

AGENDA

Council on Postsecondary Education

July 13, 1998

upon adjournment of committee meetings, CPE Conference Room, Frankfort, KY

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Sunday, July 12

6:00 p.m. (ET) Reception/Dinner for CPE Members, Capital Plaza Hotel, Frankfort

Monday, July 13

8:30 a.m. (ET) Academic Affairs Committee, CPE Conference Room

Finance Committee, Local Government Conference Room

upon adjournment of committee mtgs CPE meeting, CPE Conference Room



Academic Affairs Committee

Peggy Bertelsman, Chair
Lee Todd, Vice Chair
Norma Adams
Steve Barger
Leonard Hardin
Marlene Helm
Wilmer Cody
Lois Weinberg

Finance Committee

Ron Greenberg, Chair
Merl Hackbart, Vice Chair
Walter Baker
Michelle Francis
Leonard Hardin
Philip Huddleston
Shirley Menendez
Marcia Ridings
Charles Whitehead

Executive Committee

Leonard Hardin, Chair
Charles Whitehead, Vice Chair
Peggy Bertelsman
Ron Greenberg
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Lee Todd
Walter Baker
Lois Weinberg

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2020 Vision: A Strategic Agenda for Kentucky Postsecondary Education

ACTION
Agenda Item C-1
July 13, 1998

Recommendation:

- That the CPE approve the attached document, *2020 Vision: A Strategic Agenda for Kentucky Postsecondary Education*, as a public statement that communicates the postsecondary education system's commitment to making Kentucky a better place to live and work.
- That the CPE's work and the work on the campuses over the coming years be guided by this agenda.
- That *2020 Vision* be widely distributed across the Commonwealth, beginning with the annual trusteeship conference in September; and that the CPE president have license to modify language in the attached draft for incorporation into a printed publication if such changes improve its readability.
- That *2020 Vision* provide the starting point for the development of a strategic implementation plan, including a set of performance indicators, to be completed by the end of the 1998 calendar year.

Rationale:

- The Kentucky Postsecondary Education Improvement Act of 1997 assigns to the CPE the responsibility for developing a strategic agenda for the system.
- A widely distributed, written statement is needed to tell our citizens and stakeholders what they can expect out of their postsecondary education system.
- A process involving the postsecondary community's major stakeholders in the development of this agenda has been underway since January 1998.
- *2020 Vision* sets the stage for the more detailed plans and performance indicators needed to track the extent of our success in achieving the vision we have set for ourselves.

Background:

This final draft of *2020 Vision* results from a six-month process involving the CPE and its staff, the members of the Strategic Committee on Postsecondary Education, institutional presidents and governing boards, faculty and student groups, the business community, labor groups, and the elementary and secondary community. Its purpose is to translate the letter and spirit of the *Kentucky Postsecondary Education Improvement Act of 1997* into a brief, understandable document that communicates to the citizens of Kentucky what they can expect as a result of the efforts of the Commonwealth's postsecondary education system.

Staff Preparation by Sue Hodges Moore

2020 Vision:
An Agenda for Kentucky's System of Postsecondary Education

The Vision

We ask you to envision a Kentucky in the year 2020 recognized throughout the nation and across the world for having:

- ◆ Educated citizens who want advanced knowledge and skills and know how to acquire them; and who are good parents, good citizens, and economically self-sufficient workers.
- ◆ Globally competitive businesses and industries respected for their highly knowledgeable employees and the technological sophistication of their products and services.
- ◆ Vibrant communities offering a standard of living unsurpassed by those in other states and nations.
- ◆ Scholars and practitioners who are among the best in the world, dedicated to creating new ideas, technologies, and knowledge.
- ◆ An integrated system of elementary and secondary schools and providers of postsecondary education, committed to meeting the needs of students and the Commonwealth, and acclaimed for 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. The key to achieving this goal is lifelong learning.

A responsive and flexible system of postsecondary education is the most important tool we need to help Kentucky flourish in the early decades of the 21st century. Only through investment in postsecondary education with strong commitment to economic betterment can the Commonwealth and her people reach their full potential.

We need to cultivate an appetite for knowledge and skills. Our system of education needs to satisfy that hunger. Right now, nearly half of the state's population lacks the knowledge and skills to participate fully 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 percentage of citizens with a bachelor's degree. Low participation in postsecondary education and below average per capita income creates a vicious cycle that needs to be broken.

Many factors have contributed to Kentucky's poor standing—high school student dropout rates, uneven access to postsecondary resources, low motivation, high attrition, and adult illiteracy, to name a few. Unfortunately, our own rules and procedures sometimes work against students and keep them from reaching their full potential. Too many people have been bounced between systems that are not sufficiently responsive to their needs and do not coordinate themselves with one another. People move through life's stages, developing the skills they need to cope and contribute. They deserve carefully articulated, nonbureaucratic paths from grade to grade and school to school.

Creating a responsive and friendly system of postsecondary education sought out by Kentucky's people is one task. Creating new knowledge, technologies, and products is another. Raising the standard of living and quality of life for Kentuckians will not be possible if we can't develop better jobs and a workforce with the knowledge and skills to fill them. And this will only be possible if the Commonwealth can compete for and sustain businesses and industries that thrive on innovative ideas and technologies. Kentucky ranks very poorly in the amount of funding it attracts for research and development. This is not acceptable. In the broadest sense, the mission of the Kentucky system of postsecondary education is economic development.

The call for change is loud and clear. We need to make it possible for all Kentuckians to participate in lifelong learning. Postsecondary education is the key to prosperity—for our citizens, our businesses and industries, our communities, and our children.

The Stakeholder Benefits

Everyone—students, the public, policymakers, business and industry, labor, communities—is a stakeholder in the Commonwealth's postsecondary education system. They will reap the benefits of our efforts to change and improve our services and the ways in which we provide them.

- ◆ *Students* will be able to choose from a richer array of education and training opportunities. They will be able to transfer from institution to institution with less bureaucratic interference and loss of academic credit. Adult students, especially, will experience “anytime, anyplace” education, training, and support services customized to their learning needs, time requirements, and physical locations.
- ◆ *Completers* of occupational and technical programs will be prepared for work and to continue their learning should they wish; *graduates* of our four-year schools will be critical thinkers and lifelong learners, will have skills and knowledge needed to work in a technologically advanced society, and will have a basic understanding of other cultures.
- ◆ *Business, Industry, and Labor* will have a workforce that is well trained and has continuous access to apprenticeship programs, “just-in-time” education, and skills upgrades. Advanced research will create new knowledge and technologies that can be transferred to businesses and labor groups.

- ◆ *The Public Education Community* will experience a new level of responsiveness from postsecondary education. Teacher preparation programs and professional development opportunities will be designed for teachers and administrators to implement school reform and meet the needs of students. This will require extensive consultation with school personnel and educational leaders who are the prime consumers of professional education programs.
- ◆ *High School Graduates* will be fully prepared for the future because they will have had teachers fully prepared and dedicated to making this happen. Those moving on to advanced education will be ready for college work because they will know up front what will be expected of them once they reach their 13th year of schooling.
- ◆ *Communities and Regions* will have access to postsecondary resources and services that are designed to meet their distinct needs. The saying that “there is more than one Kentucky” is particularly true when it comes to matching educational needs with the appropriate programs and providers. One size does not fit all. Regional advisory groups will help capitalize on the diversity that is one of Kentucky’s strengths and assure that every region of the state has the educational resources it needs to prosper. These resources can come from anywhere within the state, or even from beyond its borders, as Kentucky creates a postsecondary education system that is need-based rather than institution-based.
- ◆ *The General Public* benefits because education, research, and service improve the quality of our lives. From arts and leisure to environmental health and public safety, educated women and men contribute to creating safe, vibrant, and nurturing communities.
- ◆ *State Government* will progress toward the Commonwealth’s 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 Spectrum of Providers

Kentucky’s system of postsecondary education consists of a rich array of institutions—each with its own unique strengths and role but collectively creating a network of opportunity and choice for our citizens. By developing different strengths among the institutions and helping them cooperate with one another and other providers of advanced education, we will create an integrated network of high-performance learning organizations.

State policy makers have set broad goals for Kentucky’s *public institutions*. The year 2020 is when we should reach these goals. But we have to begin now or it will be too late.

- ◆ The Kentucky Community and Technical College System will be the primary provider of two-year transfer and technical 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 appropriate, high quality baccalaureate and master’s degree programs. Each university will develop at least one 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 among the top twenty public universities.

Kentucky’s *independent institutions* offer rich and diverse postsecondary education choices throughout the state. Kentucky’s people are best served by a broad array of postsecondary education providers. This vital component of our system will be embraced as a full partner in the greater system of postsecondary education of which the state-supported system is a part.

The *Commonwealth Virtual University*, using distance learning technology when appropriate, will help transform Kentucky’s institutions into a coherent system. Electronic delivery of education, training, and services will allow us to go to our citizens rather than force them to come to us. It can help us get the most out of the dollars the public invests in the system. The Commonwealth Virtual University will bring Kentuckians the best and most useful instruction available anywhere in the nation or the world—any time and any place.

All of this, at all the institutions and from all the electronic providers, is about creating good jobs through developing useful knowledge and technology, and preparing an educated workforce to fill them. We need to prepare the full array of workers, from technicians and physicians to teachers and marketing representatives, who are needed in a complex, technologically sophisticated Commonwealth.

The Investment

Kentucky has a significant asset in its postsecondary education system. State dollars are augmented by private support that provides a margin of excellence. The demands of the early 21st century require us to maximize our return on this asset and on 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 within a coordinated system.
- ◆ An investment in *faculty* dedicated to helping students become skilled and active learners and problem-solvers; to creating new ideas and technologies; and to working with colleagues within and beyond their own institutional boundaries.

- ◆ An investment in *student aid*, in the form of need-based grants, scholarships, and loans, to make sure that postsecondary education is financially accessible to all Kentuckians.
- ◆ An investment in *staff* who know that their responsibility is to serve students and other customers, and who work continuously to improve service levels and maintain their own skills.
- ◆ An investment in *libraries* that share their resources and provide access to knowledge and information through both traditional and electronic means.
- ◆ An investment in *technology* that allows faculty to teach better and to reach more students, expands the availability of knowledge and information, and helps students prepare for the modern workplace.
- ◆ An investment in *physical facilities* that foster better teaching and learning, and support cooperation among multiple institutions providing instruction. In addition to traditional campuses, regional centers can extend access to advanced education to more locations. These jointly planned and designed facilities will be used by both public and private institutions and by non-traditional providers of instruction and other educational services.

All the assets of postsecondary education have to be focused on providing occupational and technical training, liberal education, graduate and professional study, and pure and applied research. The effort in which we are involved requires a total investment of resources by all of postsecondary education.

The Call for Leadership

Effective partnerships between postsecondary education and the state are forged when the leaders involved hold a shared vision of excellence for the system. The people of Kentucky should insist upon educational leadership that is committed to provide the best possible services as efficiently as possible. This requires cooperation and collaboration. It requires making the whole greater than the sum of the parts.

The Council on Postsecondary Education is charged with leading the reform efforts envisioned by state policy leaders. Council members have pledged reduced bureaucracy, staunch advocacy, decisive management, and effective stewardship to achieve these results:

- ◆ public support for the value of postsecondary education;
- ◆ information that is helpful to students and their families in making educational decisions;
- ◆ an educational system that is well coordinated and efficient;
- ◆ incentives that stimulate change and prompt institutions to redesign programs and services, realign resources to priorities, improve productivity, and generate new resources;
- ◆ information that shows the public how the system and its institutions are performing;
- ◆ data and research that help policy makers make good decisions.

Institutional governing boards and campus leadership will bring about the changes necessary to transform Kentucky's individual postsecondary education institutions into a coherent system of institutions that are distinguished among their peers. They have pledged to think creatively and imaginatively, plan thoughtfully, 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 leaders, Council members and the Council President, 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 tied to statewide needs and economic well-being.

The Desired Results

This agenda sets in motion a fundamental shift in how Kentucky thinks about postsecondary education. It underlies every policy developed, action taken, and decision made. It is the starting point for extensive, detailed planning.

Over the coming months, the development of an implementation plan will translate this agenda into more specific goals, performance indicators, and incentives. The process will be a collaborative one in which the perspectives of elected and appointed government officials, Council members, faculty and staff, students, employers, representatives of elementary and secondary education, business leaders, and the public are carefully considered.

We must act quickly. The following questions will help shape our plans and actions. They identify some concrete, tangible indicators of what should result from our efforts. These indicators need to be made specific for the system and its member institutions. Then they need to be measured to determine the extent of our success. Offered now, they help us to begin with the ends in mind.

- ◆ Are high school graduates going on to postsecondary education in greater numbers? Are they fully prepared when they get there? Are they advancing through the system smoothly and in a timely fashion? Are they graduating in greater proportions?
- ◆ Are we helping people prepare themselves to lead fulfilling lives, be good workers, and perform their civic responsibilities? Are our students ready for the global marketplace of the 21st century?
- ◆ Is Kentucky attracting new businesses, industries, and jobs? Are Kentucky employers able to find the qualified employees they need? Are continued training opportunities available to keep workers' skills up-to-date?

- ◆ Are major industries and small businesses receiving adequate advisory and research support? Are governments and corporations investing more research and development dollars in Kentucky's research universities?
- ◆ Have our schools, colleges, and universities become nationally respected for their progress and their commitment to helping build better lives for all Kentuckians?

As a system, we shall ask and answer these and other questions plainly and in public. For now, we dedicate ourselves to getting off to a good start so that, even before we reach the year 2020, the short answer to each is "Yes."

Information:

Since the last report to the CPE on March 9, 1998, there have been several significant activities and actions in regards to the Commonwealth Virtual University (CVU).

CVU Consultant- Dr. George C. Connick

In early April, the CPE entered into a personal services contract with Dr. George C. Connick, President Emeritus of the Education Network of Maine and past president of the University of Maine at Augusta, to provide consulting services on developing and implementing the CVU. Dr. Connick had previously appeared before the Distance Learning Advisory Committee (DLAC) at its January 1998 meeting when he gave an overview of issues related to "virtual university" efforts across the country. He was well received at that meeting, and it was felt that he could be of help to both staff and the DLAC on a more intensive basis.

Dr. Connick spent several days in Kentucky meeting with staff and many other individuals and groups, including the DLAC Policy Work Group. On April 22, he met with the full DLAC to discuss his progress and to obtain input from the group in a more formal session. On June 17, he presented his final report and recommendations to the DLAC. The report will be the primary item on the agenda for the DLAC meeting that will convene upon adjournment of the CPE today.

Among his recommendations, Dr. Connick recommended immediately beginning the search for a Chief Executive Officer (CEO) for the CVU. A draft position description for the CEO will be reviewed by the DLAC today.

Commonwealth Virtual Library (CVL) Consultant – Dr. William Gray Potter

At its March 9, 1998, meeting, the DLAC established a Commonwealth Virtual Library Work Group and proposed that \$10,000 be allocated for the purpose of obtaining the services of a consultant to assist with planning and development of the Commonwealth Virtual Library. Subsequently, the CPE entered into an agreement with the University of Kentucky to implement a contract with Dr. William Gray Potter, Director of the University of Georgia Libraries, to provide consulting on the CVL.

UK also agreed to allow Ms. Miko Pattie to be assigned to the CPE to continue the virtual library work in which she has been involved over the past two years. Ms. Pattie has an office in the CPE suite and is functioning as a member of the CPE staff.

Dr. Potter visited the state on three different occasions, and he presented his final report to the DLAC on June 17. At that time, the DLAC received the report and referred it to the CVL Steering Committee for phased implementation of the recommended 14-point work plan. Until

such time as the overall budget plans for the CVU are developed, implementation of the CVL will proceed on a carefully planned and phased basis with priority placed on the needs of the CVU.

Pilot Project Work Group

The DLAC Pilot Projects Work Group met for the first time on June 4. Members of the group in attendance were Norma Adams (Chair), Virginia Fox, Jim Nelson, Lee Todd, Aldona Valicenti, and Ken Walker. President Gary Ransdell was represented by Charles Anderson. CPE staff members Sue Moore, Dennis Taulbee, and Larry Fowler also participated in the meeting. The committee reviewed a *Request for Proposals (RFP)* prepared by staff. Extensive discussion resulted in the group asking staff to prepare another draft reflecting the discussion and to circulate it to the Work Group members for comment. The revised document will be discussed at the July 13 DLAC meeting.

Overall Summary

After six very well-attended meetings of the DLAC over an eight month period, additional meetings of DLAC work groups, and the input of individuals and the CPE consultants, a clearer picture of the CVU has emerged and full implementation is scheduled for fall 1999. The next agenda item calls for approval of a *Policy Statement Guiding the Development of the Commonwealth Virtual University*. The adoption of the policy will enable the DLAC to move with confidence to more detailed planning. At its meeting today, the DLAC will be discussing the implementation recommendations made by Dr. Connick.

Staff Preparation by Larry Fowler

**APPROVAL OF THE POLICY STATEMENT
GUIDING DEVELOPMENT OF THE
COMMONWEALTH VIRTUAL UNIVERSITY**

ACTION
Agenda Item C-3
July 13, 1998

Recommendation:

That the attached *Policy Statement Guiding Development of the Commonwealth Virtual University (CVU)* be approved.

Rationale:

- The Kentucky Postsecondary Education Improvement Act of 1997 places responsibility for development and coordination of the CVU with the CPE with advice from the Distance Learning Advisory Committee (DLAC).
- The “virtual university” is a new and extraordinarily complex concept and definitions vary widely across the nation. It is critical that the CPE adopt a broad set of guidelines that are focused on the vision, values, and specific needs of Kentucky, taking into account the nature of the state’s system of postsecondary education and the resources available. The attached policy statement sets the broad parameters within which the Commonwealth Virtual University is to be developed and implemented. The statement establishes a common base, understood by all who are affected and responsible, from which detailed planning can move forward.
- The policy statement was approved by the DLAC, with minor changes that are highlighted in the attached final draft, on June 17, 1998.

Background:

The process of developing broad policy guidelines for the CVU began with the meeting of the initial CVU Work Group on October 13, 1997, and the subsequent first meeting of the DLAC on October 20, 1997. At the latter meeting, DLAC Chair Lee Todd made a presentation that began to identify the myriad issues associated with a “virtual university” effort. Based on the input received at that meeting, the staff developed a preliminary draft policy document from which Dr. Todd made another presentation at the January 27, 1998, meeting of the DLAC. An early draft was provided as an information and discussion item at the March 9 meeting.

Following the March meeting of the DLAC, staff revised the document based on input received and circulated the draft to individual members of the Policy Work Group appointed by the Chair. The membership of the Policy Work Group is:

Merl Hackbart – Chair
Vi Miller
Jim Ramsey

Lee Todd
James Votruba
Ken Walker

From March through June, staff continued to obtain input on various drafts of the policy document including suggestions made by the CPE consultant, Dr. George Connick. A final draft for consideration by the DLAC was presented at the June 17 DLAC meeting. Following discussion, the DLAC approved the document with minimal modification. The changed or new language is presented in the attached in *bold Italics* type.

Staff concurs with the modifications made by the DLAC and recommends approval of the policy statement.

Staff Preparation by Larry Fowler

Council on Postsecondary Education

Policy Statement Guiding Development of the Commonwealth Virtual University (CVU)

Background

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 policy statement reflects that input and represents the general consensus reached by the DLAC and the 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.

CVU Mission and Purpose

The mission of the CVU is to be a student-centered, technology-based system for coordinating the delivery of postsecondary education that meets the needs of citizens and employers across the Commonwealth. Through enabling policies and appropriate technologies, the CVU shall consist initially of three primary components: 1) a *clearinghouse* for quality distance learning opportunities provided by existing institutions both within and outside the state, primarily certificate and degree programs; 2) *competency-based credentialing*; and 3) a single point of access to *statewide student, library, and academic support services*.

Consistent with the statewide strategic agenda for postsecondary education, the primary purposes of the CVU are to:

- Enhance and expand educational access and increase educational attainment across Kentucky.
- Upgrade workforce skills and expand professional development through basic and continuing education.
- Increase collaboration and foster efficiency and effectiveness in delivering courses and programs.
- Enhance educational quality.
- Increase global competitiveness of Kentucky's educational resources.

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

Role of the CPE

The Council on Postsecondary Education is responsible for establishing CVU policy and ensuring CVU development in partnership with Kentucky's postsecondary education institutions and consistent with HB 1. The initial responsibility of the CPE in the development of the CVU is to identify and adopt an effective, efficient organizational structure and operating unit for administering the CVU. The CVU shall not be a freestanding, separately accredited degree-granting institution *but will function with standing and ad hoc advisory committees, including an academic council, that are primarily made up of representatives of the postsecondary education institutions.*

The CPE will work closely with both public and independent institutions through the DLAC in fulfilling the following CVU-related responsibilities:

- Adopt an organizational structure for managing CVU daily operations.
- Develop new enabling policies and review existing CPE legal responsibilities and policies, including those related to tuition, fees, financial aid, extended-campus (e.g., geographic service areas), academic program development and review, transferability of credit, accountability, and others, in light of the CVU mandate, and revise as appropriate.
- Conduct needs assessments for courses, degree programs, and services.
- Develop a statewide plan for providing and marketing distance-learning access to postsecondary education.
- Identify appropriate providers to meet identified needs.
- *Emphasize efficiency in the delivery of coherent programs of study normally leading to certificates or degrees, and in providing administrative and academic support services to students and faculty.*

- 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.
- Establish principles of good practice and quality standards for educational offerings.
- Facilitate statewide faculty development initiatives.
- *Establish outcomes measures and accountability processes to assess the efficiency and effectiveness of CVU offerings.*
- Identify pilot initiatives.
- Provide funding incentives that further the mission and purposes of the CVU.

Role of Postsecondary Institutions

The goals of the Commonwealth Virtual University shall first 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:

- Participating with CVU 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 statewide 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.
- Providing coordinated student, library, and academic support services for the CVU that meet the unique needs of CVU students.

- Participating in the CVU consistent with CPE adopted policies and the statutory responsibilities of each institution.

Guiding Principles

Decision-making processes for all entities and organizations charged with planning, coordinating, operating, and regulating the CVU, including the CPE, the CPE-authorized CVU coordinating entity, the DLAC, DLAC Work Groups, and education providers, shall be guided by this policy statement in its entirety, including the following guiding principles.

The CVU shall:

- Implement the vision, goals, and objectives of the statewide strategic agenda for postsecondary education.
- Recognize institutional missions and their respective strategic plans.
- Effectively and efficiently utilize existing resources, including faculty, services, and information technology, to accomplish its goals.
- Capitalize on and create synergies among the educational resources and services of in-state institutions, both public and independent.
- Use regional, national, and international resources to meet the needs of students that cannot be met by in-state institutions.
- Use available state resources, including public schools, in the delivery of post-secondary education.
- Develop importing and outsourcing options where appropriate.
- Use 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 by providing instruction, learning resources, and student services where and when needed.
- Seek maximum transferability of credits among all institutions and programs, consistent with appropriate accreditation standards.
- Recognize the primary role of faculty in curriculum development.
- Promote faculty and staff reward and recognition systems that value innovative uses of alternative delivery systems.

- 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 the CPE's existing accountability and comprehensive data base systems.
- Address intellectual property and copyright issues.
- Produce high quality student learning.

KCTCS TECHNICAL INSTITUTIONS BRANCH

Recommendations:

- That the CPE welcome the Technical Institutions branch of KCTCS as a member of the postsecondary education system of Kentucky;
- That, although all relevant CPE policies now apply to the technical colleges, the staff be authorized to adapt current CPE policies, when appropriate, to accommodate the requirements of accrediting agencies and the special mission and unique characteristics of those colleges;
- That diploma and certificate programs currently offered by postsecondary technical colleges be added to the Council's *Registry of Degree Programs* and that the processes and procedures used to complete this activity reflect, to the extent possible, the current processes and procedures of both the CPE and the Technical Institutions branch; and
- That new CPE policies take into account the requirements of accrediting agencies and the special mission of the technical colleges as part of the KCTCS and the Kentucky system of postsecondary education.

Rationale:

- Recognizing the Technical Institutions branch of KCTCS as a member of the postsecondary education system of Kentucky completes the process of creating the comprehensive system of postsecondary education institutions outlined in the Kentucky Postsecondary Education Improvement Act of 1997.
- Applying all CPE policies to the technical institutions acknowledges the CPE's statutory responsibility to coordinate the activities at all institutions comprising Kentucky's postsecondary education system.
- Listing all Technical Institutions branch certificate and diploma programs on the Council's *Registry of Degree Programs* fulfills the CPE's responsibility to create and maintain an official record that brings together information about programmatic offerings at all of Kentucky's postsecondary education institutions.
- Adapting the process and procedure for adding Technical Institutions branch certificate and diploma programs to the *Registry* communicates the CPE's commitment to facilitating a smooth transition and to creating an integrated postsecondary education system in which the unique characteristics of each sector are recognized and respected.

- Directing staff to adapt existing policies, when appropriate, to reflect those unique characteristics and to keep those unique characteristics in mind as new CPE policies are developed also communicates the CPE's commitment to respecting differences among Kentucky's postsecondary education institutions.

Background:

On June 22, 1998, the KCTCS Board of Regents approved a resolution officially recognizing and welcoming the 26 postsecondary technical institutions formerly housed in the Cabinet for Workforce Development as a "vital part" of KCTCS, effective July 1, 1998. This action fulfills the requirement in House Bill 1 that KCTCS assume full management and governing authority for those 26 institutions on July 1, 1998.

This KCTCS resolution completes a year-long transition process that involved, among other things, approval of a substantive change request by the Council on Occupational Education (COE), the body that accredits technical colleges. COE did approve this request for a change in governance and, at the same time, a request to reorganize the postsecondary technical institutions into fifteen technical colleges, three extensions, and eight branches (see Attachments 1 and 2 for a list and map of the technical colleges). The technical institutions have been making the transition to technical colleges since the enactment of House Bill 1 (see Attachment 3 for a list of questions and answers about the transition process).

The CPE must now act to recognize the Technical Institutions branch as a member of Kentucky's expanded postsecondary education system and apply CPE policies and procedures to the technical colleges in that branch. This agenda item provides for that action.

