

**AGENDA**  
**Council on Postsecondary Education**  
**February 3, 2003**  
**8:30 a.m.**  
**Frankfort, Kentucky**

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Next Meeting – March 24, 2003, Frankfort  
Adjournment

**MINUTES**  
**Council on Postsecondary Education**  
**November 4, 2002**

The Council on Postsecondary Education met November 4, 2002, at 8:30 a.m. at the council offices in Frankfort, Kentucky. Chair Adams presided.

**ROLL CALL**

The following members were present: Norma Adams, Walter Baker, Steve Barger, Peggy Bertelsman, Bart Darrell, Richard Freed, Susan Guess, John Hall, Esther Jansing, Joan Taylor, Charles Whitehead, and Gene Wilhoit. Ron Greenberg, Charlie Owen, Chris Pace, and Lois Combs Weinberg did not attend.

The minutes of the September meeting were approved as distributed.

**APPROVAL OF  
MINUTES**

**SHOWCASING REFORM:  
MuSU/KCTCS/KYVU  
COLLABORATION**

The meeting began with a special presentation “showcasing reform,” a collaborative arrangement with Murray State University, the Kentucky Community and Technical College System, and the Kentucky Virtual University. A transfer agreement has been established between the associate in applied science degree in information technology offered by the KCTCS and the bachelor of science degree in telecommunications systems management, Murray State University’s program of distinction. The KYVU is a partner in the agreement, promoting easy transfer through online course offerings. Several upper division courses will be available through the KYVU in spring 2003, and all 20 courses in Murray’s program will be available by August 2004.

Daniel Rabuzzi, KYVU CEO, said that this initiative supports three of the council’s reform priorities: to facilitate transfer, to meet the workforce needs of the new economy, and to provide access to anytime, anyplace education throughout Kentucky.

MuSU President King Alexander said that through this arrangement his institution, in conjunction with other higher education institutions in the state and private industry, can collaboratively expand to address the economic and social needs of Kentucky.

Keith Bird, KCTCS chancellor, said that the partnership fulfills several strategic objectives of the KCTCS: to enhance information technology education, to expand access to distance learning, and to increase the number of KCTCS students who transfer to four-year colleges and universities.

Sue Hodges Moore, interim council president, reported that the Oversight Committee of the Institute for Effective Governance met in October to debrief on the trusteeship conference and discuss next steps. The overall

IEG UPDATE

response to the conference and the five-year celebration of reform was overwhelmingly positive. During the conference, board members were asked to complete a survey about potential seminar topics. Topics of greatest interest are enrollment management, presidential evaluation/compensation, strategic planning/accountability, and Bucks for Brains and programs of distinction. The board chairs and vice chairs will be contacted for feedback on topics for a statewide seminar and those specific to an institution.

The IEG Oversight Committee discussed new member orientation and several possibilities will be discussed with the presidents and board members. The committee suggested that a CPE newsletter be developed to point out accomplishments, public policy issues, new board member appointments, calendar of upcoming events, and other items of interest. Eventually, an IEG Web site will be developed.

The council and the Kentucky State University board of regents established a committee to oversee the comprehensive assessment of KSU. The committee met in October to evaluate proposals submitted by prospective consultants. Four firms will make presentations and it is expected that the committee will choose a consultant from this group.

KSU  
COMPREHENSIVE  
ASSESSMENT

Dr. Moore said that the council and institutional staffs have begun discussions about the 2004-06 budget development process. The presidents have been asked to suggest revisions to the 2002-04 Points of Consensus document. Their suggestions will be discussed at the November 12 meeting of the Chief Budget Officers. The council staff will provide a status report on the budget development process at the November 18 meeting of the Strategic Committee on Postsecondary Education. The staff will work with the council finance issue leaders over the coming months and a status report and discussion item will be brought to the February council meeting.

2004-06  
BUDGET PROCESS

In October the National Center for Public Policy and Higher Education released *Measuring Up 2002*, the state-by-state report card on higher education. The report highlights Kentucky's performance as well as the performance of the other 49 states in five graded categories – preparation, participation, affordability, completion, and benefits. The report features Kentucky's efforts to assess student learning. Kentucky is one of only two states in the nation to show progress in all five categories of the report card.

Dr. Christina Whitfield with the council staff presented the highlights of the 2002 report card.

Ms. Bertelsman said that there are a number of P-16 issues.

MEASURING UP 2002

Mr. Wilhoit discussed efforts to encourage high school students to take upper-level courses to better prepare themselves for postsecondary education. Not enough Kentucky families think about postsecondary education, and many high school students delay decisions to enter college

so they are not prepared. Mr. Wilhoit also said there is concern about ACT results.

UK President Lee Todd asked if there is data showing that high school students take lower-level courses in order to earn better grades and thus earn more dollars through the Kentucky Educational Excellence Scholarship program. Mr. Wilhoit said that his department is monitoring courses taken and grade inflation issues and can provide this information.

Dr. Joe McCormick, executive director of the Kentucky Higher Education Assistance Authority, said that the KHEAA and the council staffs are working together to identify pertinent research questions regarding KEES and the need-based programs. He said that the history of need-based funding prior to KEES is very low. Since the KEES program began, funding of need-based programs has spiked. One could say that because of funding KEES, there have been increases in funding for the need-based programs. He said there a need for both merit and need-based programs, but the funding priority should be need-based. Dr. McCormick added that there are two important differences in the Kentucky KEES program compared to merit-based programs in other states: no application is required so all eligible students automatically receive benefits, and “stacking” of grants is allowed so needy students are not penalized for receiving a KEES award (i.e., KEES is added to need-based aid rather than replacing it).

RECOMMENDATION: The staff recommends that the council approve new goals for three indicators under Question 1 (two in ACT performance and one in affordability) and one under Question 2 (college-going).

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

Dr. Whitfield explained the progress and goals for these indicators. Including these updated results, the council staff has assigned lights for 21 systemwide indicators. To date, there are 13 green lights, six yellow lights, and two red lights. Detailed information was included in the agenda book. These results show that postsecondary reform is working and identify areas where further effort is needed.

Ms. Bertelsman asked if the goals for indicators with green lights need to be higher.

Dr. Moore said that some goals have been adjusted, such as enrollment and retention. Goals for many indicators with green lights will be reassessed after the fall 2002 data is received.

VOTE: The motion passed.

Mr. Wilhoit reported on the activities of the Kentucky Board of Education. By January 31, the department will submit to the federal government a state compliance plan for the No Child Left Behind legislation dealing

KEY INDICATORS OF  
PROGRESS TOWARD  
POSTSECONDARY  
REFORM

with the release of elementary and secondary funds. This legislation will bring about changes in Kentucky, such as additional assessment (every grade will be assessed in mathematics and language), new teacher certification requirements (non-qualified teachers such as emergency certified personnel will be eliminated), and specific requirements for para-professionals (the department is talking with the universities about offering new programs to meet the needs of individuals seeking to be certified as para-professionals).

Mr. Wilhoit said there is considerable discussion about the 2003-04 budget for elementary and secondary education and the system is adjusting resources. The department will release two reports on the issue of funding in December.

Mr. Wilhoit said there have been increased discussions with the university education deans to develop higher-level professional development activities.

A report on the activities of the P-16 Council was in the agenda book, including a map showing local P-16 council development in the state. Since the June P-16 Council meeting, the council has funded five additional proposals for local P-16 councils. Last year the council funded 11 local councils.

COMMISSIONER OF  
EDUCATION REPORT

Information was provided on the Go Higher community initiative, a component of the council's Go Higher public communication campaign, to bring local educators and business, labor, government, libraries, and civic groups together to raise education levels in communities. Last year, 10 communities were selected to participate; this year five new communities have been added.

An agreement with the United States Department of Labor Job Corps will be finalized soon to provide access to adult education resources through KYVAE.org and ACT WorkKeys assessments to the seven Job Corps Centers in Kentucky. Job Corps is a free residential education and training program that helps students in Kentucky between the ages of 16 and 24 learn trade and technical skills and complete a high school diploma or equivalency.

RECOMMENDATION: The staff recommends that the council approve the tuition reciprocity agreement between Kentucky and Ohio.

MOTION: Mr. Baker moved approval of the recommendation. Mr. Barger seconded the motion.

P-16 COUNCIL REPORT

This agreement expands access to education in northeastern Kentucky and southeastern Ohio, supports the goal of enrolling 80,000 more students by the year 2015, and imports intellectual capital into Kentucky. The agreement will be effective until June 30, 2003.

GO HIGHER  
COMMUNITIES

VOTE: The motion passed.

PARTNERSHIP WITH US  
DEPARTMENT OF  
LABOR AND KY JOB  
CORPS CENTERS

NKU President James Votruba expressed concern about the tuition differential between Ohio and Kentucky. The Ohio students have an advantage in that they pay a much lower tuition rate than the Kentucky students going to the Ohio schools. He said that NKU would like to discuss a metropolitan rate that is set somewhere between in-state and out-of-state tuition rates.

At the September 2001 council meeting the council staff presented tuition rates for 2002-04 set by the institutions. Since then four institutions have revised their 2002-03 rates – Kentucky State University, Murray State University, Northern Kentucky University, and the University of Louisville. A report showing the revised rates was included in the agenda book.

KY-OHIO TUITION  
RECIPROCITY  
AGREEMENT

Sherron Jackson, council interim vice president for finance, said that the council delegated tuition-setting responsibility to the institutions beginning with the 2000-02 biennium. At the same time, the council put into place a system to monitor tuition rates to ensure that postsecondary education remains affordable for all Kentuckians. Over the past three years, tuition for in-state, full-time undergraduate students has increased an average of 9.4 percent. Mr. Jackson said that, in relation to income, Kentucky postsecondary education remains relatively affordable. When compared to their benchmark institutions, all Kentucky institutions, with the exception of the University of Kentucky and Lexington Community College, are at or below the midpoint in tuition as a percent of per capita personal income.

A report on the activities of the Committee on Equal Opportunities was included in the agenda book. Mr. Barger, committee chair, said that for the last several meetings there has been excellent participation by the institutions and thanked Presidents Glasser and Bibbins for their attendance and commitment to the work of the committee. The committee is putting more structure in place as to how to look at equal opportunity and affirmative action in the Commonwealth.

2002-04 REVISED  
TUITION RATES

Mr. Jackson said that the CEO is discussing establishing term limits for committee members and will bring a recommendation to the council. The partnership agreement is due to conclude December 31, 2002. He anticipates the U.S. Office for Civil Rights to ask the staff to provide a status report on specific pieces of the partnership agreement rather than a general status report.

**RECOMMENDATION:** The staff recommends that the council approve the Kentucky Improving Educator Quality State Grant Program.

**MOTION:** Mr. Freed moved approval of the recommendation. Ms. Bertelsman seconded the motion.

Dr. Moore said that under the No Child Left Behind Act of 2001 the council received approximately \$1 million in federal funding to provide training for teachers and principals. This program replaces the Eisenhower program, which focused primarily on mathematics and science education. In the past, grants on the average of \$60,000 were awarded to individual faculty members. The approach of this new program is to award larger grants on the average of \$300,000 that would involve partnerships among our postsecondary institutions and local school districts. The focus is on mathematics and science, reading, school leadership, and foreign language. Grant proposals are due to the council staff February 7 and recommendations for awarding the new grants will be brought to the council at its March meeting.

## CEO REPORT

VOTE: The motion passed.

Ms. Adams said that the council bylaws allow the consolidation of multiple agenda items. There was no objection to consider under one motion agenda items 14 through 20 pertaining to capital projects.

RECOMMENDATION: The staff recommends that the council approve the Murray State University proposed financing strategy with the city of Murray to provide financing to construct a Student Recreation and Wellness Center on the Murray campus with \$10,000,000 of local bonds.

RECOMMENDATION: The staff recommends that the council approve Northern Kentucky University's request to improve the lake area of the campus with \$1,500,000 of private funds.

RECOMMENDATION: The staff recommends that the council approve Northern Kentucky University's request to enter into an agreement with the NKU Foundation to exchange land ownership.

## IMPROVING EDUCATOR QUALITY STATE GRANT PROGRAM

RECOMMENDATION: The staff recommends that the council approve the University of Kentucky's lease of property to the American Cancer Society for construction of an American Cancer Society "Hope Lodge" facility with private funds.

RECOMMENDATION: The staff recommends that the council approve the University of Kentucky's request to renovate the Animal Research Services, Forage Animal Production Research Unit with \$1,767,000 of federal funds.

RECOMMENDATION: The staff recommends that the council approve the Western Kentucky University lease agreement to allow Aramark Educational Services to renovate the food service areas of Downing University Center with \$3,500,000 of private funds.

RECOMMENDATION: The staff recommends that the council approve the Kentucky Community and Technical College System's request to contract with the city of Versailles, Kentucky, to provide office space to house its administrative staff at an annual lease cost of \$653,000 in agency

funds.

MOTION: Ms. Bertelsman moved that the seven capital projects be approved. Mr. Barger seconded the motion.

VOTE: The motion passed.

Dr. Moore said that a position announcement has been posted for the council's vice president for finance position. The staff plans to have a list of finalists for the new president to consider in December.

## CAPITAL PROJECTS

House Bill 525, enacted by the 2002 regular session of the Kentucky General Assembly, amended the Kentucky Innovation Act of 2000. The legislation appointed the council to administer the Research and Development Voucher Program, Rural Innovation Program, and Commercialization Fund Program. The act requires the council to submit an annual report on programs related to the knowledge-based economy. An executive summary of this report was included in the agenda book.

Council staff members Ron Carson, Daniel Rabuzzi, and Jennifer Marsh discussed the report. Recommendations include:

- Secure third-round funding for the Endowment Match Program (Bucks for Brains) and maintain the existing funding for the Commercialization Investment Fund programs, Innovation and Commercialization Centers, and Office for the New Economy programs.
- Formally establish the Knowledge-Based Economy Advisory Workgroup and charge it to continue to guide the implementation of the Kentucky Innovation Act of 2000.
- Adopt a long-term plan to graduate Kentucky from the federal EPSCoR program.
- Determine whether EPSCoR and the Kentucky Science and Engineering Foundation would be better served and more efficient at capturing increased federal funding if their administrations were merged.

The final report will be forwarded to the Governor, members of the General Assembly, and the Kentucky Innovation Commission. The final report also will be shared with the council members.

President Todd said he is concerned about the merger of EPSCoR and KSEF. The EPSCoR program has been an established program in the state for many years while the KSEF is a relatively new agency.

COUNCIL STAFF

Mr. Barger asked that a labor representative be appointed to the Knowledge-Based Economy Advisory Workgroup.

The council staff suggested that a detailed presentation on the process for grant awards for House Bill 572, KSEF, and EPSCoR programs be given at the February council meeting.

KNOWLEDGE-BASED  
ECONOMY ACTIVITIES

Ms. Adams said that the council's executive committee met the previous afternoon to review the 2001-02 agency audit prepared by the accounting firm of Potter & Company.

MOTION: Mr. Barger moved that the council receive the 2001-02 agency audit as submitted by Potter & Company and ask the staff to prepare a schedule for completing the tasks contained in the findings, comments, and suggestions and the management responses to those items. Mr. Whitehead seconded the motion.

Mr. Barger said that the agency received a clean audit. It was recommended that the staff develop an accounting procedures manual. The staff is working on the manual and it is expected to be in place by the end of this fiscal year. It was requested that staff have on hand signed memoranda of agreement for pass-through programs and that no money be allocated until the signed agreements are obtained. The travel for the senior staff was reviewed and no problems were found.

VOTE: The motion passed.

Ms. Adams has reappointed Hilma Prather of Somerset as one of the council's two members to the Kentucky Educational Television Board. She will serve another four-year term expiring November 2006.

Mr. Baker reported that the presidential search committee has interviewed several people nominated for the position. The search firm is doing background checks on each of these candidates. The committee will meet November 18 to reduce the number to two or three finalists to be brought to the council in December. At that time, the finalists will meet with the council, the council staff, the Governor, legislative leadership, university presidents, and faculty. Mr. Baker said that the committee is pleased with the cadre of candidates and feels that the person selected will be a good leader for Kentucky postsecondary education.

Ms. Adams said that the Prichard Committee for Academic Excellence recently held a day-long summit on the status and future of postsecondary education. The committee commissioned a review of reform by Aims McGuinness of the National Center for Higher Education Management Systems. The report provided a basis for the October 15 discussion. Several university presidents participated and shared their views of reform and the role their institutions will play in advancing reform.

Ms. Adams said she recently participated in a ceremony to launch the

Kentucky Virtual Library for Kids. The Web site is designed for elementary students to provide quality library and informational resources.

The next meeting is February 3, 2003.

The meeting adjourned at 10:55 a.m.

AGENCY AUDIT

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Sue Hodges Moore  
Interim President

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Phyllis L. Bailey  
Associate, Executive Relations

KET APPOINTMENT

PRESIDENTIAL SEARCH

PRICHARD COMMITTEE

KYVL

NEXT MEETING

ADJOURNMENT

**MINUTES**  
**Council on Postsecondary Education**  
**Special Meeting**  
**December 19, 2002**

The Council on Postsecondary Education met in a special meeting December 19, 2002, at 8:30 a.m. at the council offices in Frankfort, Kentucky. Chair Adams presided.

**ROLL CALL**

The following members were present: Norma Adams, Walter Baker, Steve Barger, Peggy Bertelsman, Bart Darrell, Richard Freed, John Hall, Esther Jansing, Charlie Owen, Chris Pace, Joan Taylor, Lois Combs Weinberg, and Charles Whitehead. Susan Guess, Ron Greenberg and Gene Wilhoit did not attend.

**MOTION:** Ms. Bertelsman moved that the council go into closed session to consider a personnel matter as permitted under KRS 61.810(1)(f). Mr. Freed seconded the motion.

**VOTE:** The motion passed.

The council reconvened in open session at approximately 2:55 p.m.

**COUNCIL  
PRESIDENT**

**MOTION:** Mr. Baker moved on behalf of the search committee that the council hire as its next president Thomas D. Layzell. Mr. Freed seconded the motion.

**VOTE:** The motion passed with no opposition.

**MOTION:** Mr. Baker moved that the council authorize the chair along with a committee composed of Mr. Barger and Mr. Darrell to negotiate a contract with the new president. Mr. Freed seconded the motion.

**VOTE:** The motion passed.

**MOTION:** Mr. Barger moved that the council extend Sue Hodges Moore's contract as interim president until such time as the new president begins work full-time. Ms. Bertelsman seconded the motion.

**INTERIM  
PRESIDENT**

**VOTE:** The motion passed.

Mr. Layzell said that it is a great honor to hold this position and he looks forward to coming to Kentucky. Kentucky is doing positive things in postsecondary education and he is pleased to be part of it. He answered several questions from the media concerning the budget situation and continuing the reform movement.

The meeting adjourned at 3:30 p.m.

ADJOURNMENT

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Sue Hodges Moore  
Interim President

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Phyllis L. Bailey  
Associate, Executive Relations

**Council on Postsecondary Education  
February 3, 2003**

# Executive Summary

## Cross-Cutting Issues

The 2002 Kentucky General Assembly did not reach agreement on a 2002-04 operating budget during both the Regular Session and the First Extraordinary Session. On June 26, the Governor issued Executive Order 2002-727 implementing a FY 2003 executive spending plan.

On November 25, 2002, the state budget director requested that the council staff develop a budget reduction contingency plan for Kentucky's system of postsecondary education.

Postsecondary education was asked to prepare for state General Fund appropriation reductions of 2.6 percent in FY 2003 and 5.2 percent in FY 2004. The council president, the university presidents, and the president of KCTCS agreed to use the benchmark process to develop the system response. The postsecondary education system budget reduction contingency plan was submitted to the state budget director December 5, 2002. The agenda item and accompanying attachment discuss the implications of a budget reduction for the system and some of the decisions institutions are considering to address the budget reductions while maintaining access for students (see page 17).

On January 29, the council president and the presidents of the public institutions will testify before the Budget Review Subcommittee on Education of the House Appropriations and Revenue Committee on the impact of budget cuts on the system.

The staff recommends that the council endorse the resolution adopted by the Partners for Kentucky's Future. (For details, see page 35).

The council has joined with a group of education leaders to push for continuation of reform at all levels of education in Kentucky. This group, called the Partners for Kentucky's Future, is comprised of local school officials, college and university presidents, child and adult education providers and advocates, education advocacy groups such as the Prichard Committee for Academic Excellence and the Council for Better Education, and the Kentucky Chamber of Commerce. The Partners formally adopted a resolution asserting the goals of the group and stating publicly that they are united behind reform efforts at all levels. The Council on Postsecondary Education is asked to show its support for the efforts of the Partners for Kentucky's Future by formally endorsing the resolution.

At the outset of the 2002-04 budget development process, the university presidents, KCTCS president, and the council president agreed to a set of points of consensus as the basis for the council's operating and capital guidelines for its budget recommendations. Over the past four months through meetings of the presidents, the chief budget officers, and the chief academic officers, the points of consensus were revised to guide the development of the 2004-06 operating and capital recommendations. Following discussion by the council, the points of consensus will be shared with the Strategic Committee on Postsecondary Education at its March 3, 2003, meeting. More information, including a copy of the points of consensus document, begins on page 41 of this agenda book.

House Bill 1 established investment and incentive trust funds to advance the goals of postsecondary reform. The council is responsible for establishing criteria for the allocation of the funds and requiring the institutions to report on the uses of the funds to ensure accountability.

For the first time, the trust fund reports are presented collectively, integrating program outcomes and finances. This method consolidates and streamlines the reporting process for the institutions and the council and provides a comprehensive picture of how the trust fund programs are contributing to the goals of reform.

Since 1997, \$28,900,000 from the trust fund programs reviewed here have been transferred to the institutions' base budgets. With the exception of the Endowment Match Program, which is not allocated to base budgets, this represents all but \$100,000 of the total dollars placed in the trust funds reviewed here.

The review shows that, on the whole, the institutions have developed programs using trust funds that are advancing the goals of reform. The agenda item also outlines steps the council staff is taking to ensure the funds are used effectively over the long term and that reporting improves.

The trust fund reports begin on page 49 of this agenda book.

The Institute for Effective Governance will hold its spring seminar May 19 and 20 in Lexington. The topic is board/president relationships, including presidential evaluation and compensation. The format will be similar to the fall trusteeship conference in that time will be set aside so that

individual boards will discuss case studies pertaining to the topic. All governing board members, presidents, and council members should plan to attend.

After a four-day organizational session in early January, the General Assembly returns to formal session February 4. The staff will provide at the February 3 meeting an up-to-date list of bills that relate to postsecondary education and will be available to discuss them.

Council on Postsecondary Education  
February 3, 2003

## 2002-04 Budget Update and FY '03 and FY '04 Budget Reduction Contingency Plan Activities

The Kentucky General Assembly did not reach agreement on a 2002-04 operating budget during either the 2002 Regular Session or the 2002 First Extraordinary Session in April. Governor Patton directed state agencies and the postsecondary institutions to follow the provisions contained in House Bill 1 from the 2002 First Extraordinary Session and proceed with allotments on that basis.

On June 26, the Governor issued Executive Order 2002-727 implementing a FY 2003 executive spending plan. The plan closely mirrors House Bill 1. There were no base increases built into the spending plan for postsecondary education institutions or most other state government agencies, nor did the executive spending plan authorize the issuance of any debt.

At the September council meeting, Dennis Jones, president of the National Center for Higher Education Management Systems (NCHEMS), made a presentation on ways in which state governments, postsecondary systems, and individual institutions can (and should) continue to move a public agenda forward in difficult fiscal times. President Todd, as convener of the presidents, reported on actions that the institutions had taken or were considering to address a possible revenue shortfall.

In response to revenue shortfalls, on November 25, 2002, the state budget director requested that the council staff develop a budget reduction contingency plan for the postsecondary system based on General Fund appropriation reductions of 2.6 percent in FY 2003 and 5.2 percent in FY 2004. At their December 4 meeting, the presidents discussed the state budget director's request and agreed to use the benchmark process to develop the system response. As a result, some institutions would face an effective reduction greater than 2.6 percent and 5.2 percent. The council staff is discussing with the administration the possibility of instituting a cap that will limit the impact of the reductions on some institutions while still using the benchmark process. The benchmark process was also used when budget cuts were implemented in FY 2002. At that time, the administration agreed to cap institutional reductions.

The council staff also prepared a budget reduction plan for agency programs including: agency operations, KYVU/KYVL, pass-through programs, strategic investment and incentive trust funds, and funding incentive programs. The council staff adopted an across-the-board approach to indicate how each program would be affected. If a reduction is implemented, the council staff may revise the budget reduction plan and recommend selective reductions. In past reductions,

some activities such as the Southern Regional Education Board contract spaces program and the SREB Faculty Diversity program have been spared the full impact.

On December 5, the institutions submitted their contingency plans for absorbing the 2.6 and 5.2 percent reductions. The council then transmitted to the state budget director the system's response. (See Attachment A.) On December 12, the Governor held a press conference to discuss the impact of cuts to all sectors of education. The presidents also spoke and provided specific examples of the impact on their campuses and the strategies they were pursuing to more efficiently use resources. Examples of the impact of budget reductions of this magnitude include: the inability of institutions to maintain physical plant at high levels, postponing replacement of instructional equipment, greater financial burden on the students through increased tuition and fees, hiring more fixed term instructors and adjunct faculty, increased class sizes, closing selected academic programs, reducing student financial aid, reducing financial support of academic program areas, reducing student access by offering fewer courses.

On December 12, the Governor issued Executive Order 2002-1334 directing the executive branch cabinet and agencies to continue to implement reductions in administrative costs begun in FY 2001 and to implement additional measures to help address the Commonwealth's budget deficit in FY 2003. The order identified several areas of possible cost saving measures. Generally, since the institutions are not part of the executive cabinet they are not required to participate. However, at their January 8 meeting, the presidents agreed to consider the Governor's Executive Order and implement, where possible, cost saving measures on their campuses. Institutions reported to the council actions that they are taking on their campuses to further reduce administrative costs. (See Attachment B.) The summary of actions by institutions to further reduce administrative costs also will be shared with the Governor and the secretary of the Finance and Administration Cabinet. At this writing, the administration has not determined whether or when it will implement a reduction in the FY 2003 or FY 2004 budgets.

On January 15, the Legislative Research Commission asked the council president to appear at the January 29 meeting of the House Appropriations and Revenue Budget Review Subcommittee on Education to discuss the impact of a 9 percent reduction in state General Fund support for the postsecondary education system in FY 2004. The university presidents and the president of the KCTCS also were asked to testify, specifically addressing the impact of the cuts on students, institutional staffs, faculty, and identifying the actions institutions would take to address a budget reduction of this magnitude. A copy of the general presentation by the council president will be mailed under separate cover.

Staff preparation by Sherron Jackson, Dennis Taulbee, and Linda Jacobs



KENTUCKY  
**Council**  
on postsecondary education

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**MEMORANDUM**

TO: Mary Lassiter, Acting State Budget Director

FROM: Sue Hodges Moore, Interim President  
Council on Postsecondary Education *S. Hodges Moore*

SUBJECT: November 25 request for a budget reduction contingency plan

DATE: December 5, 2002

I am writing in response to your November 25 memorandum requesting a budget reduction contingency plan for Kentucky's system of postsecondary education.

The attached charts (Attachments A, B and C) show how cuts of 2.6% in 2002-03 and 5.2% in 2003-04 would be distributed across the institutions, trust funds, and accounts overseen by the Council on Postsecondary Education. Also attached (Attachment D) is a narrative description of the effect on council programs and initiatives.

The guiding principle of postsecondary reform in 1997 is even more true today: a college education is the pathway to economic success for individuals, better lives for them and their families, and a stronger future for Kentucky. Governor Patton's and the General Assembly's actions in 1997 recognized that a well-educated workforce is necessary to long-term economic success and stability. Postsecondary education is the key to creating good jobs in Kentucky and developing the workforce we need to fill those jobs.

Postsecondary reform is working. There are 31,500 more students enrolled in our public colleges and universities than there were five years ago. That's a 20% increase. Student retention and graduation rates are up all across our state. "Bucks for Brains" has been an unqualified success. We are recruiting internationally known research faculty who are building the foundation for Kentucky's successful participation in the knowledge-based economy.

Dr. Tom Clark reminds us that, yes, we've made great progress when we compare ourselves to our past, but when we compare ourselves to other states against whom we compete, we still have a long way to go. And the considerable increases in financial support the system has received since 1997 still leave Kentucky well behind the investment other states make in their colleges and universities.

So we are asking our colleges and universities to start from a disadvantaged position, sustain budget reductions, but continue to substantially increase their enrollments even though the tuition new students pay covers only one-third of the cost of their educations.

As other states respond to this budget crisis by cutting their postsecondary systems and jeopardizing their futures, Kentucky should move aggressively toward the ambitious goals we have set for ourselves. If we do not, budget reductions at this important moment will have a dramatic impact on students, communities, and businesses throughout Kentucky.

- *Access to postsecondary education will be in jeopardy.* Cuts of this magnitude will damage our ability to enroll more students and help them stay and graduate. We need another 50,000 Kentuckians in our colleges and universities just to raise Kentucky's college going and educational attainment rates to the national average by 2015. Despite our progress since 1997, Kentucky still ranks very low in percent of adults with a college degree.
- *Students will bear a larger financial burden.* Reform is working because our institutions have kept tuition at an affordable level, keeping the doors of a college education open to all those who want it. But cuts in state appropriations will require substantially increased tuition and fees and reduced levels of student financial assistance. Many of the 50,000 Kentuckians we want to enroll in the next 15 years cannot afford to go to college if tuition increases dramatically.

The loss of \$5.7 million in the Kentucky Educational Excellence (KEES) student financial aid program will also have an impact on access. This cut comes at a time when the number of students taking advantage of the program is running well ahead of original projections. In addition, lottery receipts in Kentucky – which sustains KEES and our need-based programs – will soon decline as Tennessee begins its own lottery. We estimate that each high school award level, by grade point average, would have to be reduced by 11.0% in 2003-04 to accommodate the loss of \$4.1 million in future years. In the short-term, 2003-04 awards to currently enrolled postsecondary education students would have to be reduced. We estimate the reduction at \$65.30 or 5.2%. The grant awards are already earned by these students and are statutorily set aside for them.

Student financial aid programs, both need- and merit-based, must be closely coordinated. The council supports the Kentucky Higher Education Assistance Authority's (KHEAA) recommendation that KHEAA be allowed to determine where cuts will be taken.

- *A wide range of initiatives designed to provide access to postsecondary education will be harmed.* We will lose 17 seats for Kentucky students in veterinary and optometry programs in other states. We will also have to reduce the number of minority scholars who receive financial support in doctoral programs. Fewer middle school students will be able to participate in campus-based college recruitment programs.

- *The quality of our students' educational experience will suffer.* They will be taught in larger classes by part-time faculty and will find fewer sections of classes they need for graduation. Students will find fewer opportunities to take classes at extended campus sites. They also will find fewer support services, like advising and tutoring, that will help them stay in school and graduate quickly. And they will live and learn in buildings where maintenance and repairs are delayed.
- *Development of new courses and programs at the institutions on behalf of the Kentucky Virtual University will be delayed.* Students will have fewer opportunities to take classes on-line, giving them less opportunity to earn degrees in ways that fit how they live and work.
- *Kentucky's significant work in P-16 will be jeopardized.* Future P-12 teachers will find less innovation in their college programs. Current teachers will have less access to professional development opportunities. The dramatic growth in local P-16 councils across the state (12 councils involving more than 50 counties in just two years) will be curtailed. The councils' *Go Higher/Education Pays* communication campaign, using media and community-based programs to increase enrollment in adult education and at our colleges and universities, will be forced to eliminate support for certain regions across Kentucky.
- *Fewer Kentuckians will have access to adult education opportunities.* The adult education and literacy reform started in 2000 will have to retreat from its most successful initiatives by reducing: training programs for teachers; basic skills education programs for business and industry; family literacy programs; performance incentive awards to counties; and important incentives such as competency-based certification, tuition discounts, and the GED test fee waiver program. Even worse, our adult education initiatives will get hit twice. First in the council's budget reduction plan. Second, additional reductions in adult education programs and services will occur in the Cabinet for Workforce Development's Department for Adult Education and Literacy.
- *Access to medical care for Kentucky's citizens will be curtailed.* Cuts in residency programs in rural areas, indigent treatment programs in our university hospitals, and programs training health-care professionals in vital areas will result in limited medical services in large cities and rural areas alike.
- *Kentucky's partnership agreement with the U. S. Office of Civil Rights will be in jeopardy.* We will not be able to keep our commitments outlined in the Partnership Agreement with the U S Department of Education, Office for Civil Rights. We will not be able to complete specific projects to enhance Kentucky State University and to provide more access to college for Kentucky's African American students.

