

AGENDA
Council on Postsecondary Education
March 24, 2006
10 a.m. (ET)
CPE Meeting Room A
Frankfort, Kentucky

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Roll Call

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CPE meeting materials are available on the Council Web site at <http://cpe.ky.gov/about/cpe/meetings/>.
CPE policy group meeting materials are available at <http://cpe.ky.gov/committees/>.

Other Business

Next Meeting – April 5, 2006

Adjournment

CPE meeting materials are available on the Council Web site at <http://cpe.ky.gov/about/cpe/meetings/>.
CPE policy group meeting materials are available at <http://cpe.ky.gov/committees/>.

MINUTES
Council on Postsecondary Education
January 30, 2006

The Council on Postsecondary Education met January 30, 2006, at 10 a.m. at the Northern Kentucky University Metropolitan Education and Training Services (METS) Center for Corporate Learning in Erlanger, Kentucky. Chair Greenberg presided.

ROLL CALL

The following members attended: Walter Baker, Peggy Bertelsman, Kevin Canafax, Dan Flanagan, Ron Greenberg, Alois Moore, Ryan Quarles, Jim Skaggs, John Turner, and Mark Wattier. Bonita Black, Susan Guess, John Hall, Phyllis Maclin, Joan Taylor, and Gene Wilhoit did not attend.

REMARKS BY
NKU PRESIDENT

NKU President James Votruba welcomed the Council to the METS Center. He said that the Center was made possible by the Council in 2000. It is designed exclusively for corporate education and learning to support economic competitiveness.

Dan Tobergte, president and CEO of Northern Kentucky Tri-ED, and Gary L. Toebben, president of the Northern Kentucky Chamber of Commerce, joined President Votruba to share information about the northern Kentucky region. The region consists of nine Kentucky counties representing very different populations with 420,000 people with 22 percent growth since 1990. Fourteen percent of the total Kentucky economic output is generated in northern Kentucky and that number is growing rapidly. Between 1998 and 2003, northern Kentucky created 32 percent of Kentucky's new jobs with only 8.2 percent of the population. The challenge for the region is to sustain the same rate of job growth over the next 10 years (nearly 50,000 new jobs). The area has a heavy concentration on manufacturing, transportation, and wholesale trade companies and a growing concentration in finance, insurance, and real estate. In the future, the area's capacity to compete will focus on cultivating and nurturing the talent from the earlier years, recruiting talent, and retaining talent.

President Votruba said that in March 2005 the region began a year-long strategic planning process entitled *Vision 2015* involving over 100 people on a leadership team and five action teams that focused on how to position this region to be as competitive in the next 10 years as the last, particularly given the fact that the rules for competition are changing dramatically as the economy becomes knowledge-focused and globalized. The five action teams concentrated on economic competitiveness, educational excellence, urban renaissance, effective government, and livable communities. The report will be available soon and will contain several goals resulting from the process. President Votruba said that accomplishing these goals will require full funding of the university's 2006-08 budget request.

NEW CPE MEMBERS

Mr. Greenberg welcomed the two new Council members.

Bonita K. Black is an attorney with Frost Brown Todd, LCC, of Louisville. She has a bachelor of arts degree from the University of Kentucky and a juris doctorate from Harvard Law School. She also attended Oxford University, Exeter College. She was appointed to the Council in January and will continue to serve until December 31, 2011. She replaced Esther P. Jansing, whose term had expired.

Jim D. Skaggs is the president and owner of Jim Skaggs, Inc., a construction and property development firm in Bowling Green. Mr. Skaggs is a 1966 graduate of Western Kentucky University with a bachelor of science degree in business management. He also attended the University of Kentucky College of Engineering. Mr. Skaggs was appointed in January and will continue to serve until December 31, 2011. He replaced Charlie Owen, whose term had expired.

The new members will be sworn in after their appointments are confirmed by the General Assembly.

APPROVAL OF MINUTES

The minutes of the November Council meeting were approved as distributed.

TUITION POLICY

RECOMMENDATION: The staff recommends that the Council approve the tuition policy and parameters for establishing tuition and fees for the public institutions for 2006-08.

