increased funded research

Advocacy and Accountability

- ◆ Increased public awareness about postsecondary education's value
- ◆ Widely available information that helps students and employers make informed choices
- ◆ Accountability reports to stakeholders containing useful and relevant performance indicators
- ◆ Benchmarks showing comparisons of regions and areas within the Commonwealth, and comparisons of the Commonwealth to other states and the nation

As our plans and policies unfold, we will consistently and aggressively advance this strategic agenda with the confidence that it reflects the important aspirations that students, employers, and the public have both for themselves and for the postsecondary education system that serves them.

Discussion:

The second meeting of the Distance Learning Advisory Committee (DLAC) was held on January 27 in the CPE conference room. Guest presenter Dr. George Connick, Founder and President Emeritus of the Education Network of Maine, described the evolution of Maine's model of "virtual" or "open" university and his experiences developing and operating that university. Maine's public postsecondary institutions offer several complete degree programs using distance learning technologies. Students have a single point of access for a wide range of support services including admission, registration, library, and financial aid. Dr. Connick's formal presentation was followed by a thoughtful, thorough question-and-answer session.

Chair Lee Todd made a presentation and facilitated a discussion aimed at reaching consensus about a conceptual model for the CVU and policies to translate that vision into operation. The DLAC concurred that a general policy statement should be drafted to guide further CVU development. A draft *Policy Statement Guiding Development of the Commonwealth Virtual University (CVU)* is attached to this agenda item for discussion by the full CPE.

Following adjournment of the CPE meeting, the DLAC will convene. The agenda for the meeting includes discussion of the general policy statement draft and presentations from representatives of three different virtual universities: Sally Johnstone, Senior Program Director for the Western Cooperative for Educational Telecommunications for the Western Interstate Commission for Higher Education (WICHE); Mary Beth Susman, Colorado Electronic Community College; and Phillip Swain, Indiana Partnership for Statewide Education.

Council on Postsecondary Education
Policy Statement Guiding Development
of the
Commonwealth Virtual University (CVU)

The Commonwealth Virtual University (CVU), created with passage of the Kentucky Postsecondary Education Improvement Act of 1997, will play a critical role in achieving the goals for 2020 outlined in that legislation—in particular, the need to create a postsecondary education system that is accessible, efficient, and responsive to the needs of Kentucky's citizens and economic stakeholders.

To initiate the planning and development of the CVU, the Distance Learning Advisory Committee (DLAC) of the Kentucky Council on Postsecondary Education (CPE) sought input from Kentucky's postsecondary leadership as well as national leaders in the field. This document reflects that input and represents the general consensus reached by the DLAC and CPE relative to broad policy guidelines for developing the CVU. These guidelines will provide direction to the next stage in the planning and development effort.

Vision

The Commonwealth Virtual University (CVU) will be a student-centered, technology-based system for delivering postsecondary education that meets the needs of citizens and employers across the Commonwealth. Through enabling policies and state-of-the-art technologies, the CVU shall deliver programs and courses through existing institutions that achieve goals consistent with the statewide strategic agenda. To that end, the CVU shall focus on achieving the following goals:

- Enhanced, expanded access and increased educational attainment
- Upgraded workforce skills and expanded professional development through basic and continuing education
- Increased efficiency and effectiveness in delivering courses and programs
- Enhanced educational quality
- Increased global competitiveness of Kentucky's educational resources

Guiding Principles

Decision-making processes for all entities and organizations charged with coordinating, operating, and regulating the CVU, among them CPE, the CPE-authorized CVU coordinating entity, the DLAC, and institutional working committees, shall be guided by the following principles. The CVU shall:

- Be developed by CPE with advice from the DLAC and other working committees
- Be consistent with the vision, goals, and objectives of the statewide strategic agenda for postsecondary education
- Reflect institutional missions and their respective strategic plans
- Effectively and efficiently utilize existing resources, including faculty, services, and electronic information technology networks, to accomplish its goals
- Utilize national and international resources to meet the needs of students that cannot be met by in-state institutions
- Consider educational best practices across the country and globe to conceptualize, develop, deliver, and evaluate instruction, student services, and faculty development.
- Respond promptly to demonstrated needs for programs and courses
- Recognize the need to balance access to postsecondary education with the efficient, effective use of resources
- Capitalize on the educational resources and services of both public and independent institutions and foster collaboration between the two sectors
- Result in high level, quality student learning
- Provide instruction, learning resources, and student services where and when needed.
- Maximize transferability of credits among all institutions and programs
- Recognize that curricula development is ultimately a faculty responsibility
- Promote institutional faculty and staff reward and recognition systems that value innovative uses of alternative delivery systems
- Continuously recognize, evaluate and, where appropriate and feasible, adopt state-of-the-art technologies and processes that can best serve Kentucky's needs
- Integrate, to the maximum extent possible, assessment of the CVU with CPE's existing accountability and comprehensive data base systems

Components of the CVU

At a minimum, the CVU shall consist initially of the following components:

- A clearinghouse of distance learning courses and programs
- A competency-based credentialing process
- Virtual library services
- A faculty development program
- Quality assurance mechanisms
- A single-point of access to statewide student services, including a “smart catalogue” and electronic connections to centralized and campus-based resources and services

Targeted Clients

Given the CVU’s charge to increase access to and attainment of postsecondary educational experiences, the CVU will target the following primary clients, recognizing, at the same time, that the nature of electronic delivery systems is such that potential users/clients are essentially unlimited:

- Adult students
- Place-bound and time-bound students
- Employers and employees in business, industry, and government
- P-12 students, teachers, and administrators
- Traditional residential students
- Students living in other states and countries

CPE Coordinating Function

By statute, ultimate responsibility for the Commonwealth Virtual University lies with CPE. Recognizing the broad range of other postsecondary education issues with which it must deal, the initial responsibility of CPE is to identify and adopt an effective, efficient organizational structure and coordinating unit for administering the CVU. Through this organizational structure, which will function with standing and ad hoc committees, including an academic council, CPE will develop and implement policies and facilitate attainment of CVU goals. However, the CVU shall not be a freestanding, separately

accredited degree-granting institution. In all instances, CPE will work closely with both public and independent institutions through the Distance Learning Advisory Committee (DLAC). CPE's initial CVU-related responsibilities follow:

- Adopt an organizational structure for managing the CVU's daily operations
- Establish new enabling policies and review existing CPE legal responsibilities and policies, including those related to tuition, fees, financial aid, extended-campus (e.g., the geographic service area concept), academic program development and review, transferability of credit, and others, in light of the CVU mandate, and revise as appropriate
- Develop and implement CVU policies
- Develop a statewide plan for providing distance-learning access to postsecondary education
- Identify and minimize inefficiencies in the current delivery system, for example, low enrollment courses and programs
- Develop and maintain a clearinghouse system that, among other things, will provide a focal point for student and educator access to a wide variety of services, a statewide catalogue of information for students, and a statewide schedule of CVU courses and program offerings
- Facilitate statewide faculty development initiatives
- Conduct needs assessments for courses, degree programs, and services
- Identify appropriate providers to meet identified needs
- Establish principles of good practice and quality standards for educational offerings
- Provide funding incentives
- Identify and fund pilot initiatives

Role of Postsecondary Institutions

The goals of the Commonwealth Virtual University shall primarily be attained through the cooperative efforts of Kentucky's existing postsecondary institutions. Pursuant to the Kentucky Postsecondary Education Improvement Act of 1997, "the regional universities shall be the primary developers and deliverers of baccalaureate and master's degree programs to be delivered by the Commonwealth Virtual University; however, this does not preclude the University of Kentucky, the University of Louisville, or independent colleges from offering baccalaureate and master's degree programs or other course offerings, and community colleges and the technical institutions offering associate and

technical degree programs or other courses through the Commonwealth Virtual University.” Responsibilities of the institutions include:

- Active participation in identifying the postsecondary education needs of the citizens and employers in the Commonwealth
- Identifying and developing distance learning courses, programs, and other credentialing mechanisms, that are responsive to the identified needs and that are consistent with institutional missions and the Strategic Agenda
- Reducing inefficiencies and improving quality in course and program offerings through inter-institutional cooperation, the use of distance learning technologies, and the application of contemporary instructional technologies
- Identifying or developing high quality distance learning courses and programs that are competitive in the national and international market
- Adhering to this policy statement

Update:

With the legislative calendar approaching its final weeks, CPE staff continues to monitor legislative activity and to provide you with a weekly summary on issues of interest. CPE confirmation hearings were held on February 23 before a joint meeting of the House and Senate Education Committees. The second and final budget hearing for postsecondary education was conducted in the Senate Appropriations and Revenue Committee on February 24. Budget mark-up in the House A & R Committee will be getting underway shortly.

A chart giving the status of bills of particular interest is attached to this agenda item, as are tables containing the most recent budget information.