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- *Kentucky's faculty and staff will see their salaries and benefits fall further behind the national average.* The pay faculty and staff receive on all our campuses are already below peer comparisons. Our inability to provide pay increases will make it even harder to keep outstanding faculty in Kentucky and attract new faculty to our campuses.
- *Failure to secure another round of "Bucks for Brains" will have a serious impact on the ability of our institutions to raise private funds.* Since 1998, our universities have used this program to raise \$230 million in private donations. Matched dollar for dollar by the state, \$460 million has been added to the endowments of our institutions. We have used these funds to attract to Kentucky nationally known researchers who are exploring areas such as diabetes, cancer, leukemia, spinal cord injury, reducing underage smoking, and helping children with disabilities discover how to learn.
- *Improvements to Kentucky's technology infrastructure will be slowed.* The council had planned to use strategic trust funds to support technology changes in the Kentucky Community and Technical College System and to support extension of the high-speed Internet II to all our colleges, universities and local schools. Those changes will be delayed as a result of budget reductions.
- *Initiatives critical to Kentucky's success in the knowledge-based economy will be cut.* The hugely successful Experimental Program to Stimulate Competitive Research (EPSCoR) will have to reduce the number of research-related activities it supports. Federal funds will be lost. Fewer Kentucky entrepreneurs will have access to funds to create new businesses or improve the quality and efficiency of existing ones.

Our colleges and universities have been effective stewards of the state's current investment in reform. The institutions share resources with one another and with other agencies and partners. And they have internally reallocated their current resources to high priority areas and to accommodate the needs of our growing student population.

- We are closing inefficient and ineffective programs. For three years, the council and the public colleges and universities have been reviewing the productivity of their 1,300 academic programs. As a result, 174 programs will be eliminated primarily due to decreased demand. Another 246 programs are being changed to increase the relevance of the program to conditions in Kentucky. This means one-third of our academic programs are being closed or made more efficient.
- We are targeting new enrollments to lower cost alternatives. Over two-thirds of the 31,500 new students since 1998 are enrolled at two-year colleges where the cost to the state – and to the student - is lower.

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- We are making it easier for students to transfer from two- to four-year institutions, insuring credits are not lost so students can graduate more quickly.
- Our colleges and universities are collaborating more than ever in the delivery of academic programs -- combining resources, avoiding duplication, using technology, and reducing overall costs.
- We are working with the Kentucky Department of Education to strengthen dual enrollment and advanced placement opportunities for high school students, so they can begin pursuing a college degree in high school and reduce the number of semesters they go to college.

We will continue taking these measures to achieve reform's goal of an efficient and effective system of postsecondary education. But they will not be enough to overcome the impact of the cuts being considered.

The Council on Postsecondary Education and Kentucky's colleges and universities remain strongly committed to postsecondary reform and reform at all other levels of education - early childhood, elementary, secondary, and adult. But continued state support is vital to sustaining our momentum. At this critical moment for Kentucky, it is essential that we continue the progress we have made across all education sectors in helping Kentuckians build better lives for themselves and their families and a stronger future for Kentucky. We cannot afford - Kentucky cannot afford - to turn back.

Attachments

**Attachment A  
Postsecondary Education Institutions  
2002-04 Expenditure Plan and Budget Reduction Scenarios**

	Enacted Regular FY 03 Appropriation (incl. Adj.)	Debt Service	Net Appropriations (Less DS)	Mandated Programs	Net Approp. Excluding Mandated Prog.	Revised Bchmrk Percent Funded	FY 03 Adjusted Net Appropriation	Revised Share	FY 03 "Benchmark" Non-Mandated GF 2.6% Cut \$22,100,100	FY 03 Total Mand/Bchmrk GF Cut No Cap	Effective Budget Reduction
EKU	\$ 73,451,800	3,700,400	\$ 69,751,400	\$ -	\$ 69,751,400	80.85%	\$ 56,392,779	8.07%	\$ 1,783,500	\$ 1,783,500	2.56%
KSU	23,162,700	2,247,600	20,915,100	72,300	18,134,500	118.21%	21,436,958	3.07%	678,000	750,300	3.59%
MoSU	42,747,400	1,543,700	41,203,700	-	41,203,700	78.09%	32,176,344	4.60%	1,017,600	1,017,600	2.47%
MuSU	51,669,400	1,880,700	49,788,700	62,000	47,404,900	81.33%	38,552,335	5.52%	1,219,300	1,281,300	2.57%
NKU	45,989,000	5,019,600	40,969,400	-	40,969,400	56.45%	23,127,235	3.31%	731,400	731,400	1.79%
UK	304,280,400	6,461,300	297,819,100	1,755,000	230,318,700	94.06%	216,626,802	31.00%	6,951,200	8,606,200	2.69%
LCC	9,150,700	988,100	8,162,600	-	8,162,600	26.81%	2,188,099	0.31%	69,200	69,200	0.85%
UofL	176,745,200	11,330,000	165,415,200	454,500	147,934,300	84.17%	124,521,540	17.82%	3,938,200	4,392,700	2.66%
WKU	70,427,100	3,295,900	67,131,200	-	67,131,200	66.04%	44,331,692	6.34%	1,402,100	1,402,100	2.09%
KCTCS	189,722,700	10,726,000	178,996,700	-	178,996,700	77.89%	139,424,798	19.95%	4,409,800	4,409,600	2.46%
<b>Subtotal</b>	<b>\$ 987,348,400</b>	<b>\$ 47,193,300</b>	<b>\$ 940,153,100</b>	<b>\$ 2,343,800</b>	<b>\$ 850,007,400</b>		<b>\$ 698,778,582</b>	<b>100.00%</b>	<b>\$ 22,100,100</b>	<b>\$ 24,443,900</b>	<b>2.60%</b>

	Enacted Regular FY 04 Appropriation (incl. Adj.)	Debt Service	Net Appropriations (Less DS)	Mandated Programs	Net Approp. Excluding Mandated Prog.	Revised Bchmrk Percent Funded	FY 04 Adjusted Net Approp.	Revised Share	FY 04 "Benchmark" Non-Mandated GF 5.2% Cut \$45,616,200	FY 04 Total Mand/Bchmrk GF Cut No Cap	Effective Budget Reduction
EKU	\$ 76,115,100	3,712,100	\$ 72,403,000	\$ -	\$ 72,403,000	83.92%	\$ 60,761,818	8.19%	\$ 3,737,000	\$ 3,737,000	5.16%
KSU	23,376,200	2,252,000	21,124,200	144,600	18,343,600	119.57%	21,934,166	2.96%	1,349,000	1,493,600	7.07%
MoSU	44,103,500	1,452,600	42,650,900	-	42,650,900	80.83%	34,476,301	4.65%	2,120,400	2,120,400	4.97%
MuSU	53,230,000	1,884,500	51,345,500	124,000	48,961,700	84.00%	41,126,068	5.54%	2,529,400	2,653,400	5.17%
NKU	48,636,400	5,033,300	43,603,100	-	43,603,100	60.06%	26,196,257	3.53%	1,611,200	1,611,200	3.70%
UK	308,387,300	5,848,900	302,538,400	3,510,000	235,038,000	95.98%	225,595,251	30.42%	13,874,800	17,384,800	5.75%
LCC	9,416,500	732,700	8,683,800	-	8,683,800	28.52%	2,476,450	0.33%	152,300	152,300	1.75%
UofL	179,095,300	9,504,900	169,590,400	932,300	151,662,100	86.29%	130,876,253	17.65%	8,049,300	8,981,600	5.30%
WKU	74,572,800	3,114,500	71,458,300	-	71,458,300	70.29%	50,230,887	6.77%	3,089,400	3,089,400	4.32%
KCTCS	195,194,000	10,765,800	184,428,200	-	184,428,200	80.26%	148,014,626	19.96%	9,103,400	9,103,400	4.94%
<b>Subtotal</b>	<b>\$ 1,012,127,100</b>	<b>\$ 44,301,300</b>	<b>\$ 967,825,800</b>	<b>\$ 4,710,900</b>	<b>\$ 877,232,700</b>		<b>\$ 741,688,077</b>	<b>100.00%</b>	<b>\$ 45,616,200</b>	<b>\$ 50,327,100</b>	<b>5.20%</b>

**Attachment B**  
**Council on Postsecondary Education**  
**2002-04 Expenditure Plan and Budget Reduction Scenarios**

	2002-03			2003-04				
	Budget Base	Target 2.60%	Proposed Reduction	Percent Reduction	Budget Base	Target 5.20%	Proposed Reduction	Percent Reduction
<b>Agency Operations</b>	4,063,700	105,656	105,700	2.6%	4,113,200	213,886	213,900	5.2%
<b>KYVU/KYWL</b>	4,661,900	121,209	121,200	2.6%	4,661,900	242,419	242,400	5.2%
<b>Pass-Through Programs</b>								
Contract Spaces	2,675,300	69,558	69,600	2.6%	2,912,500	151,450	151,500	5.2%
Meitrovisy Consortium	60,600	1,576	1,500	2.5%	60,600	3,151	3,200	5.3%
Professional Education Prep. Program	438,600	11,404	11,400	2.6%	438,600	22,807	22,800	5.2%
Telecommunication Consortium (ETV)	188,300	4,896	4,900	2.6%	188,300	9,792	9,800	5.2%
Minority Student College Prep. Program	231,700	6,024	6,000	2.6%	231,700	12,048	12,000	5.2%
State Autism Training Center	229,300	5,962	6,000	2.6%	229,300	11,924	11,900	5.2%
Kentucky Rural Development Center	735,000	19,110	19,100	2.6%	735,000	38,220	38,200	5.2%
Early Reading Incentive Grant	4,116,000	107,016	107,000	2.6%	4,116,000	214,032	214,000	5.2%
SREB Doctoral Scholars Program	68,000	1,768	1,800	2.6%	68,000	3,536	3,500	5.1%
KY Postsecondary Ed. Network	1,615,000	41,990	42,000	2.6%	1,615,000	83,980	84,000	5.2%
Early Math Testing	200,000	5,200	5,200	2.6%	200,000	10,400	10,400	5.2%
Fiscal Affairs and Information Technology--UK								
Teacher Education Model Program								
Kentucky Math and Science Academy								
<b>Total Pass-Through Programs</b>	10,557,800	274,503	274,500	2.6%	14,545,000	756,340	756,300	5.2%
<b>Strategic Trust Funds</b>								
Endowment Trust Fund	0	0	0		0	0	0	
Research Challenge Trust Fund	0	0	0		0	0	0	
Lung Cancer Research	0	0	0		0	0	0	
Regional Univ. Excellence Trust Fund	0	0	0		0	0	0	
Technology Initiative Trust Fund	1,300,000	33,800	33,800	2.6%	1,300,000	67,600	67,600	5.2%
Physical Facilities Trust Fund	0	0	0		0	0	0	
Postsecondary Workforce Dev. TF	0	0	0		0	0	0	
Student Financial Aid & Advancement TF	62,431,300	1,623,214	1,623,200	2.6%	79,230,100	4,119,965	4,120,000	5.2%
Adult Education & Literacy Trust Fund	0	0	0		0	0	0	
Science and Technology Trust Fund	0	0	0		0	0	0	
<b>Total Strategic Trust Funds</b>	63,731,300	1,657,014	1,657,000	2.6%	80,530,100	4,187,565	4,187,600	5.2%
<b>Incentive Funding Programs</b>								
Adult Education & Literacy Incentive Funding Program	11,768,000	305,968	306,000	2.6%	11,768,000	611,936	612,000	5.2%
Science and Technology Incentive Funding Program	6,771,600	176,062	176,000	2.6%	8,771,600	456,123	456,100	5.2%
Enrollment Growth & Retention Incentive Funding Program					0	0	0	
<b>Total Incentive Funding Programs</b>	18,539,600	482,030	482,000	2.6%	20,539,600	1,068,059	1,068,100	5.2%
<b>Total General Fund</b>	101,554,300	2,640,412	2,640,400	2.6%	124,389,800	6,468,270	6,468,300	5.2%

**Attachment C**  
**Council on Postsecondary Education**  
**2002-04 Budget Impact on KEES**

<b>Basic Award</b>		
<b>GPA</b>	<b>Statutory Amount</b>	<b>Reduced Amount</b>
2.50	\$ 125.00	\$ 111.25
2.60	\$ 150.00	\$ 133.50
2.70	\$ 175.00	\$ 155.75
2.75	\$ 187.00	\$ 166.43
2.80	\$ 200.00	\$ 178.00
2.90	\$ 225.00	\$ 200.25
3.00	\$ 250.00	\$ 222.50
3.10	\$ 275.00	\$ 244.75
3.20	\$ 300.00	\$ 267.00
3.25	\$ 312.00	\$ 277.68
3.30	\$ 325.00	\$ 289.25
3.40	\$ 350.00	\$ 311.50
3.50	\$ 375.00	\$ 333.75
3.60	\$ 400.00	\$ 356.00
3.70	\$ 425.00	\$ 378.25
3.75	\$ 437.00	\$ 388.93
3.80	\$ 450.00	\$ 400.50
3.90	\$ 475.00	\$ 422.75
4.00	\$ 500.00	\$ 445.00

<b>Supplemental Award</b>		
<b>ACT</b>	<b>Statutory Amount</b>	<b>Reduced Amount</b>
15	\$ 21.00	\$ 18.69
16	\$ 43.00	\$ 38.27
17	\$ 64.00	\$ 56.96
18	\$ 86.00	\$ 76.54
19	\$ 107.00	\$ 95.23
20	\$ 129.00	\$ 114.81
21	\$ 150.00	\$ 133.50
22	\$ 171.00	\$ 152.19
23	\$ 193.00	\$ 171.77
24	\$ 214.00	\$ 190.46
25	\$ 236.00	\$ 210.04
26	\$ 257.00	\$ 228.73
27	\$ 279.00	\$ 248.31
28+	\$ 300.00	\$ 267.00

**Attachment D**  
**2002-04 Biennial Budget Reduction Scenarios**  
**Council on Postsecondary Education**  
**Agency Operations, Pass-Through Programs, Strategic Trust Funds**  
**And Incentive Funding Programs**

**Agency Operations**

- The 2002-03 and 2003-04 reductions will be realized in the following budget categories:

	<b>2002-03</b>	<b>2003-04</b>
Positions (2)	\$ 33,600	\$ 81,600
Miscellaneous Payroll	0	4,000
Reduction of in-state travel	16,300	21,300
Reduction of out-of-state travel	15,200	23,200
Reduction in cellular phones, printing, office supplies, food products, advertising, and postage	23,200	35,200
Delays in systems development	7,400	7,400
Office Automation—computer lease	<u>10,000</u>	<u>41,200</u>
<b>Total</b>	<b>\$105,700</b>	<b>\$213,900</b>

- The council will eliminate one vacant, clerical position in 2002-03 and will switch another position in 2003-04 to a non-recurring source of agency receipts. The second position can be carried through the 2002-04 biennium using this source of funds but will have to be eliminated in 2004-05 if a recurring source of funds is not identified. Funding for overtime and “block 50” payments will be eliminated.
- In-state and out-of-state travel will be cut 50 percent in 2002-03 and an additional 41.3 percent in 2003-04.
- The council will purchase the computers that currently are leased and will use those computers for another two years replacing only those units that break and are beyond repair.

**KYVU/KYVL**

- The 2002-03 and 2003-04 reductions will be realized in the following budget categories:

	<b>2002-03</b>	<b>2003-04</b>
Miscellaneous payroll	\$ 2,000	\$ 3,000
In-state Travel	5,000	10,000
Out-of-State Travel	5,000	7,500
Travel for non-state employees	5,000	5,000
Information services	54,800	67,500
Maintenance, marketing, printing, office supplies, and food products	47,400	130,400
Courier Services	0	15,000
Capital Equipment	<u>2,000</u>	<u>4,000</u>
<b>Total</b>	<b>\$121,200</b>	<b>\$242,400</b>

- In-state travel will be reduced by one-third in 2002-03 and by a total of 66.7% in 2003-04.
- Out-of-state travel will be reduced by one-half in 2002-03 and by a total of 75 percent in 2003-04.
- Travel for non-state employees has been totally eliminated.
- KYVU/KYVL purchases software licenses that are used by the entire postsecondary education system. These licenses include the course management, web conference, and desktop software. The reductions in this category will delay the acquisition of some of the software licenses and limit the number of licenses that can be acquired.
- KYVU/KYVL depends on marketing to inform citizens of the Commonwealth about the broad array of services offered. Included in the operating expense reductions is a cut of \$60,000 for marketing activities over 2002-04.
- KYVU/KYVL provides courier services for pick-up and delivery for library and instructional materials. The reductions in 2003-04 will impact the number of pick-up and delivery days at approximately 150 libraries across the state.

#### **Pass-Through Programs**

- The reduction in contract spaces will result in the elimination 17 seats in optometry and veterinary science in 2003-04. If a cut is taken in 2002-03, the council will have to reduce existing awards or find an alternative source of funds since commitments have already been made.
- The reduction in the Professional Education Preparation Program (PEPP) will mean that 48 middle and high school students who attend the intensive campus-based allied health programs will not be able to participate.
- The reduction in the telecommunications consortium program will result in 3 fewer higher education programs being broadcast in 2003-04.
- The Minority Student College Preparation Program (MSCPP) provides campus-based experiences for middle school African-American students. The 6 university programs will cut 50 students from the program over the biennium. Programs at the two community colleges will be unable to provide transportation to students attending the afternoon program—this will negatively impact participation.
- The Kentucky Autism Training Center provides 260 school-based trainings to a total audience of 3,120 teachers, staff, and parents. Cuts in the Training Center budget will mean fewer teachers and parents will have the opportunity to learn how to best provide home and learning environments that meet the needs of autistic children.

- The Rural Development Center program in Somerset, Kentucky provides video conference services and technical assistance in 42 counties in southeastern Kentucky. The budget reductions will result in fewer consultations with the counties, and reduced services in developing and distributing video conferences to selected audiences.
- The Early Reading Incentive Grant program (ERIG) provides grants to local school districts so that they can develop reliable, research-based reading models for elementary schools. There are 107 active grant projects. The grants for 2002-03 are already distributed and reductions across-the-board would have to be implemented in the final quarter for all 107 grants. The impact over the biennium is projected to reach 12,800 students who would be unable to participate in ERIG programs.
- The reduction in the SREB Doctoral Scholars program will eliminate one student scholar position in 2003-04.
- The reduction in the Kentucky Postsecondary Education Network (KPEN) will result in a delay in implementing modification of the network, particularly in changes sought by the KCTCS.
- The Early Math Testing program has an ambitious schedule designed to target 12,000 students in 2002-03. The reductions would mean 2,000 fewer students served in 2002-03 and 6,000 fewer students served in 2003-04. The Fiscal Affairs and Information Technology project at UK, the Teacher Education Model Program, and the Kentucky Math and Science Academy are new initiatives that are to start in 2003-04. These projects will be delayed by the budget reductions.

### **Strategic Trust Funds**

- The Student Financial Aid and Advancement Trust Fund provides the funding for the Kentucky Educational Excellence Scholarship program. This merit-based scholarship program is being phased-in over a seven year period using lottery proceeds. The program is running ahead of projections with a result that additional funding was added to the program in 2002-03 beyond the percentages required from the lottery. Sufficient funds are available in 2002-03 to accommodate the \$1.6 million reduction because of lower than anticipated utilization of KEES. If the budget reductions are implemented, however, the council will have to reduce awards for high school students long-term and reduce awards to current and future postsecondary education students. We estimate that each high school award level, by grade point average, would have to be reduced by 11.0% in 2003-04 to accommodate the loss of \$4.1 million in future years. In the short-term, 2003-04 awards to currently enrolled postsecondary education students would have to be reduced. We estimate the reduction at \$65.30 or 5.2%. The grant awards are already earned by these students and are statutorily set aside for them.
- There are two programs funded in the Technology Trust Fund, KPEN and faculty development. Reductions in the KPEN initiative will result in delays in changes to the network, particularly projects proposed by the KCTCS. The faculty development program will reduce the number of faculty excellence awards offered and will reduce by 75 the faculty supported at the faculty development conference.

**Incentive Funding Programs**

- The Adult Education & Literacy program will reduce the following activities:

	<b>2002-03</b>	<b>2003-04</b>
Tuition Discount Program	\$100,000	\$150,000
Professional Development	70,000	70,000
Economic Development and Workforce Training Program	70,000	50,000
The GED Test Fee Waiver Program	45,000	0
Family Literacy Programs	21,000	21,000
Performance Incentive Rewards	0	271,000
Competency-based Certification	<u>0</u>	<u>50,000</u>
<b>Total</b>	<b>\$306,000</b>	<b>\$612,000</b>

- The tuition discount program provides tuition breaks for adults working full-time who earn a GED within one year under a study agreement with their employer. Maximum per person benefit is \$1,000, or \$250 per semester for four semesters at a Kentucky college or university. The reduction will eliminate 250 GED recipients who will not be able to enroll in a GED program.
- Professional development activities for the 900 teachers who deliver instruction to adult education students will be reduced. The following programs and activities will be affected by the reductions:
  - The Morehead Adult Education Academy for Professional Development at Morehead State University;
  - The Kentucky Institute for Family Literacy with the National Center for Family Literacy; and
  - The Kentucky Adult Education and Literacy Institute with the Collaborative Center for Literacy Development at the University of Kentucky.
- The Economic Development and Workforce Training program supports basic skills education directed to specific business and industry occupational needs. With an average training cost of \$200 per employee, about 700 employees will be ineligible for training over the 2002-04 biennium.
- People taking the GED Tests are charged a \$30 fee to cover the cost of the test and the test administration. A reduction of \$45,000 means 3,000 fewer people will have their fees paid under this program.
- The cost to serve one family in a family literacy program is \$1,000. With this reduction, 42 families may not be able to enroll in family literacy services in the Commonwealth.

- Performance incentive awards up to 10 percent of base funding levels are available to county adult education programs that meet or exceed enrollment and program performance goals. In 2001-02, 71 programs shared approximately \$900,000 in incentive rewards. Using 2001-02 as the base year, approximately 18 fewer counties could be ineligible for incentive funds in 2003-04.
- Competency-based certification provides WorkKeys Assessments, Manufacturing Skill Standards assessments and the Kentucky Employability Certificate Program to adults enrolled in adult education and workplace programs in Kentucky. Kentucky's adult education program is the only one in the nation to provide such assessments and an employability certificates free to eligible students. This reduction will negatively affect 4,000 adults who will not receive assessment services across the Commonwealth.
- The Science and Technology Incentive Funding Program will reduce the following activities:

	<b>2002-03</b>	<b>2003-04</b>
EPSCoR	\$ 65,600	\$ 235,100
Research & Development Vouchers	78,000	156,100
Commercialization	19,500	39,000
Regional Technology Corporation	<u>13,000</u>	<u>26,000</u>
<b>Total</b>	<b>\$ 176,100</b>	<b>\$ 456,100</b>

- Each of the discrete activities under the Science and Technology Incentive Funding Program will be reduced proportionately. The EPSCoR program will have to eliminate three grants from consideration with a commensurate reduction in federal funds.
- The Commercialization Investment grants to businesses and industries will have to be reduced by four over the biennium. The commercialization grant program is just gaining momentum. The cuts will be a setback and will make it harder to convince business and industries to collaborate with the research institutions.



**Postsecondary Education System Actions to Implement  
The Governor's Executive Order #2002-1334  
Reduction of Administrative Costs**

Executive Order Measures/Implementation Action	EKU	KCTCS	KSU	MoSU	MuSU	NKU	UK	UofL	WKU
<b>6. Reduction in State Travel Expenses</b>									
Established internal procedures to justify need on a case by case basis	X	X	X	X	X	X		X	X
Allow limited out-of-state travel on approval by president or member of cabinet.	X	X	X			X	X		X
Encourage use of advanced technology such as videoconferencing								X	
<b>7. Reduction of Printing Costs</b>									
Established internal procedures to justify need on a case by case basis	X	X	X	X	X	X	X	X	X
<b>8. Curtailment of Equipment and Furniture Purchases</b>									
Established internal procedures to justify need on a case by case basis	X	X	X	X	X	X	X	X	X
Limited acquisition for new construction or other critical purpose.	X	X		X	X	X		X	X
Limited acquisition from non-general fund money for essential services		X							X
<b>9. Sale of Surplus Property</b>									
Review inventory and sell surplus property as needed	X	X	X		X	X		X	X
Implement frequent inventory review and sales of surplus property				X			X	X	
<b>10. Continuation of Limits on Overtime and Compensatory Time</b>									
Established internal procedures to justify need on a case by case basis	X	X	X	X	X	X	X	X	X

Notes:

- Institutions may choose to not implement any of the areas identified in the Governor's Executive Order 2002-1334.

Council on Postsecondary Education  
February 3, 2003

## Partners for Kentucky's Future

**Action:** The staff recommends that the council endorse the attached resolution adopted by the Partners for Kentucky's Future.

The council has joined with a group of education leaders to push for continuation of reform at all levels of education in Kentucky. This group, called the Partners for Kentucky's Future, is comprised of local school officials, college and university presidents, child and adult education providers and advocates, education advocacy groups such as the Prichard Committee for Academic Excellence and the Council for Better Education, and the Kentucky Chamber of Commerce.

The Partners held a press conference Wednesday, January 22, 2003, to formally adopt a resolution asserting the goals of the group and state publicly that they are united behind reform efforts at all levels. The member groups have pledged to work together during the current budget shortfall and over the long term to support reform efforts at all levels.

The Council on Postsecondary Education is asked to show its support for the efforts of the Partners for Kentucky's Future by formally endorsing the resolution asking the executive and legislative branches to continue their strong support for all education reform. A copy of the resolution is attached.

Staff preparation by Sherron Jackson and Dennis Taulbee

# **RESOLUTION**

## **PARTNERS FOR KENTUCKY'S FUTURE**

### ***PROLOGUE***

The levels of education in Kentucky – early childhood, elementary and secondary, postsecondary, and adult – represent a continuum of opportunity for all Kentuckians. Each part relies upon and reflects the progress achieved by the others. As a result, all rise with the success of each, just as all falter when one is diminished. To ensure economic success and a high quality of life for its citizens, Kentucky must sustain its commitment to this continuum of education and build on the positive momentum created by its forward-looking actions of the past. The Partners for Kentucky's Future are committed to continuing the improvement of education at all levels.



WHEREAS, Kentuckians' economic future and quality of life will be determined by the quality of the education the state provides for its citizens; and

WHEREAS, education is a fundamental right of every child under the Constitution of the Commonwealth of Kentucky; and

WHEREAS, the Kentucky General Assembly and the Governor are to be commended for their commitment to and support of all levels of education; and

WHEREAS, Kentucky has been widely recognized for making extraordinary progress in all aspects of education over the past decade; and

WHEREAS, this educational progress was accompanied by vastly increased accountability to the public by making education more efficient and effective, and by shepherding public investments carefully; and

WHEREAS, Kentucky revenue is substantially below expected levels for fiscal years 2003 and 2004; and

WHEREAS, public officials forecast substantial cuts in funding for essential programs for 2003 and 2004; and

WHEREAS, a reduction in Kentucky's investment in early childhood education, elementary and secondary education, postsecondary education, and adult education will stifle continued progress, harm children and adults seeking education, and devastate efforts to improve the prospects of all Kentuckians;

Now, THEREFORE, be it resolved that we, the Partners for Kentucky's Future, call on the Governor and the General Assembly to provide the funding required to maintain Kentucky's educational momentum and not to retreat by cutting Kentucky's investments in education.

The Governor and General Assembly are further called upon to identify revenue sufficient to maintain Kentucky's current education investment and to strengthen that investment to provide Kentuckians with an adequate educational system for the next decade and beyond.

The Governor and General Assembly are further called upon to:

- provide funding adequate to fulfill the commitments made in House Bill 940 (1990) and to ensure that resources are adequate for public schools to attain the required goal of proficiency by 2014 and to meet the needs of all Kentucky children and young people;
- provide funding that will fulfill the objectives of the Postsecondary Education Improvement Act of 1997 (House Bill 1) and the Kentucky Innovation Act of 2000 (House Bill 572), especially increasing undergraduate enrollment in Kentucky to 240,000 by 2015, improving retention and graduation rates, and strengthening Kentucky's ability to succeed in the knowledge-based economy;
- sustain the commitment of Senate Bill 21 (1998) to allocate lottery revenues for need-based financial aid and scholarships for eligible Kentucky students and to fund literacy programs;
- provide funding so that 100,000 adults by 2004 and 300,000 adults by 2010 can be provided with adult basic education, family literacy, GED, English as a Second Language, and workplace skills training as envisioned in the Adult Education Act of 2000;
- continue to commit 25 percent of Phase I tobacco settlement funds for early childhood programs and adequately fund those programs as envisioned in House Bill 583 and House Bill 706 (2000) to achieve the state's goals of reducing the number of low birth-weight babies, increasing the number of children receiving health services, expanding assistance for new parents, and improving the quality of early care and education to make sure children arrive at school ready to learn.

Done this day, January 22, 2003, at Frankfort, Kentucky.

Norma B. Adams  
Kentucky Council on Postsecondary Education

F. King Alexander  
Murray State University

Sharon Barker  
Kentucky Congress of Parents and Teachers (Kentucky PTA)

Grover M. Canty  
Kentucky Association of School Superintendents

Gary S. Cox  
Association of Independent Kentucky Colleges and Universities

Ronald G. Eaglin  
Morehead State University

Joanne K. Glasser  
Eastern Kentucky University

Roland C. Haun  
Kentucky Association of School Superintendents

Rick Hulefeld  
Children Inc.

Carolyn Witt Jones  
Partnership for Kentucky Schools

David L. Keller  
Kentucky School Boards Association

Michael B. McCall  
Kentucky Community and Technical College System

William H. McCann  
Prichard Committee for Academic Excellence

Joe McCormick  
Kentucky Higher Education Assistance Authority

Nancy Melton  
Kentucky Association of Student Financial Aid Administrators

Debra Miller  
Kentucky Youth Advocates

Jack Moreland  
Council for Better Education

Helen W. Mountjoy  
Kentucky Board of Education

Ken Oilschlager  
Kentucky Chamber of Commerce

Beverly N. Raimondo  
Commonwealth Institute for Parent Leadership

James R. Ramsey  
University of Louisville

Gary A. Ransdell  
Western Kentucky University

Cynthia Read  
Kentucky Institute for Family Literacy

Carl Rollins  
The Student Loan People

Robert F. Sexton  
Prichard Committee for Academic Excellence

Frances Steenbergen  
Kentucky Education Association

Lee T. Todd, Jr.  
University of Kentucky

Bill Turner  
Kentucky State University

Charles S. Vice  
Kentucky Education Association

James C. Votruba  
Northern Kentucky University

Wayne Young  
Kentucky Association of School Administrators

## 2004-06 Funding Methodology Points of Consensus and Budget Calendar

The *Points of Consensus among University Presidents, KCTCS President, and the Council President Concerning the 2004-06 Funding Methodology* is the basis for developing the council's 2004-06 operating and capital budget recommendations. The budget calendar outlines the process and timetable for developing the 2004-06 recommendations. Drafts of the documents are presented here for council discussion.

The points of consensus and the budget calendar have evolved over the past four months through meetings of the presidents, the chief budget officers (CBO group), and the chief academic officers (CAO group). Neither group proposed major changes to the council's funding approach. As chair of the council and of the Strategic Committee on Postsecondary Education (SCOPE), Norma Adams will present the next version to SCOPE at its March 3, 2003, meeting.

Following is a brief description of the process leading to the completion of the final draft points of consensus.

- The university presidents, the KCTCS president, and the council president agreed at their August 2002 meeting to develop a points of consensus document to guide the 2004-06 budget process and to use the 2002-04 document as a starting point.
- In September and October, the council staff conducted a survey of funding models used in other states. A summary of the findings was discussed with the institutions as background for refining the points of consensus.
- At their November 12 meeting, the chief budget officers discussed the results of the survey of funding models in other states and their implication for the points of consensus. The CBO group affirmed that the benchmark process should be retained to develop the 2004-06 operating and capital recommendations.
- A draft of the revised points of consensus for the 2004-06 funding methodology was shared with the university presidents and the KCTCS president at the December 4 presidents' meeting and the final draft was discussed January 8. The presidents agreed with the draft. The council president indicated that it would be placed on the February council meeting agenda. Also, the presidents agreed that the chief budget officers' group would complete any

minor editing at its January 21 meeting. At that meeting, the CBO group did not propose any changes.