CPE President Tom Layzell said that prior to 2000 the Council tuition policy was fairly rigid in that tuition was set for each of the institutions and there was not a great deal of flexibility provided. In 2000, the Council deregulated not the authority but the tuition setting to the institutions and the Council approved the rates. The institutions no longer had to keep the rates within a required range, but the institutions were asked to consider per capita personal income, market forces, and the split between total public funds. If the Council disagreed with a rate, it had to veto the action of the governing board. The proposed tuition policy being considered by the Council says that tuition shall be established in such a manner that the combination of mandatory fees established by the institutions and the tuition charges do not exceed the maximum parameters unless expressly granted an exception by the Council. The Council will consider special circumstances on a case-by-case basis at tuition hearings to be held prior to final action by the Council in March/April prior to the beginning of each biennium.

During the next few weeks the Council staff will work with the institutions on minor revisions to the maximum parameters and will share the final document at the March 8 Executive Committee meeting.

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

VOTE: The motion passed.

2006-08
BUDGET
RECOMMENDATION

Mr. Greenberg asked the Council staff to send a letter to the members of the Kentucky General Assembly endorsing and urging full funding for the Council's 2006-08 budget recommendation. The letter should highlight successes achieved by past funding and state that achieving the goals of House Bill 1 are at risk if full funding is not achieved for the 2006-08 budget.

MOTION: Mr. Canafax moved that the recommendation be approved. Mr. Quarles seconded the motion.

VOTE: The motion passed.

OWEN REPORT

Charlie Owen, former Council member and former chair of the Council's Budget and Finance Policy Group, discussed his paper entitled "Building a Stronger, Smarter Budget for Higher Education in Kentucky." He prepared the paper in the hope that the Council will become better informed and more able to participate in the formulation of Kentucky's postsecondary education budget in the future. The paper includes a historical perspective from which to judge the financial policies currently in place at the Council. Mr. Owen suggested that UK and UofL economists, Merl Hackbart and Paul Coomes, be invited to join him for a detailed discussion with the Council about the postsecondary education budget and what is needed to meet the goals of House Bill 1. He asked that the document be included in the orientation materials for new Council members.

Mr. Greenberg thanked Mr. Owen for his work. He said that Mr. Owen has identified a number of policy issues on which the Council needs to focus, including business plans, enrollment goals, and remediation rates. Mr. Greenberg said that the Council identified five key policy initiatives earlier in the year and one of these initiatives was the review of the funding model. The Council will continue to address the five initiatives over the coming months to identify policy issues to be used to develop the model for postsecondary funding.

PERFORMANCE
FUNDING
COMPONENT

RECOMMENDATION: The staff recommends that the Council approve the performance funding component for implementation in 2007-08.

The performance funding component provides incentive funding related to five performance measures directly related to key goals of the Public Agenda. The budget recommendation approved by the Council in November 2005 included \$3.5 million for performance funding. Half of the funds would be distributed based on a comparison in performance between the Kentucky institutions and their benchmarks, and the other half based on improvement in performance on selected key indicator goals. If funds are appropriated by the 2006 General Assembly, funding will be awarded in FY 07-08 based on performance in FY 05-06 and FY 06-07. The staff will

continue to work with the institutions on the methodology for the awards and will share the final document at the March 8 Executive Committee meeting.

MOTION: Mr. Flanagan moved that the recommendation be approved.
Mr. Wattier seconded the motion.

VOTE: The motion passed with Mr. Baker voting no.

REPORT OF QUALITY
& ACCOUNTABILITY
POLICY GROUP –
TRUST FUND
GUIDELINES

Ms. Bertelsman reported that at its meeting earlier in the day the Quality and Accountability Policy Group discussed the draft trust fund guidelines. The workforce development/transfer program is a new initiative that seeks to encourage private support of public postsecondary workforce development and transfer initiatives, support degree completion and transfer of KCTCS students to Kentucky public and independent colleges, and bolster KCTCS workforce development and transfer programs in areas of strategic benefit to the Commonwealth. The policy group thought that the guidelines, which include a scholarship and an endowment component, seem in order. She said that KCTCS representatives spoke to the group and are in agreement with the guidelines. The Council will be asked to approve these at an upcoming meeting.

Regarding the regional stewardship program guidelines (which seek to promote regional and statewide economic development, livable communities, social inclusion, creative governance, and civic participation through public engagement activities initiated by comprehensive university faculty and staff), the policy group asked for a full statewide assessment of activities currently underway prior to any further funding being awarded to the institutions. Ms. Bertelsman said that the assessment may find pockets in the state that are underserved so the Council may wish to target the funds very specifically to meet the statewide mission. Ms. Bertelsman said that the Council staff will develop parameters for the assessment, and the policy group will look at the findings and then report on where the needs exist in the state.