BILL/SPONSOR	SUMMARY	STATUS
SB 5 (Bradley)	KHEAA conform with federal law	House Education Committee
SB 11 (Philpot)	Post-tenure review	Senate Education Committee
SB 21 (Shaughnessy)	Commonwealth Merit Scholarship program	Senate Education Committee
SB 186 (Westwood)	Collaborative Literacy Center	Reported favorably from Senate Education Committee
SB 202 (Bailey)	Osteopathic Medicine Scholarships	House Education Committee
SB 265 (Karem)	Alternative certification for teachers	Senate Education Committee
SB 295 (Scorsone)	Staff member – UK Board of Trustees	Senate Education Committee
SB 298 (Pendleton)	Secondary vocational schools and technology centers	Senate Education Committee
HB 3 (L. Clark)	GA approval of all bonded capital projects	House A & R Committee
HB 69 (Baugh)	Transfer secondary area vocational centers to KCTCS	House Education Committee
HB 204 (L. Clark)	Ky. H. E. Student Loan Corp. – loan limits	Withdrawn
HB 205 (L. Clark)	Ky. H. E. Student Loan Corp. – Board	House State Govt. Committee
HB 307 (Mason)	Ky. Tuition Grants – disabled students	Passed House 92-0
HB 308 (Mason)	Teacher scholarships – disabled individuals	Passed House 94-0
HB 321 (Richards)	Executive branch budget bill	House A & R Committee
HB 346 (Stumbo)	Confirm Exec Order – Animal Diagnostic Laboratory Advisory Committee	Senate Agriculture Committee
HB 451 (Stumbo)	Confirm Exec Order – Committee on Equal Opportunities	House State Govt. Committee
HB 485 (L.Clark)	Ky. H. E. Student Loan Corp. – loan limits	House Education Committee
HB 494 (Gooch)	KCTCS – salary schedule	House Education Committee
HB 499 (Yonts)	CC Boards – Nominating Committee	House Education Committee
HB 502 (Hatcher)	CPE licensure – Bible colleges	House Education Committee
HB 511 (Yonts)	CC Boards – nepotism	House Education Committee
HCR 8, 12, 21-30, 41 (Richards)	Confirmations to CPE	House Education Committee
HB 606 (Hatcher)	CPE licensure – Bible colleges	House Education Committee
HB 616 (Lindsay)	Secondary vocational schools and technology centers	House Education Committee



MEMORANDUM (VIA FAX)

TO: Council Members

FROM: Ken Walker *Ken*

DATE: March 6, 1998

SUBJECT: General Assembly

Budget mark-up, previously planned for today in the House Appropriations and Revenue Committee, has been delayed until Monday. We will keep you informed as that process unfolds.

Senator Tim Shaughnessy's bill to establish the Commonwealth Merit Scholarship program, SB 21, was finally reported favorably from the Senate Education Committee, but not without some changes. As amended, SB 21 would use lottery proceeds to:

- Award merit scholarships to high school students based on a combination of grade point averages (GPA) and ACT scores;
- Establish the Patton Scholars program that would provide full scholarships (tuition, room, board, books, etc.) to the state's top 100 high school graduates;
- Fund fully the state's need based aid programs, the College Access Program (CAP) and the Kentucky Tuition Grant (KTG) program; and
- Appropriate \$5 million to fund a state literacy center as established in SB 186.

SB 21 has not yet been acted on by the full Senate. Senator Ernesto Scorsone has filed a floor amendment which would essentially gut the bill, substituting instead a much more limited program that would provide from lottery revenues 110 full scholarships annually to "Kentucky's most outstanding students." Lottery funds would then be used to provide even larger increases for the College Access Program and the Kentucky Tuition Grant program, to pay for family resource and youth services programs in the public schools, and to support school districts that offer all-day kindergarten programs. Senator Scorsone's amendment reflects much of the debate surrounding SB 21, i.e., that there are more pressing needs in the state that should be addressed first.

New Legislation

SB 381 (Pendleton) Mandates that community college faculty in the Kentucky Community and Technical College System be granted leaves of absences for any reason for up to two years.

Referred to the Senate Education Committee

BILL/SPONSOR	SUMMARY	STATUS
SB 5 (Bradley)	KHEAA conform with federal law	House Rules Committee
SB 11 (Philpot)	Post-tenure review	House Education Committee (as amended in Senate)
SB 21 (Shaughnessy)	Commonwealth Merit Scholarship program	Senate Rules Committee
SB 186 (Westwood)	Collaborative Literacy Center	House Education Committee
SB 202 (Bailey)	Osteopathic Medicine Scholarships	House Rules Committee
SB 265 (Karem)	Alternative certification for teachers	Passed Senate 35-2
SB 295 (Scorsone)	Staff member – UK Board of Trustees	House Education Committee
SB 298 (Pendleton)	Secondary vocational schools and technology centers	Senate Education Committee
SB 381 (Pendleton)	KCTCS cc faculty - leave of absence	Senate Education Committee
SB 382 (Seum)	Labor representative – cc boards of directors	Senate Education Committee
SB 414 (Shaughnessy)	Constitutional amendment – Lottery revenue for student aid	Senate Education Committee
SJR 115 (Philpot)	Post-tenure review	Senate Education Committee
HB 3 (L. Clark)	GA approval of all bonded capital projects	House A & R Committee
HB 69 (Baugh)	Transfer secondary area vocational centers to KCTCS	House Education Committee
HB 204 (L. Clark)	Ky. H. E. Student Loan Corp. – loan limits	Withdrawn
HB 205 (L. Clark)	Ky. H. E. Student Loan Corp. – Board	Senate Education Committee
HB 307 (Mason)	Ky. Tuition Grants – disabled students	Reported favorably from Senate Education Committee with amendment allowing accredited for-profit institutions to participate in KTG program
HB 308 (Mason)	Teacher scholarships – disabled individuals	Reported favorably from Senate Education Committee
HB 321 (Richards)	Executive branch budget bill	House A & R Committee
HB 346 (Stumbo)	Confirm Exec Order – Animal Diagnostic Laboratory Advisory Committee	Senate Agriculture Committee

STATE BONDED CAPITAL PROJECTS

Deferred Maintenance and Government Mandate Pools	
University Projects	20,613,000
KCTCS Pool (under \$400,000 each)	<u>4,387,000</u>
Total	25,000,000
KCTCS Projects	49,502,000
Commonwealth Virtual University Technology Pool	30,000,000
Regional Postsecondary Education Centers (see handout page 5)	25,000,000
Research Equipment/Laboratory Replacement/Acquisition Pool	26,250,000
Major Renovations and New Facilities	
NKU – Natural Science Building	36,500,000
MoSU – Breckinridge Hall Renovation	14,000,000
UK – Mechanical Engineering Facility	19,600,000
MuSU – Carr Health/Cutchin Renovation	10,184,000
EKU – Student Service/Classroom Building	20,000,000
KSU – Hill Student Center Renovation/Expansion	8,250,000
UofL – Research Building (Belknap Campus)	32,040,000
WKU – Postsecondary Education Improvement Act of 1997 Facility	18,500,000
UK – Aging/Allied Health Building – Phase II	<u>20,000,000</u>
Total	179,074,000
Total State Funded Capital Projects Recommendation	334,826,000

Note: Does not included KCTCS projects totaling \$2,858,000 funded with state general funds.

INCENTIVE TRUST FUNDS
(in millions) *

	1997/98 <u>Base*</u>	Recommended <u>1998/99</u>	<u>1999/00</u>
Research Challenge Trust Fund	6	16	16
Regional University Excellence Trust Fund	6	7	7
Technology Initiative Trust Fund	-	8	12
Physical Facilities Trust Fund	-	-	29
Workforce Development Trust Fund	3	6	6
Student Financial Aid & Advancement Trust Fund	-	14	25
<hr/>			
Total	15	51	95

* Amounts in 1998/2000 are cumulative.

**POSTSECONDARY EDUCATION
1998/2000 STATE OPERATING APPROPRIATIONS**

Institution	1997/98 Base		1998/99		1999/00	
	CPE Rec'd*	Executive Budget	CPE Rec'd*	Executive Budget	CPE Rec'd*	Executive Budget
Eastern Kentucky University	62,833,800	62,833,800	63,825,700	63,825,700	65,726,700	65,726,700
Kentucky State University	19,924,500	19,924,800	20,364,100	20,364,100	20,872,800	20,872,800
Morehead State University	36,823,100	36,823,100	36,439,600	36,439,600	37,399,700	37,399,700
Murray State University	44,276,200	43,926,200 (1)	45,409,300	45,409,300	44,739,100	44,739,100
Northern Kentucky University	33,256,300	33,256,300	33,902,900	33,902,900	34,721,700	34,721,700
University of Kentucky (including LCC)	280,122,800	279,479,100 (2)	284,797,600	285,626,700 (2)	288,678,000	289,530,300 (2)
University of Louisville	154,179,700	154,179,700	157,537,500	157,537,500	162,697,500	162,697,500
Western Kentucky University	56,614,200	56,614,200	57,972,500	57,972,500	59,489,500	59,489,500
KCTCS (Administration, UKCCS, KY Tech)	152,135,900	154,830,800 (3)	154,653,500	155,729,900 (3)	159,988,200	161,090,400 (3)
Subtotal	840,166,500	841,868,000	854,902,700	856,808,200	874,313,200	876,267,700
CPE	26,081,800	26,081,800	55,879,500	64,025,200 (4)	89,307,500	109,655,400 (4)
KHEAA	30,227,000	30,227,000	45,333,500	30,603,200 (5)	48,492,000	30,603,200 (5)
Total	896,475,300	898,176,800	956,115,700	951,436,600	1,012,112,700	1,016,526,300

* As approved by CPE at its November 3, 1997 meeting.

- (1) The difference between the CPE requested amount and the Governor's recommendation is due to the exclusion of the Paducah Engineering Program funds still reflected in CPE base.
- (2) The differences between the CPE requested amounts and the Governor's recommendation are due to transfers approved by the KCTCS Board of Regents from funds appropriated in House Bill 4. This transfer occurred subsequent to the CPE recommendation.
- (3) The differences between the CPE requested amounts and the Governor's recommendation are due to necessary adjustments between KCTCS and the Workforce Development Cabinet subsequent to the CPE recommendation.
- (4) The Governor's recommendation includes an additional \$7 million in 1998/99 and \$18 million in 1999/2000 for the Student Financial Aid and Advancement Trust Fund; \$1,470,000 in 1998/99 and \$1.5 million in 1999/2000 for KCTCS - Lees College funds replacement; \$450,000 in 1999/2000 for UK - Paducah engineering instructional support; \$182,600 in each year for UofL - Labor Management Center expansion; \$180,000 in 1998/99 \$349,900 in 1999/2000 for UofL - Glasgow residency program expansion; \$1,026,000 in 1998/99 and \$1,664,400 in 1999/2000 for the Osteopathic Medicine scholarship program (to be administered by KHEAA); and \$30,000 in 1998/99 for a feasibility study for a collaborative social work program at UofL. The Governor's recommendation did not include funds for expansion of any CPE programs as requested.
- (5) The Governor's recommendation includes funds to fully fund need based financial aid ; however, these funds are included in the CPE budget in the Student Financial Aid and Advancement Trust Fund.