Since CPE policies and procedures apply to all members of Kentucky's postsecondary education system, the Technical Institutions branch must now comply with policies for new program approval, tuition-setting, and accountability reporting, for example. At the same time, taking into account the unique characteristics of the postsecondary technical institutions as that step is completed reflects the CPE's respect for differences among Kentucky's postsecondary education sectors. For example, the *Registry* does not currently list certificate programs less than one year in length. However, many technical colleges offer such programs. Since the programs offered by an institution define, in large measure, what that institution is all about, adding Technical Institutions branch certificate and diploma programs to the Council's *Registry of Degree Programs* represents an important first step in bringing the postsecondary technical colleges into the postsecondary education family. This accommodation, as well as any that may be necessary on the part of either the CPE or the Technical Institutions branch as other policies are applied to the Technical Institutions branch or developed for the entire postsecondary education system, is appropriate in light of the mission of the Technical Institutions branch.

For the past year, the CPE staff and Kentucky Tech staff have been meeting to learn about one another's policies, procedures, and practices. More recently, the CPE created five KCTCS Transition Study Groups to identify and address issues related to incorporating the Technical Institutions branch into the statewide comprehensive data base. These five study groups are working on 1) student data, credit hours, faculty and staff; 2) programs and courses; 3) facilities;

4) finance; and 5) IPEDS (Integrated Postsecondary Education Data System). Once the Council's *Registry* has been revised to include the certificate and diploma programs offered at the technical colleges, the study groups will be able to go forward with their tasks. This agenda item facilitates that first step and enables the study groups to complete the activities necessary to integrate and accommodate Technical Institutions branch operations with existing CPE policies, procedures, and practices.

Staff Preparation by Ruth Greenberg

KENTUCKY COMMUNITY AND TECHNICAL COLLEGE SYSTEM

Technical Institutions Branch

Main Campuses

Extensions

Branches

Ashland Technical College		
Bowling Green Technical College.....		Glasgow Campus
Central Kentucky Technical College.....		Anderson Campus
		Danville Campus
Elizabethtown Technical College		
Hazard Technical College		
Jefferson Technical College		
Kentucky Advanced Technology Institute		
Laurel Technical College.....		Cumberland Valley Campus
		Harlan Campus
		Southeast Campus
Madisonville Technical College.....	Madisonville Health Extension	
Mayo Technical College		
Northern Kentucky Technical College.....		Edgewood Campus
		Highland Heights Campus
Owensboro Technical College.....	Daviess County Extension	
Rowan Technical College		
Somerset Technical College		
West Kentucky Technical College.....	Purchase Training Extension	

The Transition to Technical Colleges: Questions and Answers

Why are the technical schools becoming colleges?

The Kentucky Postsecondary Education Improvement Act of 1997 named these institutions “colleges” when it created the Kentucky Community and Technical College System.

Have the names for the technical schools already been changed?

No, but all of the groundwork has been laid for this change to occur on July 1, the effective date of the transfer of the technical institutions from state government to KCTCS.

Part of this groundwork included letting the agency that accredits the technical institutions know how the new system will be organized and governed on July 1. The accrediting agency, the Council on Occupational Education (COE), approved the structure that will go into place on July 1.

What is the COE?

The COE is a national institutional accrediting agency authorized to accredit non-degree granting and applied associate degree granting postsecondary occupational education programs. This agency is separate from the Southern Association of Colleges and Schools (SACS), which accredits the other postsecondary institutions in the state, including the community colleges.

COE and SACS use different criteria for accrediting their respective institutions. COE does not prescribe the names of technical schools or colleges.

How were the sites for the 15 main campuses chosen? What criteria were used?

Kentucky’s technical education system historically used a regional structure to organize its schools. Prior to July 1992, there were 14 regions with a main campus designated in each region. The main campus traditionally has provided a central core of services to the other schools (secondary and postsecondary facilities). In 1992, the main campus became the lead institution for accreditation purposes. It is the accreditation criteria for a “main campus” that provided the basis for organizing the 25 separate schools into 15 technical colleges. Each of the other 10 schools is a part of one of the colleges — either as an extension or a branch, as defined by accreditation standards.

The main campus has a chief executive officer and a full range of administrative and student services, including financial aid, cooperative education, career planning and

counseling, assessment services, and fiscal affairs. The main campus also oversees, manages, and services the extensions and branch campuses associated with it.

Will the technical colleges offer degrees?

House Bill 1 states that “the Technical Institutions Branch through its faculty and accrediting procedures may develop technical degree programs that shall be considered for approval by the Board of Regents and the Council on Postsecondary Education.” The COE has strict standards that must be met before a degree can be offered. Ultimate approval of any new degree program, however, rests with the CPE.

If one of the goals of House Bill 1 is to provide a more efficient system, should the next step be the merger of a community college and technical college located in the same community?

The KCTCS Board has not discussed merger. What the Board has discussed and will continue to insist upon is the creation of a seamless system that meets the needs of the students, employers, and communities. Its focus will be on joint and cooperative programming, easy transfer of credits, locally coordinated business and industry training, a systemwide technology network, and unified administrative and student support systems.

Will technical college directors be called presidents on July 1?

No, they will not automatically be designated as presidents of their institutions. Each school director at the main campuses will be considered the chief executive officer until the colleges meet certain criteria, to be established by the KCTCS Board.

Will there be a review process for these technical colleges?

Yes. The KCTCS Board has indicated in its transition plan that a comprehensive accountability program will be developed for the entire system. This program will include all of the colleges within both branches of the system. It is the responsibility of the Board to ensure that quality assurance mechanisms are in place and that all of the colleges meet established standards.

Also, the CPE sets accountability standards for all postsecondary institutions. The technical colleges will have a set of performance indicators appropriate to their distinct mission within the system.

Additionally, the KCTCS Board will develop criteria to help it gauge how well the organization structure that will be set in place on July 1 is working.

What other groundwork has been laid this past year to make the transition from “school” to “college”?

The faculty at each of the technical colleges is establishing a faculty council based on the collegiate faculty senate model. Through this structure, the faculty will have the opportunity to become more actively involved in decisions related to, for instance, planning and approving program offerings, evaluating instructional quality, and faculty development.

Other changes that have taken place or are in the process of being put into place include:

- ◆ Incentives to enhance academic credentials
- ◆ Increased opportunities for recognition of community service activities
- ◆ Change in instructional delivery to a semester format
- ◆ Expanded emphasis on student recruitment and student outcomes assessment
- ◆ Faculty participation in four statewide taskforces that will make recommendations to the Chancellor regarding credentials, tenure, evaluation, and faculty workload

The Technical Institutions branch has conducted a series of statewide workshops to prepare faculty and staff for the transition from technical schools to technical colleges.

What authority does CPE have over these colleges?

As organizational entities of the KCTCS, the technical colleges will come under the purview of the CPE on July 1. All relevant CPE policies, procedures, and reporting requirements will apply to them.

For example, as members of the postsecondary system, the technical colleges will be included in the CPE’s annual accountability report to the Strategic Committee on Postsecondary Education, the Governor, and the General Assembly. All new program offerings — certificates, diplomas, and technical degrees — will be subject to CPE approval. Tuition rates and minimum admissions requirements will be set by the CPE. The technical colleges will be required to report annually a wide range of data about their performance, such as enrollments, completion rates, and faculty salaries.

In fulfilling its responsibilities to the CPE, KCTCS will take these state-level requirements into consideration as it completes the transition. Likewise, the CPE has and will continue to adapt its policies and procedures, where necessary, to accommodate the technical colleges in recognition of their special mission within the postsecondary system.

PROGRAMS OF DISTINCTION

Information:

At the May 18 meeting, the CPE received a status report on programs of distinction proposed by Eastern Kentucky University (EKU), Murray State University (MuSU), and Western Kentucky University (WKU). Partial funding for approved programs of distinction will come from the Regional University Excellence Trust Fund. The CPE did not take action on any program of distinction proposal at its May meeting.

Following the May meeting, Mr. Davies discussed with the CPE members who reviewed the initial EKU and MuSU proposals an approach to addressing these members' concerns about the proposals so that the CPE may consider revised proposals at the July meeting. Mr. Davies also discussed that approach with the presidents of EKU, MuSU, and WKU.

The CPE staff anticipates that these three universities will submit revised program proposals on or before Wednesday, July 8. If revised proposals are submitted on time and are satisfactory, the staff will recommend funding by the CPE at the July 13 meeting. Additional materials will be forwarded to the CPE members prior to the meeting.

PROGRAMS OF DISTINCTION

Recommendation:

- That the CPE approve the following staff recommendations concerning programs of distinction and related Regional University Excellence Trust Fund awards:

Eastern Kentucky University

- Accept the Eastern Kentucky University proposal as revised to designate Justice and Safety as a program of distinction. See Attachment A for a summary of the program.
- Award to EKU \$1,400,000 from the trust fund in 1997-98, 1998-99, and 1999-2000 to support the program of distinction, create two endowments (one for long-term support of the program of distinction and the other for potential additional programs of distinction), and support general university improvements in instructional equipment and technology. See Attachment D for the planned allocation of funds.

Murray State University

- Accept the Murray State University proposal as revised to designate Telecommunications Systems Management as a program of distinction. See Attachment B for a summary of the program.
- Approve the Bachelor of Science degree and Master of Science degree in Telecommunications Systems Management and register them in CIP 11.0401.
- Defer until the September CPE meeting action on the proposed Associate of Science degree in Telecommunications Systems Management until MuSU, working in cooperation with the KCTCS and CPE staffs, satisfactorily addresses the following issues:
 - Establishment of a statewide baccalaureate transfer framework that is compatible with MuSU's Associate of Science degree that will be a part of this program of distinction;
 - Review of the associate degree curriculum included in the proposal to determine if a separate Associate of Applied Science degree should be proposed for MuSU and, if so, what its relationship is to the Network Information Systems Technology (NIST) degree program being developed by KCTCS; and
 - Exploration of an applied baccalaureate degree at MuSU that articulates with the planned KCTCS NIST program.
- Terminate the MuSU Bachelor's Degree in Office Systems, the Minor in Retail Merchandising, and the Bachelor's Degree in Electrical Engineering Technology (Computer Science Option and Power Systems and Communications Option) degree programs and have staff revise the program and course inventories accordingly.
- Award to MuSU \$1,059,000 from the trust fund in 1997-98, up to \$1,026,000 in 1998-99, and up to \$1,025,000 in 1999-2000 to support the program of distinction and general university improvements in technology. The reduced funding amounts are based on the allocation method prescribed in HB 1. The award levels in 1998-99 and 1999-2000 are contingent upon MuSU certifying that its matching funds from anticipated external grants are available. See Attachment D for the planned allocation of funds.

Western Kentucky University

- Accept the Western Kentucky University proposal as revised to designate Applied Research and Technology as a program of distinction. See Attachment C for a summary of the program.
 - Award to WKU \$1,404,000 from the trust fund in 1997-98, \$1,000,000 in 1998-99, and \$500,000 in 1999-2000 to support the program of distinction and specific university workforce preparation initiatives. The award levels in 1998-99 and 1999-2000 are contingent upon WKU certifying that its matching funds from anticipated external grants are available. The remaining 1998-99 and 1999-2000 WKU trust funds will stay in the Regional University Excellence Trust Fund subject to future awards to WKU by the CPE. See Attachment D for the planned allocation of funds.
- That the CPE review these programs of distinction in summer 1999 as the basis for a decision on continuation funding beyond 1999-2000. The CPE staff will identify information to be reported by the universities necessary for this review, especially follow-through on commitments made in each proposal as well as additional development of assessment measures.

Rationale:

- The *Kentucky Postsecondary Education Improvement Act of 1997* (HB 1) created the Regional University Excellence Trust Fund to implement the goal of having six Kentucky comprehensive universities with at least one nationally-recognized program of distinction or one nationally-recognized applied research program at each university.
- The revised program of distinction proposals satisfactorily address the key components and criteria outlined in the application guidelines developed by the CPE.
- The revised program of distinction proposal for ECU satisfactorily addresses the concerns identified by the CPE members who reviewed the original proposal submitted by ECU. Those concerns were communicated to President Funderburk in an April 29 memorandum from Leonard Hardin.
- The revised program of distinction proposal for MuSU satisfactorily addresses most of the concerns identified by the CPE members who reviewed the original proposal submitted by MuSU. Those concerns were communicated to President Alexander in an April 29 memorandum from Leonard Hardin.
- The proposed curriculum for the associate degree program at MuSU does not clearly delineate a transfer degree from an applied science degree.
- The revised MuSU proposal indicates a willingness to terminate any associate degree program in Telecommunications Systems Management at such time that CPE approves a similar program at a KCTCS institution.
- An applied baccalaureate degree at MuSU specifically designed to articulate with an associate of applied science degree would provide a seamless educational experience for students in fields related to Telecommunication Systems Management.
- The revised program of distinction proposal for WKU satisfactorily addresses concerns identified by the CPE staff who reviewed the original proposal submitted by WKU. Staff review of the WKU proposal identified concerns consistent with those identified by the CPE members who reviewed the ECU and MuSU proposals.
- The revised funding proposal for each university (including funding for endowments at ECU and funding for general improvements for technology and other workforce preparation initiatives at all three universities) is based on an approach developed by Gordon Davies and discussed with the CPE members who reviewed the ECU and MuSU proposals.
- The CPE staff has worked with representatives of these universities to verify that required matching funds have been made available.

Background:

At its January 1998 meeting the CPE approved *Incentive Trust Fund Criteria and Application Guidelines* to be used by the six comprehensive universities in making applications for funding from the Regional University Excellence Trust Fund. EKU, MuSU, and WKU submitted program of distinction proposals for consideration by the CPE. The EKU and MuSU proposals were reviewed by several CPE members who identified a number of concerns about the proposals. Those concerns were communicated to President Funderburk and President Alexander. CPE members did not review the WKU proposals.

Following the May 18 CPE meeting Gordon Davies developed an approach for moving forward on programs of distinction to ensure change and improvement in postsecondary education. Mr. Davies discussed this with the CPE members who had reviewed the EKU and MuSU proposals. Subsequently, Mr. Davies discussed this with President Kustra, President Alexander, and President Ransdell. This approach allowed each university to submit a proposal that would include one or more of the following:

- 1) use its 1997-98 trust fund allotment for general improvements that will move the institution toward job creation and job preparation for all Kentuckians;
- 2) use its trust fund allotment to establish an endowment for a program of distinction; and
- 3) use its trust fund allotment to begin one program of distinction approved by the CPE. EKU, MuSU, and WKU then submitted revised proposals based on this approach.

The CPE staff has worked with university staffs to ensure that these revised proposals have addressed concerns identified by the CPE members who reviewed the original EKU and MuSU proposals and to ensure that the revised proposals are consistent with the approach developed by Mr. Davies.

**Eastern Kentucky University
Justice and Safety Program**

EKU's College of Law Enforcement currently provides these undergraduate and graduate degree programs, as well as a variety of applied research and service initiatives, within four main units:

- Department of Correctional Services
- Department of Loss Prevention and Safety
- Department of Police Studies
- Training Resource Center

The Justice and Safety Program of Distinction would be a College-wide effort that would enhance and expand the faculty and staff's capabilities. Teaching and learning initiatives would primarily be the responsibility of the three academic departments, with substantial financial support from the Program of Distinction (POD). Service initiatives of the Training Resource Center and the academic departments also would be enhanced significantly by staff and resources acquired through the POD. Applied research efforts would be the specific responsibility of the POD and its Director, drawing on the talents of the College's and the University's faculty and graduate students.

The POD will anticipate, identify, and address potential future issues of justice and safety. The primary vehicles for accomplishing this will be two aspects of the POD's applied research initiative: (1) State-Level Research and Dissemination and (2) Applied Research Projects.

The state-level effort will be aimed at *anticipating and identifying* emerging justice and safety issues and problems in Kentucky through the collection and analysis of state-wide data, including ongoing comparisons to other states and careful within-state analyses to identify those regions and localities with the most serious justice and safety problems. It should be emphasized that this sort of systematic, comprehensive analysis of the whole gamut of justice and safety issues is simply not being performed today in the Commonwealth. The Governor's Criminal Justice Response Team discovered this during 1997 as they attempted to develop legislative and programmatic recommendations for the 1998 legislative session. Similarly, efforts to respond to specific current issues, such as school safety and domestic violence, are consistently hampered by the lack of detailed, reliable, comprehensive information about the nature and scope of the problem and the system's current response to it.

Applied research projects will be used to enhance Kentucky's ability to *address* emerging justice and safety problems, their causes and solutions. That is, whereas the state-level effort described above is aimed more at identifying emerging issues and problems, applied research projects will be targeted at specific issues. These projects will seek to improve our understanding of specific emerging problems, as a means of informing the practitioners and policy makers whose responsibility it is to respond to these problems. Research projects also will be aimed at evaluating actual responses to emerging problems, in order to produce information of the "what works" variety.

Murray State University
Center for Telecommunications Systems Management

Murray State University (MuSU) proposes to use resources made available through the Regional University Excellence Trust Fund to establish the Center for Telecommunications Systems Management. Through this new Center, MuSU will address the regional needs of the public and private sector by offering a high-quality program at the undergraduate and graduate level. This program also will allow MuSU to maintain its commitment to international education and opportunities as an integral dimension of the university experience.

Telecommunications systems are networks of leading-edge technologies such as fiber optic systems, satellites, wireless, telephony, and cable, which are connected to computers that allow organizations and individuals throughout business and industry to communicate instantaneously around the world. Telecommunications Systems provide the architectural structure for such activities as electronic commerce, electronic banking, video teleconferencing, distance learning, telemedicine, data interchange, on-demand video, and a host of other traditional and new uses for business and industry.

The Center for Telecommunications Systems Management will combine the strengths and experience of faculty and programs in the College of Business and Public Affairs and the College of Industry and Technology to build a nationally recognized program. This program will meet what is arguably the greatest challenge to business and industry in the future: to develop professionals who can build, manage, and fully exploit the potential in the telecommunications field. More specifically the Center will:

- (1) Develop and provide a tri-level (associate, bachelor's, and master's) undergraduate and graduate program for conventional presentation on campus and distance delivery.
- (2) Develop and provide seminars, conferences, and training programs to meet more urgent short-term needs for understanding and skills in the telecommunications field.
- (3) Establish a Bureau of Business and Economic Research and publish a *Journal of Telecommunications Systems Management*.

While building upon existing strengths of accredited programs in the two colleges, the proposed program will divert some enrollment from eliminated programs; attract new students to the MuSU campus; and enhance new enrollment by providing accessibility to students in the business and industrial communities at the academic outreach sites.

The Center will be committed to developing and providing continuing managerial and technological education opportunities for professionals currently working in business and industry. Activities will be custom designed and based upon regional needs so as to maximize on the prospects for economic development. Further, many of these offerings may be delivered in cooperation with community colleges and technical schools in the region. Center-sponsored continuing education activities will include: the sponsoring of *professional development workshops, seminars, and conference*; the development of *website continuing education modules*; and the publication of a *new journal* with focus on emerging trends in the telecommunications field.

Since successful business firms of the 21st Century will be globally oriented, quality and opportunity driven, and customer focused, they will need sophisticated data and technology to identify market opportunities, accumulate resources, establish relationships, and produce goods and services. Essential to their success is the availability of information critical for informed decision making. Hence, the proposed Bureau of Business and Economic Research will function to serve the information needs of individuals, businesses, government agencies, and other organizations throughout West Kentucky. The Bureau will pay particular attention to regional information needs by being a resource for data to use in the analysis of business and demographic trends for the purpose of encouraging economic development and by conducting applied research on topics involving telecommunications and other issues in the regional economy.

Western Kentucky University Applied Research and Technology Program

Program Description

The *Ogden College of Science, Technology, and Health* (OCSTH) is fortunate to have units that have developed over the last 10-15 years, which perform all types of services for Western Kentucky University's (WKU) constituencies. These units include centers, laboratories, and an institute and shall subsequently be referred to as Centers. The goal of these Centers is to meet the research and technical needs of the community, state, and nation while providing unique opportunities for undergraduate and graduate students to make the transition from academia to the workforce through participation in supervised hands-on research and technological projects. Training the workforce of the 21st Century will require interdisciplinary and team approaches to research experiences that broaden students' perspectives of how to solve increasingly complex problems. This concept is consistent with the National Science Foundation's standards for science and technology education. The likelihood of each Center alone accomplishing this task is remote, in that each Center working alone can address only a limited scope of industrial and environmental problems. These limitations have been recognized by the Centers' personnel, and in fact, collaboration already exists among these Centers to a significant extent. By developing a program to enhance the synergistic interactions among these Centers, the scope and capacity to meet the research and technical needs of the Commonwealth will increase dramatically while providing students with extraordinary applied interdisciplinary educational experiences. Therefore, the OCSTH proposes to establish an "Applied Research and Technology Program" (hereafter referred to as the Program), which will provide multidisciplinary scientific and technical assistance needed to solve industrial and environmental problems in the Commonwealth and the Nation. Through the Program, undergraduate (B.S.) and graduate (M.S.) students in science and technology majors will have expanding opportunities to engage in hands-on research as an integral part of their academic program that builds on their liberal arts educational foundation. The Applied Research and Technology Program is both an interdisciplinary applied research and instructional program.

Individual Centers were initiated in an attempt to highlight areas of strength of faculty expertise and thereby improve opportunities to acquire external grants and contracts. These efforts have been encouraged and supported by the OCSTH Dean's Office as a way to expand the research and public service activities offered by the College and to engage more undergraduate science and technology students in research projects involving hands-on training that enhances their education. Out of necessity, these Centers have developed some very unique and highly desirable methods of operating and financing their activities. Centers are staffed and operated primarily by undergraduate and graduate (M.S.) students. Not only is this a unique arrangement in the Commonwealth, but nationally as well. Centers are supported financially by a combination of general fund money, external grants, contracts, and income from services performed for area industries. The operation of Centers within the Program is dependent in part on revenues from Federal agencies and industry, and there is a strong incentive to use financial resources wisely and provide excellent services and/or produce highly trained graduates.

Program Summary

The objectives of the Applied Research and Technology Program are consistent with the objectives of HB 1, the Strategic Agenda for Kentucky's System of Postsecondary Education, and the Kentucky Science and Technology Plan for the development of science and technology in the Commonwealth. These objectives are as follows:

- To improve the Commonwealth's infrastructure for technical assistance and applied research in science and technology;
- To provide exceptional educational and professional opportunities for undergraduate students as well as graduate students through their involvement in Program activities;
- To coordinate and emphasize research and outreach programs that provide services to solve state and national problems; and
- To provide an effective mechanism for outreach initiatives to elementary and secondary school students for the purpose of encouraging great student interest in science and technology.

Unique Features of the Program

- The staffing and operation of the laboratories with undergraduate as well as graduate (M.S.) students;
- Using an interdisciplinary approach to solving industrial and environmental problems;
- Emphasizing applied research;
- Offering a mechanism for undergraduate students to facilitate the transition from academia to professional careers or graduate school;
- Improving the cost effectiveness of providing a high quality education using funds generated from external sources;
- Providing hands-on research opportunities for undergraduate and graduate science and technology students; and
- Fostering faculty-faculty, faculty-student, and student-student mentoring.

Overall Program Goals

The Program is expected to grow during the next five years to involve more faculty, especially junior faculty, and students in research projects related to solving industrial and environmental problems, economic and workforce development, and service needs in the region and beyond. In addition, the infrastructure available will be improved to provide for Program expansion, particularly in growth centers. These improvements also will have a dramatic impact on curricula in the sciences through the development of state-of-the-art facilities that are fully equipped and made available for instruction and student use. The anticipated growth will be greatly accelerated by the recognition of excellence and associated matching funds.

The Program has two major goals as follows: 1) to provide multidisciplinary scientific and technical assistance needed to solve industrial and environmental problems in the Commonwealth and the nation, and 2) to provide undergraduate (B.S.) and graduate (M.S.) students in science and technology majors with expanding opportunities to engage in hands-on research as an integral part of their academic program that builds on their liberal arts educational foundation.

ATTACHMENT D

PROPOSED USES OF TRUST FUND AWARDS

	<u>1997-98</u>	<u>1998-99</u>	<u>1999-2000</u>
Eastern Kentucky University			
General Improvements	\$575,000	-	-
Endowment for future program of distinction	691,500	-	-
Endowment for proposed program of distinction	-	\$872,500	\$417,000
Program of Distinction	133,500	527,500	983,000
Total	\$1,400,000	\$1,400,000	\$1,400,000
Murray State University			
General Improvements	\$1,059,000	-	-
Program of Distinction	-	\$1,026,000	\$1,025,000
Total	\$1,059,000	\$1,026,000	\$1,025,000
Western Kentucky University			
General Improvements	\$204,000	-	-
Program of Distinction	1,200,000	\$1,000,000	\$500,000
Total	\$1,404,000	\$1,000,000	\$500,000

**KY PLAN FOR EQUAL OPPORTUNITIES
SPRING 1998 CEO CAMPUS VISITS**

**Agenda Item C-6
July 13, 1998**

Information:

The CPE has been involved in equal opportunity planning since 1981 when the Commonwealth was asked by the U.S. Office for Civil Rights to develop a voluntary higher education desegregation plan. The current KY Plan for Equal Opportunity was adopted at the July 21, 1997, CPE meeting.

One recommendation of the KY Plan calls for the Council's Committee on Equal Opportunities (CEO) to visit campuses to meet with the president, administrators, faculty, professional staff, and students to gain first-hand knowledge regarding campus climate and implementation of plan objectives. The CEO visited three campuses in June 1998 – Murray State University, Western Kentucky University, and Morehead State University. Reports of each visit will be shared with the president for review and comment. Final reports of each visit will be submitted to the CPE at the November 1998 meeting.

The CPE members will be kept informed as plans for campus visits for fall 1998 are completed. Campuses identified for visits in fall 1998 are Eastern Kentucky University, Northern Kentucky University, and Ashland Community College.

Staff Preparation by Sherron Jackson

**COMMONWEALTH MERIT
SCHOLARSHIP PROGRAM**

ACTION
Agenda Item C-7
July 13, 1998

Recommendation:

That the CPE approve the following policy guidelines which will form the basis for the administrative regulation statutorily required of the CPE by the enactment of Senate Bill 21 and the creation of the Commonwealth Merit Scholarship (CMS) Program:

- The CMS curriculum as outlined in Attachment 1;
- The high school grade point average (GPA) calculation as outlined in Attachment 2;
- The undergraduate degree programs which are considered five year programs for the purposes of CMS as outlined in Attachment 3;
- The criteria for making American College Test (ACT) supplemental awards to Kentucky residents who graduate from nonpublic Kentucky high schools not certified by the Kentucky Board of Education and to Kentucky residents who obtain a General Educational Development (GED) diploma within five years of their high school graduating class as outlined in Attachment 4; and
- The Scholastic Assessment Test (SAT) to ACT composite score conversion table as outlined in Attachment 5.