ANALYSIS OF THE
2006-08 EXECUTIVE
BUDGET
RECOMMENDATION

An analysis of the 2006-08 Executive Budget recommendation was included in the agenda book. The Executive Budget recommended just under \$55 million in funding increases for operating and incentive funding for postsecondary education, approximately 25 percent of the Council recommendation. In addition, the Executive Budget includes General Fund debt service for \$260 million in state-funded projects and allows the institutions to fund with agency bonds another \$205 million in capital projects. Major components of the Executive Budget recommendation include:

- Benchmark funding - \$30 million (3 percent increase)
- Performance funding - \$1 million
- Adult education – \$3 million (13.6 percent increase)
- Research support (UK and UofL) - \$9 million
- Regional stewardship - \$3.6 million

Workforce/Transfer (KCTCS) - \$1.5 million

The Executive Budget also includes several special initiatives that would receive increased or new funding.

Mr. Greenberg said that the Council will continue to seek full funding of the Council's budget request approved in November since full funding is necessary to meet the goals of House Bill 1.

LEGISLATIVE
RECEPTION

Mr. Baker said that the Council is co-hosting a reception celebrating postsecondary education in partnership with the presidents of Kentucky's colleges and universities and the Kentucky Inter-Alumni Council February 8 at the Thomas D. Clark Center for Kentucky History. Invited guests include Governor Fletcher, legislators and other policy leaders, student leaders, board chairs, and other friends and supporters of Kentucky postsecondary education. He said that this will be an opportunity to talk one-on-one with individual legislators about adequate funding for postsecondary education.

LEGISLATIVE
UPDATE

A list of bills being considered by the 2006 General Assembly that relate to postsecondary education was included in the agenda book.

2004-05
ACCOUNTABILITY
REPORT

Dr. Layzell said that the Council submits an annual accountability report to the Office of the Governor and the Legislative Research Commission. The purpose of the report is to inform policymakers and the public of systemwide and institution progress toward achieving the goals of House Bill 1 and the Public Agenda for adult and postsecondary education. The structure of this year's report was changed to provide a more concise analysis of year-to-year, comparative, and historical progress on key indicators of reform that originate from state needs as defined by the five questions of the Public Agenda and HB1. The 2004-05 accountability report includes an executive summary that provides a statewide snapshot of progress being made on the state's performance indicators and detailed data and analysis on the revised state and institution key indicators approved by the Council in 2005. Brief descriptions of various state and institution initiatives, broken down by key indicator, highlight efforts being made to move the Public Agenda forward. The last section of the accountability report is organized by the goals of HB1 and provides a summary of efforts undertaken by the Council and the institutions in the past year intended to improve the quality of life and economy of the Commonwealth.

Mr. Greenberg asked the Council staff to prepare a matrix of the 20 institutional k indicators to show a comparison with their benchmark institutions.

KENTUCKY STATE
ASSESSMENT OF
ADULT LITERACY

The initial reports on the 2003 National Assessment of Adult Literacy and the Kentucky State Assessment of Adult Literacy were released in December by the National Center of Education Statistics. While Kentucky's population compares favorably with the nation, the Commonwealth still has great challenges ahead to meet the goal of 800,000 Kentuckians with bachelor's

degrees by 2020. Kentucky's comprehensive report, which will be the only one in the nation to include county-level information, is expected to be released in spring 2006.

Ms. Bertelsman asked if additional indicators are needed to track the progress of students who have taken remedial education courses to show if they are successful through the system, from second to third year, and so on.

MANDATORY
PLACEMENT
REPORT

Dr. Jim Applegate, the Council's vice president for academic affairs, presented results from *Underprepared Students in Kentucky: A First Look at the 2001 Mandatory Placement Policy*. The report found that 54 percent of students entering a Kentucky college or university in 2001 were underprepared in mathematics, reading, or English. Dr. Applegate noted that some institutions have made substantial changes in their remediation policies since the academic year covered in this report. He said that student preparation has implications for degree production since underprepared students are twice as likely to drop out of postsecondary education as prepared students. The Council staff is using the release of this report as an opportunity to re-engage education partners in a conversation about meeting the needs of students who enter college underprepared for college-level work. The full report with data specific to each institution is available on the Council's Web site.

Related to preparation of students, Dr. Applegate said that in a few weeks the Council will release the High School Feedback Report which will provide information about graduates of every high school in Kentucky – the number of high school graduates who go to college, the number who need to be remediated, and the number of students who are retained to the second year of postsecondary study. The results will be shared with superintendents, principals, chambers of commerce, and local P-16 councils. The staff hopes to start conversations with community business, education, and political leaders about the success of their high school graduates.