**Council on Postsecondary Education
Agency Request and Governor's Recommendation
Agency Budget with Pass-Through Programs**

	Revised FY 1998	CPE Requested FY 1999	Executive Budget FY 1999	CPE Requested FY 2000	Executive Budget FY 2000
Source of Funds					
General Funds	\$26,021,800	\$55,879,500	\$64,025,200	\$89,307,500	\$109,655,400
Federal Funds	3,984,500	5,315,000	4,057,000	5,321,500	4,063,500
Total	30,006,300	61,194,500	68,082,200	94,629,000	113,718,900
Agency Operations	3,709,000	3,848,000	3,825,100	3,994,000	3,949,000
Pass-Through Programs					
Investment and Incentive Trust Funds	15,000,000	44,000,000	51,000,000	77,000,000	95,000,000
Contract Spaces Program	2,246,900	2,220,500	2,220,500	2,328,500	2,328,500
EPSCoR	2,200,000	3,000,000	2,324,000	3,000,000	2,324,000
Rural Allied Health and Nursing Program	373,500	394,500	394,500	416,000	416,000
Professional Education Preparation Program	293,400	310,000	310,000	327,000	327,000
Minority Student College Preparation Program	198,600	269,500	209,500	281,000	221,000
Telecommunications Consortium (ETV)	167,700	177,000	177,000	187,000	187,000
Metroversity Consortia	53,000	56,000	56,000	59,000	59,000
KEYS to KERA	64,700	68,500	68,500	72,500	72,500
SRFB Compact for Faculty Diversitiy	0	34,000	0	68,000	0
Paducah Regional Higher Education Center	1,300,000	125,000	125,000	180,000	180,000
State Autism Training Center	200,000	211,500	211,500	223,000	223,000
Commonwealth Virtual University (CPE Staff Support)	0	500,000	0	500,000	0
Osteopathic Medicine Scholarship Program	0	0	1,026,000	0	1,664,400
UK: Paducah Engineering Instructional Support	0	0	0	0	450,000
KCTCS: Lees College Fund Replacement	0	0	1,470,000	0	1,500,000
UL: Labor Management Center Expansion	0	0	182,600	0	182,600
UL: Glasgow Residency Program Expansion	0	0	180,000	0	349,900
UL: Collaborative Social Work Feasibility Study	0	0	30,000	0	0
Total Pass-Through Programs	22,097,800	51,366,500	59,985,100	84,642,000	105,484,900
Federal Programs (CPE)					
Eisenhower Science and Mathematics Program	1,044,500	1,100,000	1,100,000	1,100,000	1,100,000
Kentucky Commission on Community Volunteerism and Service					
General Funds	215,000	665,000	215,000	671,500	221,500
Federal Funds	2,940,000	4,215,000	2,957,000	4,221,500	2,963,500
Total KCCVS	3,155,000	4,880,000	3,172,000	4,893,000	3,185,000
GRAND TOTAL	\$30,006,300	\$61,194,500	\$68,082,200	\$94,629,000	\$113,718,900

Update:

Charles Whitehead, chair of the Search Task Force of the Strategic Committee on Postsecondary Education (SCOPE), will give an update on the search process.

Update:

At the October 20, 1997, CPE meeting, Chair Hardin indicated that CPE members would receive a report of progress on activities related to transition agenda items at each CPE meeting, beginning in January 1998.

These transition agenda items were categorized using three time periods: *immediate priorities*, to be completed by the November 3, 1997, CPE meeting; *short-term priorities*, to be completed by March 1998; and *ongoing priorities*, to be completed after March 1998. The January 12, 1998, CPE Agenda Book provided an update of the status of the *immediate* and *short-term priorities*.

Since *immediate priorities* have been completed, this agenda item provides a brief summary of the status of all *short-term* and *ongoing priorities*.

Short-term CPE priorities (to be completed by March 1998)

- *Determine conceptual model for Commonwealth Virtual University.* The Distance Learning Advisory Committee (DLAC) met in January 1998 and heard a presentation on Maine's Education Network. In addition, DLAC Chair Lee Todd facilitated a discussion of CVU policy guidelines, which subsequently was used to develop a draft general policy statement for CVU policies. (See Agenda Item D for a copy of this draft.) The DLAC will meet after the March 9 CPE meeting to discuss the general policy statement draft and to hear presentations from additional experts in the virtual university arena.
- *Recruit staff to support CVU.* CPE staff assignments have been revised to allow a single staff member, Larry Fowler, to focus all of his efforts on CVU-related activities. In addition, CPE staff continues to explore opportunities to engage short-term assistance to support development of the CVU.
- *Develop uniform financial reporting system.* The first meeting of the Uniform Financial Reporting work group will be April 2, 1998 (at 8 a.m.). As a result of an evaluation of the transition agenda schedule, this item will be moved to the ongoing CPE priorities category.
- *Complete remedial education report.* Completed. Staff presented the report's overall findings at the January 1998 CPE meeting. The report's findings will serve as a foundation for the minimum admission requirements policy study initiated by CPE at its November 1997 meeting (see listing for minimum college admission requirements under ongoing CPE priorities).

- *Approve 1998 transition accountability report indicators and format.* Completed. A proposal for the 1998 transition accountability report was approved at the January 1998 CPE meeting.
- *Complete public agenda/mission statement; begin development of strategic agenda and strategic implementation plan.* The public agenda/mission statement has been folded into development of the strategic agenda. The CPE work group met to discuss and develop an approach to drafting the strategic agenda. Their discussions resulted in a draft document to be discussed by CPE at the March 9 meeting. (See Agenda Item C.)
- *Constitute regional advisory groups.* The CPE work group discussed establishment of the regional advisory groups at its February 20 meeting. The work group plans to continue discussions at its next meeting. As a result of an evaluation of the transition agenda schedule, this item will be moved to the ongoing CPE priorities category.
- *Distribute 1997/1998 incentive trust funds based upon CPE-approved criteria.* Institutions have been advised that CPE is prepared to accept proposals and to act on distributing 1997/98 incentive trust fund monies. In addition, Robert Shirley, a nationally recognized consultant and President Emeritus and Professor of Leadership and Management at the University of Southern Colorado, will serve as CPE's consultant for the regional university trust fund proposals; efforts to engage a consultant for the research initiative trust fund are currently underway.

Ongoing CPE Priorities (to be completed after March 1998)

- *Complete search for CPE president.* The SCOPE Search Task Force charged with conducting the search for a CPE president is working with Korn/Ferry, International, to identify qualified candidates. Charles Whitehead will provide an update at the March CPE meeting. (See Agenda Item F.)
- *Complete KCTCS transition.* On January 14, 1998, KCTCS assumed "official" responsibility for governing the 13 UK community colleges. CPE staff members continue to participate on KCTCS transition work groups.
- *Operationalize CVU.* (See Agenda Item D.)
- *Complete comprehensive data base revisions.* CPE's Internal Data Base Committee met in February to discuss revisions to reporting guidelines. Recommendations for these revisions, once finalized in draft form, will be presented to the Comprehensive Data Base Committee in April 1998 for discussion and action. Work continues on incorporating the postsecondary technical institutions into the comprehensive data base.
- *Complete review and redesign of all academic program-related policies.* The tasks associated with initiating a policy study to address this transition agenda item have been

completed. A work group was formed and held its first meeting on February 20 to discuss goals for the study. The Request for Proposals (RFP) for consultants was advertised nationally; in excess of 15 RFP's have been mailed to prospective consultants. Given the March 20 deadline for receiving proposals, it is anticipated that a final decision regarding selection of the consultant will be made by April 15, prior to the work group's next meeting in late April. CPE staff continues to review the literature, collect policies from other states, and compile all CPE academic program-related policies.

- *Complete new accountability system, assuring integration with the strategic agenda and funding policies.* CPE approved "interim" institutional and systemwide performance indicators for 1998 at its January 1998 meeting. (See January 1998 CPE Agenda Book, Agenda Item M-2.) A detailed workplan for completing the new accountability system will be developed in conjunction with development of the statewide strategic agenda and implementation plan.
- *Complete analysis of minimum college admission requirements; develop new policies as needed.* The tasks associated with initiating a policy study to address this transition agenda item have been completed. A work group has been formed and will hold its first meeting on March 8; Commissioner Cody will serve on the work group. The agenda will include an overview of Kentucky's minimum admission requirements, approaches to admission requirements in other states, and preliminary efforts to evaluate the effectiveness of the pre-college curriculum (PCC). In addition, CPE staff will report on the findings of a national symposium attended by CPE and Kentucky Department of Education (KDE) staff.
- *Complete review of policies and activities relating to public education support in cooperation with the Kentucky Department of Education; develop new programs and policies as needed.* CPE staff continues to work with staff at the Kentucky Department of Education and the Education Professional Standards Board in order to enhance and increase communication between P-12 and postsecondary faculty and administrators. For example, CPE staff has attended networking sessions for middle school teacher educators and teacher education administrators. CPE also hosted a statewide meeting for chief academic officers and education faculty and administrators involved in the newly legislated master's in education administration programs. Susan Leib, Executive Secretary of the Education Professional Standards Board, also attended this meeting.
- *Develop strategic agenda and implementation plan, assuring integration with accountability system and funding policies.* (See listing under short-term CPE priorities and Agenda Item C.)
- *Implement the Kentucky Plan for Equal Opportunities evaluation process.* The Kentucky Plan for Equal Opportunities has been adopted. The Administrative Regulation Review Subcommittee approved the Administrative Regulation (13 KAR 2:060) and forwarded it to the Interim Committee on Education for review of content. The Administrative Regulation is currently being used to implement the plan. At the January 1998 CPE meeting, staff reported

on institutional status for eligibility to submit new academic program proposals. A meeting of the Committee on Equal Opportunities (CEO) is scheduled for Monday, March 23, 1998, to hear a request for a qualitative waiver from Prestonsburg Community College. The Chair of the CEO will establish two subcommittees (one for western Kentucky, one for eastern Kentucky) at that meeting. These subcommittees will visit universities and community colleges to discuss plan implementation initiatives.