The attached final draft points of consensus includes the following key features:

- Continuation of the current benchmark funding methodology with current benchmark institutions intact.
- Continuation of the policy to not reallocate institutional base appropriations.
- Continuation of the policy to fund inflation support, building operations and maintenance, and state debt service.
- Continuation of the provision that funds enrollment changes from 2002-04 by including the most recent enrollment in the benchmark calculation.
- Continuation of the approach that deducts a percentage for tuition from total public funds to determine a state appropriation per FTE funding objective for each institution.
- Continuation of the trust fund approach to provide institutional incentives for meeting systemwide goals and the opportunity for institutions to recommend additional trust funds to meet the priorities of the Postsecondary Education Improvement Act of 1997.
- Continued recognition of the graduate/undergraduate cost differential for new enrollment (2004-06) in an enrollment growth and retention trust fund.
- Continuation of the provision that allows institutions to request funds for special initiatives.

A new clarifying statement is included in the capital budget section of the points of consensus acknowledging the intent that the council and the institutions will work together to identify ways to maximize institutional authority to issue debt supported by agency funds. A small work group has been appointed to pursue this issue.

Staff preparation by Sherron Jackson

## **Points of Consensus among University Presidents, KCTCS President, and the Council President Concerning the 2004-06 Funding Methodology**

### **I. Base Funding**

***Provision 1:*** In recognition of the Commonwealth's commitment to an excellent system of postsecondary education and postsecondary education's linkage to economic development growth, recommendations for funding to be appropriated to the base budgets of the universities and the Kentucky Community and Technical College System will provide the following:

- a) An inflationary increase as provided to other agencies of state government.
- b) Maintenance and operation funds to support new educational and general buildings approved by the General Assembly.
- c) Changes in debt service requirements for institutional bond issues supported from state appropriations and to be paid by the institution.
- d) The benchmark method, comparing Kentucky institutions' General Fund appropriations to those of peers selected through the criteria for benchmark selection, is one of several acceptable approaches to establish institutional base budgets. The current method should be retained and updated to determine equity adjustments to the base General Fund appropriations to the institutions.
- e) Establish the benchmark funding objective using estimated Fall 2003 enrollment for Kentucky institutions.

#### ***Clarifying Statements***

- Based on actions of the council, the Governor, and the General Assembly to reaffirm the state appropriation bases of institutions, no redistribution among institutions of existing institutional General Fund base appropriations should occur. Institutional General Fund base budgets should not be reallocated through the state budgeting process.
- General Fund appropriations to institutions should continue to be lump sum with necessary accountability requirements.
- Institutions should continue to have the delegated authority to set tuition rates.

- The annual General Fund base increase request should be, at a minimum, the percentage provided to state agencies in the Legislative Research Commission's promulgated biennial *Budget Request Manual*.
- Support for enrollment growth will be provided in two ways. Growth that has occurred by Fall 2003 will be recognized by using Fall 2003 estimated enrollment to establish the benchmark funding recommendation. Enrollment growth that may occur during the biennium will be addressed in the implementation of the Enrollment Growth and Retention Trust Fund.
- The cost differential related to new undergraduate and graduate enrollments should be addressed through the Enrollment Growth and Retention Trust Fund (Section II).
- Adjustments to institutional base budgets should include across-the-board inflationary increases for all institutions as well as adjustments resulting from the benchmark process.
- A survey will be undertaken to update General Fund debt service at the benchmark institutions. A survey will also be undertaken to update state funding of mandated public service and research programs information at the benchmark institutions. The updated General Fund debt service amounts and state funding for mandated public service and research programs will be factored out of data for both the Kentucky institutions as well as the benchmark institutions.

**Provision 2.** Actual tuition should not be an offset against General Fund appropriations.

***Clarifying Statements***

- Kentucky's funding approach needs to reflect the shared funding responsibility between the state and the student (tuition).
- The current method of deducting tuition from the calculated public funds will be retained. The current method includes standard deductions that are lower for Kentucky State University, the KCTCS, and Lexington Community College than for the other institutions.

**Provision 3.** The council and the institutions have identified and agreed upon mandated public service and research programs having no student enrollments or instructional function. These will be factored out of benchmark funding evaluations.

***Clarifying Statements***

- Institutions will provide the levels of General Fund support for the mandated public service and research programs.
- General Fund appropriations for mandated public service and research programs will be treated consistently across all Kentucky institutions and their respective benchmark institutions. General Fund appropriations for mandated public service and research programs will be factored out of data for both the Kentucky institutions as well as the benchmark institutions.

## II. Trust Funds

Trust funds should be maintained. The council will recommend trust funds that meet the priorities of *The Postsecondary Education Improvement Act of 1997* and the Strategic Agenda.

Among the trust funds and related programs proposed there should be an Endowment Match Program.

The council should recommend funding for the Enrollment Growth and Retention Trust Fund. It should recognize the differentiated costs of undergraduate and graduate instruction. Funding amounts should be based on the council's recommended benchmark funding objectives and upon enrollment and retention goals negotiated with each institution. Implementation of the trust fund will be based on the actual enrollment and retention at each university.

### *Clarifying Statements*

- The trust funds approach is important for assuring the achievement of *Strategic Agenda* goals. Distribution criteria for each trust fund, including the criteria for determining institutional allocations and matches (if any), should be clear and consistent, and should be part of the council's 2004-06 budget request.
- The Enrollment Growth and Retention Trust Fund should recognize the differentiated costs of increased undergraduate and graduate enrollments. Funding amounts for the Enrollment Growth and Retention Trust Fund should be based on each institution's benchmark funding objective per FTE.
- Matching requirements play an integral part of the Endowment Match Program by providing incentives for extramural fund-raising.
- Both state and matching funds received for the Endowment Match Program should be endowed.
- Special consideration may be given to institutions with demonstrated difficulty in meeting matching requirements, such as additional time to match their allocated state funds.

## III. Special Funding

Funding of special and meritorious initiatives may be designated by the council for flow-through funding; however, guidelines will be promulgated well in advance.

### *Clarifying Statements*

- Criteria for the council's evaluation of special initiative requests will be established early in the process.

- The Commonwealth, through its partnership agreement with the U.S. Office for Civil Rights, is committed to enhancing Kentucky State University. KSU and the council will continue to cooperate to fulfill this commitment.
- Institutions should be provided an opportunity to request increases in General Fund appropriations for mandated programs that have been factored out of the benchmark process.

#### **IV. Capital Budget**

The space planning guidelines will be further reviewed as to coding of research space, quality of space, and fitness for purpose.

##### *Clarifying Statements*

- The council should submit a capital projects recommendation for the 2004-06 biennium to the Governor and the General Assembly based on requests submitted by institutions under guidelines developed by the council early in the budget process. The Space Planning Guidelines will be revised to address coding of research space, quality of space, and fitness for purpose.
- Capital funding guidelines will allow for requests for capital renewal of existing facilities, equipment replacement, and equipment acquisitions consistent with the goals of *The Postsecondary Education Improvement Act of 1997* and the Strategic Agenda. The council will advance requests for new facilities when necessary to accomplish a specific strategic goal or support the mission of the institution.
- The Capital Renewal and Maintenance Program will continue to be based on projects recommended by the council.
- The council should continue to recommend a sufficient agency bond pool amount and recommend that institutions have the autonomy to bond their own projects without affecting the state bonding capacity.
- The council and the institutions will work together to identify ways to maximize institutional authority to issue debt supported by agency funds.

# WORKING DRAFT

## Council on Postsecondary Education 2004-06 Operating and Capital Recommendations Work Schedule

<u>Date / Event</u>	<u>Activity</u>
<b>November 18, 2002</b> SCOPE Meeting	Review Draft 2004-06 Budget Development Calendar
<b>January 15, 2003</b> Capital Planning Advisory Board Meeting	CPAB issues 2004-2010 Capital Plan Guidelines
<b>February 3, 2003</b> Council Meeting	Discussion/Adoption of <i>Points of Consensus</i> Direct staff to develop detailed funding guidelines Direct staff to develop tuition guidelines
<b>February 3, 2003</b> Implementation of <i>Points of Consensus</i>	Institutional representatives, LRC and GOPM representatives, and council staff begin to address issues in <i>Points of Consensus</i>
<b>March 3, 2003</b> SCOPE Meeting	Discussion: <i>Points of Consensus</i> document
<b>March 24, 2003</b> Council Meeting	Discussion: Funding & Tuition Guidelines
<b>April 15, 2003</b> Capital Planning Advisory Board	Institutions submit 2004-2010 Six Year Capital Plans Council submits 2004-2010 Six Year Capital Plan for agency
<b>May 19, 2003</b> Council Meeting	<b>Operating Budget Framework and Guidelines Including</b> Action: Funding & Tuition Guidelines Discussion: Benchmark revisions, funding objective, tuition deduction, measure of central tendency Discussion: Trust funds, amounts, and distribution guidelines Discussion: Special funds request guidelines & evaluation criteria Discussion: Capital budget framework and priorities
<b>June 9, 2003</b> SCOPE Meeting	Discussion of 2004-06 Operating & Capital Budget Recommendations
<b>July 7, 2003</b> Capital Planning Advisory Board Meeting	Presidents present institutional capital priorities (2004-2010) Council president presents statewide priorities (2004-2010)
<b>July 15, 2003</b> Executive Branch	GOPM issues 2004-06 Budget Guidelines

# WORKING DRAFT

## Council on Postsecondary Education 2004-06 Operating and Capital Recommendations Work Schedule

<u>Date / Event</u>	<u>Activity</u>
<b>July 28, 2003</b> Council Meeting	Action: Capital priorities Action: Special funds request guidelines and evaluation criteria  Discussion: Funding distribution policy
<b>September 1, 2003</b> Capital Planning Advisory Board Meeting Institutions Report Institutions Report	CPAB establishes statewide capital priorities Institutions submit special funds requests to council Institutions report planned tuition rates & revenues for 2004-06 to council
<b>September 8, 2003</b> SCOPE Meeting	Discussion of 2004-06 Operating & Capital Budget Recommendations Information: Reported tuition rates for 2004-06
<b>September 21, 2003</b> Council Meeting	Action: Funding Objective, tuition deduction, central tendency Action: Funding distribution policy Discussion: Trust funds, amounts, and distribution guidelines Discussion: Request for special funds submitted by the institutions Discussion: Capital budget recommendation Discussion: Agency operating and capital budget request Information: Reported institutional tuition rates & revenues for 2004-06
<b>October 1, 2003</b> Capital Planning Advisory Board	Action: Adopts statewide capital plan
<b>November 3, 2003</b> Council Meeting	Action: 2004-06 Operating Budget Recommendation Action: 2004-06 Capital Budget Recommendation Action: 2004-06 Agency Budget and Capital Request
<b>December 8, 2003</b> SCOPE Meeting	Discussion: 2004-06 Council adopted Operating & Capital Budget Recommendation

## Trust Fund Reports

House Bill 1 established investment and incentive trust funds to advance the goals of reform. The council developed programs supported by these funds with matching dollars from the institutions. These programs, though only a small percentage of postsecondary funding, have had a dramatic impact on the direction of institutional work and Kentucky's progress in addressing the council's five questions of reform.

The council has an ongoing responsibility to ensure effective institutional use of these funds. For the first time, the trust fund reports are presented collectively, integrating program outcomes and finances. The council staff revised the reporting procedure to streamline the process and to provide a comprehensive picture of how trust fund programs are working. Attachment A provides an executive summary of the trust fund reports.

The trust fund programs included in this report are:

1. Research Challenge and Regional University Excellence Trust Fund—Endowment Match Programs (Attachment B)
2. Research Challenge Trust Fund (Attachment C)
3. Regional University Excellence Trust Fund—Programs of Distinction (Attachment D)
4. Regional University Excellence Trust Fund—Action Agenda Programs (Attachment E)
5. Technology Trust Fund—Faculty Development Programs (Attachment F)
6. Workforce Development Trust Fund—Workforce Development/Training Program (Attachment G)

Since 1997, \$28.9 million from the trust fund programs reviewed here have been allocated to the institutions' base budgets to support ongoing programs. With the exception of the Endowment Match Program, which is not allocated to base budgets, this represents all but \$100,000 of the total dollars placed in the trust funds under review.

The council staff's review of institutional annual and biennial reports show trust fund programs are, on the whole, addressing the five questions of reform. Examples include:

### **Question 1: Are more Kentuckians ready for postsecondary education?**

- The Action Agenda program generated over four million new dollars directed toward improving P-12 teacher quality. Comprehensive universities added professional development programs (on campus and online) for current teachers; developed programs to recruit more teachers (especially minority teachers and teachers in shortage areas); created new alternative routes to certification for practicing teachers and others in the workforce wishing to enter the teaching profession; incorporated the latest educational technology into teacher preparation programs; put more college teachers into P-12 schools; increased involvement of arts and science faculty in teacher preparation programs; and expanded student teaching and field experiences.
- Action Agenda funds support efforts to create more local and regional P-16 councils. To date, with institutional and council support, 12 local and regional councils have been formed serving over 50 Kentucky counties.
- Action Agenda programs and Programs of Distinction generated collaborative efforts to improve P-12 math and science education, including a \$1.5 million grant to focus on urban areas.

### **Questions 2 and 3: Are more students enrolling and advancing through the system?**

- Action Agenda program funds were used to expand program offerings at extended campus and community sites for the comprehensive universities through greater use of distance learning technologies. This allows more place-bound and non-traditional students to enroll in courses and receive workplace training.
- The Action Agenda program created new programs to increase college enrollment, especially in the council's target counties. These programs support faculty participation in middle school and high school programs to promote college-going and build partnerships between college and high schools that include expanding opportunities for dual credit courses for high school students.
- Action Agenda program funds enabled the comprehensive universities to expand student support services, including better advising, to increase retention. Many funded programs focus on students with disabilities, under-prepared students in need of developmental education, first year students, and minority students. They provide early identification of problems and special counseling and tutoring services for students at risk of dropping out.
- Faculty Development program funds, with matching institutional funds, helped bring online two new teaching and learning centers at the universities and expanded programs at existing centers. These centers support improved student retention through better teaching and advising. They offer programs to improve teaching by using information technologies and diverse teaching strategies that better address the needs of non-traditional, minority, and underprepared students. With matching institutional funds, the Faculty Development program also supports a statewide online journal devoted to improving teaching, increasing multi-disciplinary team teaching, and promoting collaboration among faculty with shared

interests across public and independent institutions. The journal can be found at <http://www.uky.edu/TLC/MAINPOSTER/JournalofExcellence.htm>.

- Faculty Development program funds were used to expand programs aimed at better orienting new faculty to the needs of Kentucky's students and retaining good faculty.

#### **Questions 4 and 5: Are we preparing Kentuckians for life and work and are Kentucky's communities and economy benefiting?**

- The Endowment Match Program has created 111 new endowed chairs and 176 new endowed professorships and added nearly \$370 million to university endowments to support research and economic development.
- The Research Challenge Trust Fund Programs and the Programs of Distinction generated more than \$214 million in new extramural grant funding in 2001-02. Many of the grants support new economy and advanced medical research. Others focus on research in areas like early childhood development, aging, and public health.
- The Programs of Distinction are preparing students for careers that address Kentucky's needs. Students were involved in approximately 150 research projects (of which 63 earned external funding) and 140 gained "hands on" experience through internships. More than 80 students attended conferences relating to their area of study. Institutions provided scholarship funds for approximately 130 POD students.
- Trust fund programs supported development of the council's statewide public health strategy. Common courses are being put online to allow students and public health professionals to complete a cooperative Master's in Public Health program developed by Eastern Kentucky University, University of Kentucky, University of Louisville, and Western Kentucky University to better meet Kentucky's public health needs.
- Various trust fund programs support efforts to link business "incubator" labs and faculty expertise to create new businesses and workforce needs.
- Through the Workforce Development Trust Fund, the Kentucky Community and Technical College System completed projects that created 1,128 new jobs and served 1,736 workers. Current active projects are expected to educate and train over 11,000 workers and create 3,800 new jobs.
- The KCTCS has committed \$4,435,488 of the Workforce Development Trust Fund to economic development projects in partnership with the Kentucky Cabinet for Economic Development. An additional 7,200 individuals will be served through these initiatives.

#### **Next Steps**

The council staff's review of institutional reports shows programs funded through the trust funds are, on the whole, effectively advancing the goals of reform. Transferring the funds into the institutional base budgets has provided the recurring funds necessary to create ongoing programs with long-term benefits. Given that funds are now in the base budgets, continued annual and biennial council review of the programs is especially important to ensure funds are effectively used to support program goals over the long term.

This year, as a first step in improving the review process, the council staff worked with the institutions to consolidate and streamline reporting for both program outcomes and finances. The staff will now refine reporting formats as part of the regular institutional reports to the comprehensive database and place greater emphasis on assessment of program outcomes as the programs are fully implemented.

For many programs, funds were not allocated to the institutions until FY 2001-02. Institutions reported carry forward funds for certain trust fund programs from FY 2001-02 into FY 2002-03. The amounts reported are from various sources of revenue including state general funds, institutional internal reallocations, external matching funds, and other sources. Some of the programs are new and therefore were not fully developed by the end of the reporting period (June 30, 2002) and thus a carry forward would be expected. The council staff is working with the institutions to specifically identify the sources of the carry forward funds and their plans for how the carry forward funds will be used in FY 2002-03.

The trust fund programs focus on high priority reform goals. As institutions manage anticipated budget cuts, the council staff will use the review to ensure these programs are preserved as institutional priorities.

Finally, many of the programs devote resources to increasing participation by underrepresented groups of students and faculty in important areas of postsecondary teaching and research. To date, the results of these efforts have been modest, though the new programs look promising. Future reviews will place special emphasis on the outcomes of these diversity programs.

Staff preparation by Jim Applegate, Ben Boggs, Sherron Jackson,  
Linda Jacobs, Jennifer Marsh, and Bill Payne

Council on Postsecondary Education  
February 3, 2003

## Trust Fund Reports Executive Summary

### **Purpose**

The *Kentucky Postsecondary Education Improvement Act of 1997* (House Bill 1) established investment and incentive trust funds to advance the goals of postsecondary education. The trust funds leverage change to achieve the goals of reform.

HB 1 requires the council to establish criteria for the allocation of the funds and approve the programs being supported by the funds. It also requires institutions to report to the council on the uses of these funds and the outcomes they achieve.

The trust fund programs included in this report are:

1. Research Challenge and Regional University Excellence Trust Fund—Endowment Match Program (Attachment B)
2. Research Challenge Trust Fund (Attachment C)
3. Regional University Excellence Trust Fund—Programs of Distinction (Attachment D)
4. Regional University Excellence Trust Fund—Action Agenda Programs (Attachment E)
5. Technology Trust Fund—Faculty Development Programs (Attachment F)
6. Workforce Development Trust Fund--Workforce Development/Training Program (Attachment G)

### **Trust Fund Allocation**

Since 1997, \$28.9 million from the trust funds reviewed here have been transferred to the institutions' base budgets to support trust fund programs. With the exception of the Endowment Match Program, which is not allocated to base budgets, this represents all but \$100,000 of the total dollars placed in the trust funds under review. Funds for the Endowment Match Program are not allocated to base budgets, but to universities' endowments when matched. For the programs included in this report—with the exception of the Endowment Match Program—the total funds transferred to each institution are:

Eastern Kentucky University

\$ 4,027,600

Kentucky Community and Technical College System	6,126,800
Kentucky State University	1,252,000
Morehead State University	2,387,300
Murray State University	2,753,200
Northern Kentucky University	2,238,900
University of Kentucky (including Lexington Community College)	4,173,100
University of Louisville	2,135,500
Western Kentucky University	3,805,600
<b>Total</b>	<b><u>\$28,900,000</u></b>

### **Reporting Process**

The council developed an initial set of reporting criteria for the programs. These are outlined in the *Kentucky Postsecondary Education 2000-02 Trust Fund Guidelines*, approved by the council July 17, 2000, and revised May 21, 2001. These guidelines were developed in collaboration with the institutions. The council requires program reports to ensure accountability.

This year the council staff worked with the institutions to develop a streamlined reporting process that consolidates information on program outcomes and finances for trust funds that are allocated directly to the institutions. The new procedures provide a comprehensive picture of the contribution of trust fund programs to the goals of reform.

### **Research Challenge and Regional University Excellence Trust Fund— Endowment Match Program**

The Endowment Match Program encourages private investment in public postsecondary education research to stimulate business development, generate increases in externally sponsored research, create a higher standard of living, and support Kentucky's transition to a knowledge-based economy. The program matches public money with private gifts to fund endowed chairs, professorships, fellowships, scholarships, and mission support at the public universities.

Since its inception in 1998, the Bucks for Brains program has been an unqualified success in helping Kentucky's public universities increase their endowments, attract quality researchers, develop products, build businesses, and improve the health and well-being of citizens. As of June 30, 2002, the eight public universities had added nearly \$370 million in cash gifts and state funds to their endowments and secured an additional \$65 million in pledges through the program. This money was used to create 111 new endowed chairs and 176 new endowed professorships.

State funds for the program are appropriated to the Research Challenge Trust Fund for the research institutions and to the Regional University Excellence Trust Fund for the comprehensive institutions. The program received appropriations through the 1998-2000 and 2000-02 General Fund Surplus Expenditure Plans of \$110 million in FY 1998-99 and \$120 million in FY 2000-01. The council requested another \$120 million for the program in its 2002-04 biennial funding request.

The public universities have submitted their annual reports on the Endowment Match program for the fiscal year ended June 30, 2002. Per council guidelines, the institutional governing boards reviewed and approved the reports prior to their submission to the council. The summary reports are on the council's Web site, [www.cpe.state.ky.us](http://www.cpe.state.ky.us). Detailed endowment reports are maintained at the council office and are available upon request.

(See Attachment B.)

### **Research Challenge Trust Fund Program**

Funded in FY 1997-98 and in each year of the 1998-2000 biennium, the RCTF supports nationally recognized research programs at Kentucky's two research universities, UK and UofL. The program was funded at \$6 million in each year of the biennium, with \$4 million going to UK and \$2 million to UofL. The institutions matched the state funds dollar for dollar with funds from external sources or through internal reallocation. As part of the 2000-02 budget process, funds were transferred to each institution's base budget beginning FY 2000-01.

The RCTF programs are:

- **University of Kentucky:** gerontology and aging; advanced medical research; clinical pharmaceutical sciences research and graduate training; molecular mechanisms of toxicity; computer science and electrical engineering; materials synthesis; plant sciences; research, graduate education, and technology transfer; interdisciplinary biological chemistry; management and economics; substance abuse and prevention; expanding frontiers of client server library system; geography; and graduate student support.
- **University of Louisville:** early childhood education; entrepreneurship; logistics and distribution; and molecular medicine and biotechnology/health related research.

With RCTF funds, UK and UofL have been able to hire nationally recognized faculty; conduct collaborative and multidisciplinary research; offer training, conferences, workshops, and seminars in specialized topics; increase research commercialization; and provide additional support for graduate students.

### **Examples of Institutional Accomplishments**

- At UK, the Multidisciplinary Excellence in Gerontology and Aging program co-sponsors the Kentucky Aging Project with the Kentucky Long-Term Policy Research Center and the UK Survey Research Center. The project assesses the finances, healthcare, and knowledge of people preparing to retire. Results will help develop policies and programs that improve retirees' quality of life.

- UK's Excellence in Computer Science and Electrical Engineering program is conducting collaborative research in nanoelectronics, high performance computing, electrical transmission, and image processing with Purdue University, Lexmark International, UK's Chemistry and Mechanical Engineering Departments, the Tennessee Valley Authority, MuSU, and UofL.
- UofL's Molecular Medicine and Biotechnology Program in Cancer Biology received a \$1.3 million planning grant to become a National Cancer Institute-Designated Cancer Center by 2007. Awards in all programs within Molecular Medicine and Biotechnology total \$64,803,071.
- UofL's Early Childhood Research Center is creating long-term benefits to Kentucky by assessing indicators of learning disabilities and developing early interventions. The center also is having an economic impact. High paying technical jobs have been created to support research. Investigators have generated over \$11 million in research funding, \$16 million in new revenue for local business, \$750,000 in new taxes, and created over 265 jobs while creating long-term benefits to the Commonwealth by improving care for young children with disabilities.

(See Attachment C.)

### **Regional University Excellence Trust Fund—Programs of Distinction**

The Programs of Distinction were funded in the 1998-2000 biennium through the RUETF. The RUETF helps each comprehensive university become nationally recognized in at least one academic program of distinction or one applied research program. The program was funded with \$6 million in FY 1997-98 and in each year of the 1998-2000 biennium. The institutions matched state funds dollar-for-dollar with funds from external sources or through internal reallocation. As part of the 2000-02 budget process, funds were transferred to each institution's base budget beginning FY 2000-01.

The RUETF Programs of Distinction are:

- Eastern Kentucky University: Justice and Safety
- Kentucky State University: Aquaculture
- Morehead State University: Institute for Regional Analysis and Public Policy
- Murray State University: Telecommunications Systems Management
- Northern Kentucky University: Center for Integrative Natural Science and Mathematics
- Western Kentucky University: Applied Research and Technology and Media for the Twenty-First Century

The amounts transferred to each institution's base budget for FY 2000-01 were:

Eastern Kentucky University	\$1,504,000
Kentucky State University	464,000
Morehead State University	882,000

Murray State University	1,025,000
Northern Kentucky University	739,000
Western Kentucky University	<u>1,386,000</u>
<b>Total</b>	<b><u>\$6,000,000</u></b>

### Examples of Institutional Accomplishments

- In 2001-02 alone, EKU's College of Justice and Safety collaborated with 71 local, state, and federal agencies to improve public health and safety. Examples include the Kentucky State Police; Kentucky Department of Corrections; U.S. Army Armor Center; Ft. Knox; University of Louisville Center for the Deterrence of Bio-Warfare and Bio-Terrorism; United States Department of Justice; Naval Air Warfare Center; Pulaski County Sheriff's Department; San Diego Police Department; and Yaroslav Mudry National Law Academy, Kharkiv, Ukraine.
- Supported by KSU's aquaculture program's research and extension initiatives, catfish production acreage increased almost 50 percent statewide in 2001, and substantial increases occurred in freshwater shrimp, paddlefish, and largemouth bass production. The program integrates the Master of Science in Aquaculture—approved by the council in July 1998—with the undergraduate program, research, and extension work. The program also helped 67 Kentucky high schools develop aquaculture activities and courses.
- NKU's Center for Integrative Natural Science and Mathematics, along with EKU, WKU, MuSU, KSU, UK, and UofL, collaborated to earn a \$6 million National Institutes of Health grant over three years to develop the *Kentucky Biomedical Research Infrastructure Network*. This network increases statewide collaboration between biomedical researchers and educators to more effectively compete for federal research funds and to better prepare students for science-related careers.
- WKU's Applied Research and Technology Program received a \$670,000 federal grant to purchase a mobile health and wellness unit for its Institute for Rural Health Development and Research. The mobile unit provides medical and dental screening and education for the 10 counties in the Barren River Development District.

(See Attachment D.)

### Regional University Excellence Trust Fund—Action Agenda Program

The Action Agenda Program was funded in the 2000-02 biennium through the Regional University Excellence Trust Fund. The action agenda funds help comprehensive universities implement a broad range of programs designed to achieve the goals of HB1. The council strongly encouraged each institution to pledge 40 percent of the funds to address P-12 teacher quality issues. Using action agenda and reallocated internal funds, the institutions devoted over \$4 million to teacher quality initiatives. As part of the 2002-04 budget process, funds were transferred to each institution's base budget beginning FY 2002-03.

The fund supports programs that improve teacher quality; recruit and retain more students; and increase the diversity of students, faculty, and staff.

The Action Agenda Program received \$10 million in FY 2001-02. Funds were allocated to the regional universities in the following amounts:

Eastern Kentucky University	\$2,433,000
Kentucky State University	732,000
Morehead State University	1,435,000
Murray State University	1,659,000
Northern Kentucky University	1,414,000
Western Kentucky University	<u>2,327,000</u>
<b>Total</b>	<b><u>\$10,000,000</u></b>

### **Examples of Institutional Accomplishments**

- MoSU provided new professional development programs for teachers, enhanced field experiences for prospective teachers, developed a program to recruit outstanding students into teacher education, expanded the P-16 regional initiative, enhanced the alternative teacher certification program, introduced the latest educational technology to students and faculty, and improved teacher education student assessment.
- MuSU used a portion of the funds to support the Teacher Quality Institute which collaborates with the College of Science, Engineering, and Technology; the College of Humanities and Fine Arts; and the College of Education to improve the content and teaching knowledge of practicing and newly certified teachers.
- NKU allocated a portion of its funds to expand college access to adult students through the Lifelong Learning Program. The program provides non-credit courses for citizens of the region in computer and information technology. NKU also enhanced the Center for Civic Engagement, which forms partnerships with local communities, government agencies, and organizations to address community needs.

(See Attachment E.)

### **Technology Trust Fund—Faculty Development Program**

The Faculty Development Program was funded in the 2000-02 biennium through the Technology Initiative Trust Fund to support professional development opportunities for Kentucky faculty that

contribute to the goals of HB1, *2020 Vision*, and the council's *Five Questions*. As part of the 2002-04 budget process, funds were transferred to each institution's base budget beginning FY 2002-03. Programs emphasize the development of teaching strategies that improve learning for an increasingly diverse pool of students; incorporate technology to improve learning on-campus and expand distance learning opportunities; and assist faculty in finding funding sources that increase research at state, national, and international levels.

The Faculty Development Program received \$1 million in FY 2001-02. Of that amount, \$900,000 was distributed to the institutions. The council used the remaining \$100,000 for statewide faculty development initiatives. Distribution of the funds to the institutions was based primarily on the number of faculty, with each institution receiving the following amounts:

Eastern Kentucky University	\$ 90,600
Kentucky Community and Technical College System	126,800
Kentucky State University	56,000
Morehead State University	70,300
Murray State University	69,200
Northern Kentucky University	85,900
University of Kentucky (including Lexington Community College)	173,100
University of Louisville	135,500
Western Kentucky University	<u>92,600</u>
<b>Total</b>	<b><u>\$900,000</u></b>

### Examples of Institutional Accomplishments

- The KCTCS faculty participated in discipline specific workshops, assembling representatives from 28 colleges to improve curriculum and implement a statewide strategic plan that ensures curriculum consistency and quality across the system.
- MuSU voluntarily matched faculty development funds with an additional \$53,300 to reorganize and expand the Center for Teaching, Learning, and Technology—leading to a more focused and coordinated approach to teaching across the university.
- NKU's Faculty Center for Teaching, Learning, and Technology began work with the university's post-tenure review process to enhance the productivity of tenured faculty.
- UofL established an annex of its Delphi Teaching and Learning Center at the Health Sciences Center campus. It also funded a digital and video recording studio at the Belknap campus to help faculty update Web and distance learning courses.
- All institutions have provided matching funds for The Kentucky Journal Of Excellence in College Teaching and Learning, a statewide online journal to support excellence in teaching. The Web site is found at <http://www.uky.edu/TLC/MAINPOSTER/JournalofExcellence.htm>.

(See Attachment F.)

**Workforce Development Trust Fund—  
Workforce Development/Training Program**

Funded in the 1998-2000 biennium and again in the 2000-02 biennium, the WDTP helps the KCTCS improve and expand workforce skills. Developed in cooperation with business and industry, this program has evolved into the Kentucky Workforce Investment Network System. The KCTCS developed KY WINS to provide existing and new business and industry with education, training, and support services designed to develop better jobs and a workforce with the knowledge and skills to fill them.

The WDTP was appropriated \$6 million in each year of the 1998-2000 biennium and \$6 million in each year of the 2000-02 biennium. As part of the 2002-04 budget process, funds were transferred to the KCTCS base budget beginning FY 2002-03.

The KCTCS funded 54 projects totaling \$7,444,512 with 2000-02 funds. Nine of the projects were completed, with several scheduled for completion spring 2003. The completed projects resulted in the creation of 1,128 new jobs and served 1,736 individuals. The active projects will serve over 11,000 individuals and result in the creation of 3,800 new jobs. The KCTCS has committed \$4,435,488 to economic development projects in partnership with the Kentucky Cabinet for Economic Development. An additional 7,200 individuals are expected to be served through these initiatives. Statewide budget reductions resulted in a \$120,000 recurring reduction in the KY WINS program funds. The average cost of delivering services is \$613 per person.