Dr. Applegate also said that the Kentucky Board of Education is expected to act in February to require a more single rigorous curriculum for all high school graduates. He said that often students who do not plan to attend college do not take the rigorous courses and are unprepared if they do go on to college after high school graduation.

P-16 COUNCIL
GEAR UP
KENTUCKY
UPDATE

An update on P-16 Council activities was included in the agenda book. Fifty-two Kentucky schools will participate in the new GEAR UP state grant. The U.S. Department of Education approved funding to the Council for the new GEAR UP state award in September 2005. The Council will receive \$21 million over the next six years to provide college awareness and preparation activities for middle school students. GEAR UP partners across the state will provide \$21 million in matching funds for a total program support of \$42 million. A map showing the location of the participating schools and a report showing the successes of the 2000-05 grant were included in the agenda book.

REPORT FROM
EDUCATION
COMMISSIONER

A written report of the activities of the Kentucky Board of Education was included in the agenda book.

ACADEMIC
PROGRAM
PRODUCTIVITY
REVIEW

RECOMMENDATION: The staff recommends that the Council amend the Guidelines for Review of Academic Program Productivity to specify a four-year review cycle with an interim productivity consultation.

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

VOTE: The motion passed.

ENROLLMENTS &
COMPLETIONS

A report on fall 2005 enrollments and 2004-05 degree completions was included in the agenda book. Enrollment data indicates that Kentucky's public colleges and universities reached a record high 203,741 students, an overall increase of 1.5 percent over fall 2004 including a growth of 2.1 percent for undergraduates and a 2.8 percent decline of graduate enrollments. During 2004-05, a record number 13,554 baccalaureate degrees were awarded by the public universities, a 3.2 percent increase over the number awarded during the 2003-04 academic year.

2020
EDUCATIONAL
ATTAINMENT
PROJECTIONS

Information was provided on the challenge of meeting the educational goal outlined in HB1 and the steps to be worked on concurrently in order to narrow the educational gap in Kentucky and move Kentucky closer to the national level of adults with bachelor's degrees or higher by the year 2020. Dr. Layzell said that the staff will work with the institutions to develop programmatic and financial plans for accomplishing the 2020 projections.

Mr. Greenberg suggested that the 2020 educational attainment projections be discussed at the next meeting of the Strategic Committee on Postsecondary Education since meeting this goal will require significant additional resources for the institutions.

CENTER FOR
MATHEMATICS

RECOMMENDATION: The staff recommends that the Council award the contract for the Center for Mathematics to Northern Kentucky University. The staff also recommends that the Council authorize the Council staff to work with Northern Kentucky University and the University of Louisville to develop a collaborative effort to design the intervention and diagnostic functions of the center in the primary grades and to conduct research on the effectiveness of the center's programs.

MOTION: Mr. Baker moved that the recommendation be approved. Mr. Canafax seconded the motion.

VOTE: The motion passed.

IMPROVING
EDUCATOR QUALITY

RECOMMENDATION: The staff recommends that the Council award federal *No Child Left Behind*, Title II, Part A, funds in the amount of

STATE GRANT PROGRAM

\$1,140,000 for March 1, 2006 – June 30, 2007, to support eight projects:

- Investigating Non-Point Source Pollution [Murray State University] - \$140,000
- Spanish Immersion and Mentoring [Murray State University] - \$143,000
- Opening Doors to New Worlds: Certifying World Language Teachers for Kentucky [Northern Kentucky University] - \$143,000
- Developing and Assessing Communicative Competence in the World Language Classroom [University of Kentucky] - \$143,000
- Team Development for Instructional Leadership in Restructuring Secondary Schools [University of Kentucky] - \$143,000
- Making Geometry Accessible [University of Kentucky, Appalachian Rural Systemic Initiative] - \$143,000
- Improving Student Learning and Teachers' Content Knowledge in Middle School Math [University of Louisville] - \$142,000
- Improving Student World Language Performance: Using Assessment as the Guiding Force in Standards-Based Instruction [Western Kentucky University] - \$143,000

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

VOTE: The motion passed.

CEO REPORT

The report of the Committee on Equal Opportunities was included in the agenda book. The Office of Civil Rights has agreed to amend the partnership agreement to support a request by Kentucky State University to construct new student housing rather than renovate Young Hall dormitory.