- *Distribute 1998/2000 incentive trust funds based on CPE-approved criteria.* Criteria for distributing 1998/2000 incentive trust funds will be developed following adoption of the 1998/2000 budget during the 1998 session of the General Assembly. Development of these criteria also will be based upon an evaluation of the effectiveness and appropriateness of the criteria used to distribute 1997/98 trust fund monies.

Recommendation:

That the Master of Accountancy program proposed by the University of Louisville be approved and registered in CIP 52.0301.

Staff Analysis:

The University of Louisville was eligible to submit program proposals in calendar year 1997 by virtue of its automatic eligibility status under the administrative regulation implementing KRS 164.020(8), the EEO statute. The university's 1997 eligibility status was extended for this proposed program when the program was postponed by CPE at the January 12, 1998, meeting.

The University of Louisville initially listed the proposed program on the August 1995 Program Advisory Statement for the University of Louisville and submitted the complete program proposal in November 1997 for action at the January 12, 1998, meeting of CPE. The analysis of the compelling need letter indicated that it did not address certain criteria in CPE's interim policy; consequently, CPE postponed consideration of the program and requested additional information from the university. Subsequently, the University of Louisville provided the requested information, and CPE concluded that a compelling need to consider the program had been documented.

CPE staff reviewed the proposal in consultation with an Academic Affairs Committee member. This review resulted in a request for additional information from the university. In addition, CPE shared information about the program proposal with the president of the Association of Independent Kentucky Colleges and Universities, who subsequently provided written confirmation that this program would not unnecessarily duplicate programs offered at private Kentucky institutions. Both CPE staff and the Academic Affairs Committee representative are satisfied with the institutional response and concur in a recommendation for approval of the program.

Rationale:

- The proposed Master of Accountancy program is consistent with the CPE-approved mission statement for the University of Louisville.
- The master's level accounting program responds to a legislated requirement that, beginning in 2000, prospective Certified Public Accountants (CPAs) complete 150 credit hours of instruction including a bachelor's degree prior to sitting for the CPA exam.

- All of the national accounting firms have offices in Louisville and depend on the university's program as a source for new employees. Currently employed accountants who have not yet taken the CPA exam will need access to an educational program that meets their needs. To this end, the proposed program is designed specifically to meet the needs of employed, place-bound adults by virtue of its being offered on a part-time evening and weekend schedule.
- The University of Louisville has explored the potential for cooperation with the other universities offering a master's degree program in accounting. The offering universities (Northern Kentucky University, University of Kentucky, and Western Kentucky University), in discussions with the University of Louisville, determined that their existing programs are designed to serve students seeking to enroll on a full-time basis. Further, U of L has determined that the integrated nature of this curriculum would make it difficult to share courses with those institutions offering a traditional program.
- The University of Louisville has expressed a willingness to offer the courses in the Master of Accountancy program at other sites. Student demand and the availability of logistical support would determine the feasibility of such offerings. The deans at Kentucky's business schools have discussed making credit and continuing education courses available through distance learning technology. To that end, Northern Kentucky University proposes to offer one graduate course in accounting in fall 1999; in addition, the business deans are exploring whether continuing education offerings for small business owners and a Certified Financial Planner program might be offered as part of this distance learning pilot project.
- The university plans to restructure its undergraduate accounting program, thereby freeing up faculty and other resources to implement the master's program. Consequently, internal allocations will cover most program costs, primarily faculty. Existing budget reallocations will fund administrative support salaries, supplies, and travel.
- The proposal is consistent with the statutory requirement that the state postsecondary education system does not unnecessarily duplicate program offerings at Kentucky private postsecondary institutions.

An executive summary prepared by the University of Louisville is attached to this agenda item.

Executive Summary

In 1990, the Kentucky legislature amended KRS 325.261 Certified Public Accountants to require 150 semester hours of post secondary education to sit for the Certified Public Accountant examination. This change is effective beginning with the first examination in the year 2000.

Louisville is the financial center of the state and all of the major CPA firms have offices in the metropolitan area. A significant majority of the CPAs in the state are located within the Louisville Metropolitan area. The UofL accountancy program has long been a major source of entry-level staff accountants for the CPA firms in the Louisville area. In order to meet the 150-hour requirement and to continue to fulfill our mission beyond the year 2000, the faculty of the School of Accountancy proposed that UofL offer a Master of Accountancy (MA) program.

Between 25 and 35 UofL accountancy graduates take jobs in public accounting each year. Thus, in order to continue to meet the needs of entry-level accountants who wish to become CPAs, UofL must be able to provide at least the minimum educational requirements.

The undergraduate program in the School of Accountancy is accredited by AACSB, the International Association for Management Education, the first accounting program in Kentucky to achieve this high level of recognition. Nationally, only 112 out of more than 1200 accounting programs are AACSB accredited. The University of Kentucky has the only other accredited program in the state.

The Master of Accountancy will be a 30 semester-hour, professional degree program. The proposed MA program consists of 21 graduate hours in accounting, 3 graduate hours in commercial law and 6 graduate hours of electives. Most students will take the electives in graduate business courses, but they will have the option of choosing graduate electives outside the College.

A graduate from a four-year accounting program should be able to begin study in the MA without any further preparation. A graduate with a non-accounting degree will probably have to do some preparatory work before admission to the MA program.

The undergraduate prerequisites for the program include only those subjects the School of Accountancy faculty believes are essential for a student to successfully complete the MA program. Any college or university offering a four-year accounting program would normally require these courses for a baccalaureate degree. The prerequisites must be completed before admission to the MA program.

Every four-year institution in the region was sent a copy of the proposed curriculum and the prerequisites and asked for comments. None expressed any concerns relative to the prerequisites.

The MA program is designed to graduate students who (a) possess the attributes and knowledge to begin a career as a professional accountant, (b) have the capacity for growth in positions of increased responsibilities, and (c) are capable of passing the entrance examination for the profession.

The career outlook for such professionals is good. The *Jobs Rated Almanac* ranks accounting as 10th out of 250 jobs using their jobs outlook score. The *Specialty Occupational Outlook: Professions* states that jobs in accounting are expected to increase at a rate faster than the all-industry average.

There are currently three Master of Accountancy programs in the state (University of Kentucky, Western Kentucky, and Northern Kentucky University), but these programs are focused on the full-time student. In response to its mission to serve the Louisville metropolitan area, the UofL program will be specifically designed and scheduled to accommodate the part-time student. Thus, addition to a MA program at UofL will allow those living in the Louisville area to pursue the advanced degree while continuing to work full time.

The School of Accountancy has sixteen full-time faculty members. Eleven have terminal degrees and have appointments at the Assistant Professor rank or above. Four are tenure-track instructors and one has a renewable term appointment at the instructor rank. Adjunct faculty are used sparingly. In the past year part-time faculty taught only 8 out of 104 sections of accounting courses. The MA program will not use graduate teaching assistants nor will they be used in the undergraduate program. The School of Accountancy faculty believes that students at all levels should have access to the full-time faculty whenever possible.

No additional faculty resource needs are anticipated in the short run because the undergraduate accounting curriculum will be reduced to reflect the shifting of topics specific to the needs of CPAs into the master's program. As a result, fewer undergraduate sections will need to be taught. However, a request is being made to convert the next instructor line that becomes vacant into an Assistant Professor position. With a graduate program comes an increased expectation for research productivity. A faculty member at the rank of instructor does not have research as a responsibility.

The other new expenses are for an addition to the library budget for on-line data base access and two graduate service assistants who will help the faculty with research projects.

The program budget shows a shortfall of approximately \$14,300 in the first year. The College of Business and Public Administration will cover this with restricted funds. After the first year, tuition revenues should cover all expenses.

**ADMINISTRATIVE REGULATION:
DETERMINATION OF RESIDENCY**

**ACTION ITEM
CPE (I)
March 9, 1998**

Recommendation:

That CPE approve the draft administrative regulation titled *13KAR 2:045. Determination of Residency Status for Admission and Tuition Assessment Purposes* for filing with the Legislative Research Commission in accordance with the statutory requirements of KRS Chapter 13A.

Rationale:

- KRS 164.020(8) grants CPE authority to determine tuition and establish minimum standards for admission. CPE has established tuition rate differentials for residents and nonresidents which in turn requires a process whereby the residency status of students can be determined.
- KRS Chapter 13B, the Kentucky Administrative Hearings Act, requires that matters affecting the rights of citizens be accorded due process hearings. Residency determinations are included within the scope of actions requiring administrative hearings.
- CPE staff has reviewed the residency determination activity for the past year and concluded that minor revisions in the administrative regulation are required in order to protect the rights of bona fide Kentucky residents and those domiciled in Kentucky.

Background:

The residency administrative regulation has undergone significant review and changes over the past three years. This latest review is designed to correct a minor problem in the wording of the administrative regulation that could, if not corrected, allow students who are dependent on nonresident parents to establish Kentucky residency. The language change occurs on page 8 in Section 5.

CPE and institutional staff responsible for residency determinations also have reviewed the institutional and administrative hearing actions taken in the last eighteen months and determined that a small number of other changes are desirable.

New language in the administrative regulation is noted by underlining while deleted language is noted by ~~brackets and strikethroughs~~.