Rationale:

- The CMS program is intended to expand the access of Kentucky citizens to public and private postsecondary education and to encourage better academic performance from high school students.
- Kentucky residents who enroll in a Kentucky high school after July 1, 1998 are eligible to participate in the CMS program.
- The administrative regulation process can be initiated by disseminating the proposed policy guidelines that will determine the program eligibility of Kentucky high school students after July 1, 1998. The proposed policy guidelines will help students, parents and high school officials to understand how they might better prepare to benefit from the CMS program.
- The proposed policy guidelines are broad enough in scope and content to not constrain or conflict with other CPE policy efforts, such as the Minimum Admissions Requirement (MAR) study.
- Implementation of the CMS program requires a complex yet coordinated effort on the part of state agencies, high schools and postsecondary education institutions. The distribution of the proposed policy guidelines will assist other implementing organizations to develop their policies and procedures for the CMS program.
- The administrative regulation approval process builds in many opportunities for comment and revision of the proposed policy guidelines prior to their adoption.

Background:

The intent of Senate Bill 21 (SB 21) is to provide financial assistance “to ensure access of Kentucky citizens to public and private postsecondary education at the postsecondary educational institutions of the Commonwealth.” The CMS program will expand access opportunities to postsecondary education for Kentucky high school graduates and provide incentives to students for better academic performance in high school.

CPE approval of these policy guidelines represents the initial step in development of a CPE administrative regulation required by Senate Bill 21.

Executive Summary of Senate Bill 21

SB 21 earmarks net lottery revenue proceeds in future years as the long-term funding source for three basic initiatives:

1. To fully fund the state’s need-based programs
 - Commonwealth Access Program (CAP)
 - Kentucky Tuition Grant (KTG)
 - Teachers Scholarships
2. To commit funds for literacy development initiatives (See Agenda Item C-9)
 - Collaborative Center for Literacy Development
 - Early Reading Incentive Fund
3. To establish a merit-based scholarship program
 - Commonwealth Merit Scholarship

In 1999-2000 and continuing each year thereafter, the literacy development initiatives will receive \$3 million of net lottery revenues. Need-based scholarship programs will receive \$14 million in 1998-99 and \$15 million in 1999-2000. The merit-based program will receive \$7 million in 1999-2000. Beginning in 2000-01, once the \$3 million for literacy programs has been funded, the need-based and merit-based programs will receive prescribed percentages of the remaining net lottery proceeds. From 2000-01 to 2002-03, the need-based programs will receive 32 percent of the remaining net lottery revenues. That percentage will increase to 55 percent by 2005-06 and continues each year thereafter. In 2000-01, the merit-based program will receive 15 percent of the remaining net lottery revenues. That percentage will increase to 45 percent in 2004-05 and each year thereafter. The total net lottery revenues were estimated at \$150 million annually.

Due to fiscal constraints, it will be necessary for the CMS program to be phased in. Only Kentucky residents enrolling in Kentucky high schools after July 1, 1998 will be eligible for the program. Fall 1998 high school freshmen will be the first group of students eligible to qualify for 100 percent of the GPA award.

High school students must have a 2.5 GPA to qualify for the GPA award. The maximum GPA amount earned for each year of high school is \$500 for a 4.0 GPA. A student with a 4.0 GPA for all four years of high school could earn a total of up to \$2,000 per year of postsecondary education.

Eligible high school students will be able to qualify for a supplemental award based on ACT scores of 15 or higher. ACT scores of 28 or above will qualify for the maximum supplemental award of \$300 before June 30, 1999, and \$500 after June 30, 1999.

Once students are enrolled in postsecondary education, full-time students must maintain a 2.5 GPA in the freshmen year and a 3.0 in subsequent years to maintain the full award amount. If a student's GPA falls below 3.0 in subsequent years, but is at least 2.5, the full-time student will be eligible to receive 50 percent of the original award amount. Part-time students will receive a proportionate share of the full-time award amount.

SB 21 establishes the CPE as the policy-making body that will oversee the CMS trust fund as part of the Student Financial Aid and Advancement Incentive Trust Fund. Upon approval of the CPE, the Kentucky Higher Education Assistance Authority (KHEAA) will be responsible for administering the CMS program. The Kentucky Department of Education (KDE) will be required to submit student information to KHEAA for the dissemination of program materials and the verification of high school students eligible for the CMS program. Once students have entered postsecondary education, eligible postsecondary education institutions will be required to submit student information to KHEAA for verification and disbursement of award funds.

A copy of SB 21 is included as Attachment 6.

**Commonwealth Merit Scholarship
Proposed Policy Guidelines
Commonwealth Merit Scholarship Curriculum**

CMS Curriculum Requirements

1998-99 High School Graduates

- Minimum High School Graduation Requirements (20 units)
- 1998-99 School Year
 - Curriculum: All coursework taken during the 1998-99 school year is eligible (already registered)
 - GPA: Minimum 2.5 GPA

1999-2000 High School Graduates

- Minimum High School Graduation Requirements (20 units)
- 1998-99 School Year
 - Curriculum: All coursework taken during the 1998-99 school year is eligible (already registered)
 - Five course minimum
 - GPA: Minimum 2.5 GPA
- 1999-2000 School Year
 - Curriculum: Five course minimum in authorized curriculum including authorized electives
 - Authorized substitution accepted
 - GPA: Minimum 2.5 GPA

2000-01 High School Graduates

- Minimum High School Graduation Requirements (20 units)
- 1998-99 School Year
 - Curriculum: All coursework taken during the 1998-99 school year is eligible (already registered)
 - Five course minimum
 - GPA: Minimum 2.5 GPA
- 1999-2000 School Year
 - Curriculum: Five course minimum in authorized curriculum including authorized electives
 - Authorized substitution accepted
 - GPA: Minimum 2.5 GPA
- 2000-01 School Year
 - Curriculum: Five course minimum in authorized curriculum including authorized electives
 - Authorized substitution accepted
 - GPA: Minimum 2.5 GPA

2001-02 and after High School Graduates

- New Minimum High School Graduation Requirements (22 credits)
- 1998-99 School Year
 - Curriculum: All coursework taken during the 1998-99 school year is eligible (already registered)
 - Five course minimum
 - GPA: Minimum 2.5 GPA
- 1999-2000 School Year
 - Curriculum: Five course minimum in authorized curriculum including authorized electives
 - Authorized substitution accepted
 - GPA: Minimum 2.5 GPA
- 2000-01 School Year
 - Curriculum: Five course minimum in authorized curriculum including authorized electives
 - Authorized substitution accepted
 - GPA: Minimum 2.5 GPA
- 2001-02 School Year
 - Curriculum: Five course minimum in authorized curriculum including authorized electives
 - Authorized substitution accepted
 - GPA: Minimum 2.5 GPA

CMS Authorized Curriculum

Minimum High School Graduation Requirements (20 units)

- Language Arts – 4 units
- Mathematics – 3 units
- Science – 2 units
- Social Studies – 2 units
- Health – ½ unit
- Physical Education – ½ unit
- Electives – 8 units

New High School Graduation Requirements (22 units)- Effective 2001-02

- Language Arts – 4 units
- Mathematics – 3 units
- Science – 3 units
- Social Studies – 3 units
- Health – ½ unit
- Physical Education – ½ unit
- Arts Appreciation – 1 unit
- Electives – 7 units

CMS Authorized Electives (Effective in 1999-2000 School Year)

Any course whose academic content (not additional credit) is as rigorous or more rigorous than the courses required by the appropriate Minimum High School Graduation Requirements in the following subject areas:

- Social Studies
- Science
- Mathematics
- English/Language Arts
- Arts and Humanities

Any course whose academic content (not additional credit) is as rigorous or more rigorous than the courses required by the appropriate Minimum High School Graduation Requirements in the following subject areas and limited to one academic credit per area:

- Physical Education
- Health

Any course whose academic content (not additional credit) includes teaching the spoken and written aspects of:

- Foreign Languages

Any course whose academic content (not additional credit) is beyond the introductory level in the following Vocational Education areas of study:

- Agriculture
- Industrial Technology Education
- Business Education
- Marketing Education
- Family and Consumer Sciences
- Health Sciences
- Technology Education
- Career Pathways

CMS Authorized Substitution

- High schools will be allowed to substitute integrated, applied, interdisciplinary and/or higher level courses if the alternative course provides the same or greater academic rigor and the course covers the minimum required content areas or exceeds the minimum required content areas (applicable components of 703 KAR 4:060 (Academic Expectations)).
- Authorized substitutions include, but are not limited to, honors courses, advanced placement courses, dual credit (high school/college) courses, and courses taken at postsecondary education institutions.

**Commonwealth Merit Scholarship
Proposed Policy Guidelines
High School Grade Point Calculation**

GPA Calculation

High schools will be required to weight AP courses when calculating a student's GPA. The CPE staff will work with the Kentucky Department of Education staff to develop a prescribed methodology.

**Commonwealth Merit Scholarship
Proposed Policy Guidelines
Undergraduate Degree Programs Considered Five-Year Programs**

Five-Year Undergraduate Degree Programs

CPE staff will work with institutional representatives to develop the listing of five-year undergraduate degree programs.

**Commonwealth Merit Scholarship
Proposed Policy Guidelines
Graduates of Nonpublic Kentucky High Schools Not Certified by the
Kentucky Board of Education and GED Recipients Eligibility for
Supplemental Award**

**Graduates of Nonpublic Kentucky High Schools Not Certified by the Kentucky
Board of Education and GED Recipients**

- Kentucky residents who graduate from a Kentucky nonpublic high school not certified by the Kentucky Board of Education and Kentucky residents who obtain a General Educational Development (GED) diploma within five years of their high school graduating class will be eligible to receive the supplemental award.
- To receive the supplemental award, the individual must take the ACT test.

Table C-2
Concordance Between SAT I Recentered V+M Score and ACT Composite Score

SAT I V+M	ACT Composite								
1600	35-36	1370	31	1140	25	910	19	680	14
1590	35	1360	31	1130	25	900	19	670	14
1580	35	1350	30	1120	24	890	18	660	14
1570	35	1340	30	1110	24	880	18	650	13
1560	35	1330	30	1100	24	870	18	640	13
1550	34	1320	30	1090	24	860	18	630	13
1540	34	1310	29	1080	23	850	17	620	13
1530	34	1300	29	1070	23	840	17	610	13
1520	34	1290	29	1060	23	830	17	600	13
1510	34	1280	29	1050	22	820	17	590	13
1500	33	1270	28	1040	22	810	17	580	12
1490	33	1260	28	1030	22	800	16	570	12
1480	33	1250	28	1020	22	790	16	560	12
1470	33	1240	28	1010	21	780	16	550	12
1460	33	1230	27	1000	21	770	16	540	12
1450	32	1220	27	990	21	760	16	530	12
1440	32	1210	27	980	21	750	15	520	12
1430	32	1200	26	970	20	740	15	510	11
1420	32	1190	26	960	20	730	15	500	11
1410	32	1180	26	950	20	720	15		
1400	31	1170	26	940	20	710	15		
1390	31	1160	25	930	19	700	14		
1380	31	1150	25	920	19	690	14		

This table can be used to relate SAT I V+M scores to ACT Composite scores.

The estimates are based on the test scores of 103,525 students from 14 universities and two states who took both the ACT and the SAT I between October 1994 and December 1996. Because the ACT and the SAT I have different content, students' actual scores on the ACT could differ significantly from the concordance estimates in the table.

Source: ACT, Inc. Questions about the concordance study may be directed to ACT's Research Division (319/337-1471).

January 1998

- 1 3. Any eligible student who maintains a cumulative grade point average
2 of less than 2.5 at the completion of any award period shall lose his or
3 her award for the next award period.
- 4 4. Each participating institution shall certify to the authority at the close
5 of each award period the cumulative grade point average of each
6 eligible student enrolled as a full-time or part-time student at the
7 participating institution.
- 8 5. Any student who loses eligibility through failure to maintain the
9 required cumulative grade point average may regain eligibility in a
10 subsequent award period upon reestablishing at least a 2.5 cumulative
11 grade point average or its equivalent during a subsequent award
12 period, as certified by the participating institution.
- 13 (5) The expiration of a student's five (5) year eligibility shall be extended by the
14 authority upon a determination that the student was unable to enroll for or
15 complete an academic term due to any of the following circumstances:
- 16 (a) A serious and extended illness or injury of the student, certified by an
17 attending physician;
- 18 (b) The death or serious and extended illness or injury of an immediate family
19 member of the student, certified by an attending physician, which would
20 render the student unable to attend classes;
- 21 (c) Natural disasters that would render a student unable to attend classes; or
22 (d) Active duty status for the student in the United States Armed Forces or as
23 an officer in the Commissioned Corps of the United States Public Health
24 Service, or active service by the student in the Peace Corps Act or the
25 Americorps, for up to three (3) years.
- 26 (6) An eligible student who is enrolled at a participating institution in a five (5) year
27 undergraduate degree program designated in an administrative regulation

1 promulgated by the council shall be eligible to receive the Commonwealth merit
 2 scholarship, or the Commonwealth merit scholarship and the supplemental
 3 award for a maximum of ten (10) academic terms. The expiration of an eligible
 4 student's five (5) year eligibility shall be extended to six (6) years for eligible
 5 students meeting the requirements of this subsection.

6 (7) Each eligible student who attains a 28 or above on the ACT and a 4.0 grade point
 7 average for all four (4) years of high school shall be designated as a "Jeff Green
 8 Scholar" in honor of the late Senator Jeff Green of Mayfield, Kentucky, First
 9 District.

10 SECTION 6. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO
 11 READ AS FOLLOWS:

12 (1) Not later than August 1, 1999, and each June 30 thereafter, each Kentucky high
 13 school shall submit to the Kentucky Department of Education, which shall
 14 transmit to the authority, a compiled list of all eligible students during the
 15 academic year. The list shall identify the high school and shall contain each
 16 eligible student's name, social security number, address, grade point average for
 17 the academic year, expected or actual graduation date, and highest ACT score.
 18 The authority shall notify each eligible student of his or her Commonwealth
 19 merit scholarship award earned each academic year. The authority shall
 20 determine the final Commonwealth merit scholarship and supplemental award
 21 based upon the actual final grade point average and highest ACT score and shall
 22 notify each eligible student of the final determination. The authority shall make
 23 available a list of eligible students to participating institutions.

24 (2) Not later than January 30, 1999, and each January 30 thereafter, each Kentucky
 25 high school shall submit to the Kentucky Department of Education, which shall
 26 transmit to the authority, a compiled list of all eligible students expected to
 27 graduate during the academic year. The list shall identify the high school and

- 1 shall contain each eligible student's name, Social Security number, address,
 2 grade point average for the fall academic period of the current academic year,
 3 and highest ACT score. The authority shall then calculate each eligible student's
 4 projected Commonwealth merit scholarship and supplemental award based on
 5 the eligible student's data available to the Authority and shall make available to
 6 participating institutions by April 1 of each academic year a comprehensive list of
 7 prospective graduates who are eligible students and their projected scholarship
 8 and supplemental award amounts. The authority shall notify each prospective
 9 high school graduate who is an eligible student of his or her projected
 10 Commonwealth merit scholarship and supplemental award amount.
- 11 (3) The authority shall provide data access only to participating institutions that have
 12 either received an admission application from an eligible student or have been
 13 listed by the eligible student on the Free Application For Federal Student Aid.
- 14 (4) For each eligible student enrolling in a participating institution after July 1,
 15 1999, the participating institution shall verify to the authority:
- 16 (a) The student's initial eligibility for a Commonwealth merit scholarship or
 17 Commonwealth scholarship and supplemental award through the
 18 comprehensive list compiled by the authority or an alternative source
 19 satisfactory to the authority;
- 20 (b) The student's highest ACT score attained by the date of graduation from
 21 high school;
- 22 (c) The eligible student's full-time or part-time enrollment status at the
 23 beginning of each academic term; and
- 24 (d) The eligible student's cumulative grade point average after the completion
 25 of each award period.
- 26 (5) Each participating institution shall submit to the authority a report, in a form
 27 satisfactory to the authority, of all eligible students enrolled for that academic

1 term. Commonwealth merit scholarships and supplemental awards shall be
 2 disbursed by the authority to each eligible student attending a participating
 3 institution during the academic term within thirty (30) days after receiving a
 4 satisfactory report.

5 (6) Except as provided in this subsection, the Commonwealth merit scholarship and
 6 the supplemental award shall not be reduced.

7 (a) If the sum of the Commonwealth merit scholarship and the supplemental
 8 award plus other student financial assistance from all sources exceeds the
 9 eligible student's total cost of education, as defined in 20 U.S.C. sec. 1087II,
 10 need-based financial assistance awards administered by the authority and
 11 the participating institution shall be reduced by the amount that all student
 12 financial assistance exceeds the total cost of education.

13 (b) Commonwealth merit scholarships and supplemental awards shall not be
 14 awarded to any eligible students who are in default on any obligation to the
 15 authority under any programs administered by the authority under KRS
 16 164.785 until financial obligations to the authority are satisfied, except that
 17 ineligibility may be waived by the authority for cause.

18 (7) Notwithstanding the provisions of KRS 164.753, the authority may promulgate
 19 administrative regulations for the administration of Commonwealth merit
 20 scholarships and supplemental awards under the provisions of Sections 1 to 6
 21 and 8 of this Act.

22 Section 7. KRS 154A.130 is amended to read as follows:

23 (1) All money received by the corporation from the sale of lottery tickets and all other
 24 sources shall be deposited into a corporate operating account. The corporation is
 25 authorized to use all money in the corporate operating account for the purposes of
 26 paying prizes and the necessary expenses of the corporation and dividends to the
 27 state. The corporation shall allocate the amount to be paid by the corporation to

1 prize winners. The amount in the corporate operating account which the corporation
2 anticipates will be available for the payment of prizes on an annuity basis, may be
3 invested in direct United States Treasury obligations. These instruments may be in
4 varying maturities with respect to payment of annuities and may be in book-entry
5 form. Monthly, no later than the last business day of the succeeding month, the
6 corporation shall transfer to a lottery trust fund the amount of net revenues which
7 the corporation determines are surplus to its needs. These funds shall be held in trust
8 until 1990 at which time the General Assembly shall determine the manner in which
9 the funds will be allocated and appropriated. The net revenues shall be determined
10 by deducting from gross revenues the payment costs incurred in the operation and
11 administration of the lottery, including the expenses of the corporation and the costs
12 resulting from any contract or contracts entered into for promotional, advertising or
13 operational services or for the purchase or lease of lottery equipment and materials,
14 fixed capital outlays, and the payment of prizes to the holders of winning tickets.
15 After the start-up costs are paid, it is the intent of the Legislature that it shall be the
16 goal of the corporation to transfer each year thirty-five percent (35%) of gross
17 revenues to the general fund for the purposes stated above.

- 18 (2) A Kentucky lottery trust account is established in the State Treasury. Net lottery
19 revenues shall be credited to this restricted account as provided in subsection (1) of
20 this section. Moneys credited to the Kentucky lottery trust account shall be invested
21 by the state in accordance with state investment practices and all earnings from the
22 investments shall accrue to this account. No moneys shall be allotted or expended
23 from this account unless pursuant to an appropriation by the General Assembly,
24 except that moneys as are needed shall be transferred to the general fund pursuant to
25 the provisions of the Acts of the Extraordinary Session of the 1988 General
26 Assembly. Moneys in the Kentucky lottery trust account shall not lapse at the close
27 of the state fiscal year.

1 (3) Beginning in fiscal year 1999-2000, and each fiscal year thereafter, three million
 2 dollars (\$3,000,000) from net lottery revenues from the sale of lottery tickets shall
 3 be credited from the general fund as follows:

4 (a) To the Collaborative Center for Literacy Development, one million two
 5 hundred thousand dollars (\$1,200,000) in fiscal year 1999-2000 and each
 6 fiscal year thereafter; and

7 (b) To the early reading incentive fund, one million eight hundred thousand
 8 dollars (\$1,800,000) in fiscal year 1999-2000 and each fiscal year
 9 thereafter.

10 (4) After the allocation of three million dollars (\$3,000,000) to literacy development,
 11 as provided in subsection (3) of this section, net lottery revenues from the sale of
 12 lottery tickets shall be credited from the general fund as follows:

13 (a) To the Wallace G. Wilkinson Commonwealth merit scholarship trust fund
 14 established in Section 3 of this Act:

15 1. Seven million dollars (\$7,000,000) in fiscal year 1999-2000;

16 2. Fifteen percent (15%) in fiscal year 2000-2001;

17 3. Twenty-five percent (25%) in fiscal year 2001-2002;

18 4. Thirty-two percent (32%) in fiscal year 2002-2003;

19 5. Forty percent (40%) in fiscal year 2003-2004; and

20 6. Forty-five percent (45%) in fiscal year 2004-2005 and each fiscal year
 21 thereafter; and

22 (b) To the College Access Program and the Kentucky Tuition Grants Program
 23 established in KRS Chapter 164:

24 1. Fourteen million dollars (\$14,000,000) in fiscal year 1998-1999;

25 2. Fifteen million dollars (\$15,000,000) in fiscal year 1999-2000;

26 3. Thirty-two percent (32%) in fiscal year 2000-2001 through fiscal year
 27 2002-2003;

1 **4. Forty percent (40%) in fiscal year 2003-2004;**

2 **5. Forty-five percent (45%) in fiscal year 2004-2005; and**

3 **6. Fifty-five percent (55%) of net lottery revenues in fiscal year 2005-**
4 **2006 and each fiscal year thereafter.**

5 **(5)** The Auditor of Public Accounts shall be responsible for a financial postaudit of the
6 books and records of the corporation. The postaudit shall be conducted in
7 accordance with generally accepted accounting principles, shall be paid for by the
8 corporation, and shall be completed within ninety (90) days of the close of the
9 corporation's fiscal year. The Auditor of Public Accounts shall contract with an
10 independent, certified public accountant who meets the qualifications existing to do
11 business within the Commonwealth of Kentucky to perform the corporation
12 postaudit. The Auditor of Public Accounts shall remain responsible for the annual
13 postaudit and the corporation shall pay all audit costs. The Auditor of Public
14 Accounts may, at any time, conduct additional audits, including performance audits,
15 of the corporation as he deems necessary or desirable. Contracts shall be entered
16 into for audit services for a period not to exceed five (5) years and the same firm
17 shall not receive two (2) consecutive audit contracts. All audits shall be filed with the
18 Governor, the President of the Senate, and the Speaker of the House of
19 Representatives. The corporation shall reimburse the Auditor of Public Accounts for
20 the reasonable costs of any audits performed by him. The corporation shall
21 cooperate with the Auditor of Public Accounts by giving employees designated by
22 any of them access to facilities of the corporation for the purpose of efficient
23 compliance with their respective responsibilities. With respect to any reimbursement
24 that the corporation is required to pay to any agency, the corporation shall enter into
25 an agreement with that agency under which the corporation shall pay to the agency
26 an amount reasonably anticipated to cover the reimbursable expenses in advance of
27 the expenses being incurred.

1 SECTION 8. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO
2 READ AS FOLLOWS:

3 Notwithstanding the provisions of KRS 164.7535 and 164.785 to the contrary, if
4 sufficient funds are available, the authority shall do one (1) of the following:

5 (1) Promulgate an administrative regulation to increase the maximum amount
6 available under the grant programs to each student, up to the prevailing tuition
7 rate charged by the regional public universities for full-time enrollment in an
8 undergraduate program, but in no event shall a student receive more than the
9 student's cost of education less expected family contribution and other
10 anticipated student financial assistance;

11 (2) Promulgate an administrative regulation to increase the average income level for
12 qualification for the grant programs; or

13 (3) Promulgate an administrative regulation that increases both the maximum
14 amount available under the grant programs, and increases the average income
15 level for qualification for the grant programs.

REGIONAL POSTSECONDARY EDUCATION CENTERS

ACTION
Agenda Item C-8
July 13, 1998

Recommendation:

That the CPE approve the attached document containing planning assumptions and guidelines to be used by KCTCS and universities in planning each regional postsecondary education center authorized in the 1998-2000 Appropriations Bill, House Bill 321.

Rationale:

- The CPE requested funding for five regional postsecondary education centers; funding for these centers was included in the 1998-2000 Appropriations Bill.
- HB 321 requires the CPE to resolve any disputes between or among institutions in the design, planning, or use of each regional center.
- HB 321 requires the CPE to take action on plans for the regional centers proposed by KCTCS and the participating university.
- It is appropriate that the CPE indicate its expectations for the planning processes to be used by the institutions in planning each regional center.
- To allow planning for these centers to move forward as quickly as possible, the CPE staff developed these planning assumptions and guidelines and proposes that the CPE adopt them in lieu of creating a statewide committee as envisioned in January.

Background:

Representatives of KCTCS, Eastern Kentucky University, Morehead State University, Murray State University, and Western Kentucky University have initiated discussions concerning regional postsecondary education centers authorized by the 1998-2000 Appropriations Bill, HB 321. Since HB 321 directs that the CPE take action on planned centers as proposed by these institutions, it is appropriate that the CPE indicate its expectations for the planning processes to be used by the institutions.

The CPE voted at its January 12 meeting to support establishing regional postsecondary education centers in Hopkinsville, Glasgow, Elizabethtown, Prestonsburg, and London/Corbin. The CPE also indicated that it would create a committee composed of representatives of the CPE, KCTCS, and each university to establish principles for planning the use of these centers. In a January 12 letter to Gary Cox, president of the Association of Independent Kentucky Colleges and Universities (AIKCU), Mr. Hardin indicated that Mr. Cox would be asked to represent the independent institutions on that committee.

The attached document has been prepared by the CPE staff to provide guidance to the institutions as they proceed with planning the regional centers. The CPE staff proposes that in lieu of creating the statewide committee as envisioned in January, the CPE should review, discuss, and act on this document at its July meeting. Following action by the CPE, the final document will be forwarded to the institutions for use in regional center planning.

Staff preparation by Ken Walker

Regional Postsecondary Education Centers

Background

In its biennial budget request for 1998-2000, the CPE requested a total of \$55 million in bond authorization for capital projects to ensure student access to the postsecondary education system statewide through both physical and electronic means. The CPE indicated that up to \$30 million in bond proceeds would be used for Commonwealth Virtual University (CVU) infrastructure projects and up to \$25 million in bond proceeds would be used for capital construction projects. No specific projects were identified at that time.

At its January 12, 1998 meeting, in response to a request from the Kentucky Community and Technical College System (KCTCS) Board of Regents, the CPE supported the concept of creating Regional Postsecondary Education Centers and using the \$25 million in bond proceeds requested in November to partially fund five such centers. These centers, to be located in Hopkinsville, Glasgow, Elizabethtown, Prestonsburg, and London or Corbin, would be jointly planned, designed, and used by KCTCS and regional universities.