(See Attachment G.)

**Conclusions**

The council staff's review of institutional reports shows programs funded through the trust funds are, on the whole, effectively advancing the goals of reform, though some programs were not fully developed at the time of the report. Transferring the funds into the institutional base budgets has provided the recurring funds necessary to create ongoing programs with long-term benefits. However, given that funds are now in the base budgets, continued annual and biennial council review of the programs is especially important to ensure funds are effectively used to support program goals over the long term.

This year, as a first step in improving the review process, the council staff worked with the institutions to consolidate and streamline the reporting process for both program outcome and finances. The staff will now refine reporting formats as part of the regular institutional reports to our comprehensive database and place greater emphasis on assessment of program outcomes as the programs are fully implemented.

For many programs, funds were not allocated to the institutions until FY 2001-02. Institutions reported carry forward funds for certain trust fund programs from FY 2001-02 into FY 2002-03. The amounts reported are from various sources of revenue including state general funds,

institutional internal reallocations, external matching funds, and other sources. Some of the programs are new and therefore were not fully developed by the end of the reporting period (June 30, 2002) and thus a carry forward would be expected. The council staff is working with the institutions to specifically identify the sources of the carry forward funds and their plans for how the carry forward funds will be used in FY 2002-03.

The trust fund programs focus on high priority reform goals. As institutions manage anticipated budget cuts, the council staff will use the review to ensure these programs are preserved as institutional priorities.

Finally, many of the programs devote resources to increasing participation by underrepresented groups of students and faculty in important areas of postsecondary teaching and research. To date, the results of these efforts have been modest though the new programs look promising. Future reviews will place special emphasis on the outcomes of these diversity programs.

Staff preparation by Jim Applegate, Ben Boggs, Sherron Jackson,  
Linda Jacobs, Jennifer Marsh, and Bill Payne

## Research Challenge Trust Fund and Regional University Excellence Trust Fund Endowment Match Program 2002 Annual Reports

### **Purpose**

The Endowment Match Program encourages private investment in public higher education research activities to stimulate business development, generate increases in externally sponsored research, create better jobs and a higher standard of living, and facilitate Kentucky's transition to a knowledge-based economy. The program matches public money with private gifts to fund endowed chairs and professorships, fellowships, scholarships, and mission support at the public universities.

### **Trust Fund Allocation**

State funds for the program are appropriated to the Research Challenge Trust Fund for the research institutions and to the Regional University Excellence Trust Fund for the comprehensive institutions. The program received appropriations through the 1998-2000 and 2000-02 General Fund Surplus Expenditure Plans of \$110 million in 1998-99 and \$120 million in 2000-01. The council has requested another \$120 million for the program in 2003-04.

### **Reporting Process**

Program guidelines stipulate that participating institutions will provide detailed annual reports by October 15 each year describing how private and matching state funds are used. These reports contain program narratives that identify those in endowed chairs and professorships, support services, entrepreneurial partnerships, internal and external collaboration, intellectual property, and student outcomes associated with each endowment. The reports also contain financial information, including gift and pledge amounts, pledge payment schedules, budgeted and expended investment income, sponsored program funding levels, and the creation of intellectual property.

In September 2001, the council Subcommittee on Endowment Match Program Guidelines Review asked the council staff to revise the annual reporting procedures to include summary data. A new common format was developed and forwarded to the institutions February 2002 with instructions that all subsequent reports adhere to the new procedures. The report summaries contain general information on all match-program endowments, including endowment activities, demographic information, gifts and pledges matched, and statements of changes in endowment value.

The institutions have submitted annual reports on the Endowment Match Program for the fiscal year ended June 30, 2002. Per council guidelines, the institutional governing boards reviewed

and approved the reports prior to their submission to the council. The summary reports are on the council's Web site ([www.cpe.state.ky.us](http://www.cpe.state.ky.us)). The detailed endowment reports are maintained at the council and are available upon request.

### **Program Accomplishments**

Since its inception in 1998, the Bucks for Brains program has been an unqualified success in helping Kentucky's public universities increase their endowments and attract quality researchers dedicated to advancing knowledge, developing products, building businesses, and improving the health of Kentuckians. As of June 30, 2002, the eight public universities had added nearly \$370 million in cash gifts and state funds to their endowments and secured an additional \$65 million in pledges through the program. This money was used to create 111 new endowed chairs and 176 new endowed professorships, as well as multiple fellowship, scholarship, and mission support programs.

### **Institutional Summaries**

#### University of Kentucky

- UK received \$24,483,064 in cash gifts and matching state funds during fiscal year 2001-02.
- These funds were used to establish three endowed chairs (in rural health policy, neuroscience, and urban design), 17 professorships (in fields such as law, criminal and social justice, intelligence education, forestry and environmental science, orthopedic surgery, and mechanical engineering), 16 graduate fellowship programs, and 11 mission support projects. Mission support funds have been used to enhance library resources, to fund lecture series and visiting professorships, and to support graduate student and faculty research projects.
- Since program inception, UK has received \$215,891,246 out of a minimum possible \$266,668,000 in cash gifts and state funds. As of June 30, 2002, the university had \$41,278,758 in outstanding pledges.

#### University of Louisville

- UofL received \$12,556,033 in cash gifts and matching state funds during fiscal year 2001-02.
- These funds were used to establish 11 endowed chairs (in fields such as infrastructure research, oncology, urban health policy, and bioengineering), six graduate fellowship programs, two mission support projects, and to expand existing endowments in engineering and in molecular diversity and drug design.
- Since program inception, UofL has received \$109,992,191 out of a minimum possible \$133,332,000 in cash gifts and state funds. As of June 30, 2002, the university had \$15,614,662 in outstanding pledges.

Eastern Kentucky University

- EKU received \$240,906 in cash gifts and matching state funds during fiscal year 2001-02.
- These funds were used to establish seven scholarship funds (in fields such as loss prevention and safety, business, government, and biology).
- Since program inception, EKU has received \$9,470,989 out of a minimum possible \$14,796,000 in cash gifts and state funds. As of June 30, 2002, the university had \$496,288 in outstanding pledges.

Kentucky State University

- KSU received \$941,098 in cash gifts and matching state funds during fiscal year 2001-02.
- These funds were used to establish professorships in education and business, a student scholarship fund, and an endowed library fund.
- Since program inception, KSU has received \$1,164,600 out of a minimum possible \$4,554,000 in cash gifts and state funds. As of June 30, 2002, the university had \$623,707 in outstanding pledges.

Morehead State University

- MoSU received \$1,269,572 in cash gifts and matching state funds during fiscal year 2001-02.
- These funds were used to establish a professorship in business; a scholarship fund in allied health; and to expand existing endowments in business, educational leadership, and the humanities.
- Since program inception, MoSU has received \$5,844,670 out of a minimum possible \$8,800,000 in cash gifts and state funds. As of June 30, 2002, the university had \$1,022,763 in outstanding pledges.

Murray State University

- MuSU received \$2,221,110 in cash gifts and matching state funds during fiscal year 2001-02.
- These funds were used to establish a need-based scholarship fund and to expand existing endowments in pre-medicine and the humanities.
- Since program inception, MuSU has received \$8,141,530 out of a minimum possible \$10,186,000 in cash gifts and state funds. As of June 30, 2002, the university had \$2,322,044 in outstanding pledges.

Northern Kentucky University

- NKU received \$2,644,884 in cash gifts and matching state funds during fiscal year 2001-02.
- These funds were used to establish a mission support project, which assists NKU's family business center. The funds also were used to establish a scholarship fund in business and to expand an existing scholarship fund.
- Since program inception, NKU has received \$7,881,179 out of a minimum possible \$7,792,000 in cash gifts and state funds. As of June 30, 2002, the university had \$1,020,530 in outstanding pledges.

Western Kentucky University

- WKU received \$1,303,271 in cash gifts and matching state funds during fiscal year 2001-02.
- These funds were used to establish a scholarship fund in law and to expand an existing endowment for a visiting professorship in healthcare.
- Since program inception, WKU has received \$10,995,234 out of a minimum possible \$13,872,000 in cash gifts and state funds. As of June 30, 2002, the university had \$2,975,956 in outstanding pledges.

Staff preparation by Jim Applegate, Ben Boggs, Sherron Jackson,  
Linda Jacobs, Jennifer Marsh, and Bill Payne

## Research Challenge Trust Fund 2002 Annual Reports

### **Purpose**

The *Kentucky Postsecondary Education Improvement Act of 1997* (known as HB 1) created the Research Challenge Trust Fund to support nationally recognized research programs at Kentucky's two research universities, the University of Kentucky and the University of Louisville.

Guidelines for the Research Challenge Trust Fund require the council to assess the academic and financial performance of the programs supported by these trust funds at least once every two years. The council received the initial report at its January 2000 meeting, council staff reviewed the programs again in spring 2001, and the institutions submitted annual reports in October 2002. Report summaries follow.

### **Trust Fund Allocation**

The program received \$6 million in FY 1997-98 and \$6 million in each year of the 1998-2000 biennium. These funds were distributed to UK and UofL on a two-thirds/one-third basis, with \$4 million going to UK and \$2 million to UofL. Funds were matched by the institutions dollar-for-dollar with external funds or through internal reallocation. UK reports that its allocation has been expended or allocated to the programs. UofL shows a carry forward of \$1,419,900 for its RCTF programs from 2001-02.

The RCTF programs are:

- UK: gerontology and aging; advanced medical research; clinical pharmaceutical sciences research and graduate training; molecular mechanisms of toxicity; computer science and electrical engineering; materials synthesis; plant sciences; research, graduate education, and technology transfer; interdisciplinary biological chemistry; management and economics; substance abuse and prevention; expanding frontiers of client server library system; geography; and graduate student support.
- UofL: early childhood education; entrepreneurship; logistics and distribution; and molecular medicine and biotechnology/health related research.

With RCTF assistance, the institutions have been able to hire faculty that previously were not attracted to Kentucky; conduct collaborative and multidisciplinary research; offer training, conferences, workshops, and seminars in specialized topics; create an entrepreneurial climate in which research commercialization is possible; offer more graduate fellowships, assistantships, and internships; and provide additional support for graduate students to conduct research and travel to conferences.

## **Institution Summary: UK**

### Multidisciplinary Excellence in Gerontology and Aging

- Program faculty hold primary academic appointments in a wide range of departments, including anatomy and neurobiology, behavioral science, family studies, geography, health services, internal medicine, microbiology and immunology, neurology, pathology, physiology, preventive medicine and environmental health, psychiatry, and public health. Faculty conduct collaborative research and are engaged in outreach within and outside Kentucky.
- The Multidisciplinary Excellence in Gerontology and Aging program co-sponsors the Kentucky Aging Project with the Kentucky Long-Term Policy Research Center and the UK Survey Research Center. The project assesses the finances, healthcare, and knowledge of people preparing to retire. Results will help develop policies and programs that improve retirees' quality of life.
- Program faculty are engaged in collaborative research and service projects with local, regional, state, and national public and private agencies. The program also supports the Kentucky Aging Research and Information Service, an applied research program designed to extend the research contributions of the Center on Aging into public service.
- Graduate students are trained to become gerontologists, with backgrounds in such specialized topics as neurodegenerative disease and rural aging.
- RCTF funds student stipends, attendance at national and regional conferences, and minority student recruiting. Support is targeted for female and African American students.
- The program generated \$5,433,547 in grants and awards in 2001-02.

### College of Medicine

- RCTF funds support a graduate program to increase the number of awards and external fellowships for graduate students in anatomy, biochemistry, microbiology, and physiology. There are 195 graduate students currently supported in the program, with 86 females and eight minorities. Students attend and present research results at international, national, regional, and local scientific meetings.
- To recruit faculty, the RCTF funded purchase of equipment and supplies and laboratory renovations.
- The College of Medicine won \$24,069,029 in grants and awards in 2001-02.

### Clinical Pharmaceutical Sciences Research and Graduate Training

- This program prepares health care professionals to evaluate drug therapies and trains clinical scientists in pharmacy, medicine, dentistry, nursing, and allied health.
- Faculty were co-investigators on grants totaling \$16,472,894 and collaborated with faculty in medicine, engineering, arts and sciences, and agriculture.
- Graduate students are involved in multidisciplinary programs in the university and with industry sponsors. They write grant proposals and make clinical presentations.
- RCTF funds graduate student stipends, benefits, tuition, travel to attend and present research at national meetings, recruiting, and registration for board certification examinations.
- The program generated \$10,213,780 in grants and awards in 2001-02.

### Molecular Mechanisms of Toxicity

- Toxicology research is focused on chemical carcinogenesis and neurotoxicology. All faculty conduct collaborative research with other research institutions such as Vanderbilt University, University of Iowa, University of Wisconsin, New York University, Washington University at St. Louis, University of Texas Austin, and the University of Louisville.
- The National Institute of Environmental Health and Safety renewed a \$1.4 million training grant and a Superfund Basic Research five-year grant to the toxicology program.
- All students who have passed the Ph.D. qualifying examination present their research at a national meeting. Funds from the training grant permit stronger recruiting to increase the number of highly qualified applicants. Most of the recently admitted students are females (34), and the program also has a National Institutes of Health grant to recruit Hispanic

students. Five Hispanic students from the University of Puerto Rico currently participate in summer sessions. Two of these have joined the UK doctoral program full time.

- Graduate students are participating in research under mentors who have obtained patents or have patents pending. Early graduates of the program have started their own businesses in Kentucky.
- The program generated \$1,966,622 in grants and awards in 2001-02.

#### Excellence in Computer Science and Electrical Engineering

- This program concentrates on distributed computing and networking systems. Faculty are developing a computer engineering degree within the Electrical and Computer Engineering Department.
- Collaborative research in nanoelectronics, high performance computing, electrical transmission, and image processing was conducted with Purdue University, Lexmark International, UK's Chemistry and Mechanical Engineering Departments, Tennessee Valley Authority, MuSU, and UofL.
- Multidisciplinary programs include the Center for Micromagnetic and Electronic Devices, Center for Robotics and Manufacturing Systems, Nanoelectronics, Computer Engineering, Controls Laboratory, Biomedical Engineering, and Optical Imaging for Surgical Operations.
- The program promotes interest in computing and engineering education and careers through a departmental Web site, information sent to all Kentucky high schools and other programs, an annual "Engineering Day," high school seminars, and work with the alumni association.
- The program generated \$3,358,573 in grants and awards in 2001-02.

#### Graduate Programs in Chemical Materials Engineering and Physics and Astronomy

- This is an interdisciplinary program that conducts research in new materials. Faculty work with other researchers on campus in mathematics, chemistry, physics, pharmacy, agriculture, and engineering. They also collaborate with researchers at Columbia University, Oak Ridge National Laboratory, Tokyo Institute of Technology, Florida State University, University of Illinois, and Lawrence Berkeley National Laboratory in characterizing novel superconductors and magnetic materials, bioengineering, and preparing new monophase materials.
- Students participate in and present papers at national conferences and professional society meetings. Recruiting is focused on doctoral students, females, and minorities. The number of Ph.D. students has increased from 32 in 2000 to 43 in 2002. Of 75 total students, 20 are female and 15 are minority.

- The program has received \$3,218,110 in grants and awards in 2001-02.

### Plant Sciences

- This initiative integrates crop science, plant pathology, plant physiology, molecular biology, plant science, soil science, horticulture and landscape architecture, and forestry.
- Ten new graduate assistantships were created. Efforts to recruit female and minority students and opportunities for student participation in national conferences and competitions were not reported. The council staff will follow up to acquire this information.
- The program generated \$5,562,255 in grants and awards in 2001-02.

### Biological Chemistry

- The interdisciplinary focus in biological chemistry is building expertise in bio-organic, bio-inorganic, and biotechnology applications.
- Two faculty members in this program have started biotech companies and located them in Lexington.
- Graduate assistants and faculty are involved in collaborative projects between the Department of Chemistry, College of Engineering, Medical Center, Center on Aging, Super Fund Project, and College of Agriculture. Collaborative research has been conducted on such topics as catfish, selenium bacterial luminescence, acid mine drainage, cancer metastasis, and food quality.
- RCTF fellowships enhanced the program's ability to recruit graduate students. With RCTF funded fellowships and assistantships, more graduate students are obtaining Ph.D.s instead of leaving UK with a master's degree.
- Graduate students have been sent to national and international meetings to present their research. Efforts are being made to recruit female and minority students through presentations at high schools and media promotions. The results are promising. Of 90 total students in 2001-02, 26 were female and four were minority students. This is the first year these numbers have been recorded.
- The program generated \$5,576,140 in grants and awards in 2001-02.

### Economics and Business Administration

- This program is strengthening faculty expertise in macroeconomics and financial institutions and enhancing the MBA and Ph.D. programs in business administration and the master's and

Ph.D. programs in economics. The program is multidisciplinary and offers a BS in Engineering/MBA, JD/MBA, and PharmD/MBA.

- Graduate students attend and present research papers at national conferences, funded by the RCTF. The RCTF also funds the African American Scholars Program to recruit minority graduate students and the Kentucky Scholars Program to recruit female graduate students. Of 98 total students in 2001-02, 73 were female and 15 were minority. This is the first year these numbers were recorded.
- Due to the new RCTF, faculty, research, and program development funding increased by 273 percent.
- The program generated \$1,925,800 in grants and awards in 2001-02.

### Substance Abuse and Prevention

- The Psychology Department is developing and applying prevention strategies for substance abuse. Faculty are involved in collaborative projects on substance abuse and prevention with other postsecondary institutions and historically black colleges and universities. They serve on editorial boards of scientific journals.
- Recruiting female students into psychology is not difficult; however, recruiting minorities is. The department provides resources to bring minority applicants to campus and to target minorities on its Web site and in its recruiting brochures. Of six total students in 2001-02, five were female and one was a minority.
- More than half of UK's Research and Creativity Awards were given to psychology students, making psychology the most successful department in the university at securing intramural funds for undergraduate research.
- The program generated \$2,037,842 in grants and awards in 2001-02.

### Geography

- The RCTF funded graduate programs in social theory and human geography, regional development, and environmental change. Research was conducted on citizen reaction to time zone boundary change in Kentucky; ecumenical space as geographical space; Japan in the Bluegrass; environmental security and regional development; and global and local factors in earth surface systems.
- Faculty have been hired to fill positions in social theory, economic geography, and human geography.
- Female and minority students were targets for recruiting efforts at the Southeastern Division of the Association of American Geographers conference hosted by the Department of Geography. Of 52 total students in 2001-02, 26 were female and one was a minority.
- The program generated \$155,262 in grants and awards in 2001-02.

### Graduate Student Support

- RCTF funds were set aside to increase UK's ability to recruit outstanding graduate students. Funds are used to provide new graduate and fellowship support for programs in the university's RCTF programs.
- The Graduate School maintains a Web site that includes all fellowship, assistantship, and tuition scholarship opportunities. It employs an associate dean for recruiting and a graduate assistant to assist in recruiting. Women and minorities are recruited into underrepresented disciplines. Of 291 total students, 132 are female and 29 are minority. This is the first year these numbers were recorded.
- The Graduate School provides Student Support Awards and Commonwealth Research Awards to all graduate students to travel to professional conferences or to conduct research. These awards enabled 1,168 students to participate in conferences and research meetings.

### **Institutional Summary: UofL**

#### Early Childhood Research Center

- The center's research focus is multidisciplinary and supports collaborative research activities within the College of Education and Human Development and in departments across the university and the nation.
- The economic impact of the center is leading to an improved standard of living. High paying technical jobs have been created to support research, and investigators have generated over \$11 million in research funding, creating over 265 new jobs, \$16 million in new revenue for local business, and \$750,000 in new taxes.
- The center is creating long-term benefits to the Commonwealth through assessments of early indicators of childhood learning disabilities and development of early intervention strategies.

#### Institute for Entrepreneurial Research

- The institute is a collaborative research effort among 19 College of Business and Public Administration faculty. It has generated \$271,135 in research awards.
- The institute developed a proposal for a Ph.D. program in entrepreneurship, one of four in the United States, and partially supports law school faculty in its Law and Entrepreneurship program.
- Research in the institute has been conducted in collaboration with the Urban League of Louisville, the Kentucky Cabinet for Families and Children, and a computer services company. The institute works with clients and referrals from the Louisville Central

Development Center, Kentucky Development Bancorp, Business Plus, Small Business Development Center, and Greater Louisville Inc. Small Business Center. Teams work with small companies that need assistance in operations, marketing, and product costing.

- Students participated in the institute's UBS PaineWebber New Venture Competition, winning over \$50,000 in prize money; the Saul Lefkowitz Trademark Moot Court Competition in Chicago; the Georgia Bowl; the Spirit of Enterprise competition at Indiana University; the New Venture Championship at the University of Oregon; and represented the college at other regional, national, and international collegiate business plan competitions.
- The Small Business Institute conducts courses in business organization in the community. Many of the MBA students have started their own businesses.

### Logistics and Distribution Institute

- The institute has 35 faculty members from three colleges and schools in the university, and the LoDI program offers an 18-hour graduate certificate with courses developed and taught by faculty from the College of Arts and Sciences, the College of Business and Public Administration, and the Speed Scientific School.
- Faculty involved in collaborative research and outreach have generated \$1,472,343 in research awards. LoDI has collaborated in the formation and operation of the Greater Louisville Inc. Logistics Network, an initiative devoted to making Louisville an international distribution center.
- Funds have been used to complete computer laboratories, provide short training programs in e-Commerce and Real-Time Communication, sponsor a seminar series, and support graduate students.
- The UPS Center for Worldwide Supply Chain Management sponsored executive training conferences, supply chain research forums, workshops, and seminars. The UofL Center for Geographic Information Systems offered workshops on the use of ArcView GIS software, and LoDI offers a monthly seminar series for faculty, students, and guests from the logistics and distribution community.

### Molecular Medicine and Biotechnology

- Molecular Medicine and Biotechnology contains eight areas of biomedical research and promotes joint projects among faculty in health sciences, chemistry, sociology, psychological and brain sciences, Brandeis School of Law, and Speed Scientific School of Engineering. The eight areas are cancer biology, neuroscience, birth defects, vision research, genetics and molecular medicine, cardiovascular research, transplantation, and environment and public health.

- Undergraduate and graduate students regularly participate in research activities, internships, and service learning. The RCTF funds student attendance at national and international conferences; supports fellowships, graduate assistantships, and post-doctoral positions; pays special course fees; and provides computers to student labs. Aggressive efforts have been made to recruit minority and female students into the discipline. In 2001-02, 97 students were enrolled. Of this number, 44 were female and 53 were minority students. This is the first year these numbers were recorded.
- Molecular Medicine and Biotechnology has sponsored conferences and symposia on sponsored research, commercial application, and maximizing benefits of collaborative research.
- The Molecular Medicine and Biotechnology's program in cancer biology received a \$1.3 million planning grant to become a National Cancer Institute-Designated Cancer Center by 2007. Awards for all programs within Molecular Medicine and Biotechnology total \$64,803,071. Federal grants and contracts have quadrupled since 1999.

Staff preparation by Jim Applegate, Ben Boggs, Sherron Jackson,  
Linda Jacobs, Jennifer Marsh, and Bill Payne

## Regional University Excellence Trust Fund Programs of Distinction 2002 Annual Reports

### Purpose

The Programs of Distinction were funded in the 1998-2000 biennium through the Regional University Excellence Trust Fund. As outlined in the *Kentucky Postsecondary Education Improvement Act of 1997*, one of the objectives of the RUETF is to enable each comprehensive university to become nationally recognized in at least one academic program of distinction or one applied research program. Funds were transferred to each institution's base budget in FY 2000-01.

The RUETF PODs are:

- Eastern Kentucky University: Justice and Safety
- Kentucky State University: Aquaculture
- Morehead State University: Institute for Regional Analysis and Public Policy
- Murray State University: Telecommunications Systems Management
- Northern Kentucky University: Center for Integrative Natural Science and Mathematics
- Western Kentucky University: Applied Research and Technology and Media for the Twenty-First Century

### Trust Fund Allocation

The PODs were funded at \$6 million in FY 1997-98 and in each year of the 1998-2000 biennium. These funds were to be matched dollar-for-dollar by the institutions with external funds or through internal reallocation. The 1999-2000 funds were transferred to each institution's base budget. The amounts transferred were:

Eastern Kentucky University	\$1,504,000
Kentucky State University	464,000
Morehead State University	882,000
Murray State University	1,025,000
Northern Kentucky University	739,000
Western Kentucky University	<u>1,386,000</u>
<b>Total</b>	<b><u>\$6,000,000</u></b>

### Program Accomplishments

POD funds have created new teaching and research opportunities for faculty statewide and purchased equipment that meets industry standards. These efforts have helped recruit outstanding

faculty and students. Students are working directly with faculty on research projects. The PODs connect with local P-12 institutions, collaborate with other campus departments and universities, and create partnerships with communities.

#### Eastern Kentucky University

- EKU's POD encompasses the College of Justice and Safety. The college has 42 full-time faculty, including five faculty positions funded by the RUETF. In fall 2002, the college has three newly hired faculty—one funded through a loan from the Kentucky Virtual University.
- The institution reported revenue in FY 2001-02 of \$3,555,300 for the POD. Expenditures of \$3,209,900 were reported, leaving a carry forward balance of \$345,400 for FY 2002-03.
- The college is EKU's leader in obtaining federal, state, and private external funding for research, public service, and teaching projects. The college received 47 awards in 2001-02 totaling over \$39 million. Annual external funding obtained by the college has more than doubled over the past five years and has increased five-fold over the past seven years.
- The college engaged in extensive collaboration with 71 local, state, and federal agencies and institutions in 2001-02 alone. Examples include the Kentucky State Police; Kentucky Department of Corrections; U.S. Army Armor Center; Ft. Knox; University of Louisville Center for the Deterrence of Bio-Warfare and Bio-Terrorism; United States Department of Justice; Naval Air Warfare Center; Pulaski County Sheriff's Department; San Diego Police Department; and Yaroslav Mudry National Law Academy, Kharkiv, Ukraine.

#### Kentucky State University

- KSU's POD is the Aquaculture Research Center, the only one of its kind in the Commonwealth. The center has six faculty teaching graduate-level courses, supported by 35 research ponds and a hatchery building with a state-of-the-art histology lab, wet lab, and analytical equipment.
- KSU reported revenue of \$3,061,400 in FY 2001-02. Expenditures of \$865,400 were reported for the program, leaving a carry forward balance of \$2,196,000 for FY 2002-03.
- In 2001-02, eight grants were funded, for a total of \$932,357 in external funding.
- With the support of research and extension work, catfish production acreage increased almost 50 percent statewide in 2001, and a new state-of-the-art processing plant was opened in Tri-City, Kentucky. There also was substantial increase in production acreage in freshwater shrimp, paddlefish, and largemouth bass.
- The program has assisted 67 Kentucky high schools in developing aquaculture activities and courses statewide.

- The program's first master's degree was conferred May 2002. This is the first new graduate degree offered by KSU in over 20 years and the first science-based graduate degree ever offered by the university.
- The program has hired an electronic media coordinator and maintains a Web site (<http://www.ksuaquaculture.org>) to support industry and aqua-farming efforts statewide.

#### Morehead State University

- MoSU's POD is the Institute for Regional Analysis and Public Policy. IRAPP is divided into two divisions (Academic Programs and Applied Research, Service, and Policy) to better integrate teaching, applied research, and public service activities to address economic development and social issues affecting eastern Kentucky, Appalachia, and rural America in general.
- In FY 2001-02, MoSU reported revenue of \$3,119,500 for the POD. Expenditures for FY 2001-02 totaled \$1,577,500, leaving a carry forward balance of \$1,542,000 for FY 2002-03.
- IRAPP offers five bachelor's degrees (environmental science, geography, government, social work, and sociology), including a unifying core of six courses. Two master's programs are under development (biology and sociology).
- IRAPP claims seven full-time faculty and two administrators of faculty rank. Currently 34 students are enrolled, an increase of 17 over the previous academic year.
- IRAPP is assembling a Web edition of The Kentucky Encyclopedia, produced under contract for the University Press of Kentucky. Additionally, The Atlas of Appalachia is being developed for CD ROM use with support from WKU, UK, East Carolina University, and Marshall University. These resources will be available for public libraries, schools, and universities to more readily provide information about Kentucky and Appalachia for educational projects and researchers addressing the social and economic needs of the region.
- During fiscal year 2001-02, IRAPP received \$3,733,301 in new grants from federal, state, and local governments, corporations, and foundations.

#### Murray State University

- MuSU's POD is the Center for Telecommunications Systems Management program. During fiscal year 2001-02, the program had seven full-time faculty, four in the College of Science, Engineering, and Technology and three in the College of Business and Public Affairs.
- In FY 2001-02 MuSU reported revenues of \$2,713,700 for the POD. Expenditures of \$2,414,000 were reported for FY 2001-02, leaving a carry forward balance of \$299,700 for FY 2002-03.

- Thirteen faculty were involved in collaborative research and teaching on behalf of the TSM program.
- During fiscal year 2001-02, 216 students were enrolled—17 pursuing associate degrees, 138 baccalaureate degrees, and 61 master's degrees.
- External grants totaling \$495,016 were awarded to the program during 2001-02. Funding sources include the U.S. Department of Education, the National Science Foundation, and BellSouth.
- TSM continues to develop and maintain the largest database of online telecommunications links in the world ([www.eXroads.com](http://www.eXroads.com)). This database consists of over 27,000 links and receives 30,000 hits per month. This database is a primary source for businesses and organizations seeking telecommunications information.

#### Northern Kentucky University

- NKU's POD is the Center for Integrative Natural Science and Mathematics. CINSAM is not a degree-granting program, but a program that coordinates activities in research, teaching, and outreach across the NKU College of Arts and Sciences' Departments of Biological Sciences, Chemistry, Mathematics and Computer Science, Physics and Geology, and the College of Education.
- In FY 2001-02 NKU reported revenue of \$2,394,000 for the CINSAM program. Expenditures for that fiscal year totaled \$2,320,600, leaving a carry forward balance of \$73,400 for FY 2002-03.
- CINSAM claims six full-time and three part-time faculty to accomplish its mission; however, 68 faculty participated in CINSAM activities in 2001-02.
- More than 1,030 NKU students participated in CINSAM related activities both on and off campus in 2001-02.
- In October 2001, a collaborative proposal between CINSAM and UofL earned a \$6 million National Institutes of Health grant. The grant funds development of the *Kentucky Biomedical Research Infrastructure Network*. This network increases statewide collaboration between biomedical researchers and educators to more effectively compete for federal research funds and to better prepare students for science-related careers.
- A second joint CINSAM/UofL project received \$1.5 million from the U.S. Department of Education's Fund for the Improvement of Postsecondary Education in January 2002. The project is entitled "Urban University's Partnership for Mathematics and Science Teaching."
- CINSAM plays an active role in the Council of Partners of Northern Kentucky, a regional P-16 council. A CINSAM representative attends all meetings. Proposals have been submitted

for federal funding to address high school and middle school science and mathematics teaching needs.

### Western Kentucky University

- WKU has two PODs, the Applied Research and Technology Program and the Center for Twenty-First Century Media, which includes both the School of Journalism and Broadcasting and the Forensics program.
- In FY 2001-02 WKU's ARTP reported total revenues of \$13,420,300. Expenditures for the program were \$7,386,600, leaving a carry forward balance of \$6,033,700 for FY 2002-03. The center reported revenue of \$1,920,400. Expenditures for the program totaled \$917,800, leaving a carry forward balance of \$1,002,600 for FY 2002-03.
- The ARTP consists of more than 70 faculty working with more than 580 students in teaching and research activities. More than 20 multidisciplinary projects involve more than 70 local, state, federal, and private corporations or agencies. Sixty-seven grants were obtained, gaining \$5,216,385 in external funding.
- ARTP's Engineering Services Center sponsored "Girls in Science Days," at which 100 fifth through eighth grade girls participated in a variety of hands-on science activities on the WKU campus to increase interest in attending college and science-related careers.
- ARTP's Institute for Rural Health Development and Research obtained a mobile health and wellness unit through a \$670,000 federal grant to provide medical and dental screening and education for the 10 counties in the Barren River Development District. The program, "Building Bridges for a Healthier Community," involves many WKU students while helping improve the health of rural citizens. The program also involves dental students from UofL.
- The Center for the Twenty-First Century Media promotes excellence in journalism, broadcasting, and other forms of communication. It has 37 faculty (22 full-time, 15 part-time), three funded through POD funding. Fall 2002 enrollment stands at 1,078 undergraduate majors and 36 minors.
- The center was awarded nine external grants, totaling \$54,785, in 2001-02.
- The center is engaged in 11 consulting assignments, including "diversity in local news media," a content analysis of the Lexington media market. Results were presented at the national Leadership Summit on Erasing Racism. The project was designed to give the National League of Cities' anti-racism campaign a local focus.
- The center works closely with the Kentucky High School Journalism Association and sponsored its formation five years ago. The association promotes college and journalism careers among Kentucky high school students. Two WKU faculty members serve as

association advisors and are completing the design of a joint WKU and high school academic course on desktop publishing.