The administrative regulation will be filed with the Legislative Research Commission and will follow the required statutory scheme for review. Notice of the proposed change will be published in the State's Administrative Register. A public hearing will be scheduled and oral and written testimony will be received and commented upon. A legislative standing committee, the Administrative Regulations Review Subcommittee, will conduct a hearing on the administrative regulation. The Education Committees of the House and Senate will then review the proposed regulation. Once the review processes are complete, the administrative regulation will go into effect.

1 COUNCIL ON POSTSECONDARY EDUCATION
2 (Proposed Amendment)
3

4 **13 KAR 2:045. Determination of residency status for admission and tuition assessment**
5 **purposes.**

6 RELATES TO: KRS Chapter 13B, 164.020, 164.030, 164A.330(9)

7 STATUTORY AUTHORITY: KRS 164.020(8)

8 NECESSITY, FUNCTION, AND CONFORMITY: KRS 164.020(8) requires the Council on
9 Postsecondary Education to determine tuition and approve the minimum qualifications for admis-
10 sion to a state-supported postsecondary education institution ~~[the public institutions of higher~~
11 ~~education]~~ and authorizes the Council to set different tuition amounts for residents of Kentucky and
12 for nonresidents ~~[of Kentucky]~~. This administrative regulation establishes the procedures and
13 guidelines for determining the residency status of a student who is seeking admission to, or who is
14 enrolled at, a state-supported postsecondary education institution ~~[public institution of higher~~
15 ~~education and for each student residency determination]~~.

16 Section 1. Definitions. (1) "Academic term" means a division of the school year during which
17 a course of studies is offered, and includes a semester, quarter, or single, consolidated summer term
18 as defined by the institution.

19 (2) "Continuous enrollment" means enrollment in a state-supported postsecondary education
20 institution ~~[college or university]~~ at the same degree level for consecutive terms, excluding summer
21 term, since the beginning of the period for which continuous enrollment is claimed unless a
22 sequence of continuous enrollment is broken due to extenuating circumstances beyond the student's

1 control, including serious personal illness or injury, or illness or death of a parent.

2 (3) "Degree level" means enrollment in a course or program which could result in the award of
3 a:

4 (a) Certificate, diploma or other programs at a technical institution;

5 (b) Baccalaureate degree or lower including enrollment in a course by a nondegree seeking
6 postbaccalaureate student;

7 (c)~~(b)~~ Graduate degree or graduate certification other than a first-professional degree in law,
8 medicine, dentistry or "Pharm. D"; or

9 (d)~~(e)~~ Professional degree in law, medicine, dentistry, or "Pharm. D".

10 (4) "Demonstration of Kentucky domicile and residency" means the presentation of documented
11 information and evidence sufficient to prove by a preponderance of the evidence that a person is
12 domiciled in Kentucky and is a resident of Kentucky.

13 (5) "Dependent person" means a person who cannot demonstrate financial independence from
14 parents or persons other than a spouse and who does not meet the criteria established in Section 5
15 of this administrative regulation.

16 (6) "Determination of residency status" means the decision of a postsecondary education
17 institution ~~{college or university}~~ and a subsequent decision by the Council on Postsecondary
18 Education including an administrative hearing, if appropriate, that results in the classification of a
19 person as a Kentucky resident or as a nonresident for admission and tuition assessment purposes.

20 (7) "Domicile" means a person's true, fixed, and permanent home and is the place where the
21 person intends to remain, and to which the person expects to return if absent without intending to
22 establish a new domicile elsewhere.

23 (8) "Full-time employment" means continuous employment for at least forty-eight (48) weeks

1 at an average of at least thirty (30) hours per week.

2 (9) "Independent person" means a person who demonstrates financial independence from parents
3 or persons other than a spouse and who can meet the criteria established in Section 5 of this
4 administrative regulation.

5 (10) "Institution" ~~["institution of higher education", or "college"]~~ means an entity defined in KRS
6 164.001(10) ~~[all entities offering instruction and conferring degrees or diplomas beyond the~~
7 ~~secondary school level, including four (4) year colleges or universities, two (2) year institutions~~
8 ~~including community colleges, and postsecondary vocational technical schools,]~~ if the type of
9 institution is not expressly stated.

10 (11) "Kentucky residency" or "Kentucky resident" means the result of a determination by an
11 institution or by the Council on Postsecondary Education that a person is a resident of Kentucky for
12 the purpose of tuition assessment and for the purpose of admission to that institution, if applicable.

13 (12) "Nonresident" means a person who is domiciled outside of Kentucky or who currently
14 maintains legal residence outside Kentucky or who has not met the criteria for Kentucky residency
15 established in this administrative regulation.

16 (13) "Preponderance of the evidence" means the greater weight of evidence, or evidence which
17 is more credible and convincing to the mind.

18 (14) "Parent" means one (1) of the following:

19 (a) A person's father or mother; or

20 (b) A court-appointed legal guardian if:

21 1. the guardianship is recognized by an appropriate court within the United States;

22 2. ~~if~~ there was a relinquishment of the rights of the parents; and

23 3. the ~~independent of a~~ guardianship was not established primarily to confer Kentucky

1 residency on the person.

2 (15) "Residence" or "residency" means the place of abode of a person and the place where the
3 person is physically present most of the time for a noneducational purpose in accordance with
4 Section 3 of this administrative regulation.

5 (16) "Sustenance" means living expenses including room, board, maintenance, transportation, and
6 educational expenses including tuition, fees, books, and supplies.

7 Section 2. Scope (1) State-supported postsecondary education [~~Public~~] institutions [~~of higher~~
8 ~~education~~] were established and are maintained by the Commonwealth of Kentucky primarily for
9 the benefit of qualified residents of Kentucky. The substantial commitment of public resources to
10 postsecondary [~~higher~~] education is predicated on the proposition that the state benefits significantly
11 from the existence of an educated citizenry. As a matter of policy, access to postsecondary [~~higher~~]
12 education shall be provided so far as feasible at reasonable cost to an individual who is domiciled
13 in Kentucky and who is a resident of Kentucky [~~bona fide residents of the state~~].

14 (2) The Council on Postsecondary Education requires a student who is neither domiciled in nor
15 a resident of Kentucky to meet higher admission standards and to pay a higher level of tuition than
16 resident students.

17 (3) The Commonwealth of Kentucky has a significant interest in providing for the needs of
18 Kentucky's citizenry in graduate, health related and other professional programs. Limited space and
19 the high cost of professional programs, combined with the need to ensure an equitable number of
20 professional health practitioners in the state, makes Kentucky especially vigilant in residency
21 determinations at the graduate and professional program levels of instruction. This administrative
22 regulation is predicated on a basic assumption that an individual domiciled in Kentucky is more
23 likely to practice professionally in the Commonwealth than is a student who is not domiciled in

1 Kentucky and who is primarily located in the Commonwealth for the purpose of attending an
2 institution.

3 (4) This administrative regulation applies to all student residency determinations regardless of
4 circumstances, including the Southern Regional Education Board contract spaces, reciprocity
5 agreements, where appropriate, and Academic Common Market programs.

6 Section 3. Determination of Residency Status; General Rules. (1) A determination of residency
7 shall include:

8 (a) An initial determination of residency status by an institution during the ~~[college or university~~
9 ~~at the time of]~~ admission process or upon enrollment in an institution for a specific academic term
10 or for admission into a specific academic program;

11 (b) Each administrative and residency review committee determination made by an institution;

12 (c) A reconsideration of a determination of residency status by an ~~[the]~~ institution based upon a
13 changed circumstance;

14 (d) An intermediate review by the Appeals Officer of the Council on Postsecondary Education
15 if requested by the student; and

16 (e) An administrative hearing conducted in accordance with the provisions of KRS Chapter 13B
17 and 13 KAR 2:070, if requested by the student.

18 (2)(a) An initial determination of residency status shall be based upon the facts in existence when
19 the credentials established by an institution for admission for a specific academic term have been
20 received and during the period of review by the institution. Provided, however, that an institution
21 may delay an initial determination of residency status for graduate, doctoral or professional school
22 applicants until the applicant is admitted to the program;

23 (b) An initial determination of residency status shall be based on:

1 1. Information derived from admissions materials;

2 2. Other materials required by an institution and which are consistent with this administrative
3 regulation; or

4 3. Other information available to the institution from any source.

5 (3) An individual seeking a determination of Kentucky residency status shall demonstrate that
6 status by a preponderance of the evidence.

7 (4) A determination of residency status shall be based upon verifiable circumstances or actions.

8 (5) Evidence and information cited as the basis for Kentucky domicile and residency shall
9 accompany the application for a determination of residency status.

10 (6) A student classified as a nonresident shall retain that status until the student is officially
11 reclassified by an [the] institution or the Council on Postsecondary Education, as appropriate.

12 (7) A student may apply for a review of a determination of residency status once for each
13 academic term.

14 (8) If an institution has information that a student's residency status may be incorrect, the
15 institution shall review and determine the student's correct residency status.

16 (9) If the Council on Postsecondary Education has information that an institution's determination
17 of residency status for a student may be incorrect, it may require the institution to review the
18 circumstances and report the results of that review.

19 (10) An institution shall impose a penalty or sanction against a student who gives incorrect or
20 misleading information to an institutional official, including[~~g~~:

21 ~~—(a)] payment of nonresident tuition for each academic term for which resident tuition was
22 assessed based on an improper determination of residency status and may also include:~~

23 (a) [Criminal prosecution

1 —(b)] Student discipline by the institution through a policy written and disseminated to students;

2 or

3 (b) Criminal prosecution. ~~[(e) Payment of nonresident tuition for each academic term for which~~
4 ~~resident tuition was assessed based on an improper determination of residency status.]~~

5 Section 4. Presumptions Regarding Residency Status. (1) In making a determination of residency
6 status, it shall be presumed that a person is a nonresident if:

7 (a) A person is, or seeks to be, an undergraduate student and whose admissions records show the
8 student to be a graduate of an out-of-state high school;

9 (b) A person's admission records indicate the student's residence to be outside of Kentucky at the
10 time of application for admission;

11 (c) A person moves to Kentucky primarily for the purpose of enrollment in an institution ~~{of~~
12 ~~higher education}~~;

13 (d) A person moves to Kentucky and within twelve (12) months enrolls in an institution of higher
14 education more than half time; or

15 (e) A person has a continuous absence of one (1) year from the state.