House Bill (HB) 321, the 1998-2000 Executive Branch Appropriations Bill enacted by the 1998 General Assembly, authorizes the construction of these centers. HB 321 requires Eastern Kentucky University, Morehead State University, Murray State University, Western Kentucky University, and KCTCS to analyze the student and community needs within the regions to determine the most appropriate facilities needed to meet student needs in the regions. HB 321 requires the CPE to resolve any disputes between or among institutions in the design, planning, or use of each Regional Postsecondary Education Center, to take action on plans for the centers proposed by KCTCS and the participating university, and to report to the Capital Projects and Bond Oversight Committee.

Planning Assumptions

As KCTCS and the participating universities plan the implementation of these centers, the CPE expects that these institutions will work together to build a single facility and that residents of the communities will be involved in planning the centers. The CPE expects that the centers will meet identified local needs and that other postsecondary education institutions and the CVU will be used to meet these needs. The CPE will fulfill its responsibilities as identified in HB 321 and described above.

Guidelines

To promote complete and timely institutional plans for regional centers, the CPE establishes the following guidelines to be used in the planning process for each Regional Postsecondary Education Center. These planning processes will:

- Result in a single facility and program plan for each regional center to be prepared jointly by KCTCS and the participating university addressing the proposed site, design, planned use, and operation of the center.
- Involve KCTCS and the participating university in consultation with a planning committee including citizen representatives of the communities to be served.

- Include an analysis of student and community needs for academic programs and student services within the region and propose ways to address them, including delivery of programs through the center by other public and nonpublic institutions of postsecondary education.
- Address the relationship between the planned new facility and existing space in the region owned, leased, or otherwise used by participating institutions.
- Result in shared use of space by participating institutions in offering courses, programs, and student services.
- Result in support of CVU activities including at least one ITV-equipped classroom, a satellite down-link compatible with KET requirements, and advising, testing, and other relevant student services including computer laboratory access for CVU students in the region.

The CPE anticipates that successful implementation of these centers will increase collaboration among institutions and strengthen the system of postsecondary education in Kentucky. Most important, the centers will extend the reach of Kentucky postsecondary education to students whose needs have not been met.

Information:

Senate Bill 186, 1998 Regular Session, relates to literacy programs at local schools and at postsecondary education institutions. Two distinct programs are funded: an Early Childhood Incentive Grant program to support intervention projects and activities in the primary grades; and a postsecondary education program called *the Collaborative Center for Literacy Development: Early Childhood through Adulthood*. The Collaborative Center is to “make available training for educators in reliable, replicable research-based models, and to promote literacy development.”

Appropriations of \$700,000 and \$1,200,000 are provided for the Center for 1998-99 and 1999-2000, respectively. The Center is to be located at a public postsecondary education institution. The CPE is to make the decision on the location of the Center no later than October 1, 1998. The selection of the Center is to be based on a Request for Proposals (RFP) process, i.e., a competitive process. The CPE is to solicit input from the Kentucky Department of Education (KDE) and the Department of Adult Education and Literacy on the RFP and selection processes.

The Collaborative Center will act as a clearinghouse for literacy initiatives. A demonstration site for “early literacy” is to be located at each of the public universities. The Center, unlike the Early Childhood Incentive Grant program, is to address both early childhood and adult literacy problems.

The enabling statute details the responsibilities for the Center. A proposal must separately address each of the statutory requirements as well as emphasize extensive collaboration among public and private institutions.

An RFP will be issued on July 15 with a due date of August 31. Officials of both KDE and the Department of Adult Education and Literacy will participate in the review of the proposals. A recommendation on a proposed site will be brought to the CPE at the September meeting.

D. Academic Affairs Committee Agenda

July 13, 1998

8:30 a.m. (ET), CPE conference Room, Frankfort, Kentucky

Roll Call

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Other Business

Adjournment

MINUTES¹

CPE Academic Affairs Committee July 13, 1998

The CPE Academic Affairs Committee met July 13, 1998, at 8:30 a.m. (ET) in the Council on Postsecondary Education Conference Room, 1024 Capital Center Drive, Frankfort, Kentucky. Peggy Bertelsman, Chair, presided.

Ms. Bertelsman welcomed back Sue Hodges Moore to her full-time CPE position after serving part-time at KCTCS.

ROLL CALL

The following members were present: Ms. Bertelsman, Ms. Adams, Mr. Barger, Dr. Helm, Mr. Todd, and Ms. Weinberg.

APPROVAL OF MINUTES

A motion was made by Mr. Barger and seconded by Mr. Todd to approve the minutes of May 18, 1998. The minutes were approved as distributed.

ACTION: NEW PROGRAM PROPOSALS MS in Aquaculture/ Aquatic Science, KSU

RECOMMENDATION: That the Master of Science in Aquaculture/Aquatic Science proposed by Kentucky State University (KSU) be approved and registered in CIP 03.0301.

MOTION: Ms. Adams moved that the recommendation be accepted. Mr. Todd seconded the motion.

DISCUSSION: Ms. Adams provided background on the proposal stating that the program is well suited for KSU because of its mission to participate in appropriate U.S. Department of Agriculture programs. The proposal fits KSU's strategic plan to implement graduate programs in aquaculture, and a research center is already in place. There will be reallocations of internal funding, and although the program can proceed without additional funding, grants will be sought to make the program more effective.

VOTE: The motion passed unanimously.

MA in Education in School Administration, WKU

RECOMMENDATIONS:

- That the Master of Arts in Education in School Administration proposed by Western Kentucky University (WKU) be approved provisionally and registered in the Registration with Review category in CIP 13.0405.

¹All attachments are kept with the original minutes in the CPE offices. A verbatim transcript of the meeting is also available.

- That this program be included in the statewide review plan for master programs in education administration initiated by the CPE at its May 1998 meeting.

MOTION: Ms. Bertelsman moved that the recommendation be accepted. Mr. Barger seconded the motion.

DISCUSSION: Ms. Bertelsman stated that the WKU proposal is very similar to the school administration programs approved at the May 1998 meeting. She pointed out that by provisionally approving the program, the committee recognizes a need for more school principals, but wants to see opportunities explored to make this the best principal preparation program. Institutions are encouraged to work together so that one or two joint degree programs will emerge, providing everyone in the state access to the best of the best. Dr. Ruth Greenberg announced that planning for the statewide review of the school administration programs is in the beginning stages and that a meeting of individuals involved in education leadership programs around the state is scheduled later in the week.

VOTE: The motion passed unanimously.

*ACTION:
KCTCS
PROGRAM
PROPOSALS*

Dr. Juanita Fleming read a statement on behalf of the University of Kentucky voicing concern relating to the five community college program proposals. She stated that it is important to resolve any ambiguity as to whether the programs will be UK programs or KCTCS programs. Dr. Moore stated that the programs were originally intended to be UK programs when they were submitted to the CPE by KCTCS in May. At that time, they were also sent to the UK Board for approval, which took place in June. However, prompted by the change in governance outlined in House Bill 1, the new presidents, both at the Council and KCTCS, mutually agreed that these programs should be KCTCS programs. Dr. Jeff Hockaday stated it is necessary for KCTCS to make this move in order to demonstrate that it is being proactive regarding accreditation. Dr. Tony Newberry stated that KCTCS is expecting a second visit from SACS which will result in closer scrutiny of operations and processes, and the accrediting agency will expect to see one governing board in complete charge of academic governance.

Mr. Todd asked if a program coming from KCTCS in the future would bear the UK name as indicated in House Bill 1. Mr. Hockaday stated that the community college system is the University of Kentucky Community College System, and that name would always be on the diploma, which will give reference

*AAS in Computer
Information
Systems, HenCC*

to UK. It is hoped that, in negotiations with UK, a more substantial agreement can be reached regarding the diplomas. Mr. Todd stated that when something is associated with the UK name, UK must have some kind of input with respect to the quality process. Mr. Newberry stated that, hopefully, in the near future the two institutions can work out the accreditation concerns and maintain the UK affiliation with the degrees.

RECOMMENDATION: That the Associate in Applied Science in Computer Information Systems program proposed by Henderson Community College be approved and registered in CIP 11.0301.

MOTION: Ms. Adams moved that the recommendation be accepted with the degree to be awarded by KCTCS and approved or endorsed by the University of Kentucky as may be appropriate. Ms. Weinberg seconded the motion.

DISCUSSION: Ms. Adams summarized the proposal stating that there is a need for the program due to the high turnover rate in computer technologists in businesses within the community. Access to the program in that area is limited to the Ivy Technical School in Evansville, and the cost there is considerably higher, even with the tuition reciprocity for Kentucky students.

After discussion, Mr. Barger recommended that the program proposal be approved as it was presented without the additional language referencing the University of Kentucky. Ms. Adams withdrew her motion and Ms. Weinberg withdrew her second.

MOTION: Ms. Adams moved that the Associate in Applied Science in Computer Information Systems program proposed by Henderson Community College be approved and registered in CIP 11.0301. Mr. Barger seconded the motion.

After further discussion, Ms. Adams stated that it should be clear from the beginning that this is a degree from KCTCS. Mr. Barger replied that he did consider it necessary to leave in the language that it be granted by KCTCS. Ms. Adams withdrew her motion, and Mr. Barger withdrew his second.

MOTION: Ms. Adams moved that the Associate in Applied Science in Computer Information Systems program proposed by Henderson Community College be approved and registered in CIP 11.0301 and that the degree be awarded by KCTCS. Mr. Barger seconded the motion.

VOTE: The motion passed with Mr. Todd abstaining from the vote expressing his concern that UK and KCTCS to come to some kind of mutual agreement.

*AAS in Law
Enforcement
Technology, ACC*

RECOMMENDATION: That the Associate in Applied Science in Law Enforcement Technology program proposed by Ashland Community College (ACC) be approved and registered in CIP 43.0107.

MOTION: Ms. Bertelsman moved that the recommendation be accepted with the degree to be awarded by KCTCS. Dr. Helm seconded the motion.

DISCUSSION: Ms. Bertelsman provided background information on the proposal stating that due to a new state facility in Kentucky and three federal facilities planned for West Virginia, the program would meet a community need. However, she expressed concern as to whether an agreement had been reached with ECU regarding its plans, if any, to meet law enforcement training needs in eastern Kentucky. Dr. Angeline Dvorak responded that ACC will be exploring their articulation agreements and will be working with ECU. ACC has a long history of law enforcement coursework and a successful record of students transferring to ECU and would like to explore distance learning opportunities where students may be able to piggyback on specific courses.

VOTE: The motion passed with Mr. Todd abstaining from the vote.

Ms. Bertelsman recognized Dr. Charles Wade and welcomed him back after his medical leave.

*AAS in Physical
Therapist
Assistant, ACC*

RECOMMENDATION: That the Associate in Applied Science in Physical Therapist Assistant program proposed by Ashland Community College be approved and registered in CIP 51.0806.

MOTION: Mr. Barger moved that the recommendation be accepted with the degree to be awarded by KCTCS. Ms. Weinberg seconded the motion.

DISCUSSION: Mr. Barger summarized the proposal citing the demand for the program and addressing ACC's expressed desire to work with other area institutions and its willingness to participate in the delivery of coursework through distance learning. ACC obtained a commitment for assistance to renovate the laboratory and the classroom and for the provision of laboratory equipment.

Dr. Greenberg stated that two new faculty positions will be required to deliver the program, but ACC has committed two retirement positions to the program.

VOTE: The motion passed with Mr. Todd abstaining from the vote.

*AAS in Respiratory
Care, ACC/MayCC*

RECOMMENDATION: That the Associate in Applied Science in Respiratory Care program jointly proposed by Ashland Community College and Maysville Community College (MayCC), in cooperation with the Rowan Technical College (RTC), be approved and registered in CIP 51.0908.

MOTION: Ms. Weinberg moved that the recommendation be accepted with the degree to be awarded by KCTCS. Mr. Barger seconded the motion.

DISCUSSION: Ms. Weinberg provided background on the proposal pointing out that it is a collaboration which builds on a current program at Rowan Technical College. An annual need for 43 respiratory care practitioners has been identified. Ms. Weinberg recommended the program because of its strength and because it is the direction postsecondary education should be moving in.

VOTE: The motion passed with Mr. Todd abstaining from the vote.

*AAS in Early
Childhood
Education, HazCC*

RECOMMENDATION: That the Associate in Applied Science in Early Childhood Education program proposed by Hazard Community College (HazCC) be approved and registered in CIP 20.0202.

MOTION: Dr. Helm moved that the recommendation be accepted with the degree to be awarded by KCTCS. Mr. Barger seconded the motion.

DISCUSSION: Dr. Helm provided background on the proposal acknowledging the numerous letters of support and stating that it fits into HazCC's mission statement. An extensive survey of daycare, childhood, and home centers supported a need for persons trained in providing early childhood care. The proposed program was developed in response to requests by area Head Start agencies for programs to train persons to deliver developmentally appropriate childcare services to students. Dr. Helm stated that the Welfare Reform Act conceivably will result in additional parents

entering the workforce resulting in the necessity for increased childcare.

VOTE: The motion passed with Mr. Todd abstaining from the vote.

ACTION:
RURAL ALLIED
HEALTH AND
NURSING
GRANTS (RAHN)

RECOMMENATIONS:

- That the CPE allocate funds available for the 1998-2000 biennium to support delivery of associate (AAS), baccalaureate (BSN), and master in nursing degree (MSN) programs at extended-campus centers to four regional universities for 1998/99 as follows:

Eastern Kentucky University	\$122,200*
Morehead State University	90,600
Murray State University	90,600
Western Kentucky University	90,600
	\$394,000

*Eastern Kentucky University's funding is higher due to more extensive programming.

- That the CPE postpone allocation of funds available for 1999-2000 RAHN programs until the review of pass-through programs (CPE action, January 12, 1998) is completed.

MOTION: Ms. Weinberg moved that the recommendation be accepted. Dr. Helm seconded the motion.

DISCUSSION: Dr. Greenberg provided background information stating that the purpose of the program is to provide increased access for placebound students in rural parts of Kentucky. CPE requested a review of pass-through programs in January 1998. The recommendation is to approve the program through 1998, at which time the review will be completed.

VOTE: The motion passed.

INFORMATION:
ANNUAL
KENTUCKY
HIGH SCHOOL
FEEDBACK
REPORTS

Mr. Roger Sugarman provided an overview of the *Kentucky High School Feedback Report* stating that the report indicates little change in the class of 1996 from the performance of previous graduating classes. Although more students are presently taking the Pre-College Curriculum, statistics still indicate a low college-going rate and a high rate of remedial education. Some educators have concluded that the high school curriculum is too broad, and that performance standards should be established and

communicated to the students. Ms. Sugarman stressed the importance of early assessment of deficiencies in high school.

DISCUSSION: Mr. Todd voiced opposition to postsecondary institutions offering high school-level instruction and asked if an analysis had been done on the cost of remedial education. Mr. Sugarman stated that the *Remedial Education Policy Study* looked at the direct instructional cost and found that the revenue brought in from tuition covered the direct instructional cost at universities, but that there was a \$1.4 million figure at the community colleges. Dr. Helm stated there must be a willingness to collaborate between PK-12 and postsecondary education. Ms. Weinberg agreed and asked about the CPE's role in fostering some kind of collaboration.

MOTION: Ms. Adams moved that the Academic Affairs Committee request the full Council to ask Chairman Hardin to address this issue with Dr. Helen Mountjoy, Chairman of the State Board of Education, in that an appropriate means of communication between the CPE and the State Board be established. Mr. Todd seconded the motion.

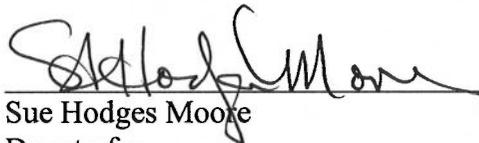
VOTE: The motion passed unanimously.

OTHER BUSINESS

Ms. Bertelsman reminded members about the September Trusteeship Conference and announced that there would be no Academic Affairs Committee meeting in September.

ADJOURNMENT

The meeting adjourned at 9:50 a.m.



Sue Hodges Moore
Deputy for
Academic Programs, Planning, and Accountability



Taffie G. Wright
Secretary

**NEW PROGRAM PROPOSAL:
MS IN AQUACULTURE/AQUATIC SCIENCE,
KENTUCKY STATE UNIVERSITY**

**ACTION
Agenda Item D-1-a
July 13, 1998**

Recommendation:

That the Master of Science in Aquaculture/Aquatic Science proposed by Kentucky State University (KSU) be approved and registered in CIP 03.0301.

Rationale:

- Kentucky State University is eligible to submit program proposals in calendar year 1998 by virtue of its automatic eligibility status under the administrative regulation implementing KRS 164.020(8), the EEO statute.
- The proposed program is consistent with the CPE-approved mission statement for KSU, which states, in part, that KSU will "participate fully in appropriate U.S. Department of Agriculture programs." Also, KSU's strategic plan includes an objective "to develop and implement graduate programs in aquaculture."
- KSU is currently home to Kentucky's only research, extension, and academic programs devoted to aquaculture. The proposed master of science program in aquaculture would be the only such program in the state and represents a natural next step in the development of KSU's specialization in this area.
- The Legislature has identified KSU as the lead institution for aquaculture development in Kentucky. HJR 72 (1998) identifies a representative of the KSU aquaculture program as a member of a newly formed Kentucky Aquaculture Task Force.
- The proposed program will supply trained professionals necessary to support Kentucky's growing aquaculture industry. Existing cooperative arrangements between KSU and Eastern Kentucky University, the University of Kentucky, and the University of Louisville have allowed students at those institutions to conduct research through KSU. KSU has expressed a willingness to expand existing cooperative arrangements and to explore new collaborative possibilities with other institutions.
- KSU has indicated that it is committed to providing the faculty, facilities, and funding necessary to mount and deliver the proposed program. Two additional faculty will be hired in year two of the program. KSU has indicated that "faculty vacancies as a result of retirements, departures, and normal attrition" will provide funds for these positions. Federal and state grants, in addition to internal budget reallocations, will also serve as funding sources. KSU indicates in the proposal that the expenses and income sources identified in the program's proposed budget "are not absolutely essential to effect the initial graduate program, but are presented to reflect critical requirements of a desirable program of

instruction.” The CPE is committed to ensuring that all programs offered at Kentucky’s postsecondary education institutions are of the highest quality and fully expects that KSU will support the proposed program in a manner that reflects this commitment to quality program delivery.

An executive summary prepared by Kentucky State University is attached to this agenda item.

Staff Preparation by Ruth Greenberg

EXECUTIVE SUMMARY

1. Mission, Influence, Organization

The proposed Master of Science in Aquaculture is fully consistent with the University's mission and strategic plan. A portion of Kentucky State University's revised mission statement (1993) reads: "Kentucky State University, as the 1890 land-grant institution in the system, shall carry out its responsibilities under federal law and participate fully in appropriate U.S. Department of Agriculture programs, in accord with the mission of the University." In *Visions 2000*, KSU's Strategic Plan for 1996-2000, Goal 2 is "to continue to strengthen the curricula of undergraduate and graduate programs at the University." To address this stated goal, Objective 2.8 of the Strategic Plan is to "develop and implement graduate programs in aquaculture, business administration, and education." These statements are testimony to the integral relationship of the proposed program to the mission of Kentucky State University and the commitment of the University to the program's implementation and success.

Implementation of this program is feasible and does not create a problem of duplication as no other academic program in Aquaculture exist in the Commonwealth or surrounding states. Program approval represents continued cooperation and collaboration between Kentucky State University and the University of Kentucky, University of Louisville, Eastern Kentucky University and the Eidgenoessische Technische Hochschule in Switzerland through student participation in research, internships, assistantships and special problems courses.

Aquaculture is the fastest growing segment of U.S. agriculture. Significant initiatives with state government and producer associations exist to enhance the potential of aquaculture development in the Commonwealth. In order to meet the anticipated need for trained individuals, program initiation at this time will produce graduates for the industry in the new millennium. In addition, KSU is committed to assisting Kentucky farmers in claiming a share of the industry's growth. Aquaculture, primarily an activity of family-owned farming operations, may well be suited to sustaining and improving the economy. The Aquaculture program, as a synthesis of biology and chemistry, will be placed as a graduate program in the Division of Mathematics and Sciences in the College of Arts and Sciences.

2. Program Description

The Aquaculture program is designed to graduate professionals with practical training and experience in aquaculture, but also with a strong theoretical base to pursue further graduate training. This unique program will prepare students for the many facets of the aquaculture

industry including production, State and Federal Fish and Wildlife programs, teaching, extension, and service industries such as aquaculture feed, equipment production, and sales. The thesis degree program will require 36 semester hours of credit. Twelve semester hours of approved graduate-level course work may be transferred from other institutions. The student's admission, graduate studies, and research experience will be supervised by a graduate committee composed of at a minimum, the student's sponsoring (Major) professor, the Chair of the Division of Mathematics and Sciences, and one other faculty member. In addition, the committee will have oversight of the thesis topic, its preparation and defense.

3. Supportive Data

The need for persons trained in aquaculture is evidenced by the 120% increase in aquaculture production in the past ten years and a predicted additional 100% increase in the next ten years. In the U.S., aquaculture currently accounts for >180,000 jobs and has a total economic impact of more than \$5.5 billion. Recently 200 questionnaires were circulated to other institutions in Kentucky, West Virginia, Indiana, and Tennessee. Approximately 45% have been returned to date with 48% indicating they would be interested in seeing Kentucky State University develop a Master of Science program in Aquaculture. Further need is documented by the fact that KSU's Aquaculture Research program receives more than 20 inquires per year on the availability of graduate training and is currently supporting graduate students from other universities and disciplines. It is Kentucky State University's mandate and responsibility to meet the rapidly growing industry's need for trained personnel, research information, and extension services. No institution in Kentucky, or surrounding states, offers a M.S. degree program that focuses on aquaculture. The lack of such a program is a major hindrance to aquaculture development in the region.

4. Resources

The existing Aquaculture Research Center represents an investment of five million dollars and is evidence of KSU's long-term commitment. Budget reallocations from existing programs will take place as a result of ongoing as well as special academic program reviews. Faculty salaries will be funded through attrition and implementation of the results of the academic program review. Items to be supported from anticipated Federal or State grants are not essential to effect the initial graduate program. They are, however, an integral part of this proposal over time and reflect critical requirements for a desirable program of instruction.

**NEW PROGRAM PROPOSAL: MA IN
EDUCATION IN SCHOOL ADMINISTRATION,
WESTERN KENTUCKY UNIVERSITY**

ACTION
Agenda Item D-1-b
July 13, 1998

Recommendations:

- That the Master of Arts in Education in School Administration proposed by Western Kentucky University (WKU) be approved provisionally and registered in the Registration with Review category in CIP 13.0405.
- That this program be included in the statewide review plan for master programs in education administration initiated by the CPE at its May 1998 meeting.

Rationale:

- Western Kentucky University is eligible to submit program proposals in calendar year 1998 by virtue of its automatic eligibility status under the administrative regulation implementing KRS 164.020(8), the EEO statute.
- When the CPE approved four new master of education in education administration programs at its May 1998 meeting, unique circumstances warranting provisional approval with registration in the Registration with Review category were outlined in the accompanying agenda item (May 18 *CPE Agenda Book*, pp. 103-105). In brief, a legislative mandate, the institutions' ability to deliver these new programs without additional resources, and the institutions' willingness to explore opportunities to cooperate in delivering portions of these programs provided a rationale for immediate approval of those four programs. These circumstances exist as well for the Master of Arts in Education program Western Kentucky University is now proposing.
- At its May 1998 meeting, the CPE directed staff to develop a statewide plan for reviewing master programs in education administration (see May 18 *CPE Agenda Book*, pp. 103-105). This review plan is to include "all Master of Education in Education Administration programs." The program proposed by Western Kentucky University should therefore be included in this review.

An executive summary prepared by Western Kentucky University is attached to this agenda item.

Staff Preparation by Ruth Greenberg

The acute necessity for this proposal results from the adoption of 704 KAR 20.710, Professional Certificate for Instructional Leadership - School Principal - (All Grades). The regulation requires a program which certifies a master's candidate as an Instructional Leader - School Principal - (All Grades) to be in place as of January 1998, and requires all current candidates of previous programs to be finished by 2000.

Historically, Western Kentucky University has had significant impact in the state as a certifying institution and as a preparer of viable, qualified, school leaders. The school administration program at Western Kentucky University has traditionally been a post-master's program. However, newly developed national and state standards aimed at the production of high quality certification programs have led to the necessity for changing the certification programs for the principalship. The Standards require the development of a master's program that leads to certification as an Instructional Leader - School Principal - (All Grades).

Western, according to data from the American Association of Colleges for Teacher Education, educates the second largest number of school administrators in the Commonwealth. While the post-master's principal preparation program will continue, it is anticipated between 35 and 50 candidates per year will be admitted to the proposed master's degree program. Virtually all of these educational administration students are employed full-time while they are pursuing their master's degrees and new credentials. Because of the demands of their teaching positions, their families, and community, they are truly "place-bound." To mitigate this problem, the current principal training program attempts to take instruction to students through weekend courses, evening courses, extension courses, and compressed video interactive television. It is anticipated the proposed program will utilize all of these instructional delivery techniques as well. The absence of the proposed program at Western would have significant negative consequences upon students and upon the regional school systems which traditionally rely upon this University to fulfill their personnel needs. As identified in the program proposal, a critical shortage exists for qualified and current principalship candidates.

The proposed changes have been formally drafted during the past several months but the origins of the changes can be traced to the advent of national education administration preparation reform efforts. National Standards promulgated through Interstate School Leaders Licensure Consortium Standards (ISLLC), National Policy Board for Educational Administration (NPBEA) and the Council for the Accreditation of Teacher Education (NCATE) provide curricular guidance. Throughout the program development process inter-institution *cooperation* and *collaboration* existed. State-wide administrator educator meetings were held regularly to define program requirements and to assure state-wide compliance. To a great extent program similarity among the various state universities was always a priority goal. Western's program faculty began meeting in the Spring semester of 1996 to conceptualize and implement the proposed

program changes. Additional feedback was gathered from current students in the educational administration program, recent graduates, and area practitioners. Throughout the process college and university-wide missions, goals, and beliefs served also to guide program development.