- The forensics program, also part of the Center, consists of four full-time staff and one part-time faculty member. Fall 2002 enrollment stands at 36 undergraduates and two graduate students. In 2001-02, WKU forensic students won more than 500 individual awards (first, second, and third place) at invitational forensic tournaments across the United States.

## Regional University Excellence Trust Fund Action Agenda Program 2002 Annual Reports

### Purpose

The Action Agenda Program funds initiatives at comprehensive universities that increase postsecondary enrollment, retention, and graduation; smooth the transition from high school to college; and improve the quality of life for children and adults. These initiatives support the goals of the *Kentucky Postsecondary Education Improvement Act of 1997*, *2020 Vision*, and the *Action Agenda, 1999-2004*. Action Agenda program funds come from the Regional University Excellence Trust Fund.

The comprehensive institutions outlined plans to use action agenda funds, and the council approved those plans May 21, 2001. Four of the institutions spent 34 percent of the funds on teacher quality. Kentucky State University and Northern Kentucky University reallocated internal funds to teacher quality work, resulting in more than \$4 million being dedicated to teacher quality. The institutions submitted their first annual financial and programmatic reviews of performance outcomes organized around the five questions of reform October 15, 2002. A summary of the institutions' reports follows.

### Trust Fund Allocation

In FY 2001-02 the program was funded at \$10 million. The funds were rolled into the base budgets in FY 2002-03. Funds distributed to the institutions were:

Eastern Kentucky University	\$2,433,000
Kentucky State University	732,000
Morehead State University	1,435,000
Murray State University	1,659,000
Northern Kentucky University	1,414,000
Western Kentucky University	<u>2,327,000</u>
<b>Total</b>	<b><u>\$10,000,000</u></b>

### Program Accomplishments

The comprehensive universities used action agenda funds to develop programs promoting enrollment, retention, and graduation; provide more online courses; fund graduate assistantships; establish service learning programs; recruit women and minorities into postsecondary education; support regional economic development; and support teacher quality initiatives.

## **Institutional Summaries**

### Eastern Kentucky University

EKU was allocated \$2,433,000 from the RUETF for action agenda programs. In FY 2001-02 the institution expended \$1,771,361 to support the program activities, leaving a carry forward balance of \$661,639 for FY 2002-03.

#### Funds supported:

- Four technology projects that serve on-campus and non-traditional students at extended campus locations. The projects also expand continuing and workforce education initiatives. The institution upgraded internal campus and extended campus networks; increased multimedia and video conferencing capabilities; installed video conferencing equipment in each remote campus; and implemented new hardware and software for online learning.
- ITV equipment was purchased for the Corbin Center to increase course offerings and develop three new courses to serve first-time students with pre-college curriculum deficiencies.
- One full-time student support services professional and part-time ITV site facilitators were hired at centers in Danville, Manchester, and Corbin. Distance learning technology was improved at the Corbin and Danville centers.
- The public health program and EKU's participation in the statewide public health strategy was supported with additional graduate assistantships at student recruitment activities. Internet courses in health behavior, public health administration, environmental health, epidemiology, and biostatistics were created in collaboration with public health programs at UofL, UK, and WKU.
- Educational programs related to sexual assault, violence, alcohol, HIV and AIDS prevention, and drug use were expanded. An Emerging Leaders Institute and a leadership camp were created to promote student leadership skills.
- Teacher quality initiatives focused on recruiting minorities; increasing college and school partnerships; expanding alternative certification and future teacher programs; and greater use of distance education and technology in teacher education.

### Kentucky State University

KSU was allocated \$732,000 from the RUETF for action agenda programs. In FY 2001-02 the institution expended \$300,720, leaving a carry forward balance of \$431,280 for FY 2002-03.

#### Funds supported:

- The Center for Professional and Career Preparation. The center works to increase students' ability to perform well on standardized examinations such as the GRE, LSAT, MCAT, PRAXIS II, NCLEX, and ACT. It provides software and test-study material; seminars on conquering test-anxiety; workshops on test taking; and PRAXIS II test preparation for prospective teachers, specifically.
- The Special Needs Support Office. This office established a Disability Resource Center to expand pre-admission assistance, financial aid counseling, and new student orientation sessions for disabled students.
- The Technology Initiative. This initiative increased technology use in classrooms and increased alternative course opportunities through Kentucky Educational Television, Franklin County Senior Citizens Center, interactive television and videoconferencing, and the Kentucky Virtual University.
- The Service Learning Program. In collaboration with Berea College, UK, UofL, and community nonprofit organizations, this program expanded service learning opportunities for students and created faculty development workshops to encourage more faculty to incorporate service learning into their courses.
- Academic support is being enhanced through the Freshman Year Experience and the Communication Skills Center. The FYE assists entering students in setting personal and educational goals and provides peer tutoring, supplemental instruction, and counseling. The CSC provides one-on-one instruction in writing, reading, and study skills.

Morehead State University

MoSU was allocated \$1,435,000 from the RUETF for the action agenda programs. In FY 2001-02 the institution expended \$1,090,692, leaving a carry forward balance of \$344,308 for FY 2002-03.

## Funds supported:

- The Enrollment, Retention, Diversity, and Graduation program which increased enrollment and retention from the service region by:
  - Increasing awareness of the institution's purpose and programs.
  - Developing and maintaining a Web-based program for admissions counseling.
  - Providing student telecounseling.
  - Creating information for the news media.
  - Increasing outreach programs and promotion of counseling center services.
  - Targeting enrollment and retention of African American students through the Whitney Young Scholars Program.
  - Assisting students with classroom assignments.
  - Increasing student involvement in campus activities.
  - Identifying prospective students to participate in the Minority Teacher Education Program.
  - Developing programs that provide early identification of students at risk of dropping out and support for those students.
  - Making on-site visits to middle and high schools.
  - Collaborating with the Wellness Center to present workshops on student study skills.
- The Economic Development and Quality of Life program fosters regional economic development and supports cultural heritage activities, such as traditional music and folk art, through the Kentucky Center for Traditional Music. Action agenda funds, the city of Morehead, and the Morehead Tourism Commission funded this program.
- Teacher preparation funds were used to increase professional development opportunities; enhance field experiences for prospective teachers; recruit outstanding students into teacher education; expand the P-16 regional initiative; increase student academic preparation; enhance the alternative certification program; introduce the latest educational technology to students and faculty; and improve teacher education student assessment.

Murray State University

MuSU was allocated \$1,659,000 from the RUETF for the action agenda programs. In FY 2001-02 the institution expended \$962,600 to support program activities, leaving a carry forward balance of \$696,400 for FY 2002-03.

## Funds supported:

- Student recruitment strategies:
  - Roads Scholars program, in which MuSU faculty travel to high schools and middle schools to develop strong relationships with high school faculty, administrators, and students; illustrate the benefits of postsecondary education; and make students feel more comfortable about entering MuSU.
  - Commonwealth Honors Academy for high school students who may take courses in the summer after their junior year and the fall and spring of their senior year to earn college credit and to experience campus life before graduating.
  - Academic Excellence Weekend, in which students with ACT scores of 28 and greater spend the weekend with faculty in areas of their academic interest, with each student receiving a scholarship.
  - An integrated marketing plan that focuses recruitment in counties with low college-going rates.
  - Endowed scholarships in humanities, fine arts, education, health science, science engineering and technology, business and public affairs; and initiated a telecounseling center, providing online support to prospective and current students.
  - Expansion of retention efforts to include residential colleges that bring together residents, commuter students, and faculty to personalize the students' experience; leadership opportunities; and opportunities for students and faculty to interact outside the classroom.
  - A comprehensive academic assistance center offering developmental courses, support courses, advising, and tutoring.
  - Career counseling and student orientation at the Academic Advising Center for students who have not declared a major.
  - Expansion of the First Year Experience program to provide additional tutoring and test proctoring to first year students having academic problems.
- New instructional technology increased the number and type of virtual workshops, increasing collaboration with the community and other institutions, the number of off-campus students

enrolled in online activity, and the number of students in the council's target counties using online courses.

- A special education teacher certification was developed to help eliminate emergency certifications in the area. New technology was added to programs in elementary education and special education.
- Funds were used to support the Teacher Quality Institute, which collaborates with the College of Science, Engineering, and Technology; the College of Humanities and Fine Arts; and the College of Education to improve the content and teaching knowledge of practicing and newly certified teachers.

### Northern Kentucky University

NKU was allocated \$1,385,700 from the RUETF for action agenda programs. In FY 2001-02 the institution expended \$733,320, leaving a carry forward balance of \$652,380 for FY 2002-03.

Funds supported:

- The Lifelong Learning Program which expanded access by providing non-credit courses for citizens of the region in computer and information technology, professional development, and personal enrichment; credit-bearing courses in Grant county, a cost-share with the community; and more distance learning and Web-based programs generally.
- The Center for Civic Engagement acts as the front door for the university to local governments and organizations that want to partner with NKU to address significant community needs.
- The Community Partnership Fund engages faculty and students in the community's most pressing social, economic, education, health, and civic needs. NKU faculty partner with agencies in the community, government, healthcare, and social service agencies; foundations; and school districts. These partnerships will address local issues—such as abandoned industrial sites inventory, needs of nonprofit agencies, and communicating dangers in household hazardous waste.
- The Metropolitan Education and Training Services links small-business “incubator” labs and faculty expertise to workforce needs.
- Faculty summer fellowships expand support for professional development; research, creative, and artistic projects; and improvement of teaching skills.

### Western Kentucky University

WKU was allocated \$2,264,400 from the RUETF for action agenda programs. In FY 2001-02 the institution expended \$1,158,100, leaving a carry forward balance of \$1,106,300 for FY 2002-03.

Funds supported:

- Enrollment growth initiatives, including:
  - Pilot programs to identify and serve nontraditional students from the council's target counties.
  - Recognition of award-winning high school students from WKU's primary service region.
  - Expanded course offerings and advising at extended campuses.
  - Academic competitions and events that linked high school students to WKU faculty and programs.
  - A minority journalism summer workshop.
  - Girls to Women in Science team science competitions and classes.
  - Online distance learning in communication disorders, public health, hospitality management and dietetics, architectural manufacturing science, gifted and talented education, and family and consumer sciences education.
- WKU developed an expanded student support system with seven key components:
  - Project Early Start is a summer academic enrichment program.
  - Partners Program enables students on academic probation to continue, contingent on fulfilling an academic "contract."
  - Project Taking Aim identifies students at risk of dropping out of college.
  - Freshman Seminar provides students with college survival skills and information on programs, majors, and career planning.
  - Placement for Success identifies students' academic strengths and weaknesses and provides course placement.
  - Six Week Freshman Assessment identifies students at risk of failing freshman year and prepares them for classes.
  - A learning center that offers one-on-one tutoring, workshops, and a learning lab.

- The Center for Teaching and Learning program was expanded. The center offers faculty workshops on innovative teaching and assessment strategies, supports special projects to enhance student learning in particular disciplines, and provides professional development for full- and part-time instructors.
- Teacher quality and preparation programs increased the number of qualified teachers in P-12 classrooms who are strong in content knowledge and pedagogy and improved professional development opportunities for current teachers.

Staff preparation by Jim Applegate, Ben Boggs, Sherron Jackson,  
Linda Jacobs, Jennifer Marsh, and Bill Payne

## Technology Trust Fund Faculty Development Program 2002 Annual Reports

### Purpose

The Faculty Development Program funded through the Technology Trust Fund supports statewide initiatives and programs developed by postsecondary education institutions to provide professional development opportunities to Kentucky faculty that contribute to the goals of the *Kentucky Postsecondary Education Improvement Act of 1997*, *2020 Vision*, and the council's *Action Agenda, 1999-2004*.

At the November 13, 2000, meeting, the council approved guidelines to distribute the faculty development incentive funds. The guidelines require institutions to provide plans outlining the use of the funds as well as the assessment of the effectiveness of funded programs. The council approved preliminary institutional plans for the funds at the May 21, 2001, meeting.

### Trust Fund Allocation

The program received a \$1 million appropriation in 2001-02. The council reserved \$100,000 to support statewide faculty development initiatives. The remaining \$900,000 was distributed to the institutions. At its November 13, 2000, meeting, the council recommended that funds be recurring in institutions' 2003 base budgets.

Eastern Kentucky University	\$ 90,600
Kentucky Community and Technical College System	126,800
Kentucky State University	56,000
Morehead State University	70,300
Murray State University	69,200
Northern Kentucky University	85,900
University of Kentucky	173,100
University of Louisville	135,500
Western Kentucky University	<u>92,600</u>
<b>Total</b>	<b>\$900,000</b>

### Program Accomplishments

The faculty development funds enable the universities to better prepare faculty to teach an expanding pool of diverse students. Increasing numbers of adult students, students of color, students with different learning styles, and under-prepared students are entering our institutions. The funds also support faculty development in the use of technology—both for on-campus and distance learning programs. Finally, the funds help faculty incorporate diverse teaching strategies, such as service-learning, to increase student learning and better connect education to community needs.

To aid these efforts statewide, increase multi-disciplinary team teaching, and promote collaboration among faculty across public and independent institutions, all institutions have provided matching funds for The Kentucky Journal Of Excellence in College Teaching and Learning, a statewide online journal to support excellence in teaching. The Web site is found at <http://www.uky.edu/TLC/MAINPOSTER/JournalofExcellence.htm>.

## **Institutional Summaries**

### Eastern Kentucky University

EKU received \$90,600, of which \$67,950 was dedicated to its Teaching and Learning Center and \$22,650 allocated to the office of the provost. Of these funds, \$64,800 were expended, leaving a carry forward of \$25,800 for 2002-03.

- EKU invested \$125,000 in base budget funds to establish the Teaching and Learning Center, which opened 2001. Center programs include organizing teaching and learning conferences and workshops, providing individualized technology instruction for course design, and coordinating satellite and video programs related to teaching and learning. With the opening of the center, EKU reallocated an additional \$150,000 in institutional funds to encourage faculty development activities, such as a grant writing workshop and an online teaching institute.
- Projects funded through the provost's office include travel assistance for faculty participation at national professional conferences and for approximately 30 faculty and administrators to participate in the annual statewide faculty development conference. Other activities include funding faculty participation in the university's "Excellence in Teaching with Technology" institute. These funds were matched with funds from departments and colleges.

### Kentucky Community and Technical College System

The KCTCS received \$126,800 to support five initiatives. Carry forward funds for 2002-03 total \$43,400. The five initiatives are:

- Participation in the Annual National Institute for Staff and Organization Development. Each year, one faculty member from each of the 16 KCTCS districts receives funding for the conference, which addresses issues related to organizational improvement and staffing.
- Participation in the Annual Teaching and Learning Conference. Two faculty members per district were supported to attend the conference in Ashland, Kentucky, November 9 and 10, 2001. The conference focused on enhancing teaching skills and classroom effectiveness.
- Aid for the KCTCS-UK Future Faculty for Online Learning Collaborative Project. The UK Preparing Future Faculty program prepares UK graduate students to be more effective faculty. The KCTCS-UK program provides faculty the opportunity to learn how to develop

and teach online courses with mentoring from KCTCS staff. The collaboration also benefits the KCTCS by helping their ability to meet online course demands.

- Assistance for six faculty members participating in the “British Academic Experience.” These sabbaticals have been arranged among the KCTCS, Georgetown College, and Regent’s Park College of Oxford University. Faculty are required to develop a plan for their sabbatical that specifies how the experience will enhance their teaching role in Kentucky.
- KCTCS faculty participated in discipline-specific workshops, assembling representatives from 28 colleges to improve curriculum and implement a statewide strategic plan that ensures curriculum consistency and quality across the system.

### Kentucky State University

KSU received \$56,000 to support three initiatives. The university faculty development report states that the changes in university administration interrupted full implementation of the plan as proposed. The current administration is in the process of proceeding with the plan and reporting the results. Council staff is working with the administration to ensure the report is complete. Current carry forward funds total \$53,456. The university initially proposed the following:

- The first initiative supported the mathematics and science faculty’s revision of their curricula to include a teaching model developed by well-known mathematician, Uri Treisman. The model builds student confidence in mathematics by challenging them with complex mathematical problems and encouraging them to work together to solve problems. Faculty workshops implement the proposed changes in content and pedagogy.
- The second initiative was to examine the current faculty evaluation process and explore alternative methods of evaluation. Dr. Peter Seldin, Distinguished Professor of Management at Pace University, will conduct a four-day workshop on faculty evaluation. Faculty teams are to implement changes suggested by the work of Dr. Seldin.
- The third initiative will provide discipline-specific workshops on student assessment. These workshops will be coordinated by the university’s Center for Innovation in Teaching, Learning, and Assessment and will enable KSU faculty to better prepare students for professional licensure examinations, including teacher certification, or graduate education.

### Morehead State University

MoSU received \$70,300 for the Center for Teaching and Learning. MoSU matched with \$83,950 of its own funds. University reports indicate that \$10,774 is being carried forward to this current fiscal year. These carry forward funds are being used to support the use of technology in instruction by providing computer presentation equipment in classrooms. Expended funds were used for:

- Arranging workshops, presentations, and consultations to share effective teaching approaches. Collectively, more than 160 participants attended these activities.

- Orienting approximately 60 new and adjunct faculty.
- Coordinating mentoring activities for first-year faculty.
- Creating P-16 networks with schools and colleges in the region.
- Assembling published and electronic resources supporting effective teaching and research.
- Promoting research on teaching and learning to improve practice.
- Providing competitive grants for innovative faculty development proposals.

#### Murray State University

MuSU received \$69,200 to support two initiatives. MuSU voluntarily matched with \$53,300 of its own funds and has a total of \$18,400 in carry forward funds for 2002-03.

- The first initiative reorganized and expanded the Academic Computing and Technical Services into the Center for Teaching, Learning, and Technology. Funds provide for additional staff, including an instructional development specialist. The center now reports directly to the provost's office and is integrated into all academic strategic planning.
- The second initiative is the Institutional Teaching Enhancement Fund. This \$30,000 fund provides mini-grants ranging from \$200 to \$1,000 to support innovative teaching initiatives. This program parallels an existing mini-grant program for faculty research. The program will be administered through the Center for Teaching, Learning, and Technology.

#### Northern Kentucky University

NKU received \$85,900 to fund five initiatives of its new Faculty Center for Teaching, Learning, and Technology, which was created with institutional funds. Carry forward funds for 2002-03 total \$17,800.

The funds supported:

- Teaching improvement grants. These grants focus on new initiatives from faculty that require an investment of time and resources beyond that currently provided by individual colleges and departments. The grants emphasize interdisciplinary approaches to teaching. Of the original allocation, \$45,575 was used to support 42 faculty mini-grants for improving teaching.
- Faculty orientation and retention. The center offers workshops to new faculty, provides training for existing faculty, and helps faculty who are experiencing difficulties in the classroom.

- Teaching workshops. The center sponsors events, seminars, and workshops that provide faculty the opportunity to learn from visiting experts. More than 53 faculty have participated in these activities.
- Technology in support of teaching. Mini-grants are offered to support innovative instructional technology efforts in the classroom.
- Building service learning into coursework. The center works closely with the NKU Center for Civic Engagement to assist faculty in building service learning experiences into the curriculum that improve student learning and serve the community.

The center also has begun to work with the university's post-tenure review process to enhance the productivity of tenured faculty. A university faculty development Web site was created and is found at <http://www.nku.edu/~fdc>.

### University of Kentucky

UK received \$173,100 to fund three initiatives. Carry forward funds total \$71,600.

- The first initiative addressed campuswide faculty needs. An allocation of \$50,000 (with an additional \$50,000 internal match) funds two faculty development positions. A course management software trainer and coordinator work with campus online coordinators to support faculty development of instructional technology skills. The second position, instructional designer, implements new course management software and supports online course development. The success of this initiative has created such demand that the university is seeking a third instructional designer position.
- The second initiative targets teaching improvement at the departmental level. An allocation of \$83,100 supported seven mini-grants to departments to develop innovative teaching practices. These awards have encouraged faculty to develop new course content and pedagogical approaches, meeting specific disciplinary needs. The revised courses based on these grants are expected to enhance learning for more than 10,000 students during the 2002-03 academic year.
- The third initiative dedicated \$40,000 to efforts to secure faculty membership in highly prestigious national academies, such as the Institute of Medicine, the National Academy of Sciences, and the National Academy of Engineering. These funds are used to support activities that lead to national academy membership. Only one or two faculty members per college will qualify for this initiative. During the 2001-02 funding period, no proposals were funded. The \$40,000 has been carried forward into the 2002-03 fiscal year. At this time, university reports indicate that one proposal has been accepted to fund a faculty member pursuing National Academy of Engineering membership.

### University of Louisville

UofL received \$135,500 to fund three new initiatives of its Delphi Center: Enhancing Teaching and Learning, of which no carry forward is reported for the current fiscal year. Since opening July 2000, the center has led the university in projects that integrate technology and instruction.

- The first initiative established a center annex at the Health Sciences Center campus. The annex serves the health professions by developing technology-enhanced instructional models for the health disciplines.
- The second initiative funded a digital and video recording studio on the Belknap campus. The studio increases faculty development of Web enhanced and distance learning courses. As of March 2002, more than 570 faculty and instructional staff have participated in Delphi Center activities.
- The third initiative is to support assessment and research on effective learning strategies in Web environments. This research initiative is to develop teaching and learning models for Web environments to serve faculty throughout the state. The project is to be coordinated by the faculty of the Human Resources Education program, who specialize in educational effectiveness in mediated and nontraditional learning environments. The institutional report does not indicate activity for this initiative. Carry forward funds will be used to support this project in 2002-03.

### Western Kentucky University

WKU received \$92,600 to support a two-pronged university-wide faculty development plan. The first focuses on faculty at the departmental level. The second concentrates on the individual faculty member. Institutional reports indicate that establishing and implementing this plan correctly in each college has been time consuming. Therefore, \$83,182 of the account has been carried forward to the current fiscal year.

- The plan first provides an allocation to each department to develop programs that meet their specific professional development needs. As explained in the guidelines, activities are expected that expand the use of technology in learning activities, update learning models in courses, enhance mentoring of new faculty, and address the teaching needs of part-time faculty.
- Second, the university plans to establish an annual competitive grant fund of \$37,600, overseen by an interdisciplinary committee that presents recommendations to the provost. Guidelines specify that funded activities should include innovative uses of campus learning resources, improve instructional technology and distance learning via the KYVU, and collaborate with regional P-12 schools to improve teaching and prepare students for college.
- The \$9,417.50 that has been expended from the 2001-02 allocation funded attendance at state and national meetings focused on teacher education enhancement, the development of teaching initiatives emphasizing strong student participation, and the promotion of

collaborative relationships with other institutions through faculty exchange and joint-curriculum design.

Staff preparation by Jim Applegate, Ben Boggs, Sherron Jackson,  
Linda Jacobs, Jennifer Marsh, and Bill Payne

## Workforce Development Trust Fund 2002 Annual Report

### Purpose

Developed in cooperation with Kentucky business and industry, the Workforce Development Trust Fund has evolved into the Kentucky Workforce Investment Network System. The Kentucky Community and Technical College System developed KY WINS to provide existing and new business and industry with education, training, and support services designed to develop better jobs and a workforce with the knowledge and skills to fill them.

The integration of workforce training resources through the KCTCS provides an accessible, single point of contact for workers and businesses, reducing turn-around time and productivity losses for Kentucky's business and industry. The KCTCS serves as a major partner with the Cabinet for Economic Development and the Workforce Development Cabinet to complement their programs serving business and industry, as well as local and regional economic development organizations. The KCTCS also supports the efforts of the state and local Chambers of Commerce and the Associated Industries of Kentucky in developing a skilled workforce. The KCTCS collaborates with the state and local Workforce Investment Boards. As part of its strategy to establish these alliances, the KCTCS works with the research and regional universities, independent institutions, the Kentucky Science and Technology Corporation, the Kentucky Technology Services, and the secondary school system.

Several projects are composed of training networks that involve more than one company. These networks meet common training needs of business and industry from various sectors of the economy. The network approach is successful because companies who only need one or two employees trained are able to join with other companies to obtain cost-effective and timely training.

The KCTCS KY WINS program benefits Kentucky by providing workers with skills that are transferable across business and industry. These skills increase workforce productivity and improve the employability and per capita income of Kentucky's citizens. KY WINS also retains and recruits companies requiring high skills, which results in high-value and high-wage jobs.

The KCTCS benefits from KY WINS through increased business and industry investment in workforce training and retraining, equipment, and contribution to the KCTCS Foundation. KY WINS also leads to increased opportunities for KCTCS increased enrollment and curriculum development through business and industry collaboration.

The KCTCS allocates KY WINS funds to the following types of initiatives:

- Cabinet for Economic Development Commitment projects.
- New or expanding companies (referrals from state, regional, and local economic development agencies).

- Job retention projects for at-risk industries.
- Retraining and placement of workers whose jobs are lost due to plant closings.
- Workforce and management skills upgrade courses (referrals from state, regional, and local economic development agencies or colleges).

### **Trust Fund Allocation**

The Workforce Development Training Program was allocated \$6 million in each year of the 1998-2000 biennium and \$6 million in each year of the 2000-02 biennium. Since June 2000, the KCTCS has spent or allocated to active training projects the entire trust fund allocation. As part of the 2002-04 budget process, funds were transferred to the KCTCS base budget beginning FY 2002-03.

### **Program Accomplishments**

Including the training networks, KY WINS has provided services for 83 companies in 32 counties. The KCTCS funded 54 projects totaling \$7,444,512 with 2000-02 funds through KY WINS. Statewide budget reductions resulted in \$120,000 recurring reduction in the KY WINS program funds. The average cost of delivering services is \$613 per person.

- Nine of the projects were completed, with several scheduled for completion spring 2003. The completed projects resulted in the creation of 1,128 new jobs and served 1,736 individuals. The active projects are expected to serve over 11,000 individuals and result in the creation of 3,800 new jobs.
- The KCTCS has committed \$4,435,488 to economic development projects in partnership with the Kentucky Cabinet for Economic Development. An additional 7,200 individuals will be served through these initiatives.
- The KCTCS has established a database to track KY WINS projects for average wages, number of jobs created, types of services provided, number of individuals trained or assessed, size and type of company, location of training by counties, and cost of the project.

KY WINS enhances high-performance work organizations by providing workers with transferable skills addressing technology, innovation, and entrepreneurship. These skills provide for the mastery of specific occupational and technical competencies in critical thinking, problem solving, ability to work in teams, communication, math, science, and other critical competencies required in a global economy. These skills are certified through national and state standards resulting in credentials, such as the Kentucky Employability Certificate and the Kentucky Manufacturing Skills Standards. These credentials are widely understood by employers and, therefore, are portable across business and industry.

Staff preparation by Jim Applegate, Ben Boggs, Sherron Jackson,  
Linda Jacobs, Jennifer Marsh, and Bill Payne

**Council on Postsecondary Education  
February 3, 2003**

## **Executive Summary**

### **1. Are more Kentuckians ready for postsecondary education?**

The P-16 Council met in December. Members reviewed a draft vision statement, action agenda, goals, and objectives and began a discussion of indicators to measure progress in creating a seamless system of education from pre-school through college. A first-year report on the research phase of the American Diploma Project was presented. In March, the P-16 Council will discuss this research with representatives from business, labor, and education from across the state. From those discussions, the P-16 Council will make recommendations to its constituent boards to ensure that high school graduates are prepared for work or college.

In other P-16 developments, the Kentucky Virtual University was approved by the Kentucky Department of Education as a provider of courses, library resources, and learning support for low-income students in low-achieving schools. This is an initiative of the federal *No Child Left Behind Act of 2001*. The University of Louisville and the University of Kentucky hosted GEAR UP Kentucky Expos last November to encourage low-income middle school students to plan for college. More than 1,700 seventh graders attended. Also, Kentucky is one of five states selected by The Education Trust to participate in a study of high school predictors of postsecondary success and specific experiences in high school and college that produce effective P-12 teachers.

A full report on the P-16 Council meeting and related initiatives begins on page 107.

The staff is finalizing the official fall 2002 enrollment data and will present updated results for Key Indicator 1.5 (number of high school students completing college-level work) at the council meeting.

Council on Postsecondary Education  
February 3, 2003

## P-16 Council Report

The P-16 Council devoted its December meeting to two items. First, it reviewed a draft of a vision statement, action agenda, goals, and objectives and began a discussion of indicators to measure progress in achieving objectives. Second, council members heard a first-year report on the research phase of the American Diploma Project. Kentucky is one of five states participating in this national project designed to define high school work that prepares students for work or college.

Council members discussed a vision statement that calls for a “seamless system of education, from early childhood through postsecondary, that will prepare all Kentuckians to be active participants in their communities and to succeed in a knowledge-based economy.” They confirmed the three-part agenda that has organized the P-16 Council’s work since its inception in 1999: 1) the preparation and professional development of educators; 2) the alignment of competency standards between each level of the system; and 3) the elimination of barriers to student transition from preschool through college. They asked the staffs of their partner agencies to identify the particular goals for those agencies that support this three-part agenda, along with a select number of progress indicators, and to bring these to the next council meeting. The P-16 Council will focus on changes that strengthen the seams between education levels and promote successful transition to higher levels.

Council members asked that this P-16 vision and agenda be shared with legislators as they address the Commonwealth’s funding priorities during the upcoming General Assembly. The council charged its staff to draft a letter from the P-16 Council to the legislature emphasizing the need for a comprehensive approach to Kentucky’s educational needs as it creates the budget. The P-16 Council will encourage the General Assembly to “think P-16,” leveraging resources across education sectors to improve the educational services that Kentucky’s schools and postsecondary institutions can provide to the Commonwealth in these difficult economic times.

The council also heard the first-year report of the American Diploma Project from its executive director, Sheila Byrd, and Kati Haycock, executive director of The Education Trust, one of the ADP’s sponsoring organizations. Ms. Byrd reviewed ADP research identifying the gaps between high school and postsecondary tests and defining standards for college-readiness developed by teams of K-12 and postsecondary educators in the five participating states. She also presented results of national employer surveys defining the skills and knowledge required to enter well-paying jobs. Educators and employers generally agree on what high school graduates need to be ready for life after high school. The research results clearly indicate some changes needed in current high school requirements and assessments in mathematics, reading, and writing to match entry-level standards for college and the skilled workforce.

Ms. Haycock presented evidence of what “tracking” does to students who are deprived of access to this type of rigorous curricula. She shared how other states have enhanced existing tests and curricula to provide rigor without raising dropout rates and suggested ways Kentucky could do the same based on the ADP research findings.

The next phase of the ADP will bring representatives of K-12, postsecondary education, adult education, business, and labor to the P-16 Council in March to review ADP recommendations and to define policy changes that the P-16 Council should take to its constituent boards to ensure high school students are prepared for work or college.

In other P-16 developments, the Kentucky Department of Education approved the Kentucky Virtual University for its list of providers of supplemental services to schools designated as Title I improvement schools in accordance with the federal *No Child Left Behind Act of 2001*. Improvement schools are low-achieving schools in which all students are permitted to transfer to other schools, and low-income students are given access to supplemental academic services. Spearheading collaboration among Kentucky’s three “virtual sisters” (the KYVU, the Kentucky Virtual Library, and the Kentucky Virtual High School), the KYVU offers new online curricula, adapted by the KVHS’s certified teachers for Kentucky’s grade-school students. The KYVU will provide its call center and 24/7 technical support for students, teachers, and parents. Working with local public librarians, it also will offer online access to library and reference resources. This “virtual partnership” will greatly increase the scope and quality of instruction available to Kentucky’s students in low-achieving schools.

More than 1,700 seventh-graders attended the fall GEAR UP Kentucky Expos--events that encourage low-income middle school students to plan for college. The University of Louisville held the first expo November 4, and the University of Kentucky held one November 14. At each site, approximately 40 business and 30 college exhibitors talked to students about postsecondary education and career options available to them if they study hard and take challenging courses in high school. In Louisville, the program included science demonstrations and performances by UofL theater and dance troupes. Lexington’s program featured interactive presentations from the UK Center for Robotics and the UK Center for Minimally Invasive Surgery. The Kentucky Higher Education Assistance Authority provided funds to cover student transportation and food costs. UPS, Barnes and Noble Booksellers, ITS Services, and Toyota donated prizes, including savings bonds. Western Kentucky University and Eastern Kentucky University will host the spring 2003 expos for up to 2,000 additional students.