16 (2) A presumption arising from subsection (1) of this section shall be overcome by a
17 demonstration of Kentucky domicile and residency.

18 Section 5. Determination of Whether a Student is Dependent or Independent. (1) In a
19 determination of residency status, an institution shall first determine whether a student is dependent
20 or independent. This provision is predicated on the assumption that a dependent person lacks the
21 financial ability to live independently of the person upon whom the student is dependent and
22 therefore lacks the ability to form the requisite intent to establish domicile.

23 (2) In determining the dependent or independent status of a person, the following information

1 shall be considered as well as other relevant information available at the time the determination is
2 made:

3 (a) 1. That the person has not been claimed as a dependent on the federal or state tax returns of
4 a parent or other person for the year preceding the date of application for a determination of residen-
5 cy status; or

6 2. ~~(b)1.~~ That the person is no longer claimed by a parent or other person as a dependent or as an
7 exemption for federal and state tax purposes; and

8 (b) ~~2.~~ That the person has financial earnings and resources independent of both parents or a
9 person other than a spouse necessary to provide for the person's own sustenance.

10 (3) In determining the independent or dependent status of an individual, financial earning and
11 resources from state, federal and other student financial assistance programs shall be excluded.

12 (4) An individual who enrolls in an institution ~~[college]~~ immediately following graduation from
13 high school and remains enrolled shall be presumed to be a dependent person unless the contrary
14 is evident from the information submitted.

15 (5) ~~(4)~~ Domicile may be inferred from the student's permanent address, parent's mailing address,
16 or location of high school of graduation.

17 (6) ~~(5)~~ Marriage to a person domiciled in and who is a resident of Kentucky shall be a factor
18 considered by an institution in determining whether a student is dependent or independent.

19 (7) Gifts from or made or co-signed by a parent or family member other than a spouse, if used
20 for sustenance of the student:

21 (a) Shall not be considered in establishing a student as independent; and

22 (b) Shall be a factor in establishing that a student is dependent.

23 Section 6. Effect of a Determination of Dependent or Independent Status on a Determination of

1 Residency Status. (1) The effect of a determination that a person is dependent shall be as follows:

2 (a) The domicile and residency of a dependent person shall be the same as either parent. The
3 domicile and residency of the parent shall be determined in the same manner as the domicile and
4 residency of an independent person.

5 (b) The domicile and residency of a dependent person whose parents are divorced, separated, or
6 otherwise living apart shall be ~~{a resident of}~~ Kentucky if either parent is domiciled in and is a
7 resident of Kentucky regardless of which parent has legal custody or is entitled to claim that person
8 as a dependent pursuant to Kentucky income tax provisions.

9 (c)1. If the parent or parents of a dependent person are Kentucky residents and are domiciled in
10 Kentucky but subsequently move from the state, the dependent person shall be considered a resident
11 of Kentucky while in continuous enrollment at the degree level in which currently enrolled.

12 2. If continuous enrollment is broken or the current degree level is completed, the dependent
13 person's residency status shall be reassessed when the circumstances detailed in subparagraph 1 of
14 this paragraph are present.

15 (2) If ~~{an independent person,}~~ the sole parent, or both parents of a dependent person moves out
16 of state, Kentucky domicile and residency, having been previously established, shall be retained
17 until steps are taken to establish domicile and residency elsewhere.

18 Section 7. Member of Armed Forces of the United States, Spouse and Dependents; Effect on a
19 Determination of Residency Status. (1) A member, spouse, or dependent of a member whose
20 domicile and residency was Kentucky at the time of induction into the Armed Forces of the United
21 States, and who maintains Kentucky as home of record and permanent address, shall be entitled to
22 Kentucky residency status:

23 (a) During the time of active service; or ~~{and}~~

1 (b) If the member, spouse, or dependent returns to this state within six (6) months of the date of
2 the member's discharge from active duty.

3 (2)(a) A member, spouse or dependent of a member of the Armed Forces of the United States
4 stationed in Kentucky on active military orders shall be considered a Kentucky resident while the
5 member is on active duty in this state pursuant to those orders if the member is not:

- 6 1. Stationed in Kentucky for the purpose of enrollment at an institution [~~of higher education~~]; or
- 7 2. On temporary assignment of less than one (1) year.

8 (b) A member, spouse or dependent of a member, shall not lose Kentucky residency status if the
9 member is thereafter transferred on military orders while the member, spouse or dependent
10 requesting the status is in continuous enrollment at the degree level in which currently enrolled.

11 (3) A person's residency status established pursuant to this section shall be reassessed if the
12 qualifying condition is terminated.

13 Section 8. Status of Nonresident Aliens; Visas and Immigration. (1)(a) A person holding a
14 permanent residency visa or classified as a political refugee shall establish domicile and residency
15 in the same manner as another person.

16 (b) Time spent in Kentucky and progress made in fulfilling the conditions of domicile and
17 residency prior to obtaining permanent residency status shall be considered in establishing Kentucky
18 domicile and residency.

19 (2) A person holding a nonimmigrant visa with designation A, E, G, H, I, L, N, O, P, R, S, TD
20 or TN shall establish domicile and residency the same as another person.

21 (3)(a) An independent person holding a nonimmigrant visa with designations B, C, D, F, J, K,
22 M, or Q shall not be classified as a Kentucky resident, because that person does not have the
23 capacity to remain in Kentucky indefinitely and therefore cannot form the requisite intent necessary

1 to establish domicile within the meaning of this administrative regulation.

2 (b) A dependent person holding a visa as described in paragraph (a) of this subsection, but who
3 is a dependent of a parent holding a visa as described in subsection (2) of this section, shall be
4 considered as holding the visa of the parent.

5 (c) A dependent person holding a visa described in subsection (2) or paragraph (a) of subsection
6 (3) of this section, if a parent is a citizen of the United States and is a resident of and domiciled in
7 Kentucky, shall be a resident of Kentucky for the purposes of this administrative regulation.

8 Section 9. Beneficiaries of a Kentucky Educational Savings Plan Trust. A beneficiary of a
9 Kentucky Educational Savings Plan Trust shall be granted residency status if the beneficiary meets
10 the requirements of KRS 164A.330(9).

11 Section 10. Criteria Used in a Determination of Residency Status. (1) A determination of
12 Kentucky domicile and residency shall be based upon verifiable circumstances or actions. A single
13 fact shall not be paramount, and each situation shall be evaluated to identify those facts which are
14 essential to the determination of domicile and residency.

15 (2) The following facts, although not conclusive, shall have probative value in their entirety and
16 shall be individually weighted, appropriate to the facts and circumstances in each determination of
17 residency;

18 (a) Acceptance of an offer of full-time employment or transfer to an employer in Kentucky or
19 contiguous area while maintaining residence and domicile in Kentucky;

20 (b) Continuous physical presence in Kentucky while in a nonstudent status for the twelve (12)
21 months immediately preceding the start [~~commencement~~] of the academic term for which a
22 classification of Kentucky residency is sought;

23 (c) 1. Filing of Kentucky resident income tax return for the calendar year preceding the date of

1 application for a change in residency status; or

2 2. Payment of Kentucky withholding taxes while employed during the calendar year for which
3 a change in classification is sought;

4 (d) Full-time employment of at least one (1) year while living in Kentucky;

5 (e) Attendance as a full-time, nonresident student at an out-of-state institution ~~[of higher~~
6 ~~education]~~ based on a determination by that school that the person is a resident of Kentucky;

7 (f) Abandonment of a former domicile or residence and establishing domicile and residency in
8 Kentucky with attendance at an institution ~~[of higher education]~~ following and incidental to the
9 change in domicile and residency;

10 (g) Obtaining licensing or certification for a professional and occupational purpose in Kentucky;

11 (h) Payment of real property taxes in Kentucky;

12 (i) Ownership of real property in Kentucky, if the property was used by the student as a residence
13 preceding the date of application for a determination of residency status;

14 (j) Long-term lease of at least twelve (12) consecutive months of noncollegiate housing;

15 (k) Marriage of an independent student to a Kentucky resident; and

16 (l) Continued presence in Kentucky during academic breaks.

17 (3) The following facts, because of the ease and convenience in completing them, shall have
18 limited probative value in a determination that a person is domiciled in and is a resident of
19 Kentucky:

20 (a) Kentucky automobile registration;

21 (b) ~~[(m)]~~ Kentucky driver's license; and

22 (c) ~~[(n)] Continued presence as a resident in Kentucky during academic breaks; and~~

23 ~~[(o)]~~ Registration as a Kentucky voter.

1 (4) Provided, however, that the absence of a fact contained in subsection 3 of this Section shall
2 have significant probative value in determining that a student is not domiciled in or is not a resident
3 of Kentucky.

4 (5) ~~(3)~~ Kentucky residency status shall not be conferred by the performance of an act which is
5 incidental to fulfilling an educational purpose or by an act which is performed as a matter of
6 convenience. Mere physical presence in Kentucky, including living with a relative or friend, shall
7 not be sufficient evidence of domicile and residency.

8 Section 11. Effect of a Change in Circumstances on Residency Status. (1) If a person becomes
9 independent or if the residency status of a parent or parents of a dependent person changes, an [the]
10 institution shall reassess residency either upon a request by the student or a review initiated by an
11 institution.

12 (2) Upon transfer to~~[- or matriculation from,]~~ a Kentucky ~~[public]~~ institution ~~[of higher~~
13 ~~education]~~, a student's residency status shall be reassessed by the receiving institution.