The rationale for the development of the proposed program includes the following four factors:

1. The promulgation of new professional standards;
2. A new assessment for certification;
3. Conversion of initial certification from a post-master's program to a Master of Arts in Educational Administration program; and
4. A change from certification granted at specific grade levels (elementary school principal, middle school principal, secondary school principal) to a universal, "all grades" certification.

As proposed, the Master of Arts in Education in School Administration is a thirty-six (36) hour degree program. The vast majority of the program consists of previously existing courses from Western's principal preparation program. However, these courses have been substantively modified to reflect new content mandated by the new EPSB Administrator Preparation Standards. One new course has been developed for the program.

Proposed Degree Program Coursework

<u>Professional Education Courses</u>	(9 hrs.)
EDFN 500 Research Methods	3 hrs.
EDFN 576 Issues and Trends in Education	3 hrs.
One of the following courses:	3 hrs.
Psy 510 Advanced Ed Psychology	
Psy 511 Psychology of Learning	
Psy 519 Psychological Perspectives in Classroom Behavior	
<u>Educational Administration Concentration</u>	(27 hrs.)
EDAD 585 Fundamentals of School Admin.	3 hrs.
EDAD 588 School Business Management	3 hrs.
EDAD 594 Sem. on Ldrshp: Aux. Prog. in Educ.	3 hrs.
*EDAD 597 Problems in Adm. & Supervision	3 hrs.
EDAD 677 School Law	3 hrs.
EDAD 682 School-Community Relations	3 hrs.
**EDAD 683 Seminar in Curriculum Development	3 hrs.
EDAD 684 Instructional Leadership	3 hrs.
EDAD 690 The Principalship	3 hrs.

* Enrollment intended to be concurrent with EDAD 585

** Other advisor approved curriculum course may be substituted

**NEW PROGRAM PROPOSAL:
AAS IN COMPUTER INFORMATION SYSTEMS,
HENDERSON COMMUNITY COLLEGE**

ACTION
Agenda Item D-1-c
July 13, 1998

Recommendation:

That the Associate in Applied Science in Computer Information Systems program proposed by Henderson Community College be approved and registered in CIP 11.0301.

Rationale:

- Henderson Community College is eligible to submit program proposals in calendar year 1998 by virtue of its automatic eligibility status under the administrative regulation implementing KRS 164.020(8).
- The proposed associate degree program in Computer Information Systems (CIS) is consistent with the CPE-approved mission statement for Henderson Community College.
- Students report that the business technology program does not include sufficient computer courses to meet the demands of employers. Therefore, the college proposes that the Computer Information Systems program be reapproved to provide the level of training expected in the workplace.
- More than 100 businesses and industries in the college's service area are potential employers of graduates of this program. A local needs assessment survey indicates that employers will create 49 new full-time positions and need 34 full-time replacement employees annually for the next five years. Additionally, approximately 30 part-time positions are projected for each of the next five years.
- Access to a CIS program in Henderson is financially desirable for students. Presently, IVY Tech in Evansville, Indiana is the local provider of associate degree programs in this field of study. Under the provisions of the Kentucky-Indiana tuition reciprocity agreement, Indiana tuition at IVY Tech for 12 credit hours is \$798 while Kentucky community college tuition for 12 or more credit hours is \$530.
- Three full-time and two part-time faculty currently employed by the college will provide the instruction for the program.
- Computer facilities and equipment have been upgraded throughout the campus including two computer laboratories and networked access for other student laboratories. The campus computer technology fee will provide the financial resources to maintain up-to-date computer facilities and equipment campus-wide.

An executive summary prepared by Henderson Community College is attached to this agenda item.

Staff Preparation by Aphy Brough

COMPUTER INFORMATION SYSTEMS

Executive Summary

For the Initiation of a New Degree Program

Submitted by:

Henderson Community College

Mission, Influence, Organization

The mission of Henderson Community College as adopted by the Board of Directors includes: to offer career-oriented programs designed to prepare students for immediate technical or paraprofessional employment. Institutional goals have been developed in an effort to guide the institution in achieving the mission of the College. Among these is to develop/offer AAS degree programs that meet the needs of the community.

In the Spring, 1994, Henderson Community College was required to drop the Computer Information Systems program as a result of the findings of the Higher Education Review Commission. A number of factors including inconsistent program leadership and out-of-date facilities and equipment produced the enrollment and graduation figures that led to the action taken by the Higher Education Review Commission. Since that time students needing a computer-related Associate of Applied Science degree have enrolled in the Management Information Systems option of the Business Technology Program.

The MIS option to Business Technology is a program that prepares students for computer-related positions in business including management and marketing. A majority of the students currently enrolled in the MIS option have indicated that it is not meeting their needs. The CIS program would provide these students with the additional computer courses and training they need.

Currently individuals in the service area who need an Associate degree in Computer Information Systems must attend IVY Tech Southwest in Evansville, Indiana at tuition rates that are significantly higher than the tuition rates at HCC. It is anticipated that a CIS program at HCC will attract students from Kentucky who would otherwise attend IVY Tech.

A Computer Information Systems program at Henderson Community College was endorsed by the Business Technology Program Advisory Committee at its December, 1997 meeting. Several members of that advisory committee along with other individuals have agreed to serve on a CIS Program Advisory Committee.

Program Description

The Computer Information Systems program includes a Microcomputer option and a Programming option, with a core of courses common to both. The core includes a general education component central to a collegiate education and technical courses. Students receive an introduction to computer applications, program and system development, and

database management systems. In addition to the core courses, students take specialty courses for the option selected.

The Microcomputer option emphasizes several aspects of microcomputers—system configuration, use of diagnostic techniques, applications software, end-user documentation and training. Students completing this option are prepared to work with microcomputer-based systems in business and industry.

The Programming option provides students with an introduction to at least three programming languages with one of the languages studied at the intermediate level. Students completing this option are prepared for the entry-level position of computer programmer.

The CIS program is open to all students interested and eligible for admission to a community college. Students who have deficiencies in writing, mathematics, and reading will be advised to complete appropriate college prep courses.

Supportive Data

Graduates of the Computer Information Systems Program can expect a growing demand for their services. Over 100 businesses and industries in the HCC service area have been identified as potential employers of CIS graduates. Surveys were recently sent to these businesses and industries. Those businesses and industries have indicated that a CIS program is needed in the service area. These businesses and industries estimated that they would have openings for 49 new full-time employees and 34 replacement full-time employees in computer-related areas each year for the next five years. In addition, these businesses and industries estimated that they would have openings for 29 new and replacement part-time employees in computer-related areas each year for the next five years.

According to the 1997 Henderson Community College Strategic Plan, a study of the seven county Green River Area Development District yielded the top 48 fast-growing occupations for the district. Among the fast-growing occupations listed are: (1) Electrical data processing, (2) Computer Systems Analyst, (3) Information Clerks and (4) Word Processing Typists

Manufacturing is expected to expand in Henderson, Union, and Webster Counties. Fourteen manufacturers in the Henderson area have plans in various stages for additional expansion. In addition, several companies in the high skill, high wage segment of the auto industry are considering locations in the Henderson area due to the new Toyota Truck Plant north of Evansville. Manufacturing growth in the area dramatically increases the need for a computer skilled workforce.

In the state of Kentucky, computer related job fields are projected to increase at a double digit rate into the twenty first century. The Kentucky Workforce Development Cabinet, Department for Employment Services, Research Statistics Branch has indicated that there will be a 55.9% increase in the need for computer scientists and related workers between 1994 and 2005 in Kentucky. This includes job titles, which require an Associates degree, including Database Administrators with a projected 45.7% increase, Computer Support Specialists with a projected increase of 58.2%, Computer Programmers with a projected increase of 33.1%, and Computer Programmer Aides with a projected increase of 19.0%. Nationally the median weekly salary for these job titles range from \$743 to \$872.

The American Job Bank projects computer related occupations for the United States as a whole to increase at double digit rates and some, such as Computer Support Specialist, to increase at a 89 percent rate. The Bureau of Labor Statistics is projecting an employment increase of 108% from 1996 to 2006 in jobs related to the computer and data processing services industry, making it the fastest growing industry in the United States.

A recent survey by the American Association of Community Colleges published in the Community College Times listed Computer Technology/Computer Information Systems as the second "hottest" program at community and technical colleges. According to the AACC "programs considered hot are those that prepare students for occupations in high-demand businesses or industries and those where students are hired immediately after – or in some cases before – graduation."

Resources

There will be little, if any, additional financial commitment required by the college or the Community College System at this time for the CIS program. The current facilities are adequate and the technology fee will provide the funds necessary for the continuing improvement and maintenance of equipment. It may be necessary to increase the number of sections of CIS courses, but this should be offset by a decrease in the business courses offered for the MIS majors. While it is anticipated that the number of Business Technology majors will decrease with the addition of the CIS program, there will be an overall net increase in enrollment produced by additional CIS majors.

New facilities and new funding have allowed HCC to update its facilities and equipment to near state-of-the art. The entire campus is networked. There are two computer laboratories dedicated to business technology and CIS, along with a networking laboratory, a laboratory used by the Learning Skills Center and English, an open laboratory for students, and computer laboratories in math, science, and nursing. All these laboratories are on the campus network, all have access to the software on the network, have access to the internet, and all students are assigned an e-mail address following registration. Facilities and equipment are near state-of-the-art, and the technology fee has provided the funding to maintain this level.

**NEW PROGRAM PROPOSAL:
AAS IN LAW ENFORCEMENT TECHNOLOGY,
ASHLAND COMMUNITY COLLEGE**

ACTION
Agenda Item D-1-d
July 13, 1998

Recommendation:

That the Associate in Applied Science in Law Enforcement Technology program proposed by Ashland Community College (ACC) be approved and registered in CIP 43.0107.

Rationale:

- Ashland Community College is eligible to submit new program proposals in calendar year 1998 by virtue of the KCTCS Board of Regents having exercised its option to receive a quantitative waiver from the CPE on behalf of ACC under the administrative regulation implementing KRS 164.020(8), the EEO statute.
- The proposed Associate in Applied Science in Law Enforcement Technology program is consistent with the CPE-approved mission of ACC.
- Employment prospects for graduates of the proposed program are excellent. A state corrections facility currently operates within ACC's service area. In addition, a new state facility is planned and three federal facilities are proposed for nearby West Virginia. The Ashland City Police Department, several county sheriff departments, and other state and federal agencies also will be seeking trained corrections employees.
- ACC has discussed collaboration and sharing facilities with Eastern Kentucky University (EKU). An existing articulation agreement between EKU and the UKCCS will apply to graduates of the proposed program. ACC and EKU are exploring the possibility of having EKU offer training beyond the associate degree level at ACC.
- ACC has indicated that adequate classroom and office space, library resources, and full-time faculty are currently available to support the program. No additional funds will be required to mount the program.

An executive summary prepared by Ashland Community College is attached to this agenda item.

Staff Preparation by Ruth Greenberg

**PROGRAM PROPOSAL
ASHLAND COMMUNITY COLLEGE
ASSOCIATE IN APPLIED SCIENCE IN
LAW ENFORCEMENT TECHNOLOGY**

EXECUTIVE SUMMARY

I. MISSION, INFLUENCE AND ORGANIZATION

Ashland Community College proposes to implement an Associate of Applied Science Degree in Law Enforcement Technology in the Fall, 1998 semester. This program is in accordance with the College's mission to provide technical and semi-professional programs of two years or less. Also, as required by the Kentucky Postsecondary Education Improvement Act of 1997, this program will provide the "training necessary to develop a workforce with skills to meet the needs of new and existing industries."

The needs of the students of ACC, of employers in law enforcement and corrections in the ACC service area, as well as the needs of the Commonwealth, tri-state (KY, OH, WV), and nation will be met by this program. There is a growing need locally, state-wide, and nationally for trained law enforcement and corrections personnel.

ACC currently teaches several Law Enforcement classes, and all of the auxiliary courses necessary to implement an A.A.S. in Law Enforcement Technology. Student enrollment in these courses have historically been strong. The program can be implemented without additional funding for the College.

The program will be delivered through the Division of Social Science and Related Technologies.

II. PROGRAM DESCRIPTION

The curriculum for this program was revised by the Community College System in 1997 to reflect the changes in the field of law enforcement and the needs of prospective employers of law enforcement graduates. ACC is confident that this revised curriculum will make graduates of its program competitive in the job market.

The program will be evaluated by the CCS Program Review process, as well as ACC's Assessment for Continuous Improvement program. The Law Enforcement Advisory Committee will review the program annually and give input on curriculum, courses, hiring trends, and job placement. The level by which students achieve the program competencies will also be used to evaluate the program, as will the placement and employment of graduates of the program. Annual surveys of graduates, alumni, and employers will be utilized to assess and improve the program.

A two-plus-two articulation agreement with Marshall University is being explored as is a similar arrangement with Ohio University (Southern Campus), so that ACC graduates could enter their B.A. programs with junior standing. Articulation with Eastern Kentucky University's B.A. in Police Administration was established when the Law Enforcement Technology Program was written by the Community College System.

III. SUPPORTIVE DATA

The Law Enforcement program is designed to prepare students for jobs in the local, regional, and national markets. The employment prospects for graduates of this program are very good. The US Bureau of Labor Statistics indicates that jobs in law enforcement and related occupations are expected to grow faster than the national averages for all occupations. Specifically, security and corrections officers are among those occupations with the largest growth potential for all occupations through the year 2005. Law enforcement is known nationally as an occupation with few layoffs, good salaries, and very good benefits.

Locally, and within ACC's service area, prospects for employment in law enforcement and related occupations are very good. The Kentucky State Police is planning on hiring 70 additional officers in each of the next five years. The Ashland City Police Department is going to be hiring nine (9) officers in the next several years. Several county sheriff departments will also be hiring. Governor Patton's proposal that deputy sheriffs receive formal training may entice current deputies to retire, opening up even more positions in county offices. A State juvenile corrections facility is planned between Ashland and Morehead. This facility will require dozens of trained personnel. There are three new federal facilities being planned for West Virginia. And President Clinton's request to Congress to fully fund his proposal to put 100,000 new police officers on the streets of the nation may well provide openings in several local police departments.

There are eight Colleges and Universities within the Commonwealth that offer an A.A.S. in Law Enforcement Technology. The closest program however, is over two hours away. Since many of ACC's students are place-bound (by family or job responsibilities), these programs are not available to ACC students. Ohio University (Southern Campus) and Marshall University (in West Virginia) both have A.A.S. degrees in Law Enforcement Technology, but Kentucky residents must pay out-of-state tuition to attend these schools, and they are taught the laws and police procedures of other states. Hence, a Law Enforcement Technology program at ACC would not be unnecessarily duplicative, and it would provide citizens of the Commonwealth the opportunity to receive a quality education in a well-paying occupation that needs trained personnel at an affordable cost.

IV. RESOURCES

Ashland Community College has the resources currently available to implement an A.A.S. in Law Enforcement Technology. There is adequate classroom and office space, there are more than adequate resources in the library to support the program, and there are, already in place, adequate full-time faculty to support the program to SACS standards. (Additional part-time faculty will be hired as enrollment demands, but ACC plans to use to existing part-time faculty funds to cover this expense.) With no additional funds requested, ACC can implement this program.

**NEW PROGRAM PROPOSAL:
AAS IN PHYSICAL THERAPIST ASSISTANT,
ASHLAND COMMUNITY COLLEGE**

ACTION
Agenda Item D-1-e
July 13, 1998

Recommendation:

That the Associate in Applied Science in Physical Therapist Assistant proposed by Ashland Community College (ACC) be approved and registered in CIP 51.0806.

Rationale:

- Ashland Community College is eligible to submit new program proposals in calendar year 1998 by virtue of the KCTCS Board of Regents having exercised its option to receive a quantitative waiver from the CPE on behalf of ACC under the administrative regulation implementing KRS 164.020(8), the EEO statute.
- The proposed Physical Therapist Assistant program is consistent with the CPE-approved mission of ACC.
- Graduates of the proposed program will be highly sought after by local health care providers. A February 1998 survey of health care employers documented 15 existing vacancies at area facilities and a projected need for 18 additional PTAs for each of the next three years.
- ACC has indicated that it would seek to be included in the articulation agreement for the Physical Therapy program at the University of Louisville and that it would work cooperatively with other community colleges to revisit an articulation agreement with the University of Kentucky. ACC also has expressed a willingness to participate in statewide delivery of coursework through distance learning strategies as that option becomes available.
- ACC will not require new funds to mount and maintain the proposed program. The college will hire two new faculty members and provide recurring operating funds for the program with funds created through two retirements and internal reallocations. In addition, non-recurring funds needed to renovate the on-campus laboratory/classroom and equip the lab will be available from outside sources.

An executive summary prepared by Ashland Community College is attached to this agenda item.

Staff Preparation by Ruth Greenberg

EXECUTIVE SUMMARY

Name of Program: Associate Degree in Applied Science in Physical Therapist Assistant

Institution Submitting Proposal: Ashland Community College

Mission, Influence, Organization:

Ashland Community College is proposing to offer the Associate Degree in Applied Science in Physical Therapist Assistant program in an effort to ensure that the under served area of Northeastern Kentucky will have an adequate and trained workforce of physical therapist assistants to meet the **urgent** needs of health care providers in the area. Current associate degree programs in physical therapist assistant in the state are unavailable to Northeast Kentucky students unless students choose to relocate; most are unable to do so. Health care settings are plentiful in the Northeast Kentucky area will provide excellent clinical experiences for the students of the proposed program. An **urgent** need for the physical therapist assistant practitioner currently exists in Northeast Kentucky and need for this practitioner is expected to increase as services expand and the search for more cost-effective delivery of health care continues.

Program Description:

The college is proposing to offer the Physical Therapist Assistant curriculum approved for the programs currently in place in the community college system. The current curriculum requires completion of 68-69 credit hours of study including the general education, pre-requisites, and physical therapist assistant courses. A Coordinator for the program would be hired in Fall, 1998 to continue development of the program and seek Candidacy status for the program with the American Physical Therapy Association. Students would then be enrolled in "professional phase" of the program in the Fall of 1999; and a second faculty member would be hired. An enrollment of 16 students is planned in the "professional phase" each year. Exceptional health care resources are available for the clinical component of the physical therapist assistant program and agencies have indicated their willingness to serve as clinical sites for the students of this program. The admission guidelines currently in effect for the community colleges system physical therapist assistant programs will be used in the Ashland program. A plan for program evaluation is in place for the proposed program. Ashland Community College would seek to have the physical therapist assistant program accredited by the American Physical Therapy Association, as are the current community college system PTA programs.

Supporting Data:

A February, 1998 survey of health care employers conducted by Ashland Community College showed 15 current vacancies for Physical Therapist Assistants and a projected need for 18 such workers in each of the next three years (10 of the 15 institutions surveyed had responded to date). These results confirm the projections of the college's surveys of area health care employers in 1989 and 1996 which showed a need for 18-23 such workers in the 1996-1999 period. These results reflect the national trend the Bureau of Labor statistics project for the need for the physical therapist assistant to increase by 82% by the year 2000. Letters of support from health care providers reiterating the need for the physical therapist assistant program in our area are enclosed.

Resources:

Existing facilities at Ashland Community College will be renovated for the on-campus laboratory/classroom for the physical therapist assistant discipline courses. Adequate office space for faculty and classrooms and other facilities needed for the general education and prerequisite course work are already in place. The library resources available at Ashland Community College are strong in the general area of health and medicine and specific items needed by the program will be added when the program is approved. A faculty member to serve as the program Coordinator would be hired in the 1998-99 year to continue program development and seek Candidacy with the American Physical Therapy Association for accreditation. The program will be funded through reallocation of funds in the college budget by using the salary savings resulting from six retirements at the college.

**NEW PROGRAM PROPOSAL:
AAS IN RESPIRATORY CARE,
ASHLAND COMMUNITY COLLEGE/
MAYSVILLE COMMUNITY COLLEGE**

ACTION
Agenda Item D-1-f
July 13, 1998

Recommendation:

That the Associate in Applied Science in Respiratory Care jointly proposed by Ashland Community College (ACC) and Maysville Community College (MayCC), in cooperation with the Rowan Technical College (RTC), be approved and registered in CIP 51.0908.

Rationale:

- Ashland Community College and Maysville Community College are eligible to submit new program proposals in calendar year 1998 under the administrative regulation implementing KRS 164.020(8), the EEO statute: ACC by virtue of the KCTCS Board of Regents having exercised its option to receive a quantitative waiver from the CPE on behalf of ACC, and MayCC by virtue of its automatic eligibility status.
- The proposed joint program in Respiratory Care is consistent with the CPE-approved missions of ACC and MayCC.
- The proposed program responds to a critical local need for respiratory care practitioners. The 1998 survey of health care employers conducted by RTC identified an annual need for 43 such practitioners. College surveys conducted in 1989 and 1996 also indicate that graduates of the proposed program would secure employment as respiratory therapists.
- The proposed consortium between ACC, MayCC, and RTC models the kind of cooperation and collaboration mandated by House Bill 1. The agreement between the three institutions provides training efficiently and collaboratively and maximizes articulation opportunities for students by offering two exit points—the entry-level respiratory therapy technician (at RTC) and the degree level respiratory therapist (at ACC or MayCC). Students completing the respiratory therapy technician program at RTC and seeking the associate in applied science degree at either MayCC or ACC would receive credit for their technical coursework via the current Community College System-Kentucky Tech articulation agreement for Respiratory Care or by dual enrollment.
- The RTC diploma program does not require CPE approval because it is an existing program.
- Existing facilities at ACC, MayCC, and RTC are adequate for operating the proposed consortium respiratory care program. Full-time voluntary faculty appointed by ACC and MayCC will teach all respiratory care courses at RTC. The current facility at RTC is a permanent site and requires no renovation or construction. Students seeking to complete the

associate degree program will complete their general education coursework at either MayCC or ACC. One new part-time faculty member will be hired in year two to teach at RTC. The proposed program will be delivered through funds currently budgeted for each of the institutions.

An executive summary prepared by Ashland Community College and Maysville Community College is attached to this agenda item.

Staff Preparation by Ruth Greenberg

EXECUTIVE SUMMARY

Name of Program: Associate Degree in Applied Science in Respiratory Care

Institution Submitting Proposal: Ashland Community College
Maysville Community College
Rowan Regional Technology Center

Mission, Influence, Organization:

Ashland Community College, Maysville Community College, and Rowan Regional Technology Center are proposing to form a consortium to cooperate in offering a single program in Respiratory Care to ensure that the under served area of Northeastern Kentucky will have an adequate and trained workforce of respiratory care practitioners to meet the **urgent** needs of health care providers in the area. Current associate degree programs in respiratory care in the state are unavailable to Northeast Kentucky students unless students choose to relocate; most are unable to do so. Health care settings are plentiful in the Northeast Kentucky area will provide excellent clinical experiences for the students of the proposed program. An **urgent** need for the respiratory care practitioner currently exists in Northeast Kentucky and need for this practitioner is expected to increase as services expand and the search for more cost-effective delivery of health care continues.

Program Description:

The consortium is proposing to offer a respiratory care program with two exit points. Students may choose to exit as an entry-level respiratory therapy technician by completing the technician requirements offered by Rowan regional Technology Center, or choose to exit as a respiratory therapist by completing the technician program requirements and all requirements for the Associate Degree in Applied Science in Respiratory Care offered by Ashland Community College or Maysville Community College (to include the Licking Valley Center). Credit for the technical courses for the associate degree would be awarded via the current Community College System-Kentucky Tech articulation agreement for Respiratory Care or by dual enrollment in the community college and the technical school for the technical courses. Each institution would admit a maximum of 10 students to the program annually. The current technician program at Rowan Regional Technology Center is accredited by the Commission on Accreditation for Respiratory Care and the consortium would expect to obtain accreditation for the proposed joint program. A plan for evaluation of the proposed program is in place.

Supporting Data:

The 1998 survey of health care employers conducted by Rowan Regional Technology Center showed an annual need for 43 respiratory care practitioners; confirming the results of the colleges' surveys of area health care employers in 1989 and 1996 which showed a need for 17 respiratory care practitioners in the Ashland area alone. Bureau of Labor statistics project the need for respiratory therapists to increase by 36% through the year 2005, nationwide.

Changes in the credentialing process are expected to result in the requirement of the associate degree as the entry level in respiratory care.

Resources:

Existing facilities at Ashland Community College, Maysville Community College, and Rowan Regional Technology Center are adequate for the operation of the consortium respiratory care program that is proposed. Library resources are available through contractual arrangements and via electronic access and interlibrary loan. The libraries at the community colleges have indicated a willingness to supplement the collection in the area of respiratory care. The faculty and Medical Director currently teaching in the Rowan Regional program would be appointed as voluntary faculty at the community colleges for the consortium respiratory care program. A part time faculty member would be hired by Rowan Regional in 1999 and also appointed as a community college voluntary faculty. The proposed program would be funded through funds that are currently budgeted for each of the institutions. Ashland Community College and Maysville Community College will contribute \$10,000 each annually to the support of the consortium program and the remainder of the program costs will be handled through the respiratory care program budget at Rowan Regional Technology Center.

**NEW PROGRAM PROPOSAL:
AAS IN EARLY CHILDHOOD EDUCATION,
HAZARD COMMUNITY COLLEGE**

**ACTION
Agenda Item D-1-g
July 13, 1998**

Recommendation:

That the Associate in Applied Science in Early Childhood Education program proposed by Hazard Community College be approved and registered in CIP 20.0202.

Rationale:

- Hazard Community College is eligible to submit program proposals in calendar year 1998 by virtue of its automatic eligibility status under the administrative regulation implementing KRS 164.020(8).
- The proposed associate degree program in early childhood education is consistent with the CPE-approved mission statement for Hazard Community College.
- The early childhood education program will be available to students attending both the main campus in Hazard and the Lees College campus in Jackson.
- Although the proposal recognizes the availability of the statewide articulation agreement in early childhood education, KY Tech – Hazard does not offer a childcare program.
- The program responds to a specific request from the Leslie, Knott, Letcher, and Perry Headstart program to provide a trained workforce to meet the growing needs of that program. Additionally, the program provides a needed educational opportunity for local residents to meet the requirements of the Welfare Reform Act.
- A local needs assessment survey indicates that early childcare programs in the region have current vacancies for childcare workers and anticipate the need for additional persons over the next five years.
- Local childcare agencies are willing to serve as practicum sites for students in the program.
- A second full-time faculty member as well as some part-time faculty will be needed to deliver the program. These faculty will supervise practicum experiences as well as providing instruction.

An executive summary prepared by Hazard Community College is attached to this agenda item.