Kentucky is one of five states selected to participate in a research project sponsored by The Education Trust. The Ed Trust is examining course-taking patterns of middle and high school students to determine the effect of college preparatory courses, especially mathematics, on college placement, as well as the effect of college-level remediation on retention and graduation rates. It also is conducting a study of student "flow" patterns and the links between teacher preparation and student achievement in selected rural districts.

Staff preparation by Dianne M. Bazell

## Progress Report on Key Indicators

Updated results for the council's key indicators show that we continue to make significant progress toward reform. Newly available data allow results to be reported for seven indicators under questions 1, 2 and 3.

Highlights include:

### *Question 1: Are more Kentuckians prepared for postsecondary education?*

- Figures for indicator 1.5, the number of college-level courses per 1,000 juniors and seniors, are calculated using two important measures: the number of AP exam scores of 3 or better (the score typically required to receive college credit) and the number of high school students enrolled at a Kentucky college or university. In 2000-01, there were 124.8 students enrolled in college-level work for every 1,000 high school juniors and seniors in Kentucky. This number rose dramatically in 2001-02 to 219.5 students. While the number of AP scores of 3 or better rose to 7,112 in 2002 (a 10.8 percent increase), the bulk of the increase for indicator 1.5 came from dual enrollment. In 2000-01, 4,554 high school students enrolled in a state-supported postsecondary institution. That number more than doubled in 2001-02 to 11,040. A significant proportion of the increase in dual enrollment occurred at the community and technical colleges. Using the traffic light evaluation system, the light for this indicator remains green, indicating the system exceeded the 2002 goal.

The light for question 1 as a whole remains yellow, indicating "some progress" in our efforts to prepare more Kentuckians for postsecondary education.

### *Question 2: Are more students enrolling?*

- Undergraduate enrollment continued to increase at the statewide level, rising nearly 5 percent to 193,638 students in fall 2002. Undergraduate enrollment increased at nine of the public postsecondary institutions and at the independent institutions. Seven institutions (Morehead, Murray, Northern, University of Kentucky, Western, the Kentucky Community and Technical College System, and Lexington Community College) exceeded their 2002 enrollment goals. Although the University of Louisville's goal is to decrease undergraduate enrollment, their enrollment levels also increased slightly. In recognition of their contribution to overall enrollment levels, the University of Louisville has also been assigned a green light for this indicator. The systemwide light for indicator 2.1 remains green. In fact, the state exceeded not only the 2002 goal but the 2003 goal as well.

- Graduate and first professional enrollment also exceeded the 2002 goal for the system, rising to 23,127. Five universities (Eastern, Northern, University of Kentucky, University of Louisville, and Western) exceeded their goals for 2002. The systemwide light for this indicator remains green. (Indicator 2.2).
- The percentage of GED completers enrolling in postsecondary education rose between 2001 and 2002. The proportion of 1999-2000 GED completers who enrolled in a Kentucky college or university within two years was 17.8 percent, an increase of nearly 8 percent over the college-going rate for the previous GED cohort. The 2002 goal for indicator 2.9 was 15 percent. The light for this indicator remains green, indicating that the system exceeded the 2002 goal.

Results are now available for eight of the nine indicators under question 2. Of these, seven systemwide indicators are assigned green lights, indicating strong performance under this question.

***Question 3: Are more students advancing through the system?***

- We have made progress in retaining more students -- a key measure for continuing the momentum of reform. As we continue to provide access to all students, the council and the institutions have been working harder to retain them. According to the definition adopted by the council in March 2002, first-time students are considered retained if they return to their native institution, enroll in any other Kentucky public or independent institution, or graduate by the following fall semester. Between 2001 and 2002, the retention rate for the entire system rose from 65.9 percent to 68.3 percent. Retention rates rose at six institutions. Furthermore, Northern, the University of Kentucky, the University of Louisville, Western, and the KCTCS exceeded their 2002 retention rate goals. The systemwide light for this indicator changes from yellow to green, indicating good progress since 2001. (Indicator 3.1).
- The number of community and technical college transfers increased in 2002. The number of students transferring from the KCTCS and LCC to any Kentucky public or independent four-year institution rose to 2,877, an increase of 5.3 percent. The public universities enrolled 2,409 transfer students from the community and technical colleges in 2002, an increase of 2.2 percent. The number of transfers at three institutions (University of Louisville, Western, and LCC) rose sufficiently to exceed their 2002 goals. While the number of transfers in to Kentucky State and the University of Kentucky decreased slightly compared to 2001, their levels remained above their 2002 goals. The systemwide light for this indicator changes from yellow to green, indicating good progress. (Indicator 3.3).
- Indicator 3.4 measures the average number of credit hours transferred by students transferring from the KCTCS and LCC to a public university. The goal for this indicator is for the average hours to increase or remain steady. 2002 results show that

the average number of credits transferred decreased at both the KCTCS and LCC. The light for indicator 3.4 is red, indicating no progress.

The system continues to make good overall progress in advancing students. Results are available for five systemwide indicators under question 3; four of these indicators are assigned green lights.

Both the system and individual institutions have exceeded many of the goals established for 2002 and beyond. Over the next several months, the council staff will work with the institutions to develop recommendations for new goals that reflect the strong performance in 2002.

More detailed information -- including results by institution and an updated traffic light report -- are attached.

Staff preparation by Christina Whitfield

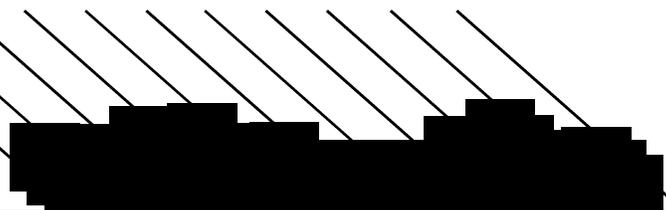


# Key Indicators of Progress

toward

## Postsecondary Reform in Kentucky

February 2003 - Progress Report  
Available Results by Institution



### 2. Are more students enrolling?

#### Postsecondary Enrollment

1. Number of undergraduates	*	●	●	●	●	●	●	●	●	●	●
2. Number of graduates/ professionals	*	●	●	●	●	●	●	●	○	○	

### 3. Are more students advancing through the system?

#### Persistence and Completion

1. One-year retention rates of first-time freshmen	*	●	●	●	●	●	●	●	●	●	●
3. Number of community and technical college transfers	*	●	●	●	●	●	●	●	●	●	●
4. Average number of credit hours transferred	*	○	○	○	○	○	○	○	○	○	○

#### Graduation

6. Six-year graduation rates of bachelor's degree students		●	●	●	●	●	●	●	●	○	○
7. Five-year graduation rates of transfer students		●	○	●	●	●	●	●	○	○	○

### 5. Are Kentucky's communities and economies benefiting?

#### Research and Development

6. Total extramural R & D expenditures		○	○	○	○	○	●	●	○	○	○
7. Federal R & D expenditures		○	○	○	○	○	●	●	○	○	○

Note: No goal was established for KSU under indicator 3.7 because of small cohort sizes.

\* Results updated February 2003

### LEGEND

● Good Progress    ● Some Progress    ● No Progress    ○ Does Not Apply

# Key Indicators of Progress

toward

## Postsecondary Reform in Kentucky



February 2003 - Progress Report

### 1. Are more Kentuckians ready for postsecondary education? .....Some progress

#### Preparation of Adults

- 1. Percentage of adults at literacy levels one and two .....Next measurement 2003
- 2. Percentage of adults with less than high school diploma or GED .....Next measurement 2003

#### Preparation of Recent High School Graduates

- 3. Average ACT scores of high school graduates .....No progress
- 4. Percentage of high school graduates taking the ACT .....No progress
- 5. Number of college-level courses per 1,000 HS juniors and seniors .....Exceeded goal\*
- 6. Percentage of high school students completing ACT core coursework .....Some progress
- 7. High school test scores .....Under development

#### Affordability (Family Ability to Pay)

- 8. Percentage of income needed to pay for college expenses .....Met goal

### 2. Are more students enrolling? .....Good progress

#### Postsecondary Enrollment

- 1. Number of undergraduates (system total) .....Exceeded goal\*
- 2. Number of graduates/professionals (public universities) .....Exceeded goal\*
- 3. Number of students enrolled in KYVU credit courses .....Exceeded goal
- 4. Number of "new students" enrolled in KYVU credit courses .....Under development

#### College Participation

- 5. Percentage of the adult population enrolled in KY colleges .....Met goal
- 6. Percentage enrolled from target counties .....Some progress

#### College-Going

- 7. Percentage of students attending college directly out of high school .....Exceeded goal
- 8. Percentage from target counties .....Good progress
- 9. College-going rates of GED completers within two years .....Exceeded goal\*

### 3. Are more students advancing through the system? .....Good progress

#### Persistence and Completion

- 1. One-year retention rates of first-time freshmen .....Good progress\*
- 2. One-year retention rates of underprepared students .....Next measurement 2003
- 3. Number of community and technical college transfers .....Good progress\*
- 4. Average number of credit hours transferred .....Some progress\*

#### Graduation

- 5. Percentage of adults with a bachelor's degree or higher .....Next measurement 2003
- 6. Six-year graduation rates of bachelor's degree students .....Good progress
- 7. Five-year graduation rates of transfer students - three-year average .....Good progress

● 4. Are we preparing Kentuckians for life and work? .....Under development

**Undergraduate Student Experience**

- 1. National Survey of Student Engagement.....Next measurement 2003

**Alumni Satisfaction**

- 2. Undergraduate alumni survey results .....No goal
- 3. Graduate alumni survey results .....Under development 2003

**Civic Engagement**

- 4. Undergraduate alumni survey .....No goal
- 5. National Survey of Student Engagement.....Next measurement 2003

**Knowledge and Skills**

- 6. Teacher Preparation Programs .....Under development
- 7. Foundational skills.....Under development

● 5. Are Kentucky's communities and economy benefiting? .....Good progress

**Employment of Graduates**

- 1. Percentage of college graduates working in Kentucky .....Under development
- 2. Percentage of out-of-state college graduates working in Kentucky.....Under development

**Employer and Community Satisfaction**

- 3. Employer and community satisfaction with KY graduates and completers .....Under development
- 4. Employer and community satisfaction with institutions' support .....Under development

**Research and Development**

- 5. Total research and development expenditures per full-time faculty.....Next measurement 2003
- 6. Total extramural research and development expenditures .....Good progress
- 7. Federal research and development expenditures .....Some progress
- 8. Endowments in knowledge-based economy (KBE) areas .....Next measurement 2003
- 9. Expenditures from endowments and gifts in KBE areas .....Next measurement 2003
- 10. Productivity of research space .....Under development

\* Results updated February 2003

**LEGEND**

- Good Progress
- Some Progress
- No Progress
- Pending

Kentucky Council on Postsecondary Education  
Key Indicators of Progress toward Postsecondary Reform  
Question 1: Are more Kentuckians Ready for Postsecondary Education?

**1.5 Number of College-Level Courses per 1,000 High School Juniors and Seniors**

Actual						Goal
1997	1998	1999	2000	2001	2002	2002
77.4	83.8	94.8	95.8	124.8	219.5	123.0

Kentucky Council on Postsecondary Education  
Key Indicators of Progress toward Postsecondary Reform  
Question 2: Are more students enrolling?

**2.1 Undergraduate Enrollment**

Institution	Actual					Goals				
	1998	1999	2000	2001	2002	2002	2003	2004	2005	2006
Eastern Kentucky University	13,480	13,274	12,909	12,807	13,053	13,207	13,339	13,472	13,606	13,742
Kentucky State University	2,205	2,277	2,129	2,165	2,107	2,250	2,325	2,400	2,450	2,500
Morehead State University	6,743	6,645	6,755	7,268	7,712	7,350	7,447	7,544	7,641	7,740
Murray State University	7,349	7,299	7,492	7,776	8,088	7,850	7,900	8,000	8,100	8,200
Northern Kentucky University	10,643	10,672	10,859	11,288	12,164	11,800	12,100	12,400	12,700	13,000
University of Kentucky	17,157	16,847	16,899	17,284	17,878	17,435	17,535	17,615	17,675	17,715
University of Louisville	14,647	14,710	14,477	14,131	14,475	14,420	14,370	14,300	14,300	14,300
Western Kentucky University	12,713	12,921	13,272	14,135	15,234	14,285	14,435	14,585	14,735	14,885
Subtotal	84,937	84,645	84,792	86,854	90,711	88,597	89,451	90,316	91,207	92,082
Lexington Community College	6,118	6,807	7,214	7,793	8,270	8,185	8,265	8,345	8,435	8,520
KCTCS	45,529	46,035	52,201	63,120	67,812	65,000	66,900	69,600	73,100	76,700
Total Public Institutions	#####	#####	144,207	157,767	#####	161,782	164,616	168,261	172,742	177,302
Independent Institutions	24,342	24,099	25,159	26,551	26,845	27,051	27,551	28,051	28,551	29,051
System Total	#####	#####	169,366	184,318	#####	188,833	192,167	196,312	201,293	206,353

Kentucky Council on Postsecondary Education  
 Key Indicators of Progress toward Postsecondary Reform  
 Question 2: Are more students enrolling?

**2.2 Graduate/Professional Enrollment**

Institution	Actual					Goals				
	1998	1999	2000	2001	2002	2002	2003	2004	2005	2006
Eastern Kentucky University	1,922	1,914	1,748	1,890	2,195	2,080	2,121	2,163	2,206	2,250
Kentucky State University	98	116	125	149	146	150	155	159	163	166
Morehead State University	1,520	1,526	1,572	1,759	1,678	1,720	1,740	1,760	1,780	1,800
Murray State University	1,554	1,615	1,649	1,872	1,832	1,880	1,900	1,950	2,000	2,050
Northern Kentucky University	1,156	1,104	1,242	1,260	1,579	1,385	1,445	1,520	1,570	1,610
University of Kentucky	6,552	6,219	6,217	6,764	7,155	6,900	6,935	6,970	7,040	7,110
University of Louisville	5,562	5,424	5,627	5,573	5,958	5,705	5,768	5,872	5,902	5,937
Western Kentucky University	2,169	2,202	2,244	2,444	2,584	2,481	2,518	2,555	2,592	2,629
<b>Total</b>	<b>20,533</b>	<b>20,120</b>	<b>20,424</b>	<b>21,711</b>	<b>23,127</b>	<b>22,301</b>	<b>22,582</b>	<b>22,949</b>	<b>23,253</b>	<b>23,552</b>

Note: Excludes Post-Docs and House Staff

Kentucky Council on Postsecondary Education  
Key Indicators of Progress toward Postsecondary Reform  
Question 2: Are more students enrolling?

**2.9 College-Going Rates of GED Completers Within Two Years**

<u>Actual</u>				<u>Goal</u>
<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2002</u>
12.0%	12.7%	16.5%	17.8%	15.0%

Kentucky Council on Postsecondary Education  
 Key Indicators of Progress toward Postsecondary Reform  
 Question 3: Are more students advancing through the system ?

**3.1 One-Year Retention Rates of First Time Freshmen**

Institution	Actual					Goals				
	1998	1999	2000	2001	2002	2002	2003	2004	2005	2006
Eastern Kentucky University	72.1%	69.8%	72.9%	73.4%	72.7%	74.0%	74.6%	75.2%	75.8%	76.5%
Kentucky State University	64.8%	76.5%	69.8%	76.2%	62.3%	76.6%	77.1%	77.6%	78.1%	78.5%
Morehead State University	73.2%	69.3%	71.1%	75.0%	75.1%	75.5%	76.0%	76.5%	77.0%	77.5%
Murray State University	77.6%	73.3%	77.7%	77.8%	77.0%	78.0%	78.2%	78.4%	78.6%	78.8%
Northern Kentucky University	66.4%	66.0%	68.2%	69.0%	72.4%	69.6%	70.2%	70.8%	71.4%	72.0%
University of Kentucky	86.7%	86.3%	88.0%	86.1%	88.2%	87.7%	87.9%	88.1%	88.3%	88.5%
University of Louisville	78.0%	77.0%	78.7%	78.4%	80.8%	79.3%	80.1%	81.0%	81.9%	82.8%
Western Kentucky University	74.1%	75.3%	76.8%	77.1%	78.5%	77.5%	77.8%	78.1%	78.4%	78.9%
Lexington Community College	63.6%	62.5%	63.7%	65.6%	63.2%	66.0%	66.5%	67.0%	67.5%	68.0%
KCTCS	54.1%	53.8%	54.9%	52.4%	55.4%	53.6%	54.8%	56.0%	57.2%	58.4%

Note: Includes students who enroll anywhere in the system the following fall semester

Kentucky Council on Postsecondary Education  
 Key Indicators of Progress toward Postsecondary Reform  
 Question 3: Are more students advancing through the system ?

**3.3 Number of Community and Technical College Transfers**

**Transfers from KCTCS and LCC**

Institution	Actual					Goals				
	1998	1999	2000	2001	2002	2002	2003	2004	2005	2006
Eastern Kentucky University	470	468	461	408	392	470	475	480	488	496
Kentucky State University	17	12	9	19	17	12	17	22	27	32
Morehead State University	267	260	269	265	272	282	293	302	311	321
Murray State University	294	302	308	326	317	320	325	330	335	340
Northern Kentucky University	47	45	58	48	50	65	71	76	88	110
University of Kentucky	806	746	660	704	700	670	680	690	700	711
University of Louisville	466	421	293	326	342	323	339	356	374	393
Western Kentucky University	288	270	245	262	319	266	278	291	305	319
<b>Total</b>	<b>2,655</b>	<b>2,524</b>	<b>2,303</b>	<b>2,358</b>	<b>2,409</b>	<b>2,408</b>	<b>2,478</b>	<b>2,547</b>	<b>2,628</b>	<b>2,722</b>

**Transfers to Any Four Year Institution\***

Institution	Actual					Goals				
	1998	1999	2000	2001	2002	2002	2003	2004	2005	2006
LCC	552	553	534	587	658	560	566	572	581	590
KCTCS	2,541	2,434	2,213	2,145	2,219	2,400	2,530	2,666	2,810	2,962
<b>Total</b>	<b>3,093</b>	<b>2,987</b>	<b>2,747</b>	<b>2,732</b>	<b>2,877</b>	<b>2,960</b>	<b>3,096</b>	<b>3,238</b>	<b>3,391</b>	<b>3,552</b>

\* Any Kentucky public or independent four-year institution.

Kentucky Council on Postsecondary Education  
 Key Indicators of Progress toward Postsecondary Reform  
 Question 3: Are more students advancing through the system ?

**3.4 Average Number of Credit Hours Transferred**

<b>Institution</b>	<b>Actual</b>					<b>Goal</b>
	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2002</b>
LCC	51.5	54.0	54.9	59.6	54.5	55.0
KCTCS	50.3	51.2	50.5	50.9	50.1	50.5

Note: Goal is to maintain average while increasing the number of transfers.

**Council on Postsecondary Education  
February 3, 2003**

## Executive Summary

2. Are more students enrolling?
3. Are more students advancing through the system?

All postsecondary institutions have submitted their fall 2002 enrollment data and the increase for the public institutions is larger than preliminary estimates. At the time of this mailing, campuses are confirming the data. Final enrollment numbers and updated results for several key indicators calculated from enrollment data will be presented at the February 3 meeting.

The council meeting will feature a brief demonstration of a new Web site profiling educational reform in Kentucky, [www.e4ky.org](http://www.e4ky.org). The e<sup>4</sup> site brings together selected performance indicators from Kentucky's four educational sectors – early childhood education, elementary and secondary education, adult education, and postsecondary education – and allows visitors to explore the full scope of education reform in the state. The Council on Postsecondary Education, the Department for Adult Education and Literacy, the Education Professional Standards Board, the Governor's Office of Early Childhood Development, and the Kentucky Department of Education provided information for the site.

The *Go Higher, Education Pays* Web portal, a comprehensive Web site to support college going, is under development. It will help people plan for, pay for, and apply to college. The target

audiences for the site are middle and high school students, school counselors, parents, and adults who are potential postsecondary education students or in need of skill upgrades and educational opportunities as displaced workers.

The site will allow students to use their high school Individual Graduation Plans to plan for college, provide applications with transcripts to Kentucky's colleges and universities, and offer feedback from an institution about whether courses required for admission are complete and whether the student is admitted.

The site also will offer scholarship searches; virtual campus tours; career planning; coordinated advising; tutoring; news and announcements; and advising for adults to identify career goals, create an education plan, and locate training opportunities and job banks.

The Kentucky Higher Education Assistance Authority is funding this site. Partners in the project are the council, public and private postsecondary institutions, Kentucky Virtual Library, Kentucky Virtual University, Kentucky Higher Education Student Loan Corporation, Kentucky Department of Education, Kentucky Department of Adult Education and Literacy, and Kentucky Cabinet for Workforce Development. The partners' existing Web initiatives, architecture, and databases will be integrated under one master site, with a single point of entry for students. The XAP Corporation will develop the Web portal and expects to have the first components online by summer 2003.

The *Go Higher, Education Pays* Web site will link closely to KYVU's *Coordinated Advising Network* ("U CAN"), for which the council received a \$400,000 three-year grant from the federal Fund for the Improvement of Postsecondary Education. U CAN will be a network of call centers hubbed at the KYVU that will advise Kentucky's learners on postsecondary education opportunities. U CAN will provide personal interaction and guidance to support learners as they consult and navigate the *Go Higher, Education Pays* site. Together they provide the "high tech-high touch" approach needed to help more people enroll and succeed in college.

At the February 3 meeting, Jack Guthrie, chairman and chief executive officer of Guthrie/Mayes Public Relations, will present the council with two prestigious awards received for work performed as part of its *Go Higher, Education Pays* campaign. The first is a 2002 "Globe Award" from the Worldcom Public Relations Group, the largest worldwide network of independent public relations firms. The award recognizes excellence in events for public service or government campaigns; in this case, the GO GED rallies and news conferences held May 2001. The second is a "Landmarks of Excellence" award of merit for special events awarded by the Public Relations Society of America/International Association of Business Communicators. Guthrie/Mayes received this award for planning and staging the 2001 GEAR UP Kentucky Expo.

The Council on Postsecondary Education and Northern Kentucky University will co-host a statewide conference on student advising at the Cincinnati Airport Marriott in Hebron, Kentucky, February 20-21, 2003. The conference is a response to results of recent surveys of Kentucky's students and alumni that identified academic and career advising as an area in need of improvement. The conference will allow state advising staff and faculty to learn about

successful advising models being used in Kentucky, as well as “best practices” in other states.

Dr. Wes Habley, director of the Office of Educational Practices at American College Testing and a national expert on advising, will keynote the event.

Institutions are evaluated annually on their progress in meeting the objectives of *The Kentucky Plan for Equal Opportunities*, which promotes compliance with Title VI of the Civil Rights Act of 1964. An institution’s progress toward achieving the plan objectives determines its eligibility to add new degree programs each year. More institutions qualified for the most favorable category of eligibility for new degree programs in 2003 than in the last three years. More information begins on page 117 of this agenda book.

The Commonwealth’s partnership with the United States Department of Education, Office for Civil Rights, ended December 31, 2002. The OCR will officially notify the Commonwealth, in writing, of its status in fulfilling the commitments of the agreement by March 31, 2003.

Preliminary indications are that the majority of the commitments have been successfully implemented. However, the Commonwealth is unlikely to be released from the partnership because several key commitments have not yet been completed.

While it is not a part of the partnership agreement with OCR, Kentucky State University and the council are proceeding with the comprehensive assessment of KSU as discussed at the September council meeting. The KSU Comprehensive Assessment Oversight Committee selected Baker & Hostetler, LLP, of Cleveland, Ohio, to complete the assessment of the

university's academic programs and the adequacy and use of financial resources. Mr. Raymond Pierce is attending the council meeting and will be available to answer questions.

Additional information about the partnership agreement begins on page 123.

## Report on Fall 2002 Enrollment

Fall 2002 enrollments at all levels continue the substantial increases that began with reform in 1998.

Highlights include:

- A record high 221,182 students enrolled at public and independent postsecondary institutions in Kentucky. Public institutions alone enrolled 191,284 students.
- These record enrollments are due to increased retention rates at five universities and the KCTCS, recruitment of larger freshman classes, and the enrollment of high school students. Western Kentucky University, University of Kentucky, Northern Kentucky University, Murray State University, and Eastern Kentucky University reported the largest first-time freshman classes to date. Additionally, over 11,000 high school students across the state enrolled in Kentucky's postsecondary education institutions in Fall 2002.
- Among the undergraduate students enrolled: 87 percent were Kentucky residents, 57 percent were female, 31 percent were 25 years of age or older, 8 percent were African American, and 35 percent enrolled part-time.

Enrollment Growth Since 1998:

- Since 1998, total postsecondary education enrollment increased by 36,336 students or 19.7 percent.
- Undergraduate enrollment increased 32,712, moving the council closer to the goal of enrolling 80,000 new students by 2015.
- The KCTCS showed the largest increase with 22,283 more students. This is an increase of 48.9 percent since 1998.
- Among undergraduates, the percent of in-state students has remained relatively stable at 87 percent, female enrollment has decreased by 1.6 percent, enrollment of students 25 years or older has increased by 1.5 percent, African American student enrollment has increased by 0.3 percent, and part-time enrollment has increased by 5.6 percent since 1998.
- Graduate student enrollment growth, on a percentage basis, was significant in both the state-supported and independent institutions. Public institutions increased 14.5 percent, or 2,524 graduate students across institutions in a variety of academic programs. Independent institutions increased 45.2 percent, or 875 graduate students, with notable growth at Campbellsville University, Lindsey Wilson College, Sullivan University, and Spalding University.

While national data is not yet available for comparison, several states project annual enrollment increases in the range of 3 to 4 percent. Kentucky's enrollment increased 5.2 percent since last year. In September, the American Association of Community Colleges reported an expected enrollment spike in two-year institutions based on preliminary figures provided by community colleges across the nation. Enrollment at the KCTCS increased 7.4 percent in the last year.

The attached table provides enrollment information, including change statistics, for each public institution. More detailed enrollment information - including independent institution enrollments and summaries by demographic characteristics - will be available on the council's Facts and Figures Web page.

Staff preparation by Sherri Noxel

**KENTUCKY POSTSECONDARY ENROLLMENT  
FALL 2002**

	1998 ACTUAL	2001 ACTUAL	2002 ACTUAL	1-YR CHANGE		4-YR CHANGE		
				N	%	N	%	
<b>UNDERGRADUATE</b>								
Eastern Kentucky University	13,480	13,023	13,053	30	0.2%	(427)	-3.2%	
Kentucky State University	2,205	2,165	2,107	(58)	-2.7%	(98)	-4.4%	
Morehead State University	6,743	7,268	7,712	444	6.1%	969	14.4%	
Murray State University	7,349	7,776	8,088	312	4.0%	739	10.1%	
Northern Kentucky University	10,643	11,288	12,164	876	7.8%	1,521	14.3%	
University of Kentucky	17,157	17,284	17,878	594	3.4%	721	4.2%	
University of Louisville	14,647	14,131	14,475	344	2.4%	(172)	-1.2%	
Western Kentucky University	12,713	14,135	15,234	1,099	7.8%	2,521	19.8%	
<b>Total Universities</b>	<b>84,937</b>	<b>87,070</b>	<b>90,711</b>	<b>3,641</b>	<b>4.2%</b>	<b>5,774</b>	<b>6.8%</b>	
Lexington Community College	6,118	7,793	8,270	477	6.1%	2,152	35.2%	
KCTCS	45,529	63,120	67,812	4,692	7.4%	22,283	48.9%	
<b>Total Public</b>	<b>136,584</b>	<b>157,983</b>	<b>166,793</b>	<b>8,810</b>	<b>5.6%</b>	<b>30,209</b>	<b>22.1%</b>	
<b>Independent Institutions</b>	<b>24,342</b>	<b>26,551</b>	<b>26,845</b>	<b>294</b>	<b>1.1%</b>	<b>2,503</b>	<b>10.3%</b>	
<b>Total Undergraduate</b>	<b>160,926</b>	<b>184,534</b>	<b>193,638</b>	<b>9,104</b>	<b>4.9%</b>	<b>32,712</b>	<b>20.3%</b>	
<b>GRADUATE</b>								
Eastern Kentucky University	1,922	1,890	2,195	305	16.1%	273	14.2%	
Kentucky State University	98	149	146	(3)	-2.0%	48	49.0%	
Morehead State University	1,520	1,759	1,678	(81)	-4.6%	158	10.4%	
Murray State University	1,554	1,872	1,832	(40)	-2.1%	278	17.9%	
Northern Kentucky University	764	884	1,107	223	25.2%	343	44.9%	
University of Kentucky	5,142	5,399	5,767	368	6.8%	625	12.2%	
University of Louisville	4,293	4,302	4,677	375	8.7%	384	8.9%	
Western Kentucky University	2,169	2,444	2,584	140	5.7%	415	19.1%	
<b>Total Universities</b>	<b>17,462</b>	<b>18,699</b>	<b>19,986</b>	<b>1,287</b>	<b>6.9%</b>	<b>2,524</b>	<b>14.5%</b>	
<b>Independent Institutions</b>	<b>1,934</b>	<b>2,389</b>	<b>2,809</b>	<b>420</b>	<b>17.6%</b>	<b>875</b>	<b>45.2%</b>	
<b>Total Graduate</b>	<b>19,396</b>	<b>21,088</b>	<b>22,795</b>	<b>1,707</b>	<b>8.1%</b>	<b>3,399</b>	<b>17.5%</b>	
<b>FIRST PROFESSIONAL</b>								
Northern Kentucky University	392	376	472	96	25.5%	80	20.4%	
University of Kentucky	1,410	1,365	1,388	23	1.7%	(22)	-1.6%	
University of Louisville	1,269	1,271	1,281	10	0.8%	12	0.9%	
<b>Total Universities</b>	<b>3,071</b>	<b>3,012</b>	<b>3,141</b>	<b>129</b>	<b>4.3%</b>	<b>70</b>	<b>2.3%</b>	
<b>Independent Institutions</b>	<b>120</b>	<b>246</b>	<b>244</b>	<b>(2)</b>	<b>-0.8%</b>	<b>124</b>	<b>103.3%</b>	
<b>Total First Professional</b>	<b>3,191</b>	<b>3,258</b>	<b>3,385</b>	<b>127</b>	<b>3.9%</b>	<b>194</b>	<b>6.1%</b>	
<b>POST-GRADUATE<sup>a</sup></b>								
University of Kentucky	685	743	708	(35)	-4.7%	23	3.4%	
University of Louisville	648	690	656	(34)	-4.9%	8	1.2%	
<b>Total Universities</b>	<b>1,333</b>	<b>1,433</b>	<b>1,364</b>	<b>(69)</b>	<b>-4.8%</b>	<b>31</b>	<b>2.3%</b>	
<b>TOTAL HEADCOUNT</b>								
Eastern Kentucky University	15,402	14,913	15,248	335	2.2%	(154)	-1.0%	
Kentucky State University	2,303	2,314	2,253	(61)	-2.6%	(50)	-2.2%	
Morehead State University	8,263	9,027	9,390	363	4.0%	1,127	13.6%	
Murray State University	8,903	9,648	9,920	272	2.8%	1,017	11.4%	
Northern Kentucky University	11,799	12,548	13,743	1,195	9.5%	1,944	16.5%	
University of Kentucky	24,394	24,791	25,741	950	3.8%	1,347	5.5%	
University of Louisville	20,857	20,394	21,089	695	3.4%	232	1.1%	
Western Kentucky University	14,882	16,579	17,818	1,239	7.5%	2,936	19.7%	
<b>Total Universities</b>	<b>106,803</b>	<b>110,214</b>	<b>115,202</b>	<b>4,988</b>	<b>4.5%</b>	<b>8,399</b>	<b>7.9%</b>	
Lexington Community College	6,118	7,793	8,270	477	6.1%	2,152	35.2%	
KCTCS	45,529	63,120	67,812	4,692	7.4%	22,283	48.9%	
<b>Public</b>	<b>158,450</b>	<b>181,127</b>	<b>191,284</b>	<b>10,157</b>	<b>5.6%</b>	<b>32,834</b>	<b>20.7%</b>	
<b>Independent Institutions</b>	<b>26,396</b>	<b>29,186</b>	<b>29,898</b>	<b>712</b>	<b>2.4%</b>	<b>3,502</b>	<b>13.3%</b>	
<b>Total Enrollment</b>	<b>184,846</b>	<b>210,313</b>	<b>221,182</b>	<b>10,869</b>	<b>5.2%</b>	<b>36,336</b>	<b>19.7%</b>	

<sup>a</sup>Post-graduate includes post-doctoral students and medical school residents and interns (house staff).