14 (3) A reconsideration of a determination of residency status for a dependent person shall be
15 subject to the provisions for continuous enrollment, if applicable.

16 Section 12. Institutional Requirements; Designation of Office and Officer and Publication of the
17 Administrative Regulation. (1) Each institution shall designate:

18 (a) A person or office at the institution with responsibility for a determination of residency status
19 at that institution; and

20 (b) An administrative office or person with delegated day-to-day responsibility for administration
21 of this administrative regulation.

22 (2) The designation of an administrative office or person pursuant to subsection (1) of this
23 Section shall be in writing setting forth the duties and responsibilities. A copy shall be provided to

1 the Council on Postsecondary Education.

2 (3) Each institution shall establish an operational policy for the determination of residency status
3 which shall be filed with the Council on Postsecondary Education and which shall include:

4 (a) Procedures describing the steps in the initial determination of residency status;

5 (b) Designated responsibilities of each institutional official;

6 (c) Responsibilities of a person requesting admission to an {the} institution or to an academic
7 program, or, requesting a change in residency status;

8 (d) Procedures for the operation of a residency review committee created pursuant to Section 13
9 of this administrative regulation;

10 (e) Timetables and deadlines for student and institutional responses to a request for a review of
11 an institutional determination of residency status;

12 (f) Training of institutional officials responsible for a determination of residency status; and

13 (g) The role of the residency review committee.

14 (4) The administrative regulation shall be published in its entirety in all of each institution's
15 catalogs and disseminated to each student.

16 (5) Copies of the administrative regulation shall be maintained in the office designated pursuant
17 to subsection (1) of this section and shall be made available to each student requesting Council on
18 Postsecondary Education review of an institution's initial determination, review or reconsideration
19 of residency status.

20 Section 13. Establishment of a residency review committee by an institution. (1) Each institution
21 shall establish a residency review committee, which shall be a standing committee, to review,
22 evaluate, and act upon:

23 (a) A student appeal related to an initial determination of residency status;

1 (b) A recommendation of the administrative office or person designated pursuant to Section 12
2 of this administrative regulation, that the residency review committee review, evaluate, and act upon
3 an initial determination of residency status; and

4 (c) A student request for a reconsideration of a residency classification because of a changed
5 circumstance.

6 (2) The Kentucky Community and Technical College System may establish uniform policies and
7 procedures for each branch within the system as defined in KRS 164.001(11) including a provision
8 for separate institutional residency review committees.

9 (3) Membership on the residency review committee shall include at least one (1) faculty and one
10 (1) student member.

11 (4) ~~{(3)}~~ The policies and procedures of an institution's residency review committee shall be in
12 writing and published for student use.

13 (5) ~~{(4)}~~ A copy of the document authorizing and creating an institution's residency review
14 committee, and a copy of the operating policies and procedures of the residency review committee
15 shall be provided to the Council on Postsecondary Education.

16 Section 14. Student Responsibilities. (1) A student shall register under the proper residency
17 classification which includes the following actions:

18 (a) Raising a question in a timely manner concerning residency classification;

19 (b) Making application for change of residency classification in a timely manner with the
20 designated office or person at the institution; and

21 (c) Notifying the designated office or person at the institution immediately upon a change in
22 residency.

23 (2) If a student fails to notify an institutional official of a change in residency, an institutional

1 official may investigate and evaluate the student's current residency status.

2 (3)(a) If a student fails to provide, in a timely manner, information required by an institution in
3 a determination of residency status or by the Council on Postsecondary Education in an appeal of
4 a determination of residency status, the student shall be notified by the institution or by the Council
5 on Postsecondary Education, as appropriate, that the review has been canceled and that a
6 determination has been made.

7 (b) Notification shall be made by registered mail, return receipt requested.

8 (c) Notification shall be made within ten (10) calendar days after the deadline for receipt of
9 materials has passed.

10 (4) A student shall not be entitled to appeal a determination of residency status if the
11 determination made by an institution or by the Council on Postsecondary Education is made because
12 a student has failed [~~for a failure~~] to meet published deadlines for the submission of information as
13 set forth in subsection (3) of this Section. A student may request a review of a determination of
14 residency status in a subsequent academic term.

15 Section 15. Procedures for an Initial Determination of Residency Status, an Institutional Review
16 of Residency Status and for a Reconsideration of a Determination of Residency Status. (1)
17 Application for a review of a determination of residency status shall be made to the administrative
18 office or person designated by an [~~the~~] institution pursuant to Section 12 of this administrative
19 regulation.

20 (2) The application, with supporting documentation, shall be made by the student no later than
21 [~~within~~] thirty (30) calendar days after the first day of classes of the academic term for which a
22 review of a determination of residency status is sought.

23 (3) An application shall consist of:

1 (a) An affidavit authorized by the Council on Postsecondary Education and submitted by the
2 student or the parent of a dependent student asserting the claim for a determination of residency
3 status and asserting that the documentation and information are accurate and true; and

4 (b) Information and documentation required by an institution and consistent with this
5 administrative regulation which is necessary to substantiate a request for a change in a determination
6 of residency status.

7 (4)(a) An application shall be first reviewed by the office or person designated by the institution
8 pursuant to Section 12 of this administrative regulation.

9 (b) If a student asks, in writing and in a manner set forth by the institution consistent with this
10 administrative regulation, to appeal the decision of the designated office or person, the residency
11 review committee shall review, evaluate, and act upon that appeal.

12 (c) An application for a review of residency status which is not submitted in a timely manner,
13 shall result in a determination of residency status consistent with an initial determination of
14 residency status.

15 (5) The decision of the designated office or person, or of the residency review committee shall
16 be set forth in a letter that includes:

17 (a) Findings of fact;

18 (b) Determination of whether the applicant is deemed to be a "dependent person" or "independent
19 person";~~and~~

20 (c) Whether the applicant is a resident or nonresident, and the reasons consistent with institutional
21 policy and this administrative regulation; and

22 (d) A citation of the specific section of the administrative regulation that provided the basis for
23 the institutional determination.

1 (6) If a student has requested an institutional review of a residency determination, the student
2 shall be notified in writing, by registered or certified mail, of the decision of the administrative
3 officer designated by the institution or the residency review committee, as appropriate, within forty-
4 five (45) calendar days after receipt of a person's application for a change.

5 (7) A change in a determination of residency shall not be made retroactive beyond the academic
6 term in which the request for a change is made.

7 (8) A student shall have the right to appeal a decision of the residency review committee to the
8 Council on Postsecondary Education pursuant to Sections 16, 17, and 18 of this administrative
9 regulation.

10 (9) An institution shall, by written policy, establish deadlines for the submission of written
11 documentation by a person seeking a review of an initial determination of residency status and shall
12 not consider an appeal which does not conform to the timetable requirements for documentation and
13 for the process established in the institution's operational policy.

14 Section 16. Procedure for Appeal to the Council on Postsecondary Education and Intermediate
15 Review by the Council on Postsecondary Education Appeals Officer. (1) The President of the
16 Council on Postsecondary Education shall designate a person on the staff of the Council on
17 Postsecondary Education to serve as an appeals officer.

18 (2) The appeals officer's review of an institutional determination of residency status shall be to
19 determine whether the residency review committee's written decision was supported by a prepon-
20 derance of evidence and whether the decision conforms ~~{conformed}~~ to this administrative
21 regulation.

22 (3) Upon receipt of notice from the residency review committee of an institution's ~~{the}~~ decision
23 by certified or registered mail, the student shall have fourteen (14) calendar days to appeal that

1 decision to the Council on Postsecondary Education by giving notice in writing to the office or
2 person designated by the institution to administer this administrative regulation.

3 (4) An appeal filed more than fourteen (14) calendar days after receipt of the decision of the
4 residency review committee shall be dismissed and the decision of the residency review committee
5 shall be final.

6 (5) The office or person designated by the institution pursuant to Section 12 of this administrative
7 regulation shall be responsible for forwarding to the Council on Postsecondary Education a complete
8 copy of the student's file within fourteen (14) calendar days of the receipt of a notice of appeal. The
9 student may review the content of the file before it is forwarded to the Council on Postsecondary
10 Education.

11 Section 17. Determination of the Council on Postsecondary Education Appeals Officer. (1) The
12 appeals officer shall make a determination, based solely on the written record submitted, to affirm
13 or reverse the residency review committee's decision.

14 (2) Provided, however, that the appeals officer may order the appeal remanded to the residency
15 review committee for further proceedings before the appeals officer renders a final determination
16 if the appeals officer determines that the residency review committee:

17 (a) Failed to consider all information and evidence submitted; ~~{or}~~

18 (b) Failed to follow institutional policies and procedures; or

19 (c) The information provided by an institution does not support a determination of residency.

20 (3)(a) New information provided by the student that was not available to the institution at the
21 time of the institution's determination of residency status shall result in a decision by the appeals
22 officer to remand the case to the residency review committee for further action.

23 (b) A remand by the appeals officer ~~{because of information not available at the time of the~~

1 ~~determination of residency status~~ shall require the residency review committee to reconsider the
2 determination of residency status in light of the new information.

3 (c) An institution shall notify a student in writing of additional information required and shall
4 establish a deadline for the receipt of that information.

5 (d) The residency review committee shall consider the new information or evidence and shall
6 forward a written recommendation to the appeals officer within twenty-one (21) calendar days after
7 receipt of the notice of remand.

8 (e) ~~{(d)}~~ A copy of the residency review committee recommendation shall be provided to the
9 student.

10 (f) ~~{(e)}~~ A remand shall be part of the appeal to the Council on Postsecondary Education and shall
11 not constitute a determination by the appeals officer.

12 (4) The determination of the appeals officer shall be in writing and shall state the reason for the
13 decision.