Staff Preparation by Aphy Brough

Executive Summary

Early Childhood Education Program Proposal

Hazard Community College

March 4, 1998

Mission, Influence, Organization

The Early Childhood Education program proposed for Hazard Community College is consistent with the mission statement of the college to provide career orientated programs designed to prepare students for immediate employment in the region they reside. This program also responds to the demand of the agencies of the region for trained early childhood educators.

The Early Childhood Education program will provide a direct response to a request from the director of the Leslie, Knott, Letcher and Perry (LKLP) Headstart program to provide a trained workforce to meet their growing needs. It will also provide a direct response to "The Personal Responsibility Work Opportunity Reconciliation Act of 1996" which has instigated many individuals to seek educational and employment opportunities. The enactment of this Welfare Reform Act was projected to result in the loss of benefits to more than 4,000 recipients of Kentucky, many of whom are located in our southeastern Kentucky region. Additionally, it is estimated that 17,500 children will be placed in childcare as a result of welfare mothers being required to work. The Early Childhood Education program will provide an educational opportunity to those seeking to expand their education and it will provide trained workers who may enter the job market to fulfill the need for trained early childhood educators in our region.

2. Program Description

The Early Childhood Education program will prepare the graduate to become a skilled early childhood educator to work in day care agencies, headstart programs, preschool teachers, teacher aides, nursery school attendants, and private home-based childcare. The graduate will be given a background to provide essential client services. Students will be placed in a variety of practicum sites to achieve practical application of skills and knowledge learned in the classroom. Students completing the Early Childhood Education program will be prepared for positions in agencies and institutions that provide child care to the community. The curriculum provides an opportunity for the student to develop the knowledge and skills necessary for employment.

Upon completion of the program, the graduate is prepared to seek employment in various areas, which may include day care agencies, headstart programs, preschool teachers, teacher aides, nursery school attendants, and private home-based childcare as listed previously.

The regional approach of delivery of instruction to our Hazard and Lees College campuses and multiple off-campus sites will have many advantages for our students, many of who are place bound due to family responsibilities and the distance to other colleges. Hazard Community College will offer a full complement of general education courses at its main campus and the extended campus sites.

Both formative and summative evaluation strategies will be employed to gauge the success of the Early Childhood Education program. Included will be an annual evaluation by faculty, staff, and advisory committee, based on internal processes now

in place. This review will be tied to the Community College System's mandated review of technical programs (currently scheduled every five years; and more often if the number of (1) enrolled and (2) graduating students do not meet prescribed thresholds, and (3) regularly scheduled unit reviews. These efforts will be supportive of the on-going institutional effectiveness process included in the accreditation criteria of the Commission on Colleges of the Southern Association of Colleges and Schools (SACS).

3. Supportive Data

The demand for Early Childhood Educators with associate degrees is apparent in The Early Childhood Education program survey conducted by Hazard Community College. Individuals from childcare agencies approached the President of Hazard Community College about implementing such a program and survey responses reinforced this indicated need. There is no other Early Childhood Education program located in the region and therefore will not be a duplication of service.

4. Resources

The Early Childhood Education program will not require additional resources. The current education program coordinator will coordinate this program. A full-time instructor specializing in early childhood education will be hired through the reallocation of a current vacant position. Additional instruction for the Early Childhood Education program will be provided by part-time faculty who will receive a standard wage that is generated from extended program offerings.

**RURAL ALLIED HEALTH AND
NURSING GRANTS (RAHN)**

ACTION
Agenda Item D-2
July 13, 1998

Recommendation:

- That the CPE allocate funds available for the 1998-2000 biennium to support delivery of associate (AAS), baccalaureate (BSN), and master in nursing degree (MSN) programs at extended-campus centers to four regional universities for 1998/99 as follows:

Eastern Kentucky University	\$122,200*
Morehead State University	90,600
Murray State University	90,600
Western Kentucky University	<u>90,600</u>
	\$394,000

*Eastern Kentucky University's funding is higher due to more extensive programming. Attachment 1 provides brief descriptions of all RAHN projects. Copies of all annual reports are available on request.

- That the CPE postpone allocation of funds available for 1999-2000 RAHN programs until the review of pass-through programs (CPE action, January 12, 1998) is completed.

Rationale:

- Since 1990, the Legislature has appropriated to the CPE funds for the specific purpose of supporting delivery of allied health programs at selected extended-campus centers of four regional universities: Eastern Kentucky University (EKU), Morehead State University (MoSU), Murray State University (MuSU), and Western Kentucky University (WKU). These funds are earmarked to address the critical need for allied health professionals in rural, under-served areas of the state.
- Since 1992, the first year of the program, the CPE has received an annual report of program activities from the four universities. The CPE staff used these reports to determine whether funding should be continued.
- Annual reports indicate that all RAHN projects are supplying trained, degreed allied health professionals in response to documented needs and that the need for these professionals has not yet been fully met.
- In January 1998, the CPE authorized a thorough review of all pass-through programs, including the Rural Allied Health and Nursing Program. This review, to be completed by December 1998, will focus on the program's current goals, guidelines, and results.

- Delaying the 1999-2000 RAHN allocations until the program review is completed will allow the CPE to allocate 1999-2000 RAHN funds in light of the results of that review.

Background:

The Rural Allied Health and Nursing Program (RAHN) is one of ten pass-through programs the CPE operates. The Kentucky General Assembly established the RAHN program through the 1990-92 appropriations bill (HB 799). The Legislature has funded this program in each subsequent biennium, including 1998/2000. The program's purpose has been and continues to be to increase access to allied health degree programs for place-bound students in rural parts of the state.

Since its inception, the RAHN program has supported projects at extended-campus centers operated by EKV, MoSU, MuSU, and WKU. Initially, the CPE approved these projects based on discipline-specific project proposals the institutions submitted in response to the CPE-generated *Guidelines for the Distribution of Funds for the Improvement of Rural Allied Health and Nursing Programs*. In subsequent biennia, the CPE's decision to fund RAHN projects was based upon an evaluation of annual reports submitted by the institutions. To date, these reports indicate that all RAHN projects have exceeded expectations and are focused on high-priority needs in rural Kentucky—baccalaureate and master's level nursing, occupational therapy, and paramedic training. In addition, the nursing projects respond to HB 250 (1994), the Kentucky Health Care Reform Act, which calls for sharp increases in the number of primary care nurse practitioners.

At its January 12, 1998, meeting, the CPE initiated a review of all ten pass-through programs, including the RAHN program. The review of RAHN projects will address several CPE objectives. First, as the agent for funds used by postsecondary institutions, the CPE should determine whether the programs accomplish the purposes for which the funds were appropriated. Although the RAHN projects have been individually evaluated, a comprehensive review of the entire RAHN program has not yet been conducted. Second, health care in Kentucky has, in the last decade, changed considerably. Thus, current RAHN projects should be evaluated in light of current and projected needs for trained health care professionals in rural parts of the state. Third, passage of House Bill 1 changed dramatically the landscape of postsecondary education—both its structure and its operation. Development of the CVU, for example, may impact delivery of portions of RAHN projects by making statewide delivery of allied health coursework possible. In fact, several RAHN projects now deliver coursework through ITV classrooms built, in part, with RAHN funds. As a result, these projects have acted as models for applying distance learning technologies and technology-based support services to program delivery. Finally, the messages of House Bill 1 related to increased access, efficiency, responsiveness, and collaboration provide a rationale for reviewing RAHN projects and all pass-through programs.

Since the review of RAHN projects will not be completed until December 1998, it is appropriate that the CPE allocate only 1998-99 RAHN funds at this time. This action will allow the CPE to use the results of the program review to revise program proposal and annual reporting guidelines, if necessary, to allocate 1999-2000 RAHN funds. It will also provide the institutions with ample time to prepare new project proposals and annual reports, should they be required. In

preparation for reviewing this pass-through program, the CPE requested that ECU, MoSU, MuSU, and WKU include the following additional information in their 1997-98 RAHN annual report: 1) projected 1998-99 goals, each accompanied by performance indicators and assessment mechanisms; 2) 1998-99 budget; 3) narrative describing progress toward resolving the problem the project was funded to resolve with a timeline, if appropriate, for phasing out the project; and 4) narrative detailing previous efforts or future plans to cooperate with other institutions to improve services, decrease duplication, and deliver portions of the program via distance learning technologies.

Attachment 1 contains brief descriptions of all RAHN projects.

Staff Preparation by Ruth Greenberg

RURAL ALLIED HEALTH AND NURSING GRANTS – 1998-99**Eastern Kentucky University****Paramedic Program - Whitley and other southeast Kentucky counties**

RAHN funds have enabled ECU to offer a paramedic certificate program in several southeast Kentucky counties. The program is delivered through a combination of distance learning and on-site instruction. All students are part-time and must be registered emergency medical technicians to be admitted to the paramedic program. The need to upgrade ambulance services in eastern Kentucky is critical but has been virtually impossible given the lack of paramedic-qualified individuals. This is a two-year paramedic program; a new class is admitted every other year. Each entering class produces 16-20 graduates. ECU is the only institution in Kentucky offering an accredited paramedic program.

Baccalaureate and Master's Nursing Program - Multiple southeast Kentucky counties

Although the widely publicized shortage of nurses appears to have diminished considerably, the demand for nurses prepared at the baccalaureate level (BSNs) and master's level (MSN) has not yet been fully met. The area served by this project has one of the smallest numbers of BSNs and MSNs in the state. Through this RAHN project, ECU offers its BSN completion curriculum (for those students who already hold associate degrees in nursing) at multiple sites in southeast and south central Kentucky. A new site in Hazard is being developed in response to student demand. Funds are used to support on-site faculty; to adapt and deliver courses via KET satellite; and to fund travel, telephone, FAX, and other operating costs. The extended-campus BSN program now graduates 16-18 students each year. In May 1998, 41 RN students completed the nursing courses for the BSN degree via ECU's satellite program. In 1995, the CHE approved a Nurse Practitioner program (MSN) at ECU in response to the Kentucky Health Care Reform Act of 1994 (HB 250), and RAHN funds helped build a strong foundation for this program. The technology infrastructure ECU developed is used extensively for both programs. The major instructional sites are London, Manchester, Somerset, and, to a lesser degree, Danville.

Occupational Therapy Internship Site Development and Maintenance - Statewide

Eastern Kentucky University has the only occupational therapy (OT) program in Kentucky. The primary focus of this RAHN project has been to establish and maintain additional internship sites within the state, particularly in rural areas, for ECU students. These internships are required for registration and licensure of occupational therapists. Prior to this project, only two or three approved OT internship sites existed in the state. Consequently, most ECU students left Kentucky for their required internships and never returned to the state to practice. During the past year, over 30 new fieldwork sites were secured. ECU has begun to offer OT coursework over KTLN.

Recommended 1998-99 funding for ECU - \$122,200

Morehead State University

Baccalaureate Nursing Program - Primarily Prestonsburg Area and Ashland Area

The supply of nurses prepared at the baccalaureate level in southeast and northeast Kentucky does not meet the demand. Although the general nursing shortage has largely abated, employer demand for nurses prepared at the baccalaureate level is increasing. RAHN funds have allowed MoSU to offer baccalaureate completion programs (for individuals who have earned an associate degree in nursing) at sites in Prestonsburg (initially) and now in the Ashland area. With the development of increased distance learning capability, MoSU has expanded the program to Maysville, West Liberty, and Jackson. Students now may complete the entire program at the primary sites without traveling to the main campus since approximately 70 percent of the courses are taught via interactive compressed video (KTLN). Since its inception, 50 non-traditional, community-bound students have completed the BSN degree in northeastern Kentucky. The program requires 5-6 semesters of part-time work.

Recommended 1998-99 funding for MoSU - \$90,600

Murray State University

Baccalaureate and Master's Nursing Program - Hopkinsville, Madisonville, and Paducah

Initially, MuSU used RAHN funds to establish a compressed video classroom at Madisonville Community College to deliver advanced nursing education to that site and to its existing site in Paducah. Second year funding was used in part to establish another compressed video classroom at Hopkinsville Community College. MuSU also uses RAHN funds to maintain a nursing faculty office in Madisonville which serves students in that community and in Hopkinsville. Baccalaureate completion courses and master's level courses are offered simultaneously to the three sites on the network and to students in the classroom on campus. Faculty rotate among the sites and originate lectures from these remote sites and the on-campus site. They also visit students at all sites during the semester. Each semester, some courses are delivered via the KTLN, with additional courses taught by faculty on-site. The faculty member in Madisonville provides counseling, supervises thesis work, teaches on-site, and oversees clinical rotations. When the network is not being used for nursing courses, the university delivers other instruction to these remote sites. Overall undergraduate and graduate nursing enrollment at MuSU has increased substantially since this project was initiated. At the MSN level, MuSU offers Family Nurse Practitioner, Adult Clinical Specialist, and Nurse Anesthetist options (the latter in Madisonville only).

Recommended 1998-99 funding for MuSU - \$90,600

Western Kentucky University

Associate Degree Nursing Program - Glasgow

The Glasgow site serves primarily students from counties east of Barren. Prior to the availability of RAHN funds, the WKU associate degree nursing offerings in Glasgow were limited to students who were already licensed practical nurses (LPNs). In addition, a class could be admitted only every other year. RAHN funds have allowed WKU to extend the program to all students (not just LPNs) and to admit a class every year. In addition, WKU has increased substantially its investment in compressed video equipment for its extended-campus centers in Glasgow, Owensboro, and Elizabethtown and at other sites within its service area; since fall 1997, some classes have been taught through distance learning. This expansion has allowed WKU to increase its baccalaureate completion course offerings (for individuals already licensed as registered nurses) and to offer its Family Nurse Practitioner (MSN) to extended-campus sites. Since fall 1992, 140 students have been admitted to the associate degree program in Glasgow and 88 have graduated.

Recommended 1998-99 Funding for WKU - \$90,600

Information:

The preparation of high school students has a direct bearing on their success in advanced study. Since 1992, the Council on Postsecondary Education (CPE), with the assistance of ACT, has been furnishing high schools with information on their students' performance during their first semester in college. The reports are mailed each year to superintendents and high school principals across the Commonwealth as part of the CPE's public education support efforts.

The sixth annual *Kentucky High School Feedback Report* was mailed in June to superintendents and high school principals across the Commonwealth. The CPE designed the reports and coordinated the collection of enrollment and performance data from Kentucky's eight public universities, fourteen public community colleges, and thirteen independent four-year institutions. ACT compiled the institutional data and mailed individualized reports to secondary school administrators around the state.

Over 15,000 students were followed in the 1997 report. The feedback report includes information on approximately 74 percent of all 1995-96 high school graduates who entered higher education institutions in fall 1996. Of the 1996 graduates who attended a Kentucky college or university, about 84 percent are followed in this report. Complete information was not available because some college students did not take the ACT, out-of-state institutions did not provide performance data on freshmen from Kentucky, and six independent colleges in the Commonwealth did not participate in the feedback project.

The report offers helpful information for evaluating the degree to which high school students are prepared to undertake advanced education and provides additional evidence of school effectiveness. (A sample high school feedback report was sent to the CPE members in a brown folder prior to the mail-out of agenda items.) A partial list of the data includes:

- ◆ the number and percentage of 1995-96 graduates who are enrolled in higher education in Kentucky;
- ◆ the percentage who returned to college after their first semester;
- ◆ the five colleges most attended by graduates;
- ◆ the percentage of students taking remedial and advanced courses in English and math;
- ◆ grade point averages in these subjects and overall; and
- ◆ the number of credit hours attempted and earned.

In addition to the statistics provided for a particular school, the report lists comparative data for that school's education region and for the entire state.

In addition to the statistics provided for a particular school, the report lists comparative data for that school's education region and for the entire state.

Highlights of the 1997 feedback report and selected trend data are attached. In general, the various performance indicators on the annual feedback reports have shown relatively little change over the past six years.

Staff Preparation by Roger Sugarman and Patrick Kelly

Attachment

Highlights of the 1997 Feedback Report

Overall Attendance and Enrollment Patterns of 1995-96 High School Graduates

- ◆ Thirty-seven percent of 1995-96 high school graduates attended one of Kentucky's colleges and universities in fall 1996 (an estimated 6 percent attended out-of-state institutions);
- ◆ Eighty-one percent of the college-going graduates were enrolled as full-time students;
- ◆ Of the high school graduates who attended college, 60 percent were enrolled in bachelor's-level programs, 31 percent were enrolled in associate-level programs, and 9 percent were not certain what degree to pursue;
- ◆ Eighty-seven percent of these recent high school graduates returned the following spring to pursue their freshman studies; and
- ◆ The one-year return rate (fall 1995 to fall 1996) was 78 percent for the previous high school class (1994-95).

Academic Performance Patterns of 1995-96 High School Graduates

Public and Independent Four-Year Institutions

Of those students who took a math course during their first semester:

- ◆ One-third (36 percent) of the freshmen attending public universities and 17 percent of the freshmen attending independent four-year institutions took remedial-level courses; and
- ◆ Twelve percent of the freshmen enrolled at public universities and 25 percent of the freshmen enrolled at independent four-year institutions took advanced-level courses.

Of those students who took an English course during their first semester:

- ◆ Sixteen percent of the freshmen attending public universities and 5 percent of the freshmen attending independent four-year institutions took remedial-level courses; and
- ◆ Eight percent of the freshmen at public universities and 20 percent of the freshmen at independent four-year institutions took advanced-level courses.

In their first semester in college:

- ◆ Students at public universities earned an average GPA of 2.4 while students at independent four-year institutions earned an average GPA of 2.7;
- ◆ Students attempted an average of 14.1 credit hours and earned an average of 12.5 credit hours; and
- ◆ Average ACT Composite Scores were 21.1 for students attending public universities and 22.9 for students enrolled at independent four-year institutions.

Public Community Colleges

Of those students who took a math course during their first semester:

- ◆ Nearly three out of four (71 percent) were enrolled in remedial-level courses, while only 1 percent were enrolled in advanced-level courses.

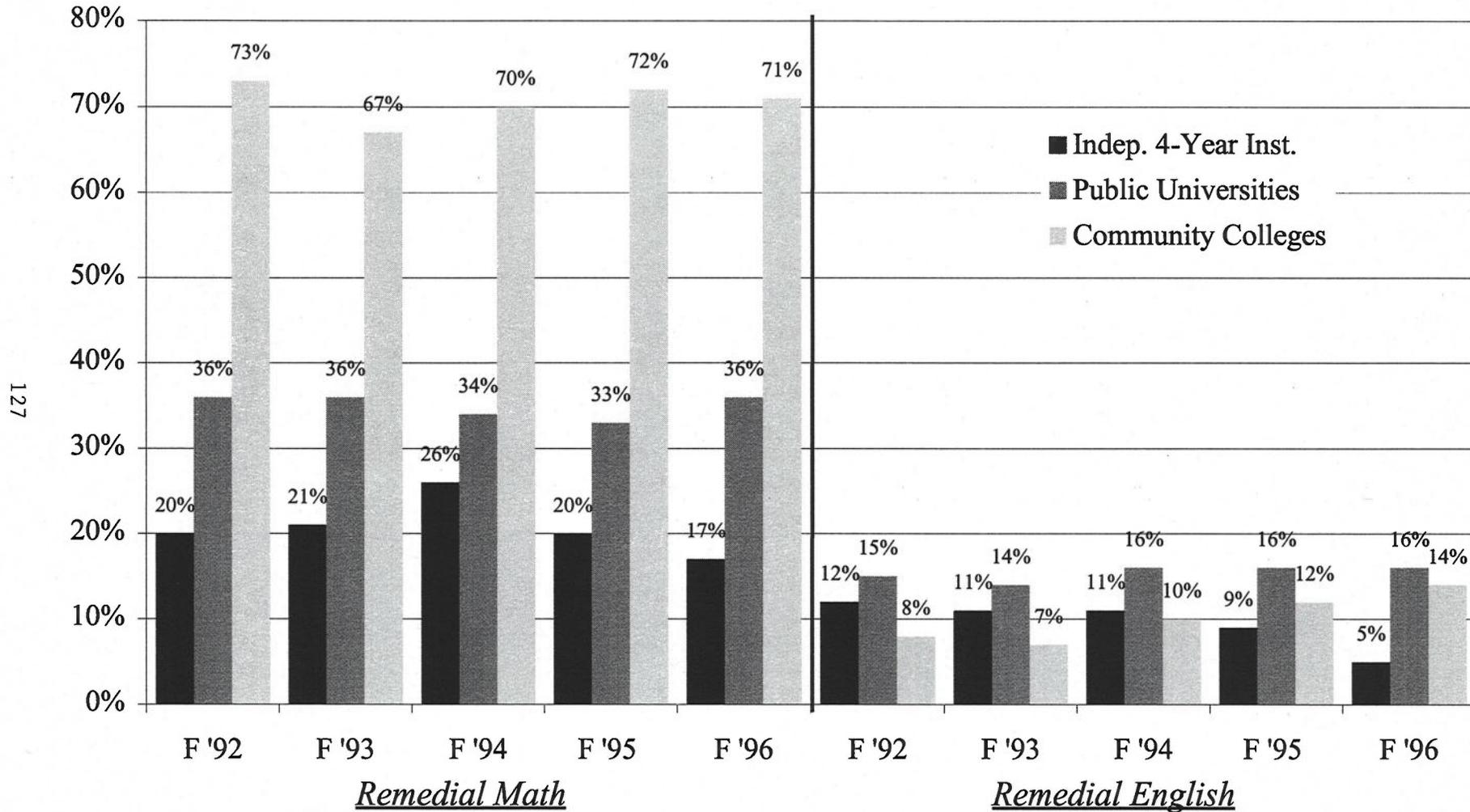
Of those students who took an English course during their first semester:

- ◆ Fourteen percent were enrolled in remedial-level courses, while only 1 percent were enrolled in advanced-level courses.

In their first semester in college:

- ◆ Students earned an average GPA of 2.2;
- ◆ Students attempted an average of 10.4 credit hours and earned an average of 9.6 credit hours; and
- ◆ The average ACT Composite Score for community college students was 18.4.

Percentage* of Kentucky High School Graduates Enrolled in Remedial Math and English Fall 1992 - Fall 1996



* Based on the number of remedial takers divided by the total number of students who took a math or English course

Source: Kentucky High School Feedback Report: 1993, 1994, 1995, 1996, 1997

E. Finance Committee Agenda

July 13, 1998

8:30 a.m. (ET), Local Government Conference Room, Frankfort, KY

Roll Call

Approval of Minutes131

1. Action – Owensboro Community College Capital Construction Projects.....139

2. Information – Plan to Allocate 1998-2000 Deferred Maintenance Funds.....155

3. Information – Endowment Report157

4. Information – Local Funding for KCTCS Capital Projects169

Other Business

Adjournment

MINUTES¹
Finance Committee
July 13, 1998

The Finance Committee met on July 13, 1998, at 8:30 a.m. in the Department of Local Government Conference Room, Frankfort. Finance Committee Chair Greenberg presided.

ROLL CALL

The following members were present: Mr. Baker, Mr. Hackbart, Mr. Hardin, Mr. Huddleston, Ms. Menendez, Ms. Ridings, and Chair Greenberg. Ms. Francis and Mr. Whitehead were absent from the meeting.

APPROVAL OF MINUTES

A motion was made by Mr. Baker and seconded by Ms. Menendez to approve the May 18, 1998, minutes. The motion passed unanimously.

**ACTION:
OWENSBORO
COMMUNITY
COLLEGE CAPITAL
CONSTRUCTION
PROJECTS**

RECOMMENDATION: That the CPE approve the KCTCS request for Owensboro Community College for completion of a capital project to house a Childcare Center at a total scope of \$665,000 using private gifts and federal grants; and that the CPE approve the KCTCS request for Owensboro Community College for completion of a capital project to house the Daviess County Cooperative Extension Service at a total scope of \$950,000 using a local business loan with debt service paid from county property tax receipts. Complete recommendations with attachments can be found in the agenda materials.

MOTION: Mr. Hackbart moved the approval of the recommendation and Ms. Menendez seconded the motion.

DISCUSSION: Mr. Walker stated that the two proposed projects will be completed using funds other than state funds. The projects are presented together because the plan is to build the facilities in such a way as to allow the facilities to share site preparation costs, parking, and utilities. Private gifts and federal grants will fund the childcare center. The Cooperative Extension Service Facility will be built using a loan from a local bank with debt service paid from county property tax receipts. The projects are being presented to the Finance Committee because they are being built on land owned by Owensboro Community College. Once complete, neither project will require state funds for operation and maintenance costs. Both projects have been approved by the KCTCS Board of Regents, the Secretary of the Finance and Administration Cabinet, and the Capital Projects and Bond Oversight Committee (CPBOC). The CPBOC approval is contingent upon the approval of the CPE.

¹ All attachments are kept with the original minutes in the CPE offices. A verbatim transcript of the meeting is also available.

Chair Greenberg asked if there was an example of an institution stating that no state monies would be required only to have the institution request funding later. Mr. Walker said that he was not aware of any example where that change was requested.

VOTE: The motion passed unanimously.

*INFORMATION:
PLAN TO ALLOCATE
1998-2000 DEFERRED
MAINTENANCE FUNDS*

Mr. Walker stated that the CPE staff wanted to initiate discussion on the intended process for awarding funds that already have been appropriated. The allocation of these funds was determined in part by the CPE's recommendation for 1998-2000 funding of operating, capital, and incentive trust funds for postsecondary education made in November 1997 to the Governor and the General Assembly. The General Assembly approved the CPE's recommendation in the 1998-2000 Appropriations Bill and created a \$25 million bond pool for deferred maintenance projects. Funds from the pool will be allocated among the eight universities and KCTCS for completion of a series of deferred maintenance projects and must be matched by the institutions on a \$1 for \$1 basis. Additionally, before any of these funds are released, the Appropriations Bill requires each institution to complete a facilities maintenance plan and commit to a facilities maintenance standard.

Chair Greenberg stated that one of the reasons for this action is to create uniformity in the service levels to students throughout the state.

*INFORMATION:
ENDOWMENT
REPORT*

Mr. Hackbart called attention to the subcommittee's report in the agenda materials (see pages 158-159 of the July 13, 1998, CPE Agenda Book). The subcommittee chose to use the HB 1 language because it allows greater management flexibility for the endowment. Mr. Hackbart presented draft policy statements for both the Regional Excellence Endowment and the Research Challenge Endowment. (A copy of each document is filed with the agenda materials of this meeting.) The draft policy statement outlines the types of match funds that could be used by the universities to acquire funds from the endowment. The draft lists categories of eligible expenditures and some accountability issues.