# Kentucky Council on Postsecondary Education

## Fall 2002 Enrollment Report

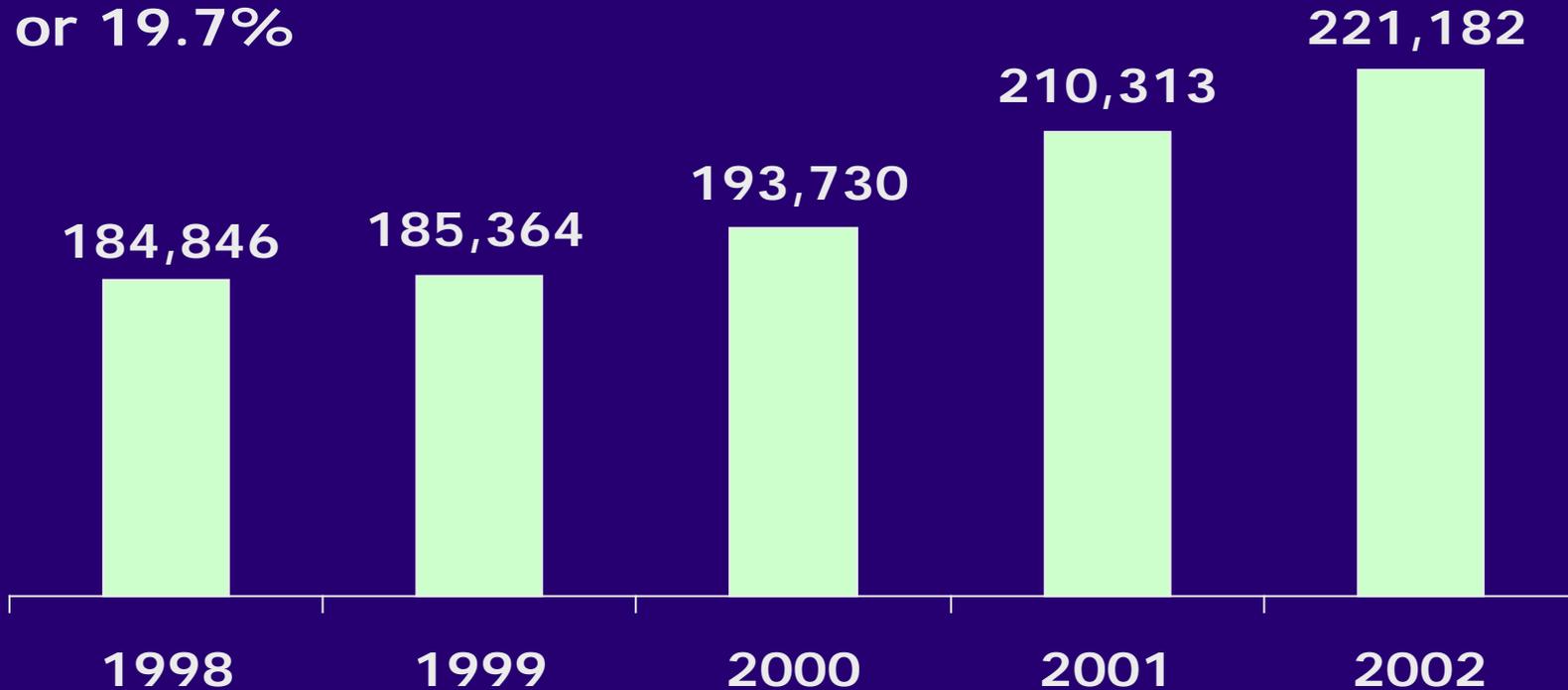


# Fall 2002 Headcount Enrollment by Sector

	Students
Public 2-year	76,082
Public 4-year	115,202
Independent Institutions	29,898
Total Enrollment	221,182

# Total Headcount Enrollment 1998 to 2002

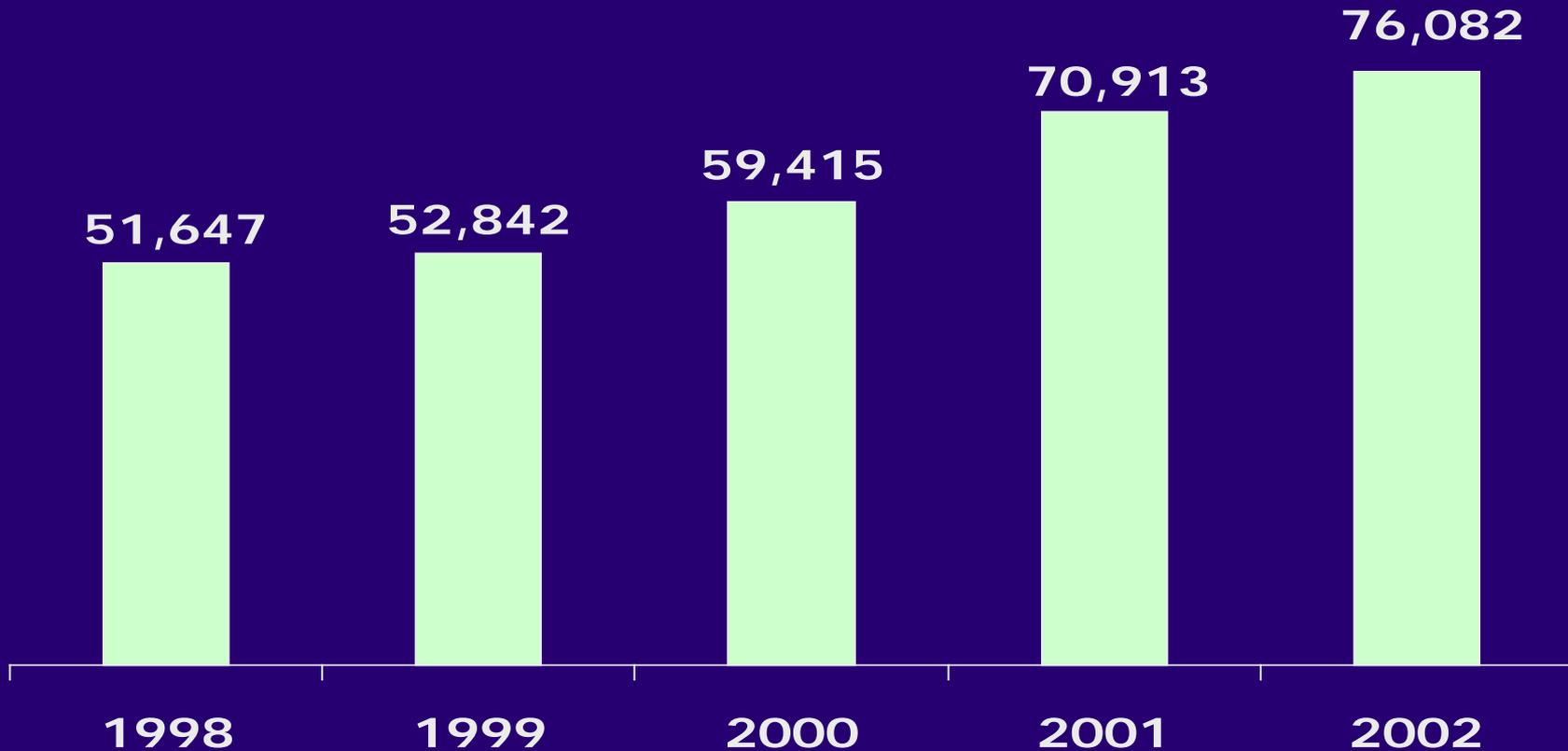
4-Year Increase: 36,336 Students  
or 19.7%



# Headcount Enrollment Increase From 1998 to 2002

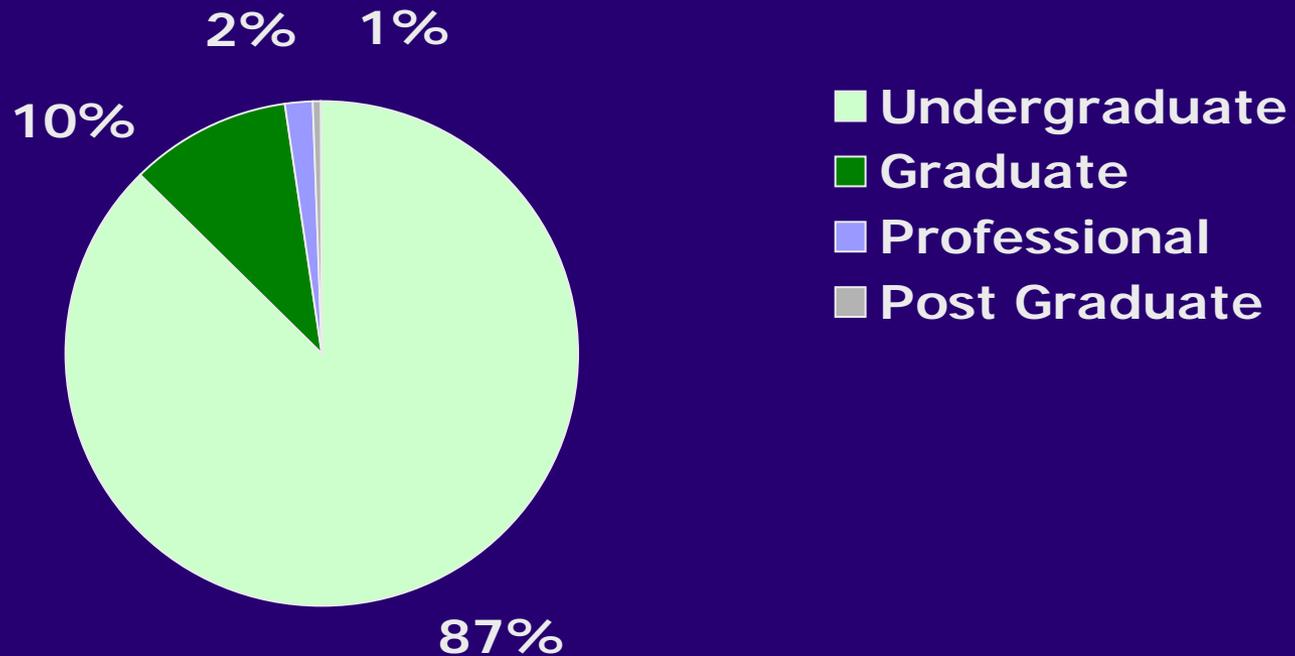
	Undergraduate		Graduate	
	Growth	% Increase	Growth	% Increase
Public 2-year	24,435	47.3		
Public 4-year	5,774	6.8	2,524	14.5
Independent	2,503	10.3	875	45.2
	32,712	20.3	3,399	17.5

# Enrollment Growth in 2 Year Public Colleges



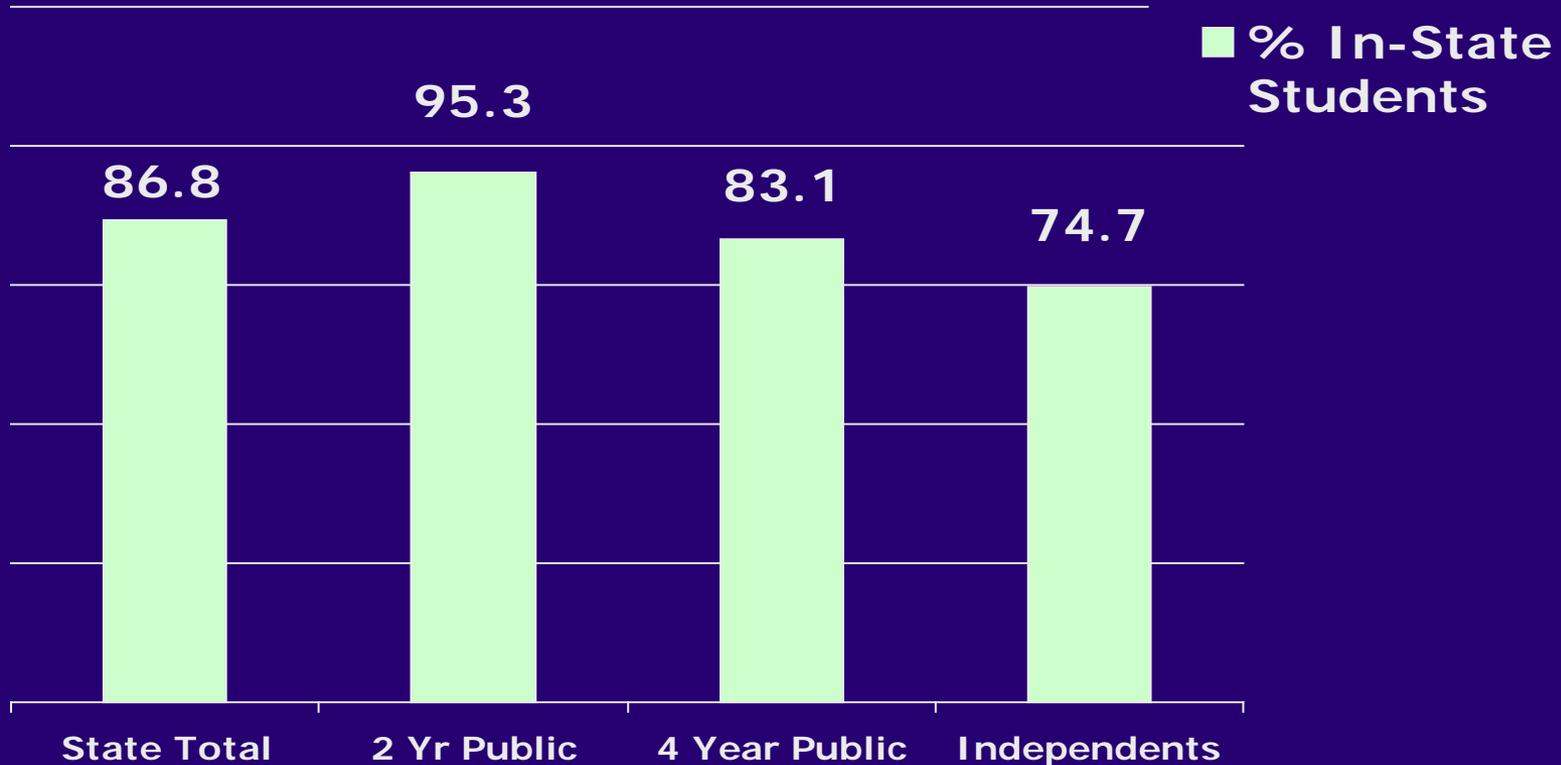
**Total Increase: 24,435 Students  
or 47.3%**

# Fall 2002 Enrollment Distribution by Level



Total Enrollment: 221,182

# Fall 2002 Undergraduates: Residency



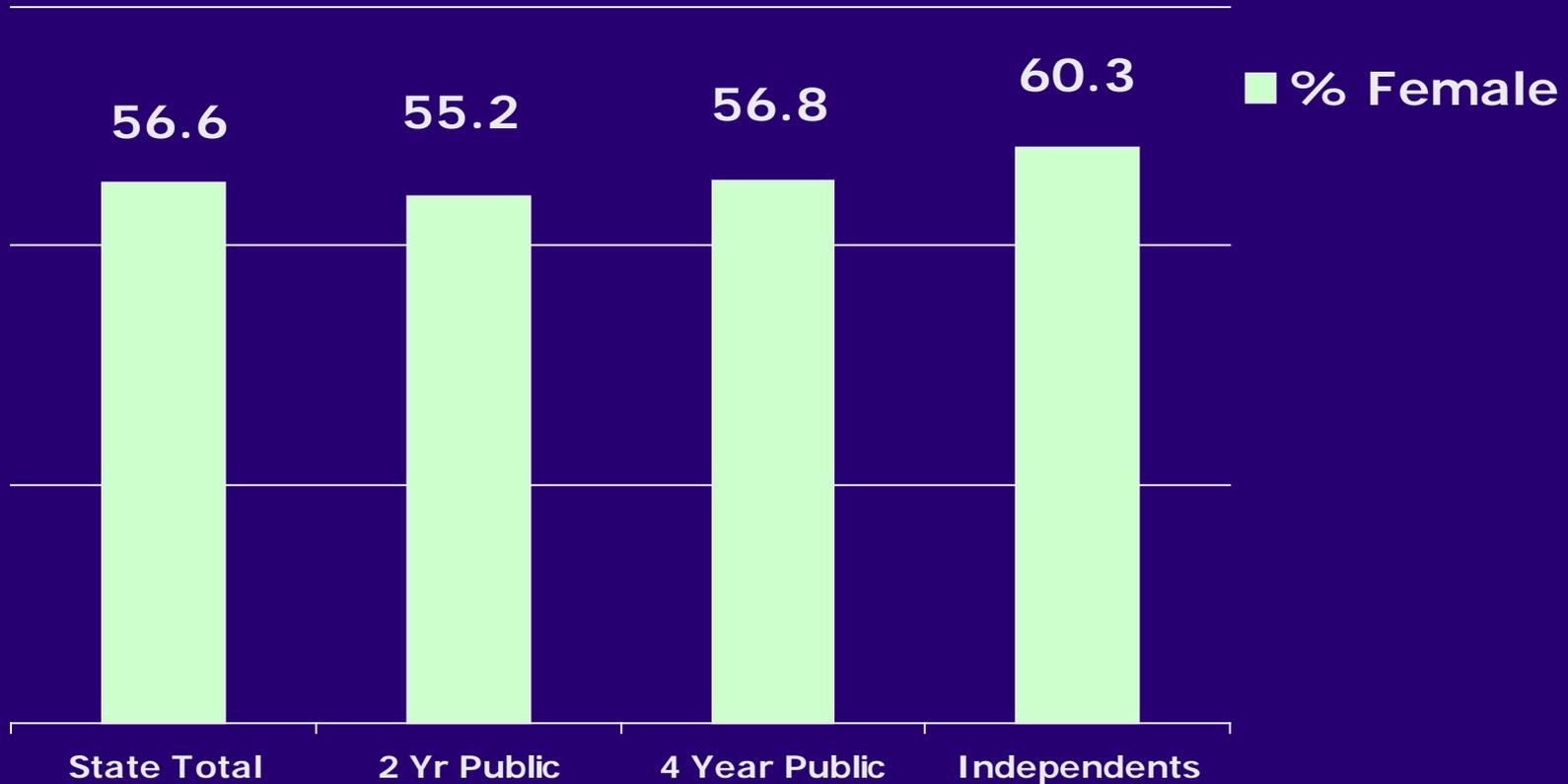
# Top Counties of Origin for Fall 2002 Undergraduates

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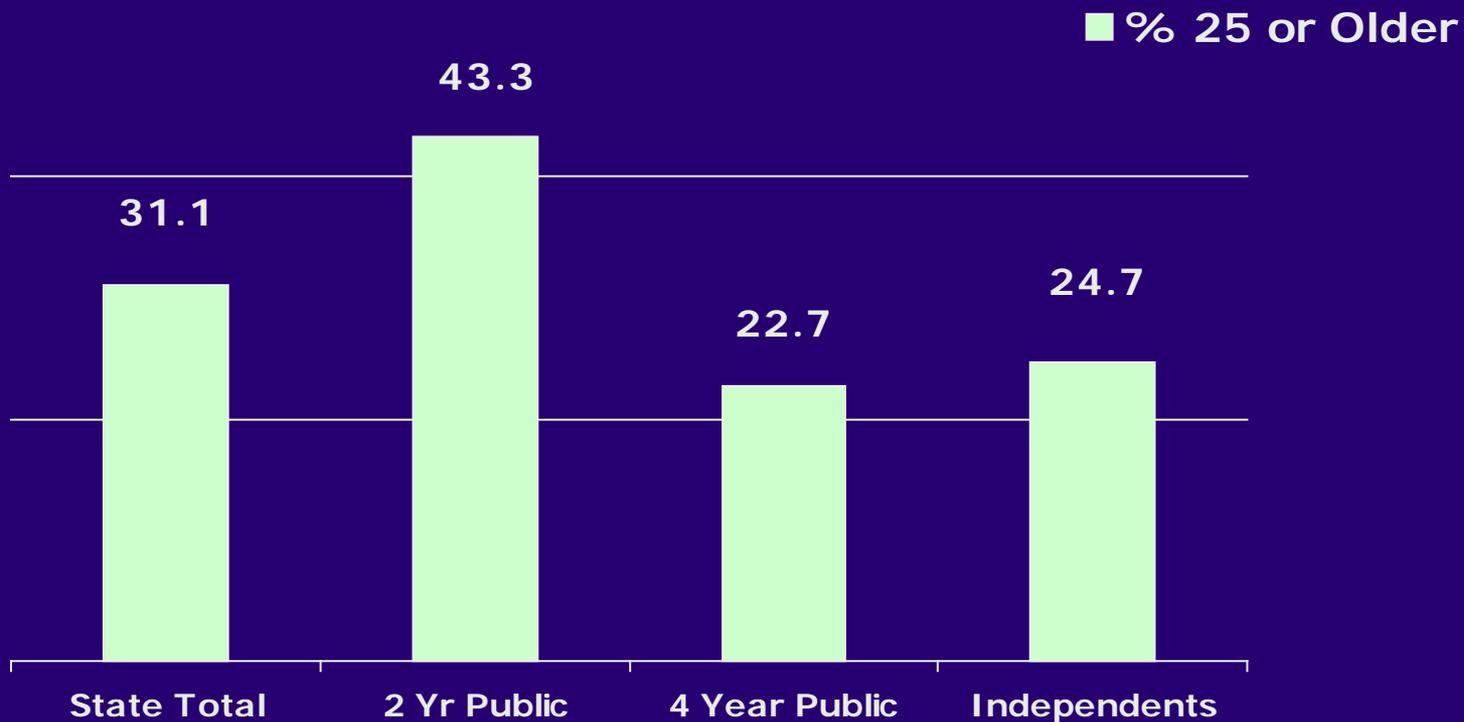
	2 Yr Public	4 Yr Public	Independents
1.	Jefferson	Jefferson	Jefferson
2.	Fayette	Fayette	Fayette
3.	Daviess	Kenton	Kenton
4.	Hardin	Warren	Daviess
5.	McCracken	Madison	Pike/Hardin

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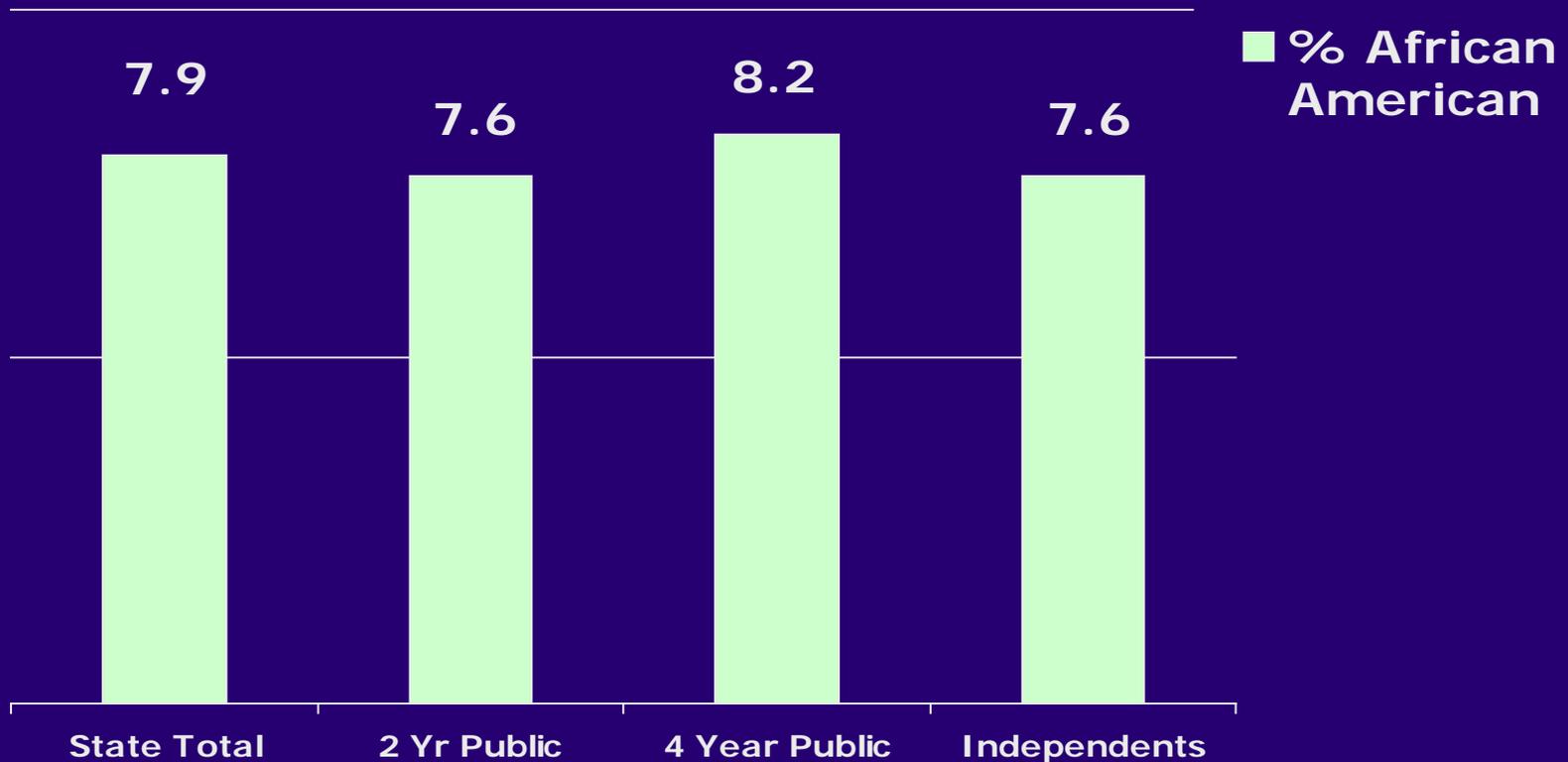
# Fall 2002 Undergraduates: Gender



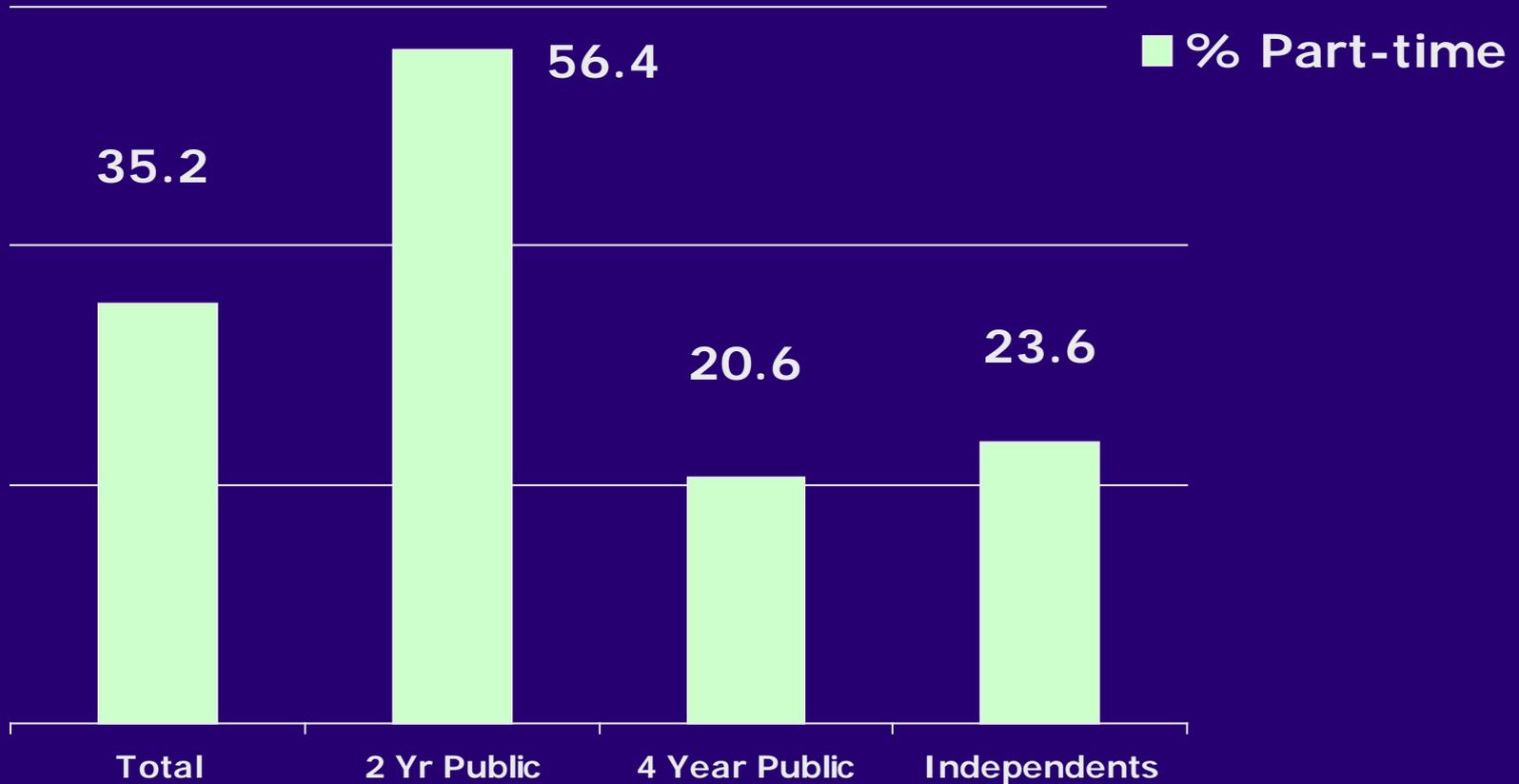
# Fall 2002 Undergraduates: Age



# Fall 2002 Undergraduates: Ethnicity



# Fall 2002 Undergraduates: Part-time



# Fall 2002 Enrollment Summary

- Growth continues with record high enrollment in all sectors
- Increases in part-time students at public 2-year colleges
- Combination of new students and increased retention of continuing students will sustain enrollments

Council on Postsecondary Education  
February 3, 2003

## Kentucky Plan for Equal Opportunities 2003 Degree Program Eligibility

More publicly supported institutions have qualified, based on the degree of success in enrolling, retaining, and hiring African Americans, for the most favorable category of eligibility for new degree programs in 2003 (18 of 37 compared to 16 of 37 in 2002). Six universities, down from seven last year, are automatically eligible to add new degree programs; one university received the quantitative waiver status and one university received the qualitative waiver status. The technical colleges' performance is relatively unchanged. Only one qualified for the automatic status while five qualified for the quantitative waiver (5 compared to 3 the previous year); the number of institutions falling into the least desirable category remained the same (9 of 15). Overall, community colleges improved their performance. Eleven of 14 institutions received automatic status, while two qualified for the quantitative waiver and only one for the qualitative waiver.

The annual assessment is part of the Council on Postsecondary Education's monitoring of progress under *The 1997-2002 Kentucky Plan for Equal Opportunities*, which promotes compliance with Title VI of the Civil Rights Act of 1964.

Northern Kentucky University showed progress on all eight objectives evaluated. Kentucky State University also showed progress on all seven of its objectives. Among the universities, four improved their performance from the previous year and four saw a decline in their performance.

Among the community colleges, 10 of the 13 KCTCS community colleges, and Lexington Community College, are automatically eligible to propose new degree programs. Institutions showing progress on all four objectives include Hopkinsville, Jefferson, and Paducah Community Colleges. Prestonsburg made progress on only one objective. Three colleges require a waiver to add new degree programs. Among the 14 community colleges, five improved their performance (Hazard, Hopkinsville, Madisonville, Maysville, and Owensboro), nine performed at the same level, while the performance of two (Ashland and Elizabethtown) declined.

Of the 15 technical colleges one institution -- Northern Kentucky Tech -- qualified for automatic status while the other 14 technical colleges will need a waiver to add new degree programs. Three institutions failed to make progress on any of the four objectives (Ashland, Owensboro, and Rowan). Among the 15 technical colleges, one improved its performance (Northern Kentucky Tech), the performance of 10 is unchanged, and the performance of four declined (Ashland, Bowling Green, Jefferson, and Rowan).