14 (5)(a) Except as provided in paragraph (b) of this subsection, within twenty-one (21) calendar
15 days after receipt of the student's file, the recommendation of the appeals officer shall be forwarded
16 to the student by certified or registered mail with a copy to the office or person designated by the
17 institution to administer this administrative regulation.

18 (b) If the appeals officer remands an appeal under subsection (2) of this section, the twenty-one
19 (21) days shall not include the time the order was made until the time the residency review
20 committee's written recommendation was received by the appeals officer.

21 (6) The student shall have ten (10) calendar days after receipt of the appeals officer's
22 recommendation to file a written appeal by registered or certified mail with the Council on
23 Postsecondary Education requesting a formal adjudicatory hearing pursuant to KRS Chapter 13B

1 and 13 KAR 2:070.

2 Section 18. Administrative Hearing to be Held If Requested by Student. (1) An administrative
3 hearing on a request for a change in a determination shall be held in accordance with the provisions
4 of KRS Chapter 13B and 13 KAR 2:070.

5 (2) The recommended order shall be received by the President of the Council on Postsecondary
6 Education who shall issue a final decision on the appeal.

7 (a) The decision of the president shall be in writing and in accordance with KRS 13B.120.

8 (b) The decision of the president shall be provided to the student and the institution within
9 twenty-one (21) calendar days after receipt of the hearing officer's decision.

10 (3) Upon receipt of the notification of the final decision of the president, the student shall have
11 the right to appeal the decision to the appropriate court in accordance with KRS 13B.140.

12 Section 19. Charges to Institutions for Administrative Hearings. The Council on Postsecondary
13 Education, upon receipt of a bill for the conduct of an administrative hearing on an appeal of a
14 determination of residency status, shall assign one-half (1/2) of the cost of the administrative hearing
15 to the institution from which the appeal is taken. An ~~The~~ institution shall provide payment to the
16 Council on Postsecondary Education or to the office or administrative entity so designated by the
17 Council on Postsecondary Education within thirty (30) calendar days of receipt of the notice of
18 payment.

19
20
21 _____
22 Leonard V. Hardin
23 Chair
24 Council on Postsecondary Education
25
26
27
28

DATE

1 APPROVED TO FORM:
2
3

4 _____
5 Dennis L. Taulbee
6 General Counsel
7 Council on Postsecondary Education

DATE

Information:

On July 15, 1996, the Council on Higher Education (CHE) adopted a revised *Policy on the Development and Coordination of Extended-Campus Offerings*, partly in response to the work being done by Governor Patton's Commission on Higher Education Institutional Efficiency and Cooperation and the Task Force on Postsecondary Education. This revised policy requires that institutions submit to the Council each January a written extended-campus plan for the academic year beginning the following fall semester. In January 1997, CHE approved revised extended-campus plans that institutions had submitted for implementation in academic year 1997/98. These plans were consistent with the revised policy.

Under normal conditions, the institutions would have submitted plans for the 1998/99 academic year for consideration by CPE at its January 1998 meeting. However, the critical mandates and initiatives contained in House Bill 1 dovetail with and impact extended-campus activity and call for a conservative interim approach to extended-campus activities. Among these mandates and initiatives are the development of the Commonwealth Virtual University (CVU), establishment of Regional Advisory Groups, development of Regional Postsecondary Education Centers, and creation of the Strategic Agenda.

In light of these current circumstances, staff anticipates potentially significant changes to the extended-campus policy; therefore, staff formally advised each institution (see attached memorandum) that its existing plan for 1997/98 would be continued through 1998/99 with a provision for limited expansion to new extended-campus sites. Under this interim process, staff will consider recommending CPE approval of new sites if a compelling need is documented and one or more of the following additional criteria are met:

- The proposed offering is in response to a legislative mandate or CPE charge *and* the basis for the offering at a specific new site (county) has been appropriately and thoroughly documented.
- The course or courses proposed for the new site are to be offered via electronic distance learning technologies *and* the site is in the offering institution's own Designated Service Area (DSA), *or*, if the offering is in another institution's DSA, that institution has approved the offering.
- The offering is a dual credit or advanced placement (AP) course for high school students *and* the site is in the institution's own DSA, *or*, if the offering is in another institution's DSA, that institution approved the offering.

Any institution seeking to offer courses at a new site in 1998/99 must submit a request to CPE, as outlined in the attachment, for action at the May 1998 meeting.



MEMORANDUM

TO: University and KCTCS Presidents

FROM: Ken Walker *Ken*

DATE: February 18, 1998

SUBJECT: Administrative Decision Relative to 1998/99 Extended-Campus Activities

I am writing to update you on an administrative decision relative to 1998/99 extended-campus activities.

As you know, the current extended-campus policy (adopted July 15, 1996) requires that institutions submit annually an extended-campus plan for CPE approval. In addition, the policy requires that an institution proposing an offering in the service area of another institution must have the permission of that institution or, by appeal, be approved by the CPE. Further, CPE must approve expansion to new sites including new sites in the institution's own service area.

Under normal circumstances, institutions would have submitted their extended-campus plans for the 1998/99 academic year to CPE staff in fall 1997 for consideration by CPE at its January 1998 meeting. However, the critical mandates and initiatives contained in House Bill 1 dovetail with and impact extended-campus activity and will eventually require a comprehensive review and revision of the policy. Among these mandates and initiatives are the development of the Commonwealth Virtual University (CVU), establishment of Regional Advisory Groups, development of Regional Postsecondary Education Centers, and creation of the Strategic Agenda.

To facilitate extended-campus activities until such time as the existing policy is reviewed, an interim administrative process has been developed. Specifically, the existing 1997/98 extended-campus plans will be continued through 1998/99 with a provision for *limited* expansion into new sites *when a compelling need is clearly documented*. CPE will consider requests for expansion into new sites when, in addition to compelling need, one or one or more of the following criteria are met:

- The proposed offering responds to a specific legislative mandate or CPE charge *and* the basis for the offering is appropriately and thoroughly documented.

Memorandum to University Presidents

February 18, 1998

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- The course or courses proposed for the new site are to be offered via electronic distance learning technologies *and* are to be offered in the institution's own Designated Service Area (DSA), *or*, if the offering is in another institution's DSA, that institution has approved the offering.
- The proposed offering is a dual credit or advanced placement (AP) course for high school students *and* is to be offered in the institution's own DSA, *or*, if the offering is in another institution's DSA, that institution has approved the offering.

If your institution plans to offer courses at new extended-campus sites (counties) in 1998/99 and you believe that one or more of the above criteria are met, please submit your written request to CPE staff no later than March 31, 1998. The request should include the name of the "new" county, the general nature of the courses to be offered, the method of delivery (traditional, satellite, KTLN, etc.), and a complete rationale for establishing the new site on the basis of a compelling need.

We understand that offerings for spring and summer 1999 will be difficult to project to any degree of certainty at this early juncture; however, our primary interest is with the site rather than with the individual courses. As has always been the case, courses offered via the Internet or KET "open broadcast" will be exempt from this process. CPE will review and act upon proposed new sites at its May 1998 meeting.

If you or your staff have any questions, please contact Larry Fowler or me.

JKW/wh

cc: CPE Members
Extended-campus coordinators
Sue Moore
Dennis Taulbee
Larry Fowler

KET BOARD APPOINTMENT

Recommendation:

That Chair Hardin, at the March CPE meeting, recommend for CPE consideration the appointment of a representative to the Kentucky Authority for Educational Television (KET) for a four-year term, to end on March 9, 2002, and designate that appointment as the “University of Kentucky representative.”

Rationale:

- KRS 168.040 requires CPE to appoint two representatives to the KET board.
- The term of one of the two CPE representatives, currently Joanne James, has expired.

Background:

Joanne James and Hilma Prather currently serve as the two CPE representatives to the KET board. Ms. James' term expired on July 12, 1997. Ms. Prather's term will expire on November 7, 1998.

KRS 168.040 calls for CPE to make two appointments to the KET board: "a representative of the University of Kentucky" and "a representative of the state universities." There is no further restriction on these designations, i.e., there is no clarification on how to interpret what it means to be a representative of either UK or the state universities. It is likely a vestige of the requirement that at least one undergraduate degree recipient from each of the public universities be appointed to the former Council on Higher Education. Neither is there any requirement for these individuals to be a CPE member. Formerly, CHE traditionally named two of its membership to these positions without regard to their affiliation with an institution and has formally designated them as either the "UK representative" or the "representative of the state universities."

Appointments to the KET board are recommended by the CPE Chair. Chair Hardin will make a recommendation from the CPE membership at the meeting.



A RESOLUTION HONORING AND COMMENDING JAMES M. MILLER

for his service to the Council on Postsecondary Education.

WHEREAS, James M. Miller ended his tenure on the Council on Postsecondary Education on December 31, 1997, after nearly seven full years of exemplary service; and

WHEREAS, James M. Miller has ably served the Council in positions of leadership – three years as Chair, from May 1993 to September 1996; and three years as Chair of the Programs Committee, from November 1990 to May 1993; and

WHEREAS, James M. Miller has earned the respect and goodwill of his colleagues, both on the Council and those at the institutions of postsecondary education in Kentucky, for his diligence, his integrity, and his willingness to tackle difficult issues; and

WHEREAS, James M. Miller has guided the Council past many milestones, including the adoption of a second strategic plan, the establishment of performance-based funding, and the development of an accountability program; and

WHEREAS, James M. Miller is an energetic and ardent supporter of the efforts to enact and implement the Postsecondary Education Improvement Act of 1997; and

WHEREAS, James M. Miller is a fine human being who exemplifies the best in public service; and

WHEREAS, the Council on Postsecondary Education extends to James M. Miller its heartfelt appreciation for his dedicated service;

NOW, THEREFORE, BE IT RESOLVED that the Council on Postsecondary Education does hereby adopt this resolution on March 9, 1998, in honor of James M. Miller.

Leonard V. Hardin, Chair