CAPITAL PROJECTS

RECOMMENDATION: The staff recommends that the Council approve the University of Kentucky request to replace/relocate the WUKY PBS antenna and transmitter to a new site with \$863,040 of federal, private, and institutional funds.

RECOMMENDATION: The staff recommends that the Council approve the University of Kentucky request to enter into a lease with e-Cavern, LLC, as specified by the Department of the Treasury to conduct a research project related to secure, remote, financial transaction back-up storage systems with \$729,140 of federal funds.

MOTION: Mr. Baker moved that the two projects be approved. Mr. Quarles seconded the motion.

VOTE: The motion passed.

The University of Kentucky has entered into an emergency lease with Sterlington Road, LLC, to expand an existing lease to provide an additional 34,563 square feet of space to house hospital employees while construction

proceeds on the new hospital bed tower. The lease expansion will include renovation and the fit-up of 11,521 square feet at an estimated cost of \$345,630 and an annual lease rate of \$19.93 per square foot or an annual lease cost of \$794,192. Because the university has declared an emergency, creating an alternative path to implementation, the lease expansion is reportable to CPE with no other action required.

STATEWIDE
FACILITIES
CONDITION
ASSESSMENT
STATUS REPORT

In November 2005 the Council issued a request for proposals to conduct a statewide facilities condition assessment. Six proposals were received. A single contract will be issued by the Council, on behalf of the institutions, to conduct the assessment. The cost of the project is to be shared among the institutions on the basis of square footage evaluated by the vendor. The selected vendor will complete the review between February and October 2006 and will visit each campus to evaluate facilities.

TRUST FUND
GUIDELINES

Dr. Layzell said that the Council will continue to discuss the draft trust fund guidelines.

RESEARCH, ECON
DEV, & COMM
POLICY GROUP

Mr. Flanagan reported on the work of the Research, Economic Development, and Commercialization Policy Group. The group is reviewing the draft trust fund guidelines and the Council's priority initiatives.

AGENCY AUDIT

RECOMMENDATION: The staff recommends that the Council accept the 2004-05 agency audit as submitted by the firm of Moore, Stephens, Potter, LLP.

Mr. Greenberg said that the Council received an unqualified audit. The Executive Committee received a draft of the financial statements and independent auditor's report and reviewed these documents with representatives of the audit firm and the Council staff via a September 30 conference call. The audit report contains no reportable conditions or material weakness related to internal control over financial reporting or major federal programs. The audit report notes one instance of material noncompliance related to financial statements. This involves an overpayment on the memorandum of agreement between UK and the Council for the Kentucky Postsecondary Education Network program. The Council staff has taken corrective action and a refund has been received. The audit report disclosed one finding related to major federal programs. This involved the failure of local Kentucky Adult Education subgrantees to submit copies of their fiscal year audits to Council staff in accordance with federal regulations and their contract. The Council staff has taken appropriate corrective action. The Council staff has acted upon the suggestions involving monitoring of funds, and information will be presented at an upcoming Council meeting.

MOTION: Mr. Turner moved that the audit be accepted. Ms. Bertelsman seconded the motion.

VOTE: The motion passed.

COMMITTEE
ASSIGNMENTS

Mr. Greenberg appointed an audit subcommittee to review the monitoring and accountability system for the Council's pass-through programs. The members are Ms. Bertelsman (chair), Mr. Flanagan, Ms. Moore, Mr. Skaggs, and Mr. Wattier.

Mr. Greenberg asked Mr. Wattier to chair the Quality and Accountability Policy Group and Mr. Flanagan to chair the Budget and Finance Policy Group.

Mr. Greenberg appointed Mr. Baker and Mr. Turner to serve with him on the presidential evaluation committee to coordinate the annual evaluation of the Council president. Mr. Greenberg will chair the group.

NOMINATING
COMMITTEE

MOTION: On behalf of the nominating committee, Mr. Baker moved that Mr. Greenberg serve as Council chair and Mr. Turner as Council vice chair from February 1, 2006, through January 31, 2007. Ms. Bertelsman seconded the motion.

VOTE: The motion passed.

STUDENT RALLY

Mr. Quarles announced that the Board of Student Body Presidents will host a rally celebrating postsecondary education March 8 at 12:30 p.m. at the Capitol Building in Frankfort. He invited the Council members and the presidents to attend.

ADJOURNMENT

The meeting adjourned at 12:05 p.m.