Mr. Baker expressed concern that the funds be used to support existing endowed chair research activities. He believes that Item 3 of the subcommittee's report, Research Challenge Support/Regional Excellence Support, is contrary to the endowed professorship concept and endowed chair concept, and allows the funds to be dissipated too broadly. Mr. Hackbart believes that the broader interpretation of endowed chairs or professorships could be tremendously advantageous if it is consistent with HB 1. Ms. Ridings discussed the incremental distribution of funds and suggested limiting how much could be done at each level. Mr. Hackbart stated that the required funding notion is being rethought because the dollar amount per chair or professorship varies across various campuses.

President Wethington expressed appreciation for the attitude of the subcommittee because there was an understanding that the endowment funds should be used in a way that would best enhance the research programs at the universities. President Shumaker stated that the University of Louisville (UofL) already has had tremendous interest in this program on the part of private donors who are stepping forward to see how they can participate.

Chair Greenberg stated that the CPE wants to get the endowment funds to the universities as quickly as possible. It was indicated that the State Budget Director's Office believes the funds will be available shortly after August 15. Chair Greenberg suggested that a motion be made to ask Mr. Davies and his staff to develop, by August 15, a comprehensive implementation plan for the administration, distribution, and accounting of the \$110 million Endowment Fund established for both the research universities (\$100 million) and the regional universities (\$10 million). The plan should include the recommendations of the Endowment Fund Subcommittee as well as the organizational structures outlined at the May 18, 1998, Finance Committee meeting and input from the presidents and universities. Completing the comprehensive plan by August 15 would allow time for another meeting and also allow the universities to begin recruiting.

MOTION: Mr. Huddleston made the motion that Mr. Davies and his staff develop by August 15 a comprehensive implementation plan for the administration, distribution, utilization, and accounting of the \$110 million Endowment Fund that was established for both the research universities (\$100 million) and the regional universities (\$10 million). The plan should include the recommendations of the Endowment Fund Subcommittee as well as the organizational structures outlined at the May 18, 1998, Finance Committee meeting. Mr. Hackbart seconded the motion.

VOTE: The motion passed unanimously.

President Wethington expressed appreciation to the Finance Committee for giving the institutions the maximum flexibility to use the endowment funds for research purposes in ways that will bring the institutions up the fastest.

Chair Greenberg cautioned the universities about the importance of demonstrating good stewardship over the next 19 months and proving that they have made significant progress towards achieving HB 1 objectives. Should the institutions prove successful in that regard, then recurring funds can be sought.

***INFORMATION:
LOCAL FUNDING
FOR KCTCS
CAPITAL PROJECTS***

At the May 18, 1998, Finance Committee meeting CPE staff was directed to seek an interpretation from the Secretary of the Finance and Administration Cabinet for what appeared to be conflicting language in the Appropriations Bill for 1998-2000 regarding local match monies for KCTCS projects. Mr. Walker stated that the conclusion reached by the Secretary was that the language did seem to be in conflict and that no action

was necessary by the Council relating to local funding for KCTCS projects. The Secretary's interpretation can be found on pages 172-174 of the July 13, 1998, agenda materials.

OTHER BUSINESS

Chair Greenberg requested that on a quarterly basis the CPE review the agency's financial statement.

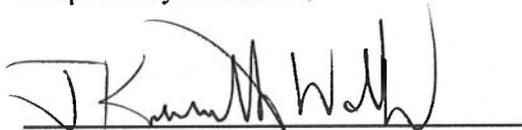
Chair Greenberg expressed interest in early identification of potential problems that private colleges and universities might have which could lead to closure.

Chair Greenberg asked whether any new business needed to be brought before the committee. There was no further discussion.

ADJOURNMENT

The meeting adjourned at 9:30 a.m.

Respectfully submitted,



J. Kenneth Walker
Deputy Executive Director for Finance



Billie D. Hardin
Secretary

**OWENSBORO COMMUNITY COLLEGE
CAPITAL CONSTRUCTION PROJECTS**

**ACTION
Agenda Item E-1
July 13, 1998**

Recommendation:

- That the CPE approve the KCTCS request for Owensboro Community College for completion of a capital project to house a Childcare Center at a total scope of \$665,000 using private gifts and federal grants.
- That the CPE approve the KCTCS request for Owensboro Community College for completion of a capital project to house the Daviess County Cooperative Extension Service at a total scope of \$950,000 using a local business loan (Banc One) with debt service paid from county property tax receipts.

Rationale:

- On March 3, 1998, the University of Kentucky Board of Trustees approved a 75-year lease of approximately one-half acre of land to the Daviess County Extension District Board to construct the Daviess County Cooperative Extension Service facility.
- Both the KCTCS Board of Regents and the Capital Projects and Bond Oversight Committee (CPBOC) approved these projects on May 19, 1998. CPBOC approval is contingent upon approval by the CPE.
- Completion of the projects will not create a need for additional state funds for operations and maintenance. Operations and maintenance costs for the childcare facility will be paid from federal grants and fees paid by users of the facility. The Daviess County Cooperative Extension Board will pay operations and maintenance costs for the cooperative extension facility.
- Owensboro Community College certifies that funds are available to complete construction of the facilities.
- The childcare facility and cooperative extension facility will be constructed next to each other to allow sharing of costs for site preparation, parking, and utilities.

Background:

The CPE has the statutory responsibility to review and approve all postsecondary education capital construction projects costing \$400,000 or more, regardless of the source of funds.

Childcare Facility

The construction of a childcare facility supports the education and community service mission of the community college. The childcare facility project will provide on-site childcare for students, faculty, and staff of Owensboro Community College. The facility also will serve as a learning lab for students enrolled in the Early Childhood Education program. Owensboro Community College will contract with Audubon Community Services, the nonprofit provider of Headstart and other social services programs in Daviess County, to operate the facility.

The project will cost \$665,000 and will be funded by private gifts (\$400,000) and federal grants (\$265,000). Owensboro Community College certifies that funds are available for project completion. Operating and maintenance costs will be provided by a combination of fee revenue paid by users of the center and federal grants.

Cooperative Extension Service Facility

At its March 3, 1998, meeting the UK Board of Trustees approved the lease of approximately one-half acre of land to the Daviess County Extension District Board to construct this office facility on the campus of Owensboro Community College. The facility will house office and meeting space for the functions of UK Cooperative Extension in Daviess County. Owensboro Community College indicates that if the facility is constructed, a request for a new two-year degree program in Agricultural Technology may be developed and forwarded to the CPE for review and action.

The project will cost \$950,000 and will be funded by a local business loan with debt service funding by Daviess County property tax receipts. Owensboro Community College certifies that funds are available for project completion. The Daviess County Extension District Board will pay operating and maintenance costs for the duration of the lease period (75 years).

The CPE staff recommends approval of both projects.

Staff preparation by Sherron Jackson

06/02/1998

Page: 1

**COMMONWEALTH OF KENTUCKY
1998-2000 CAPITAL BUDGET REQUEST
FORM CBR-02 CAPITAL CONSTRUCTION PROJECT RECORD**

Branch: 3 Executive Branch
Cabinet/Function: 45 Cabinet for Universities
Agency/Institution: 456 Kentucky Community and Technical College System

PRIORITY

Budget Request
Cabinet: 9998
Agency: 9998

Six Year Plan
1998-2000 2000-2002

PROJECT DOCUMENTATION

Project Title Owensboro Community College Childcare Facility
Item Number
Location (County) 030 Daviess

Reauthorization - Is this a currently authorized project which is being requested for reauthorization and/or additional funding?

No

Capital Project Type NC New Construction
Primary Need Addressed NS Providing New Service

Type of Space to be Addressed by this Project

EG Educational and General

Project Description

This project will make all provision for the design and construction of a facility dedicated to providing childcare services to the students, faculty, and staff of the Owensboro Community College. The project is completely funded by gifts, donations and federal grants, and will be operated by Audubon Community Services, the local Daviess County non-profit provider of Headstart and other social services for the citizens of Daviess County. No state general funds are requested for either construction or operation of this project.

Project Purpose/Operating Budget Relationship

This project will provide on-site childcare for approximately 60 children. The project will allow students with families to attend college and feel secure in the knowledge that their children are nearby and properly supervised. Additionally, the facility will serve as a learning lab for students enrolled in the Early Childhood Education program recently approved by the CPE and slated for initiation on the OCC Campus in 1998. The facility will house students whose fees are funded by the federal Headstart program, as well as students, faculty, and staff who pay a fee for childcare services.

This project will not affect the operating budget of Owensboro Community College. Full operating cost will be paid for through federal grants and fee-for-service.

Basis In/Reference to Campus Master Plan

The site for this facility has been approved by the University of Kentucky Architect as an amendment to the Owensboro Community College Campus Physical Development Plan.

Basis In/Reference to Institution Plan

Owensboro Community College has received approval to begin offering a 2-year degree in Early Childhood Education in 1998. The location of the Childcare Facility on the OCC Campus is a natural fit, linking education with practical knowledge and thereby enhancing the skills of the local workforce while promoting economic development within the community.

Owensboro Community College Childcare Facility

Page: 2

Basis In/Reference to Statewide Strategic Plan

This project supports House Bill 1 which directs postsecondary educational institutions to develop a better educated populace that is prepared to meet the intellectual, social, and economic challenges to the Commonwealth into the 21st century. This project will provide services that will reach a greater percentage of the population, while enabling the institution to be more responsive to changes in demand for different types of training and education over time.

Has this item been requested in a prior biennial budget request? No

PROJECT BUDGET

Has this project been reviewed by the Department for Facilities Management? Yes

Fund Source	Current Authorization	Requested FY 1997-1998	Requested FY 1998-1999	Requested FY 1999-2000	Total Requested
Restricted Funds		665,000			665,000
Total Funds		665,000			665,000
Cost Elements					
Site Survey/Preparation		11,000			11,000
Project Design		63,000			63,000
Construction Costs		450,000			450,000
Roadway		73,000			73,000
Comm./Network Infra.		15,000			15,000
Contingency Expense		53,000			53,000
Total Costs		665,000			665,000

Methodology for Cost Determination:

AE Agency Estimate

PROJECT FEATURES**Timetable (Mo/Yr)**

Design Date: 08/1998

Construction Date: 02/1999

Completion Date: 08/1999

Space Summary

Use	Current	New	Exp/Add/Alter	Renov
Office (Fac/Admin) (300)		500		
Special Use (500)		2,500		
General Use (600)		500		
Support Facilities (700)		500		
Nonassignable		1,000		
Total Gross Square Footage		5,000		

Is the site presently owned or must it be acquired?

OW Own

Proposed Site Location and/or Site Development

Site survey and soil investigation will be necessary.

Proposed Heat/Air Conditioning Fuel Type

Natural gas heat / electric air conditioning or ground source heat pumps.

Relationship to Existing Space

This project will provide childcare facilities not currently available at Owensboro Community College.

06/02/98 11:36 FAX 502 564 7179

FACILITIES MGMT

Owensboro Community College Childcare Facility

Page: 3

IMPACT ON OPERATING BUDGET

Completion Date: 08/1999	1st Full Year of Operations FY 2000-2001	2nd Full Year of Operations FY 2001-2002	3rd Full Year of Operations FY 2002-2003	4th Full Year of Operations FY 2003-2004
Fund Source				
Total Funds				
Cost Elements				
Total Costs				

Other

This project will not impact the operating budget of the Owensboro Community College. All operating costs will be paid for through federal grants and fee-for-service.

OPERATING BUDGET PRIORITY

Agency Priority Rank Number, Additional Budget Request (Form B-1): 0

Cabinet/Branch Priority Rank Number, Operating Budget Request (Form P): 0

UK
OWENSBORO
COMMUNITY COLLEGE.

June 3, 1998

Mr. Sherron Jackson
Council on Postsecondary Education
1024 Capitol Center Drive
Suite 320
Frankfort, Kentucky 40601

Dear Sherron:

Enclosed you will find the CBR-02 forms for the two projects to be constructed at Owensboro Community College. These forms were prepared by Gary Cloyd, and have been reviewed by the CCS Office of Facilities and Project Management.

Please call me if you have questions or need additional information.

Sincerely,



Julia Martin Jakway

c: Dr. Jacqueline Addington
Dr. Tony Newberry
Mr. Wendell Followell
Ms. Jody McKee
Ms. Sandy Gubser
Mr. Gary Grogan
Mr. Gary Cloyd

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06/02/1998

Page: 1

**COMMONWEALTH OF KENTUCKY
1998-2000 CAPITAL BUDGET REQUEST
FORM CBR-02, CAPITAL CONSTRUCTION PROJECT RECORD**

Branch: 3 Executive Branch
Cabinet/Function: 45 Cabinet for Universities
Agency/Institution: 456 Kentucky Community and Technical College System

PRIORITY

Budget
Request5yr Year Plan
1998-2000 2000-2002Cabinet: 9998
Agency: 9998**PROJECT DOCUMENTATION**

Project Title Owensboro - Cooperative Extension Facility
Item Number
Location (County) 030 Daviess

Reauthorization - Is this a currently authorized project which is being requested for reauthorization and/or additional funding?

No

Capital Project Type NC New Construction
Primary Need Addressed OT Providing Community Service & Continuing Education

Type of Space to be Addressed by this Project

EG Educational and General

Project Description

The Daviess County Cooperative Extension Board plans to construct a building on land leased to the Board by the University of Kentucky, and located on the campus of the Owensboro Community College. The facility will house offices and meeting spaces for the various functions of Cooperative Extension including agriculture, horticulture, home economics, and 4-H. The construction project will include the appropriate utilities, parking, exterior lighting, site development, and building construction.

Project Purpose/Operating Budget Relationship

This project will provide the Cooperative Extension Service in Daviess County with the appropriate facilities with which to serve the needs of the citizens of Daviess County through technical assistance in the areas of agriculture, horticulture, home economics, and 4-H.

The project will be fully funded by county tax dollars, and will have no effect on State General Fund resources, either in construction or operation.

Basis In/Reference to Campus Master Plan

The site for this project has been approved by the University of Kentucky Architect as an amendment to the Owensboro Community College Physical Development Plan.

Basis In/Reference to Institution Plan

Owensboro Community College is exploring the possibility of requesting approval to begin offering a 2-year degree in Agricultural Technology. The location of the Cooperative Extension Facility on the OCC Campus is a natural fit, linking education with practical knowledge and thereby enhancing the skills of the local workforce while promoting economic development within the community.

Owensboro - Cooperative Extension Facility

Basis for/Reference to Statewide Strategic Plan

This project supports House Bill 1 which directs postsecondary educational institutions to develop a better educated populace that is prepared to meet the intellectual, social, and economic challenges to the Commonwealth into the 21st century. This project will provide services that will reach a greater percentage of the population, while enabling the institution to be more responsive to changes in demand for different types of training and education over time.

Has this item been requested in a prior biennial budget request? **No**

PROJECT BUDGET

Has this project been reviewed by the Department for Facilities Management? **Yes**

Fund Source	Current Authorization	Requested FY 1997-1998	Requested FY 1998-1999	Requested FY 1999-2000	Total Requested
Local Funds		950,000			950,000
Total Funds		950,000			950,000
Cost Elements					
Site Survey/Preparation		30,000			30,000
Project Design		84,000			84,000
Construction Costs		650,000			650,000
Roadway		80,000			80,000
Comm./Network Infra.		20,000			20,000
Contingency Expense		86,000			86,000
Total Costs		950,000			950,000

Methodology for Cost Determination:

AE Agency Estimate

PROJECT FEATURES

Timetable (Mo/Yr)

Design Date: 06/1998

Construction Date: 07/1998

Completion Date: 04/1999

Space Summary

Use	Current	New	Exp/Add/Alter	Renov
Classroom (100)		3,600		
Office (Fac/Admin) (300)		900		
Support Facilities (700)		1,200		
Nonassignable		1,500		
Total Gross Square Footage		7,200		

Is the site presently owned or must it be acquired?

OW Own

Proposed Site Location and/or Site Development

Site survey and soil investigations will be necessary.

Proposed Heat/Air Conditioning Fuel Type

Natural gas heat / electric air conditioning

Relationship to Existing Space

This project will replace offices currently occupied in the basement of the antiquated Daviess County Courthouse.

Owensboro - Cooperative Extension Facility

IMPACT ON OPERATING BUDGET

Completion Date: 04/1999	1st Full Year of Operations FY 1999-2000	2nd Full Year of Operations FY 2000-2001	3rd Full Year of Operations FY 2001-2002	4th Full Year of Operations FY 2002-2003
---------------------------------	---	---	---	---

- Fund Source**
- General Fund
- Restricted Agency Fund
- Federal Funds
- Local Funds
- Total Funds
- Cost Elements**
- Personnel Expenses
- Operating Expenses
- Maintenance Expenses
- Debt Service
- Transfer Restricted to
Capital Const. Fund
- Transfer Federal to
Capital Const. Fund
- Total Costs

Other

There will be no operating budget impact to the Owensboro Community College. All costs associated with the operation of this facility will be borne by the Cooperative Extension Agency Board.

OPERATING BUDGET PRIORITY

Agency Priority Rank Number, Additional Budget Request (Form B-1): 0

Cabinet/Branch Priority Rank Number, Operating Budget Request (Form P): 0

KCTCS

KENTUCKY COMMUNITY AND
TECHNICAL COLLEGE SYSTEM

RECEIVED COUNCIL
ON HIGHER EDUCATION

MAY 28 10 20 AM '98

May 26, 1998

Mr. Sherron Jackson, Director
Equal Opportunity and Facilities
Council on Postsecondary Education
1024 Capital Center Drive, Suite 320
Frankfort, KY 40601

Re: Owensboro Community College
Capital Project Approval

Dear Sherron:

Two capital projects at the Owensboro Community College that are to be constructed on the College Campus but are being funded by other entities external to state government were reported to both the Capital Projects and Bond Oversight Committee and the KCTCS Board of Regents at their respective May meetings. The projects are a Daviess County Cooperative Extension Facility and a Child Care Facility. Both groups approved the projects.

The KCTCS is now requesting that both projects be placed on the agenda for the next scheduled meeting of the Council on Postsecondary Education for consideration and approval. I have enclosed relevant information on each project. Also enclosed is a completed Capital Budget Request for each project.

If you have any questions, or require additional information, please call me at 564-7346.

Sincerely,



Gary S. Grogan, Director
Facilities Management

enclosure

cc: Sandy Gubser

**OWENSBORO COMMUNITY COLLEGE
Daviness County Cooperative Extension Facility**

Project Outline: The Daviness County Cooperative Extension Building was leased approximately 4 acres by the University of Kentucky on March 3, 1998. On this site at 4800 New Hartford Road, Owensboro, KY, Extension plans to construct approximately a 7,200 gsf building for use of cooperative extension programs.

Physical Description: The facility will be sympathetic to existing campus construction, and consistent with the Campus Physical Development Plan. The preliminary site plan, and building elevations have been approved by UK Architect Warren Denny.

Funding: Funding for this project is a business loan (Banc One) whose debt service will be paid from county property taxes.

Facility Management: Extension plans to contract with OCC for building management.

Operation Funding: Operating costs will be paid by Cooperative Extension for the duration of the lease period (75 years).

**UNIVERSITY OF KENTUCKY
COLLEGE OF AGRICULTURE**

Lexington, Kentucky 40546

RESIDENT INSTRUCTION
AGRICULTURAL EXPERIMENT STATION
COOPERATIVE EXTENSION SERVICE



TAB B
PAGE 2
COOPERATIVE EXTENSION SERVICE

REPLY TO: DAVIESS COUNTY EXTENSION OFFICE
Courthouse, 212 St. Ann Street
Owensboro, Kentucky 42303
Telephone (502) 685-8480

December 19, 1997

Dr. Jacqueline Addington
Owensboro Community College
4800 New Hartford Road
Owensboro, KY 42303

Dear Dr. Addington:

After several months of planning with the staff of Owensboro Community College, the Daviess County Extension District Board is proposing to lease approximately four acres of land on the campus of Owensboro Community College, located in Owensboro, Kentucky, upon which to build an Extension Office and adjacent parking facilities. The proposed project will contain the following elements:

1. That the lease will be for the duration of one year at a cost of one dollar for the present year and will be renewable for 74 years for a total lease length of 75 years.
2. That the facility will have space for agriculture, horticulture, home economics and 4-H offices, cultural activities, and related meeting facilities in approximately 7,500 square feet.
3. That Daviess County Extension District Board will construct and maintain the facility in a manner that meets all federal, state and local guidelines for facilities of this type.
4. That in the event the Extension Board chooses not to renew the lease on the facility, it will revert to the University of Kentucky if the University chooses to accept the facility.

We, the Extension Board, understand the need for this facility to be sympathetic with existing architecture and toward this goal are working with Warren Denney, University of Kentucky architect, in pointing proposed alterations to the existing campus development plans and structural style. We also understand

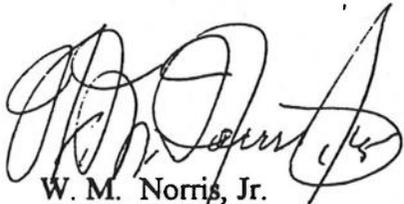
Educational programs of the Kentucky Cooperative Extension Service serve all people regardless of race, color, age, sex, religion, disability, or national origin.

UNIVERSITY OF KENTUCKY, KENTUCKY STATE UNIVERSITY, U.S. DEPARTMENT OF AGRICULTURE, AND KENTUCKY COUNTIES, COOPERATING

Dr. Jacqueline Addington
December 19, 1997
Page 2

that the University will require planning approval prior to the commencement of construction.

This project will provide a natural length of services for the citizens of Daviess County through the location of the Cooperative Extension Service on land owned by the University of Kentucky and management by the Kentucky Community and Technical College System at Owensboro Community College. Further, we believe this project will strengthen educational opportunities for those agriculture-related businesses, families and youth in the Owensboro Community College service area.



W. M. Norris, Jr.
Daviess County Judge Executive

Sincerely,



Mack Estes
Chairman, Daviess County
Extension District Board

bb

FCR 3

*This was approved at
to March 3 UCC
Board meeting.
TN
3/13/98*

Office of the President
March 3, 1998

Members, Board of Trustees:

AUTHORIZATION TO EXECUTE GROUND LEASE

Recommendation: that the Board of Trustees authorize the administration to execute a lease of one-half acre of land (more or less) on the campus of the Owensboro Community College to the Daviess County Agricultural Extension District.

Background: The Daviess County Extension District Board proposes to build an Extension Building on the campus of the Owensboro Community College. The plans for the project have been coordinated with Owensboro Community College, the College of Agriculture, and the University Architect. In order to enable financing of the building, a long-term lease to the District Board is necessary.

The proposed project would contain the following elements: (1) the lease will be renewable for a total of 75 years at a lease rate of one dollar per year, (2) the facility will provide 7,500 square feet of space for College of Agriculture extension programs in agriculture, horticulture, home economics, and 4-H and would also be used for cultural activities and related meeting facilities, (3) the District Board will construct and maintain the facility in a manner that meets all federal, state, and local regulations, and (4) in the event that the District Board chooses at any time not to renew the lease on the facility, it will be transferred to the University of Kentucky if the University chooses to accept the facility.

Action taken: Approved Disapproved Other _____

TAB B
PAGE 5

Peck, Shaffer & Williams P.L.L.C.

Attorneys At Law

118 WEST FIFTH STREET
COVINGTON, KENTUCKY 41011
606-431-7000
606-431-7511
FAX: 606-431-0673

CINCINNATI OFFICE
SUITE 900
301 EAST FIFTH STREET
CINCINNATI, OHIO 45202
513-621-3394
800-927-3063
FAX: 513-621-1613

COLUMBUS OFFICE
SUITE 1100
38 EAST HERRING STREET
COLUMBUS, OHIO 43215
614-224-5205
888-900-5205
FAX: 614-224-0009

LOUISVILLE OFFICE
SUITE 1115
230 SOUTH FIFTH STREET
LOUISVILLE, KENTUCKY 40202
502-581-0054
FAX: 502-581-0058

April 13, 1998

Mr. Wayne Mattingly
Daviness County Cooperative Extension District
Daviness County Courthouse
212 St. Ann Street
Owensboro, Kentucky 42303

RE: Financing Lease between Daviness County Extension District and Bank One, Kentucky, NA

Dear Mr. Mattingly;

You have contacted us regarding the necessity for approval of the above-captioned financing (the "Financing Lease") by the Capital Projects and Bond Oversight Committee. Under the proposed plan of financing, the Daviness County Cooperative Extension District (the "District") will be leasing the real property constituting the site of certain improvements to be constructed with the proceeds of the Financing Lease from the Commonwealth of Kentucky, acting for the use and benefit of the University of Kentucky, pursuant to a ground lease (the "Ground Lease"). The University of Kentucky is a state agency within the meaning of Chapter 12 of the Kentucky Revised Statutes, while the District is a taxing district established under Section 164.605 et. seq. of the Kentucky Revised Statutes as a creation of the Daviness County Fiscal Court.

Under the provisions of Chapters 45A and 56 of the Kentucky Revised Statutes ("KRS"), the power to dispose of real estate on behalf of state agencies (including presumably a leasehold interest in real estate) is vested in the Finance and Administration Cabinet. Accordingly, it would appear the execution of the Ground Lease under which the University of Kentucky is granting to the District an interest in certain real property would be subject to appropriate determinations by the Finance and Administration Cabinet in accordance with KRS 56.463(2) or other applicable provisions regarding the state's disposition of real property.

The Financing Lease will be an agreement between the District and the lender (Bank One, Kentucky, NA) entered into pursuant to KRS 65.940 et. seq. for the purpose of financing the costs of construction a facility to be used by the District. To our knowledge, the Financing Lease is not being undertaken by the District to provide space to a state agency. Accordingly, it would not appear to implicate the provisions of KRS Section 56.800 et. seq., which involves the leasing of space by a state agency. KRS Section 56.800 et. seq. would require certain notice filings to, or receipt of approvals from, the Capital Projects and Bond Oversight Committee where a lease is being entered into to provide space to a state agency. Our understanding of the transaction is that the Financing Lease is not being undertaken by or on behalf of a state agency, but rather by and for the use of the District in its capacity as a taxing

Peck, Shaffer & Williams
LLP

TAB B
PAGE 6

district. Based on the foregoing, it would not appear Capital Projects and Bond Oversight Committee approval would be required for the Financing Lease. There may, however, be a requirement for notification of the execution of the Ground Lease. In that regard, it may also be important to communicate to the Capital Projects and Bond Oversight Committee that the financing by the District under the Financing Lease will be subject to the restrictions contained in the Ground Lease and will not grant the lender rights in the real property which would override the rights and duties contained in the Ground Lease with respect to the real property.