Staff preparation by Sherron Jackson and Rana Johnson

Revised: March 18, 2003

**SUMMARY OF DEGREE PROGRAM ELIGIBILITY STATUS  
CALENDAR YEAR 2003**

<b>Eligibility Category</b>	<b>Universities</b>		<b>Community Colleges</b>		<b>Technical Colleges</b>		<b>Total</b>	
	<b>2003</b>	<b>2002</b>	<b>2003</b>	<b>2002</b>	<b>2003</b>	<b>2002</b>	<b>2003</b>	<b>2002</b>
Automatic	6	7	11	8	1	2	18	17
Quantitative Waiver	1	0	2	4	5	3	8	7
Qualitative Waiver	1	0	1	0	9	9	11	9
Not Eligible	0	1	0	2	0	1	0	4
Total	8	8	14	14	15	15	37	37

**INSTITUTIONAL DEGREE PROGRAM ELIGIBILITY  
CALENDAR YEAR 2003**

The eligibility status of the institutions is determined through the application of the administrative regulation (13 KAR 2:060). The status of each institution:

**UNIVERSITIES**

Institution	Objectives Showing Continuous Progress	Total Objectives Evaluated	Degree Program Eligibility Status	
			2003	2002
Eastern Kentucky Univ.	4	8	<i>Qualitative</i>	<i>Automatic</i>
Kentucky State Univ.	7	7	<i>Automatic</i>	<i>Automatic</i>
Morehead State Univ.	7	8	<i>Automatic</i>	<i>Automatic</i>
Murray State Univ.	6	8	<i>Automatic</i>	<i>Not Eligible</i>
Northern Kentucky Univ.	8	8	<i>Automatic</i>	<i>Automatic</i>
Univ. of Kentucky	6	8	<i>Automatic</i>	<i>Automatic</i>
Univ. of Louisville	5	8	<i>Quantitative</i>	<i>Automatic</i>
Western Kentucky Univ.	6	8	<i>Automatic</i>	<i>Automatic</i>

**Notes:**

Universities (except Kentucky State University) have eight equal opportunity objectives. Kentucky State University has seven objectives (the objective related to Enrollment of Graduate Students does not apply to KSU).

Automatic eligibility equals continuous progress in at least 6 of 8 objectives. KSU is at least 5 of 7 objectives.

Quantitative waiver equals continuous progress in 5 of 8 objectives. New degree programs must be implemented under the waiver provisions during calendar year 2003. KSU is 4 of 7 objectives.

Qualitative waiver equals continuous progress in 4 or fewer of 8 objectives. New degree programs must be implemented under the waiver provisions during calendar year 2003. KSU is 3 or fewer of 7 objectives.

**INSTITUTIONAL DEGREE PROGRAM ELIGIBILITY  
CALENDAR YEAR 2003**

**Revised: March 18, 2003**

The eligibility status of the institutions is determined through the application of the administrative regulation (13 KAR 2:060). The status of each institution:

**COMMUNITY COLLEGES**

Institution	Objectives Showing Continuous Progress	Total Objectives Evaluated	Degree Program Eligibility Status	
			2003	2002
<b>KCTCS</b>				
Ashland CC	3	4	<i>Automatic</i>	<i>Automatic</i>
Elizabethtown CC	3	4	<i>Automatic</i>	<i>Automatic</i>
Hazard CC	3	4	<i>Automatic</i>	<i>Quantitative</i>
Henderson CC	3	4	<i>Automatic</i>	<i>Automatic</i>
Hopkinsville CC	4	4	<i>Automatic</i>	<i>Quantitative</i>
Jefferson CC	4	4	<i>Automatic</i>	<i>Automatic</i>
Madisonville CC	3	4	<i>Automatic</i>	<i>Automatic</i>
Maysville CC	2	4	<i>Quantitative</i>	<i>Quantitative</i>
Owensboro CC	3	4	<i>Automatic</i>	<i>Not Eligible</i>
Paducah CC	4	4	<i>Automatic</i>	<i>Automatic</i>
Prestonsburg CC	1	4	<i>Qualitative</i>	<i>Automatic</i>
Somerset CC	3	4	<i>Automatic</i>	<i>Automatic</i>
Southeast CC	2	4	<i>Quantitative</i>	<i>Quantitative</i>
<b>University of Kentucky</b>				
Lexington CC	3	4	<i>Automatic</i>	<i>Automatic</i>
<b>Notes:</b>				
Community colleges have four equal opportunity objectives.				
Automatic eligibility equals continuous progress in at least 3 of 4 objectives.				
Quantitative waiver equals continuous progress in 2 of 4 objectives. New degree programs must be implemented under the waiver provisions during the 2003 calendar year.				
Qualitative waiver equals continuous progress in 0 or 1 of 4 objectives. New degree programs must be implemented under the waiver provisions during the 2003 calendar year.				

**INSTITUTIONAL DEGREE PROGRAM ELIGIBILITY  
CALENDAR YEAR 2003**

The eligibility status of the institutions is determined through the application of the administrative regulation (13 KAR 2:060). The status of each institution:

**TECHNICAL COLLEGES**

Institution	Objectives Showing Continuous Progress	Total Objectives Evaluated	Degree Program Eligibility Status	
			2003	2002
<b>KCTCS</b>				
Ashland TC	0	4	<i>Qualitative</i>	<i>Qualitative</i>
Bowling Green TC	2	4	<i>Quantitative</i>	<i>Automatic</i>
Central Kentucky TC	2	4	<i>Quantitative</i>	<i>Quantitative</i>
Cumberland Valley TC	1	4	<i>Qualitative</i>	<i>Qualitative</i>
Elizabethtown TC	1	4	<i>Qualitative</i>	<i>Qualitative</i>
Hazard TC	1	4	<i>Qualitative</i>	<i>Qualitative</i>
Jefferson TC	2	4	<i>Quantitative</i>	<i>Automatic</i>
Laurel TC	1	4	<i>Qualitative</i>	<i>Qualitative</i>
Madisonville TC	2	4	<i>Quantitative</i>	<i>Quantitative</i>
Mayo TC	1	4	<i>Qualitative</i>	<i>Qualitative</i>
Northern Kentucky TC	3	4	<i>Automatic</i>	<i>Not Eligible</i>
Owensboro TC	0	4	<i>Qualitative</i>	<i>Qualitative</i>
Rowan TC	0	4	<i>Qualitative</i>	<i>Qualitative</i>
Somerset TC	1	4	<i>Qualitative</i>	<i>Qualitative</i>
West Kentucky TC	2	4	<i>Quantitative</i>	<i>Quantitative</i>

**Notes:**

Technical colleges have four equal opportunity objectives.

Automatic eligibility equals continuous progress in at least 3 of 4 objectives.

Quantitative waiver equals continuous progress in 2 of 4 objectives. New degree programs must be implemented under the waiver provisions during the 2003 calendar year.

Qualitative waiver equals continuous progress in 0 or 1 of 4 objectives. New degree programs must be implemented under the waiver provisions during the 2003 calendar year.

## Equal Opportunity Planning 1997-2002 KY Plan and OCR Partnership Status

A final determination of the status of Kentucky's partnership with the U.S. Department of Education Office for Civil Rights is due by March 31, 2003. Because all of the commitments in the agreement have not been completed, it is possible that the Office for Civil Rights may choose to extend the partnership but focus on the commitments not yet completed; e.g., renovations, the Kentucky State University education program, and the University of Louisville's Pathways to Success Program.

The partnership with the U. S. Department of Education's Office for Civil Rights ended December 31, 2002. The partnership agreement is intended to bring Kentucky into full compliance with Title VI of the Civil Rights Act of 1964. The partnership encompasses the Kentucky Plan and focuses more specifically on Title VI. The goals of the Kentucky Plan and the Partnership are to:

1. Increase minority student enrollment at traditionally white institutions.
2. Increase the number of minorities employed at the traditionally white institutions, especially in administrative and faculty positions.
3. Continue to strengthen Kentucky State University, the Commonwealth's historically black institution, in its role in the postsecondary education system.

The OCR has indicated in previous reports that the Commonwealth has completed the commitments identified in items #1 and #2. Portions of the commitments identified in item #3 also have been completed. The commitments completed are: a) the renovation of Carver Hall classroom building; b) KSU's development and implementation of a program of communication and diversity training; c) CPE's analysis and assurance that the benchmark funding process will not disadvantage KSU; d) KSU, UK, UofL, and the council's collaboration to enhance and strengthen KSU's education program; and e) the Governor and the Postsecondary Education Nominating Board's assurance that the KSU Board of Regents is of the highest caliber.

The commitments in item #3 not yet completed are: a) the renovation of Hathaway Hall classroom and office building; b) the renovation of Young Hall dormitory; c) KSU's assurance to substantially narrow the gap between the performance rate of its students on the PRAXIS II as compared to the Kentucky statewide performance average; and d) UofL's Pathways Program.

Each of the universities provided status reports on their efforts to implement the commitments of the partnership agreement to the council office in September 2002. The reports from institutions are used to develop the status reports to the OCR. The OCR has requested that the final

partnership report focus exclusively on the commitments that have not yet been completed. There are two remaining areas to be addressed by the Commonwealth. Following is a summary of the areas addressed in the final report to the OCR:

#### I. Enhancement of Kentucky State University

- The Commonwealth is presently operating without a biennial budget constitutionally enacted by the Kentucky General Assembly. The Governor executed an executive order with an attached spending plan for fiscal year 2002-03. Although the council recommended additional state budget authority for the Hathaway Hall renovation and institutional authority for the Young Hall renovation, the Commonwealth is prohibited from issuing any long-term debt except that it be authorized by the General Assembly in an approved budget. The General Assembly will meet in February 2003 and may enact a budget at that time. The Carver Hall renovation is underway and Phase I of the Hathaway Hall renovation is underway.
- KSU is working with Kentucky's Education Professional Standards Board and the other public institutions to strengthen and enhance its academic programs; in particular, the education program.
- While it is not a part of the partnership agreement with the OCR, KSU and the council are proceeding with the comprehensive assessment of KSU as discussed at the September council meeting. The KSU Comprehensive Assessment Oversight Committee selected Baker & Hostetler, LLP, of Cleveland, Ohio, to complete the assessment of the university's academic programs and the adequacy and use of financial resources. The contract to engage Baker & Hostetler was approved by the Government Contract Review Committee in December 2002. There are nine members on the review team. The resumes of the team members are available in the council offices. The team began the assessment in December following approval of its contract. Two members of the assessment team visited Frankfort Tuesday, January 21, to discuss the visit of the full assessment team scheduled for February 2-4, 2003. Mr. Raymond Pierce, Baker & Hostetler, is attending the council meeting and will be available to answer questions. The anticipated completion date is February or March 2003.
- Although it is not a part of the partnership with the OCR, the council's 2002-04 biennial budget recommendations included a request for state funds to complete the federal match required by the Agricultural Research, Extension, and Education Reform Act of 1998.
- In July 2002, the Governor appointed two new members to the KSU Board of Regents.

#### II. University of Louisville Pathways to Success Program

- In its most recent report, UofL administrators reported that they have worked closely with Jefferson County Public Schools and Jefferson Community College in the last year and have increased student preparedness. As a result, they have reduced the number of sections of developmental math and reading courses at UofL, and all students enroll in a 100 level English course, eliminating the need for developmental writing.
- UofL administrators noted that African Americans are not disproportionately referred to the Pathways Program: approximately 28 percent of Kentucky resident African Americans were referred to the Pathways Program, compared to 66 percent white; the percentage of African American referrals has slightly decreased (from 27.9 percent to 27.5 percent).

- Administrators also expect to collaborate with JCC to improve communications and receive advice from the newly formed Pathways Advisory Committee; members of the committee include UofL, JCC, JCPS, the council, and the community.
- The number of African American students that transferred from the Pathways Program to UofL increased by 566 percent: 3 in 2001, compared to 17 in 2002. Additional increases are anticipated now that the program has been fully implemented.

The next meeting of the council's Committee on Equal Opportunities is Monday, February 17, 2003, in Meeting Room A at the council office.

Staff preparation by Sherron Jackson

**Council on Postsecondary Education  
February 3, 2003**

## **Executive Summary**

4. Are we preparing Kentuckians for life and work?
5. Are Kentucky's communities and economy benefiting?

The council has contracted with the Kentucky Science and Technology Corporation to administer knowledge-based economy programs overseen by the council. Four members of the KSTC staff are scheduled to present an update of the programs' progress: Kris Kimel, KSTC president; Jim Clifton, executive director of KSTC's Innovation Group; Mahendra Jain, executive director of the Kentucky Science and Engineering Foundation; and Rick Kurzynske, statewide director of the Kentucky Experimental Program to Stimulate Competitive Research (EPSCoR).

The executive summary of the draft annual report on knowledge-based economy programs was presented to the council at the November meeting. The final report will be provided at the February 3 meeting. It also is available on the council's Web site.

The staff recommends that the council approve the University of Louisville request to expand the Research Resources Center to construct a Cardiovascular Innovation Institute at the Health Sciences Campus with \$21,000,000 of state, private, and federal funds. (For details, see page 131).

The University of Louisville has requested that the council approve the construction of an expansion of the Research Resources Center to create an additional 46,500 square feet of space for a Cardiovascular Innovation Institute. The space will support cardiovascular surgical research, development, and evaluation of candidate cardiac assist devices, tissue engineering, and genetic interventions to prevent heart disease. It represents a public/private collaborative effort between UofL, the state, and private business.

The staff recommends that the council approve the Murray State University request to construct the Western Regional Center for Emerging Technologies on its main campus with Economic Development Cabinet Innovation and Commercialization Center Program funds. (For details, see page 133).

Murray State University requests that the council approve the construction of a 35,000 square foot Western Regional Center for Emerging Technologies to implement innovative business-building services and funding tools. It represents a state, local, federal, and private collaboration to support the western region of the state.

The staff recommends that the council approve the University of Kentucky request to construct a Swine Feed Mill at the Animal Research Center in Woodford County, Kentucky, with \$870,000 of federal funds. (For details, see page 135).

The federal government has provided money to construct a 4,138 square foot Swine Feed Mill at the University of Kentucky Woodford County Animal Research Center. The mill will prepare approximately 2,000 tons of feed per year to support the university's farm animal research

program. This project represents an effort to support Kentucky's agricultural and farm communities.

Council on Postsecondary Education  
February 3, 2003

**University of Louisville**  
**Expand the Research Resources Center by Constructing a**  
**Cardiovascular Innovation**  
**Institute Facility**

**Action:** The staff recommends that the council approve the University of Louisville request to expand the Research Resources Center by constructing a Cardiovascular Innovation Institute at the Health Sciences Campus with \$21,500,000 of state, private, and federal funds.

The University of Louisville proposes to expand the Research Resources Center by constructing an additional 46,500 square feet of space for a Cardiovascular Innovation Institute.

The council has the statutory responsibility to review and approve postsecondary education capital construction projects costing \$400,000 or more regardless of fund source. Because the estimated cost of this project exceeds the \$400,000 threshold, the council and the Capital Projects and Bond Oversight Committee must approve the project before it is initiated.

The facility is located on the Health Sciences Campus in downtown Louisville. The University of Louisville has certified that \$5,000,000 of state funds, \$15,000,000 of private funds, and \$1,500,000 of federal funds are available to pay the cost of constructing the additional space in the Research Resources Center. (The \$5 million of state funds is a grant from the Office of the New Economy, Kentucky Innovation Commission.) The university agrees that construction will not begin until all money is committed to complete the project. Construction of the new 46,500 square feet will create a need for an additional \$353,000 for operations and maintenance. The university may ask for state funds to support the operations and maintenance of the facility as part of its 2004-06 biennial operating budget request.

Following council action, the staff will notify the secretary of the Finance and Administration Cabinet and the Capital Projects and Bond Oversight Committee.

Staff preparation by Sherron Jackson

Council on Postsecondary Education  
February 3, 2003

## Murray State University Western Regional Center for Emerging Technologies

**Action:** The staff recommends that the council approve the Murray State University request to construct the Western Regional Center for Emerging Technologies on its main campus with Economic Development Cabinet Innovation and Commercialization Center Program funds.

Murray State University proposes to construct the Western Regional Center for Emerging Technologies on its main campus using Innovation and Commercialization Center program funds provided by the Economic Development Cabinet.

The council has the statutory responsibility to review and approve postsecondary education capital projects costing \$400,000 or more regardless of fund source. Because the estimated cost of this project exceeds the \$400,000 threshold, the council and the Capital Projects and Bond Oversight Committee must approve the project before it is initiated.

The project will construct 35,000 square feet of new space. The newly constructed space will be used to assist scientists and entrepreneurs to develop investment grade start-up companies. The center will serve the entrepreneur who wants to commercialize technology and the client who wants to provide value-added services to existing businesses, start-ups, or the investment community.

The facility will be constructed on approximately 3.5 acres at the northwest corner of the MuSU campus fronting onto Highway 121, North Sixteenth Street, Valentine Street, and Waldrop Drive. Murray State University has certified that funding (\$3,000,000) for the project has been awarded and is available from Kentucky Economic Development KEDFA program (\$1.5 million), Federal EDA (\$1 million), and Tennessee Valley Authority (\$500,000). The university further agrees that construction will not begin until the funds are available. The university indicates that state General Funds may be requested in future biennia for operations and maintenance of the facility. The project was reviewed by the Capital Projects and Bond Oversight Committee at its meeting January 21, 2002.

Following council action, the staff will forward the council's recommendation to the secretary of the Finance and Administration Cabinet and to the Capital Projects and Bond Oversight Committee.

Staff preparation by Sherron Jackson

Council on Postsecondary Education  
February 3, 2003

## University of Kentucky Swine Feed Mill

**Action:** The staff recommends that the council approve the University of Kentucky request to construct a Swine Feed Mill at the Animal Research Center in Woodford County, Kentucky, with \$870,000 of federal funds.

The University of Kentucky proposes to construct a Swine Feed Mill at the Animal Research Center in Woodford County using \$870,000 of federal funds.

The council has the statutory responsibility to review and approve postsecondary education capital projects costing \$400,000 or more regardless of fund source. Because the estimated cost of this project exceeds the \$400,000 threshold, the council and the Capital Projects and Bond Oversight Committee must approve the project before it is initiated.

The project involves the construction of a 4,138 square foot facility to house mixing and batching equipment, silos, and a conveyor for preparing approximately 2,000 tons of feed per year. The Woodford County Animal Research Center is located near the city of Versailles off Kentucky Highway 62 east and fronts onto U. S. Highway 60. The University of Kentucky has certified that funding (\$870,000) for the project will be available from federal sources. The university further agrees that construction will not begin until the funding is available. Construction of the feed mill will not increase the contribution for operations and maintenance costs from the state General Fund.

Following council action, the staff will forward the council's recommendation to the secretary of the Finance and Administration Cabinet and to the Capital Projects and Bond Oversight Committee.

Staff preparation by Sherron Jackson

**Council on Postsecondary Education  
February 3, 2003**

# Executive Summary

## The Council Business

The staff recommends that the council approve changes to the council bylaws. (For details, see page139).

At the request of the council, the staff has reviewed the council bylaws pertaining to four issues: attendance at council meetings, the composition of the nominating committee, a limitation on the terms of the chair, and the starting date for the student member of the council.

## Council Bylaws

Action: The staff recommends that the council approve changes to the council bylaws.

Chair Adams requested that staff review the council bylaws and recommend changes to address four issues: attendance at council meetings, the composition of the nominating committee, a limitation on the term of the chair, and the starting date for the student member of the council. The recommended changes (additions are underlined and deletions are displayed as “strike-throughs”) are in the attached document.

A new sub-section D in Section 1 gives the council chair and the executive committee jurisdiction over members who fail to regularly attend meetings.

The composition of the nominating committee was changed to exclude any member seeking a council office. A limit of three (3) consecutive one-year terms is placed on the chair.

KRS 164.011(4) requires that the student government presidents advance the names of three students to the governor by June 1 of each year. Given this statutory language, a change in the bylaws is not appropriate.

Approved:

## COUNCIL ON POSTSECONDARY EDUCATION

### 1.2: BYLAWS

#### I. Statement of Purpose

The bylaws provide a framework for the deliberations and actions of the Council on Postsecondary Education (CPE) in carrying out statutory duties and responsibilities. The bylaws establish rules for notification and conduct of meetings and the selection of officers.

#### II. Statutory Authority

Authority for council actions comes from *KRS Chapter 164* encompassing public, private nonprofit, and proprietary degree-granting postsecondary institutions ~~as well as postsecondary technical institutions~~. The council bylaws also conform to the requirements of *KRS Chapter 61*, *the Kentucky Open Meetings Law*.

#### III. Policy

##### Section 1: General Rules

##### A. Amendment of Bylaws

- A.1 The council may amend, revoke, or adopt additional bylaws by action of eight of the voting members.
- A.2 Notice shall be given to the members of any proposed changes or additions to the bylaws in the agenda of a regularly scheduled or special meeting of the council. All changes shall be consistent with state law and administrative regulations.

##### B. Conduct of Meetings

- B.1 The council and all council appointed committees shall follow *Robert's Rules of Order* concerning motions, recognition of speakers, and order of business.
- B.2 The chair may recognize a non-council speaker.
- B.3 The council shall designate a parliamentarian from the membership of the council or council staff to assist the chair in interpreting the rules of order.

## **C. Policy Statements and Administrative Regulations**

- C.1 Actions taken by the council shall constitute the policy of the council until changed or superseded.
- C.2 The council may act by adoption of policy or by administrative regulation when permitted by law.
- C.3 The council shall promulgate administrative regulations when required by state law.
- C.4 The policy statements of the council including all administrative regulations shall be available to the public on the council Website.

## **D. Attendance at Council Meetings**

- D.1 Council members shall make a best effort to attend and participate at all regularly scheduled meetings.
- D.2 If a council member is unable to attend and participate at a regularly scheduled or special meeting of the council, the member shall notify the chair and president of the council.

## **Section 2: Selection and Terms of Officers**

### **A. Nominating Committee**

- A.1 A nominating committee shall be ~~{consisting of the current chair and vice chair and two other council members}~~ appointed by the chair ~~{shall be created annually}~~ by April 30 for the purpose of nominating a new chair and vice chair.
- A.2 A council member seeking council office shall not be a member of the nominating committee.
- A.3 The recommendations of the nominating committee shall be presented to the council at a regularly scheduled or special meeting prior to June 30 of each year.

### **B. Selection of Officers**

- B.1 A chair and vice chair shall be elected annually at a regularly scheduled or special meeting and shall each serve a one year term commencing July 1.
- B.2 In the absence of the chair or in the event the chair is unable to perform, the vice chair shall perform the duties of the chair. In the absence of both the chair and vice chair or in the event the vice chair is unable to perform the duties of the chair, the council shall appoint a temporary chair.

- B.3 In the event the chair resigns and the vice chair assumes the duties of the chair, the council may select a vice chair to complete the unexpired term of the vice chair.
- B.4 The president shall serve as the secretary to the council and shall cause the minutes of the meetings of the council to be recorded and presented to the council.
- B.5 The chair and vice chair are limited to three consecutive one-year terms ~~{may be elected to subsequent terms without limitation}~~.

### **Section 3: Meetings of the Council on Postsecondary Education**

#### **A. Regular Meeting Schedule**

- A.1 The council shall set the regular meeting schedule for the next year by resolution prior to the last regularly scheduled meeting of the calendar year.
- A.2 The regular meeting schedule shall provide that the council meet no less than quarterly but may provide for more than quarterly meetings. *KRS 164.011(9)*
- A.3 The schedule and agenda of regular meetings shall be made available to the public through release to the press by written or electronic means. *KRS 61.820*
- A.4 The council shall meet with the Advisory Conference of Presidents at least once each year. *KRS 164.021*

#### **B. Special Meetings and Emergency Special Meetings**

- B.1 A special meeting or emergency special meeting is a meeting that is not part of the regular schedule of meetings established by the council pursuant to Section 3 A.1. above.
- B.2 The chair may call a special meeting of the council when, in the view of the chair, such a meeting is necessary. *KRS 164.011(9) and KRS 61.823*
- B.3 The chair shall call a special meeting upon receipt of a written request from a majority of the council stating the reason for the meeting. *KRS 164.011(9) and KRS 61.823*
- B.4 The following items are required in calling a special meeting and in the conduct of the special meeting:
  - a. The agenda of a special meeting shall be stated in the notification of the meeting.
  - b. Discussions and action at a special meeting shall be limited to items listed on the agenda in the notice. *KRS 61.823(3)*
  - c. Written notice shall be provided to every member of the council and to each

media organization filing a written request to be notified. The notice shall be provided as soon as possible but shall be calculated to be received at least twenty-four hours before the special meeting. *KRS 61.823(4)(a)(b)*

B.5 Emergency special meetings may be called by the chair subject to the following requirements:

- a. The agency makes reasonable efforts to inform members of the council, the public, and the media of the date, time, and place of the meeting. *KRS 61.823(5)*
- b. The chair shall, at the commencement of the meeting, state the reason for the emergency: the statement shall subsequently appear in the minutes of the special meeting. *KRS 61.823(5)*
- c. Discussion and action by the council is limited to the emergency for which the meeting was called. *KRS 61.823(5)*

### **C. Place of the Meeting**

C.1 The council shall fix the place of meetings at the time they are scheduled. The council may change the place of meetings. *KRS 164.070*

C.2 The council may hold meetings, regularly scheduled or special, by video teleconference. Meetings held by video teleconference shall conform to the notice requirements of the Open Meetings Law and Section 3 A. and B. of the council bylaws. Meetings held by video teleconference also shall conform to these requirements:

- a. The notice of the meeting shall clearly state that the meeting is a video teleconference. *KRS 61.826(2)(a)*
- b. The locations of the video teleconference as well as the designation of one location as the primary location shall be contained in the notice. *KRS 61.826(2)(b)*
- c. Rules concerning participation, distribution of materials, and other matters that apply at the primary location shall apply to all video teleconference locations. *KRS 61.826(3)*

### **D. Notice of and Agenda for Meetings**

D.1 Notice of all meetings, regularly scheduled and special, shall be given to members at least ten (10) days prior to the time of the meeting unless all members of the council waive notice. Waiver may be given orally or in writing. *KRS 164.080*

D.2 The agenda and supporting materials for a regularly scheduled meeting shall, to the

extent possible, be available to the members at least seven (7) days prior to the meeting. In the event some agenda materials are not available within the required time period, the president shall, as soon as possible, indicate in writing the reason for the delay and when the materials shall be available.

- D.3 Notice to members shall be by mail, personal delivery, or electronic transmission such as facsimile (FAX) or e-mail.
- D.4 The notice of a regularly scheduled or special meeting shall contain the date, time, place of the meeting and the agenda. *KRS 61.823(3)*
- D.5 Notice of and the agenda for all meetings shall be given to the Advisory Conference of Presidents. *KRS 164.021*
- D.6 Special information to be presented to the council by interested parties shall be provided to the president or chair of the council seven (7) days in advance of the scheduled meeting. The chair may waive this requirement.

**E. Minutes of Meetings**

- E.1 The minutes of all meetings, regular and special, shall accurately record the deliberations of the council and all actions taken.
- E.2 All meetings of council committees shall be recorded on audio tape, and the tape shall be permanently maintained.
- E.3 The minutes shall be open to public inspection immediately following the next regularly scheduled meeting of the council. *KRS 61.835*

**F. Quorum and Council Actions**

- F.1 A quorum shall be a majority of the appointive membership of the council. *KRS 164.011(10)*
- F.2 A quorum shall be required to organize and conduct business. *KRS 164.011(11)*
- F.3 An affirmative vote of eight (8) of the appointive members shall be required to carry all propositions. *KRS 164.090 and KRS 164.011(11)*
- F.4 The council may consolidate multiple agenda items of a similar nature for the purpose of voting if there is no objection from a council member.
  - a. Before a vote is taken, the chair shall ask if any member objects to the consolidation of the items and shall specify the items to be voted upon.

- b. The objection of a single member of the council shall be sufficient to require a separate vote on each item.

F.5 The council may, at regularly scheduled meetings, act on any subject within the powers of the council. The council may, by an affirmative vote of eight members, add items to the agenda of a regularly scheduled meeting.

#### **G. Closed Sessions**

G.1 It is the policy of the council that all meetings, regularly scheduled or special, be open to the public unless the matter under discussion meets the exceptions contained in *KRS 61.810*.

G.2 The following requirements, consistent with *KRS 61.815*, shall be met as a condition for conducting closed sessions:

- a. The chair shall give notice in the open meeting of the general nature of the business to be discussed in a closed session.
- b. The chair shall state the reason for the closed session citing a specific *KRS 61.810* provision authorizing a closed session.
- c. The session may be closed only upon a motion made and approved by a majority of the appointive membership of the council present at the meeting.
- d. No formal action may be taken at a closed session.
- e. No matters may be discussed at a closed session other than those publicly announced prior to convening a closed session.

G.3 The requirements of the council for the conduct of closed sessions shall at all times meet the requirements of *KRS 61.815*.

### **Section 4: Committees**

#### **A. Committees--General**

A.1 The council may create, modify, or abolish any committee, unless the committee is established by statute, upon action taken by a majority of the appointive membership.

A.2 The chair of the council shall appoint members to all committees unless membership is directed by statute or council policy.

A.3 The chair of the council shall assign specific tasks and subject matter to all committees

unless action of the council directs the assignment of a task or subject matter to a committee.

- A.4 The president shall assign staff, as appropriate, to assist committees
- A.5 The chair of the council shall be an ex officio, voting member of all committees.
- A.6 All committees shall conform to the requirements of the Open Meetings Act.

**B. Executive Committee**

**B.1 Membership**

The Executive Committee shall consist of the chair, vice chair, and three other council members appointed by the chair.

**B.2. Purpose**

Review all agency budget and personnel matters, provide for an annual audit of the agency, evaluate the president, and recommend annual compensation for the president.

**B.3. Terms**

The three appointed members shall serve one-year terms.

**Section 5: Compensation and Expenses of Members**

**A. General**

- A.1 For the purpose of compensation and payment of expenses to members of the council, meetings shall include all regularly scheduled and special meetings of the council; meetings of council committees; hearings; and special events where a member represents the council at the request of the chair.
- A.2 Members of the council who reside out of state shall not be reimbursed for out-of-state travel to council meetings. *KRS 164.050*

**B. Compensation of Members**

- B.1 Members of the council shall receive compensation for each meeting attended in the amount specified by *KRS 164.050*.

**C. Expenses of Members**

- C.1 Council members shall receive reimbursement for actual expenses incurred traveling to and attending meetings of the council as defined in Section 5 6A.1.
- C.2 The chief state school officer shall receive reimbursement of expenses in the same manner as other expenses reimbursed through the Department of Education.

## **Section 6: President and Staff**

### **A. President**

- A.1 The council shall set the qualifications for the position of president. *KRS 164.013(1) and (3).*
- A.2 The council shall, when selecting a president, employ a search firm and conduct a national search. *KRS 164.013 (1)*
- A.3 The president is the chief executive officer of the council and as such makes proposals to the council for consideration, develops and directs the programs and plans established by the council, ensures compliance with federal and state law, and represents the council on numerous state, regional, and national education and planning organizations. Specific duties of the president are contained in the statutes. *KRS 164.013.*
- A.4 The president is responsible for employing, directing, and administering the staff.
- A.5 The president shall make periodic reports to the council on the operation of the agency as the council shall so direct.
- A.6 The council shall perform an evaluation of the president and shall fix the compensation and terms of the contract annually.
- A.7 The president shall be compensated on a basis in excess of the base salary of any president of a Kentucky public university. The council annually shall review the salaries of the presidents of the public universities to assist in satisfying this requirement. *KRS 164.013(6).*
- A.8 The president shall have a contract for a term not to exceed five years, renewable at the pleasure of the council.
- A.9 The president has a statutory role in the licensing of private colleges and universities and shall exercise those duties consistent with the requirements of the statutes and the direction of the council. *KRS 164.945 through 164.947 and KRS 164.992.*

### **B. Staff**

- B.1 Staff of the council shall be employed by and be responsible to the president of the

council.

- B.2 Staff shall serve at the pleasure of the president, subject to the provisions, rules, and regulations approved by the council. The president shall develop and maintain rules and policies regulating the rights, duties, and responsibilities of employees.
- B.3 The president shall develop and maintain an organization chart for the organization and shall ensure that all positions have written descriptions of duties and responsibilities.
- B.4 The president shall develop and maintain a performance evaluation system for all employees.

**Certification:** \_\_\_\_\_  
**Sue Hodges Moore**

**Previous Actions:**

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