We hope the foregoing is helpful to you in addressing the questions that have been raised with you. If we can be of any further assistance at this time, please do not hesitate to contact the undersigned

Very truly yours,

Peck, Shaffer & Williams LLP

Dirk Bedarff
Dirk M. Bedarff

DMB:mmw
encl.

Post-it [®] Fax Note	7671	Date	4/14	# of pages	2
To	Julie Jakeway	From	Wayne M.		
Co./Dept		Co.	DAU. Co. Ext.		
Phone #		Phone #	685-8480		
Fax #	686-4496	Fax #	685-8276		

**PLAN TO ALLOCATE 1998-2000
DEFERRED MAINTENANCE FUNDS**

**Agenda Item E-2
July 13, 1998**

Information:

As recommended by the CPE at its November 3, 1997, meeting the 1998-2000 Appropriations Bill (HB 321) created a deferred maintenance and government mandates pool for the postsecondary education institutions. Allocation of the pool among institutions and the list of university projects eligible for funding were a part of that November CPE action. Eligible KCTCS projects were identified at the January 12, 1998, CPE meeting. State funds must be matched dollar-for-dollar by institutional funds. HB 321 provides that before capital construction project funds may be distributed to an institution, it must submit to the CPE for approval a facilities maintenance plan committing to a maintenance standard for facilities at the institution and a technology replacement plan committing to a technology replacement standard for the institution.

State bond proceeds will be available after January 1, 1999. The CPE staff would like to have necessary action by the CPE at its November 1998 meeting. The CPE staff is drafting a proposed maintenance standard (based on discussions with the Association of Physical Plant Administrators, the CPE consulting architect, and others). Upon completion of that draft, it will be shared with the institutions for review and comment. Staff also will share with all institutions an example of an effective institutional facilities maintenance plan.

The HB 321 requirement establishes a process that encourages institutions to devote additional resources to the maintenance and upkeep of facilities. The proposed schedule provides access to maintenance pool funds within a reasonable timeframe.

Analysis and CPE Approval (July – November 1998):

- The CPE staff shares draft maintenance standard with institutions for comment (mid-July).
- Institutions establish priority of eligible projects by August 15. Institutions submit maintenance plans including commitment to the maintenance standard to the CPE by September 30.
- The CPE staff evaluates institutions' responses and prepares recommendation for CPE action at the November 1998 meeting.

Following action by the CPE, staff will forward the CPE recommendation to the Secretary of Finance and Administration Cabinet for action.

Staff preparation by Sherron Jackson

ENDOWMENT REPORT

Information:

The 1998-2000 Appropriations Bill, House Bill 321, was passed by the General Assembly and signed by the Governor in April 1998. The CPE biennial budget request and the Governor's Executive Budget recommendation included bond funds for proposed endowment programs in the Research Challenge and Regional University Excellence Trust Funds. The enacted budget bill provided funding for the endowment programs in the General Fund Surplus Expenditure Plan. During the first year of the biennium, a nonrecurring cash appropriation of \$100 million for the Research Challenge Trust Fund and \$10 million for the Regional University Excellence Trust Fund will be available to fund the endowment programs.

At the May 18, 1998, CPE Finance Committee meeting, a general discussion was held concerning the endowment programs. The CPE Finance Committee Chair, Ron Greenberg, appointed a work group to clarify the meaning of "endowed chair" and further define the eligible expenditures of the endowment funds. The work group included CPE Finance Committee members Merl Hackbart and Marcia Ridings, university presidents John Shumaker and Charles Wethington, and CPE staff member Norma Northern. The work group met on June 12, 1998, and a draft summary of the meeting is included as Attachment 1. The draft summary was distributed to work group members for their comments. Comments have been received from Presidents Shumaker and Wethington and are included as Attachment 2.

As the draft summary indicates, the work group is proposing three categories of endowment expenditures based on funding amounts. The draft summary also includes issues that still need to be addressed such as detailed award and allocation procedures and accountability mechanisms. With respect to these outstanding issues, the CPE staff recommends that formal assurances of the matching and endowment funds only being used for the intended purposes need to be in place prior to the allocation of the endowment funds to the institutions. In an effort to expedite the endowment process, the work group is proposing that the CPE consider the finalized procedures at its September 1998 meeting.

Finance Committee Work Group On Endowment Funds

June 12, 1998
Meeting Summary

In Attendance

Merl Hackbart, Marcia Ridings, John Shumaker, Charles Wethington, Norma Northern

Background

The 1998 General Assembly appropriated \$110 million from the Surplus Expenditure Plan for the creation of two endowments in FY 1998-99. \$100 million was appropriated to the Research Challenge Trust Fund for the establishment of an endowment for the research universities. The remaining \$10 million was appropriated to the Regional University Excellence Trust Fund to establish a similar endowment for the regional universities. The funds were formally appropriated for the purpose of creating endowed chairs. The intent of the meeting was to clarify the meaning of an "endowed chair" and to further define the eligible expenditures of the endowment funds. In an attempt to define the term "endowed chair," the work group felt the definition should reflect the content and spirit of HB 1 with respect to this area:

The research challenge trust fund created by Section 7 of this Act may include separate, subsidiary programs and related accounts, such as an Endowed Professorship Matching Program, an Endowed Chairs Matching Program, an External Research Grant Matching Program, a Graduate Assistant Program, a Junior Faculty Research Encouragement Program, or other programs and related accounts as determined through the biennial budget process for the Council on Postsecondary Education.

Proposal

Using HB 1 as the umbrella concept for the specific appropriation, there should be three categories of eligible endowment expenditures:

1. *Endowed Chair* – Total funds required = \$2 million

- Funds would be matched on a \$1 for \$1 basis
 - Endowment funds = \$1 million
 - University Match funds = \$1 million
- Funds would be used to establish a new faculty position
- Funds may be used for expenditures associated with the creation of a new chair to include salary, salary supplement, travel, start-up expenses, etc.

2. *Endowed Professorship* – Total funds required = \$250,000 to \$1 million

- Funds would be matched on a \$1 for \$1 basis
 - Endowment funds = \$125,000 to \$500,000
 - University Match funds = \$125,000 to \$500,000
- Funds would be used to supplement an existing faculty position
- Funds may be used for expenditures associated with the enhancement of an existing position to include salary supplement, travel, start-up expenses, etc.

3. Research Challenge Support/Regional Excellence Support – Total funds required = \$50,000 increments

- Funds would be matched on a \$1 for \$1 basis
 - Endowment funds = \$25,000
 - University Match funds = \$25,000
- Funds may be used for research and scholarly enhancements to include expenditures for postdoctoral positions, graduate and research assistantships, staff support, equipment, and infrastructure support

Matching Requirements

University match funds must meet the following criteria to be considered as eligible matching funds:

- private funds raised after July 1, 1997
- funds supplement rather than supplant existing resources
- pledged funds must be received in total within five (5) years
- in-kind match (equipment, land, etc.) will not be eligible
- agency funds may be considered as eligible match if the funds were contributed from an affiliated corporation or auxiliary enterprise after July 1, 1997

Outstanding Issues

What award and allocation procedures need to be developed?

If the university is matching with a pledge to be received over the next five years, will the institution receive the total amount of the endowment funds up front or should the endowment funds be allocated equal to the pledged receipts as they are received?

What accountability mechanisms need to be put in place to ensure the funds are being used for the intended purposes?

Timetable

July 1998	Discussion draft presented to the CPE Finance Committee at July meeting
August 1998	Review and comments by universities
September 1998	CPE to act on finalized procedures at September meeting

ATTACHMENT 2



Office of the President

University of Kentucky
Lexington, Kentucky 40506-0032
606-257-1701

June 26, 1998

Merl Hackbart
Governor's Office for Policy
And Management
284 Capitol Annex
702 Capitol Avenue
Frankfort, KY 40601

Post-it® Fax Note	7671	Date	6/26/98	# of pages	3
To	Norma Norther	From	Joan McCauley		
Co./Dept.		Cd			
Phone #	573-1555	Phone #	257-5701		
Fax #	573-1535	Fax #	323-1025		

Dear Merl:

We have reviewed the draft summary of the meeting of the CPE Finance Committee Work Group on Endowment Funds and have the following suggested revisions:

1. On the first category, Endowed Chair, I am concerned that we have not properly addressed the issue of developing chairs in the arts and humanities, areas which historically have had less opportunity to raise matching funds. This is a concern of the University and I know is a concern of the Council. To deal with this issue, we suggest that one million dollars, not two million, be the minimum required for a chair (the University requirement is that it be one million) and that a University match in one area could be used to receive matching funds from the Trust Fund for another academic area.
2. On the second category, Endowed Professorship, for essentially the same reasons, we would recommend that the range of funds required be \$100,000 (the current requirement at the University of Kentucky) to \$1,000,000 and that a University match in one area could be used to receive matching funds from the Trust Fund for another academic area.
3. On the Research Mission Support/Regional Excellence Support, we recommend that graduate fellowships be added to the eligible uses of the funds.

We have attached a marked-up version of the Proposal portion of the memorandum to incorporate our recommendations.

To address each of the outstanding issues:

1. What award and allocation procedures need to be developed?

Once the eligible endowment expenditures are agreed upon, we think the Council should be in a position to allocate funds from the Trust Fund whenever the University has achieved the match. To make this process orderly, you might want to have the universities request these funds on a quarterly basis.

An Equal Opportunity University

Merl Hackbart
June 26, 1998
Page 2

2. If the University is matching with a pledge to be received over the next five years, will the institution receive the total amount of the endowment funds up front or should the endowment funds be allocated equal to the pledged receipts as they are received?

We would recommend that if the University has a pledge of funds to be received over a period of time (maximum of five years) in which case the University would make the pledge agreement available to the Council, that the Council should allocate the total amount of the matching state endowment funds up front. This will allow the University to move forward to fill the chair which would be more consistent with the intent of HBl and the "jump starting" facet of the endowed chair/professorship initiative.

3. What accountability mechanisms need to be put in place to ensure the funds are being used for the intended purpose?

Once an endowment is established, the terms of the endowment will ensure that these funds are being used for the intended purpose. However, the Council may want to put in place some annual reporting at least for the short term.

4. Should the endowment funds remain in the CPE Trust funds or should they be turned over to the universities for investment purposes?

The funds should be turned over to the universities for investment purposes.

If you have any questions, we would be pleased to respond to them.

Sincerely,



Charles T. Wethington, Jr.
President

CTW:bmr

c: Dr. John Shumaker
Norma Northern

PROPOSED CHANGES TO 6/19/98 PROPOSAL

Proposal - Using HB 1 as the umbrella concept for the specific appropriation, there should be three categories of eligible endowment expenditures:

1. Endowed Chair - Total funds required = \$1 million to \$2 million
 Funds would be matched on a \$1 for \$1 basis
 Endowment funds = ~~\$1 million~~ \$500,000 to \$1 million
 University Match funds = ~~\$1 million~~ \$500,000 to \$1 million
 Funds would be used to establish a new faculty positions
 Funds may be used for expenditures associated with the creation of a new chair to include salary, salary supplement, travel, start-up expenses, etc.
University match funds in one academic area may be used to match Endowment funds in another academic area
2. Endowed Professorship - total funds required = ~~\$250,000~~ \$100,000 to \$1 million
 Funds would be matched on a \$1 for \$1 basis
 Endowment funds = ~~\$125,000~~ \$50,000 to \$500,000
 University Match funds = ~~\$125,000~~ \$50,000 to \$500,000
 Funds would be used to supplement an existing faculty positions
 Funds may be used for expenditures associated with the enhancement of an existing position to include salary supplement, travel, start-up expenses, etc.
University match funds in one academic area may be used to match Endowment funds in another academic area
3. Research Mission Support/Regional Excellence support - Total funds required = \$50,000 increments
 Funds would be matched on a \$1 for \$1 basis
 Endowment funds = \$25,000
 University Match funds = \$25,000
 Funds may be used for research and scholarly enhancements to include expenditures for postdoctoral positions, graduate fellowships, graduate and research assistantships, staff support, equipment, and infrastructure support

Matching Requirements - University match funds must meet the following criteria to be considered as eligible matching funds:

- private funds raised after July 1, 1997
- funds supplement rather than supplant existing resources
- pledged funds must be received in total within five (5) years
- in-kind match (equipment, land, etc.) will not be eligible
- agency funds may be considered as eligible match if the funds were contributed from an affiliated corporation or auxiliary enterprise after July 1, 1997



John W. Shumaker
President

University of Louisville
Louisville, KY 40292

Phone: (502) 852-5420
Fax: (502) 852-5682
Fax: (502) 852-7226

June 25, 1998

Dr. Merl Hackbart
College of Business and Economics, Room 445
University of Kentucky
Lexington, KY 40506-0034

Dear Merl:

Thanks for your good work on endowment funds. I think you have captured the sense of our discussion well. I offer only the following changes:

I believe we discussed the strong possibility that private funds would be eligible for the match if they were raised after June 1, 1997 (the effective date of HB1). That extra month would be helpful, since many of our donors began to contribute in anticipation of the matching requirement embedded in HB1. The same would apply to the use of agency funds, although I don't think the deadline would be as critical in this case as it would be in the case of private donors.

Concerning the "outstanding issues" you raised:

1. If the university is matching with a pledge to be received over the next five years, I believe it would be very helpful for the institution to receive the total amount of the endowment funds up front. This provides additional leverage for the donor.
2. As far as accountability is concerned, I suggest that universities might be required to give an annual report of their use of the funds to the Council on Postsecondary Education in conjunction with the preparation of the Council's budget for Postsecondary Education.
3. I believe the language of the statute mandates that the funds must be turned over to the universities or the appropriate university foundation for investment once the match is certified. Keeping the funds at CPE for investment would be contrary to this requirement. (See attached reference from HB321).

I hope these comments help. Please let me know if you have any reaction.

Cordially,

Attachment





1/EN

Fudge + Bill

GENERAL ASSEMBLY COMMONWEALTH OF KENTUCKY

1998 REGULAR SESSION

HOUSE BILL NO. 321

AS ENACTED

THURSDAY, APRIL 2, 1998

1 d. Maintenance Standard: Capital construction project funds shall not be allotted
2 until an institution submits for the Council on Postsecondary Education's approval a
3 facilities maintenance plan establishing and committing to a maintenance standard for
4 facilities at the institution and a technology replacement plan establishing and committing
5 to a technology replacement standard for the institution.

→ 6 e. Research Challenge Trust Fund Account: The proceeds of the endowment
7 program authorized in Part X, Section IV, Item 1(a) of this Act shall be deposited in the
8 Research Challenge Trust Fund Account and invested at the direction of the Council on
9 Postsecondary Education until such time as the Council receives a certification from the
10 President of the University of Kentucky or from the President of the University of
11 Louisville stating that formal commitments have been secured by the respective
12 universities to provide the matching requirements as determined by the Council. Upon
13 receipt of the certification, the Council shall transfer the endowment funds from the
14 account to the respective universities for management and investment by the university
15 foundations if the foundations have been previously created to manage and invest private
16 gifts and donations on behalf of the universities over time, otherwise by the university
17 itself. The proceeds of the Research Challenge Trust Fund Account transferred to the
18 universities shall not be managed or invested by an independent board or foundation
19 separate from the foundations previously created to manage and invest funds on behalf of
20 the respective universities.

21 f. Regional University Excellence Trust Fund: The proceeds of the endowment
22 program authorized in Part X, Section IV, Item 1(b) of this Act shall be deposited in the
23 Regional University Trust Fund Account and invested at the direction of the Council on
24 Postsecondary Education until such time as the Council receives a certification from the
25 Presidents of Eastern Kentucky University, Kentucky State University, Morehead State
26 University, Murray State University, Northern Kentucky University, and Western
27 Kentucky University stating that formal commitments have been secured by the respective

1 provided above:

2 Priority General Fund Surplus Appropriations

3 I. Budget Reserve Trust Fund: \$20,000,000 in fiscal year 1998-99
4 and \$22,000,000 in fiscal year 1999-2000. 42,000,000

5 II. State Technology Projects Fund:
6 \$25,700,000 in fiscal year 1998-99 and \$67,800,000 in fiscal year 1999-2000

7 Budget Unit

- 8 1. Workforce Development Cabinet - Department for Technical Education - Area
- 9 Vocational Education Centers/Equipment, 6,000,000
- 10 2. Finance and Administration Cabinet - Year 2000 Conversion, 6,700,000
- 11 3. Justice Cabinet - Department of State Police - Automated Fingerprint System,
- 12 5,800,000
- 13 4. Justice Cabinet-Justice Administration - Unified Criminal Justice Information System,
- 14 5,000,000
- 15 5. Finance and Administration Cabinet - Technology Trust Fund,
- 16 70,000,000
- 17 Subtotal 93,500,000

18 III. School Technology Projects Fund

- 19 1. Kentucky Department of Education-Management Support Services - Kentucky
- 20 Educational Technology System, \$25,700,000 in fiscal year 1998-99
- 21 and \$71,600,000 in fiscal year 1999-2000. 97,300,000

22 IV. Statewide Infrastructure and Endowment Fund

23 Priority General Fund Surplus Appropriations

24 ENDOWMENT FUND

25 A. Council on Postsecondary Education

26 Budget Unit Research Challenge Trust Fund

- 27 1. Endowed Chairs 100,000,000



1 The total amount is appropriated in fiscal year 1998-99.

2 Budget Unit Regional Universities Excellence Trust Fund

3 2. Endowed Chairs,

4 The total amount is appropriated in fiscal year 1998-99. 10,000,000 .

5 Endowment Fund subtotal 110,000,000 .

6 STATEWIDE INFRASTRUCTURE FUND

7 To the extent the proportional amount of the total General Fund Surplus balance
8 amount allocated for the purpose of the Infrastructure Fund totals up to \$11,000,000 in
9 fiscal year 1998-99, the following Bond funds supported projects and related amounts
10 shall receive first priority funding allowance and Bond Funds are authorized in the
11 following amounts for these projects.

	Bond Funds
12	
13 a. Finance and Administration Cabinet	
14 Budget Unit General Administration	
15 1. Veterans' Nursing Home - East Kentucky	4,725,000
16 2. Veterans' Nursing Home - West Kentucky	4,725,000
17 b. Cabinet for Economic Development	
18 Budget Unit Office of the Secretary	
19 3. Northern Kentucky Airport	17,000,000
20 c. Tourism Development Cabinet	
21 Budget Unit Kentucky State Fair Board	
22 4. Louisville/Jefferson County International	
23 Airport	20,000,000
24 d. Postsecondary Education	
25 Budget Unit University of Kentucky	
26 5. University System - Coldstream Research	
27 Campus Infrastructure	5,500,000

LOCAL FUNDING FOR KCTCS CAPITAL PROJECTS

Agenda Item E-4
July 13, 1998

Information:

At the May 18, 1998, Finance Committee meeting, staff was directed to request an interpretation from the Secretary of the Finance and Administration Cabinet, John McCarty, regarding apparent conflicting language in House Bill (HB) 321 relating to local funding for the KCTCS capital projects. Mr. Hackbart noted that HB 321 gives line item authorization to the KCTCS capital projects with State General Fund supported bonds only. However, language in the Special Provisions Section of HB 321 directs the CPE to "review by July 1, 1998, each of the KCTCS projects involving local match funds as recommended by the CPE at the November 3 meeting, to determine the availability of local matching funds. Local or private funding shall be used in place of bond funds, to provide local support for the projects when available."

This apparent conflict was outlined in a May 28, 1998, letter from Ken Walker to Secretary McCarty along with a request for the Secretary's interpretation of the language (see Attachment A). In his June 5, 1998, response (see Attachment B), Secretary McCarty indicated that "in its final enactment of House Bill 321, the General Assembly clearly and expressly removed the local matching 'provision' from all of the KCTCS projects . . ." He further stated that it is "logical to assume that local communities would be encouraged to provide supplementary financial support to 'their' community colleges and technical schools that are part of the new KCTCS." And, "rather than supplanting state bonds, local money could then be selectively deployed (upon concurrence of the CPE/KCTCS management and the Finance Secretary) to effectively enhance local institutions and the statewide system."

Based on Secretary McCarty's response, staff concludes that no action is necessary by the CPE relating to local funding for the KCTCS capital projects approved in HB 321. These projects are to be funded in total with State General Fund supported bonds.



May 27, 1998

Mr. John P. McCarty
Secretary
Finance and Administration Cabinet
Capitol Annex, Room 383
Frankfort, Kentucky 40601

Dear Secretary McCarty:

At its May 18, 1998 meeting, the Finance Committee of the Council on Postsecondary Education (CPE), and subsequently the full CPE, directed me to request a clarification of language in House Bill 321 pursuant to your authority to interpret the appropriations bill based on KRS 48.500.

In reviewing CPE's responsibilities regarding implementation of HB 321, CPE was assigned the responsibility to "review by July 1, 1998 each KCTCS project involving local match funds as recommended by CPE at the November 3 meeting, to determine the availability of local matching funds. Local or private funding shall be used in place of bond funds, to provide local support for the projects when available." (HB 321, Special Provisions, Part IX)

There are several issues and concerns relating to this language. These issues are:

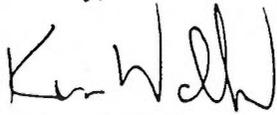
- HB 321 authorizes the KCTCS projects as line item capital projects with general fund supported bonds only.
- The General Assembly removed the local matching requirement from almost all the KCTCS projects in the enacted legislation. This appears to be in conflict with the enacted language in the Special Provisions.
- The language in the Special Provisions is a disincentive to local communities with respect to financial support of new construction projects. That is, local communities that have already raised funds would be penalized by this provision to the extent that state support would be withdrawn on a dollar-to-dollar basis if local funds were available. It sends a negative message to benefactors and supporters for postsecondary education.

Mr. McCarty
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- The reference to action on the KCTCS capital projects and the local funding at a November 3 CPE meeting is not correct. Action on the KCTCS capital request was taken at the January 12, 1998 meeting.

We would appreciate your interpretation of this language as soon as possible. Please call me at 573-1555 if you have any questions or comments or need any additional information.

Sincerely,



J. Kenneth Walker
Acting Chief Operating Officer

cc: Leonard Hardin
Finance Committee Members
James R. Ramsey
Bill Hintze



POSTSECONDARY
EDUCATION

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JOHN P. McCARTY
SECRETARY

JUN 8 2 02 PM '98

June 5, 1998

Mr. J. Kenneth Walker
Acting Chief Operating Officer
Council on Postsecondary Education
1024 Capital Center Drive, Suite 320
Frankfort, KY 40601-8204

Dear Mr. Walker:

This letter is to respond to your request of May 27 concerning language in House Bill 321 regarding Kentucky Community and Technical College System (KCTCS) capital projects and Council on Postsecondary Education (CPE) responsibilities. You have asked that I provide a formal interpretation of the meaning of certain language in House Bill 321 pursuant to the authority conveyed upon this office by KRS 48.500 and the General Provisions of House Bill 321. This letter shall provide that interpretation.

The section in question which appears in House Bill 321 at Part IX, Special Provisions, item 46.j. assigns the CPE responsibility to "review by July 1, 1998 each KCTCS project involving local match funds as recommended by CPE at the November 3 meeting, to determine the availability of local matching funds. Local or private funding shall be used in place of bond funds, to provide local support for the projects when available." With respect to this language, you have enumerated several questions and concerns and provided a brief synopsis and chronology of events.

I am advised that the General Assembly, during the course of its review and deliberation on the budget, made a number of alterations to the Executive Budget as initially recommended by the Governor with respect to local matching fund contributions for numerous KCTCS projects which are funded in large part from state General Fund-supported bonds. Ultimately, the General Assembly removed \$30 million in local matching funds authorizations from the line-item capital

Mr. J. Kenneth Walker

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construction authorizations and substituted full state General Fund-supported debt financing for all of the KCTCS construction projects. The language about which you have raised a question as to interpretation would appear to indicate that communities which possess the motivation and financial wherewithal to support their KCTCS institution with local funds would be penalized by having the state General Fund-supported financing withdrawn on a dollar-for-dollar basis. On its face this would be a powerful disincentive to local communities with respect to support for new KCTCS construction projects. Moreover, I am advised that the House Bill 321 reference to a November 3rd (very specific) CPE meeting with presumed attendant action on an agenda which mandated local matching funds is in error. The agenda and minutes from that meeting indicate that the November 3rd meeting took no action on this item and in fact the CPE had no such item on its agenda that date

In its final enactment of House Bill 321, the General Assembly clearly and expressly removed the local matching "provision" from all of the KCTCS projects (as contrasted with the initial Executive Budget recommendation (and CPE recommendation) as proposed in January).

From both a CPE and legislative policy point of view, it is logical to assume that local communities would be encouraged to provide supplementary financial support to "their" community colleges and technical schools that are part of the new KCTCS. Given this policy, rather than supplanting state bonds, local money could then be selectively deployed (upon concurrence of the CPE/KCTCS management and the Finance Secretary) to effectively enhance local institutions and the statewide system. This logical construction of legislative policy would result in a very positive relationship rather than one that could be viewed as punitive. This would still leave the ultimate policy prerogative as to whether a project should be expanded or enhanced with local or private funds up to KCTCS and Finance Secretary decisionmakers. There would be no automatic inference or expectation that simply having the ability to raise money locally would result in a bigger building or a new program.

Conclusion

As a matter of policy and law, the General Assembly, in House Bill 1 during the Special Session of 1997 and again throughout the enactment of House Bill 321, when it appropriated very significant additional dollars for Postsecondary Education mandated that the KCTCS institutions work closely and cooperatively with the local communities which they serve and in which they are situated. Were the Appropriations Bill construed so as to automatically penalize supportive communities by a literal application of the language you have questioned, that commendable and overarching public policy would be turned upside down. It is clear to this office that that is not the intent of the General Assembly and it has sought to encourage, but not mandate, local financial participation in cooperation with the CPE and KCTCS. The ultimate action of the

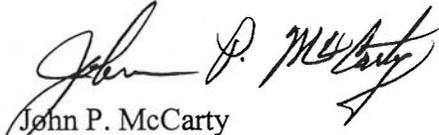
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General Assembly in enacting the Executive Branch Appropriations Bill was to remove the local match provision and substitute General Fund-supported bonds for those project amounts. The language in Part IX is therefore contradictory with the action taken in Part II of the same Act. It is my interpretation that Part II and Part III delegating issues of interpretation to this office prevail.

Sincerely,


John P. McCarty
Secretary

dh\1008

c: James R. Ramsey
Leonard Hardin
The Honorable Benny Ray Bailey
The Honorable Harry Moberly
Ron Carson
William H. Hintze, Jr.
Karen Powell