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CPE
STUDY SESSION

The Council on Postsecondary Education held a study session Sunday, January 29, 2006, at 3 p.m. at Fidelity Investments in Covington, Kentucky. Chair Greenberg presided.

The following members attended: Walter Baker, Peggy Bertelsman, Kevin Canafax, Dan Flanagan, Ronald Greenberg, Alois Moore, Ryan Quarles, Jim Skaggs, John Turner, and Mark Wattier. Bonita Black, Susan Guess, John Hall, Phyllis Maclin, Joan Taylor, and Gene Wilhoit did not attend.

Allen Norvell with the auditing firm of Moore, Stephens, Potter, LLP, met with the Council to discuss the findings of the 2004-05 agency audit.

Other agenda items discussed included the performance funding component, tuition policy, legislative issues, and the document prepared by Charlie Owen.

No action was taken.

Following the study session, the Council members joined other invited guests for a reception and dinner hosted by Kevin Canafax.

Thomas D. Layzell
President

Phyllis L. Bailey
Senior Associate, Executive Relations

Council on Postsecondary Education
March 24, 2006

Tuition and Fee Proposal
Kentucky Community and Technical College System

ACTION: The staff recommends that the Council approve 2006-07 tuition rates for KCTCS.

Proposed 2006-07 tuition and mandatory fees for KCTCS fall within the parameters established by the Council with one exception. The exception for KCTCS is presented in a separate agenda item. The Council will take action on all exceptions at the April 5 Council meeting.

Undergraduate Resident Rates

Under the KCTCS proposal, per credit hour rates for resident undergraduates will increase from \$98 to \$109, an increase of \$11 (see Attachment A). For a student taking 15 credit hours a semester, the rates would increase from \$2,940 to \$3,270, an increase of \$330. This increase is equal to the maximum parameter.

Undergraduate Nonresident Rates

Under the proposal, nonresident rates will be \$9,810. This is 3.0 times the rate charged to residents. This rate meets the Council's parameter that requires nonresident rates be at least 1.75 times the resident rate. KCTCS is requesting an exception for nonresident students in contiguous counties, which is presented in a separate agenda item.

Mandatory Fees

KCTCS does not have mandatory fees.

Tuition Revenue

Revenue from tuition and fees is projected to increase from \$137.5 million to \$150.7 million or \$13.2 million from 2005-06 to 2006-07.

**2006-07 TUITION & MANDATORY FEE RATES
(Fall 2006 and Spring 2007)**

<u>Institution/Level/Residency Status</u>	<u>Fall 2006 Rates</u>	<u>Spring 2007 Rates</u>	<u>Annual 2006-07 Rates</u>	<u>Annual 2006-07 Parameter</u>	<u>Dollar Variance Rate & Parameter</u>
Kentucky Community and Technical College System (KCTCS)					
Resident					
Full-time	\$ 1,635	\$ 1,635	\$ 3,270	\$ 3,270	\$ -
Per Credit hour	\$ 109	\$ 109	\$ 109	\$ 109	\$ -
Nonresident - Other					
Full-time	\$ 4,905	\$ 4,905	\$ 9,810	\$ 5,723	\$ 4,088
Per Credit hour	\$ 327	\$ 327	\$ 327	\$ 191	\$ 136

Note: Tuition rates for nonresident students from contiguous counties are included in the exceptions agenda item.

Council on Postsecondary Education
March 24, 2006

Tuition and Fee Proposal
Morehead State University

ACTION: The staff recommends that the Council approve 2006-07 tuition rates for Morehead State University.

Proposed 2006-07 tuition and mandatory fees for Morehead State University fall within the parameters established by the Council with one exception. The exception for Morehead State University is presented in a separate agenda item. The Council will take action on all exceptions at the April 5 Council meeting.

Undergraduate Resident Rates

Under the Morehead State University proposal, annual rates for full-time, resident undergraduates would increase from \$4,320 to \$4,870, an increase of \$550 (see Attachment A). This increase is \$45 less than the maximum parameter of \$4,915.

Undergraduate Nonresident Rates

Under the proposal, nonresident rates will be \$12,950. This is 2.65 times the rate charged to residents. This rate meets the Council's parameter that requires nonresident rates be at least 1.75 times the resident rate. Morehead State University is requesting an exception for nonresident students in contiguous counties and select urban areas, which is presented in a separate agenda item.

Graduate Rates

Attachment A is a complete listing of rates, including graduate programs.

Mandatory Fees

A complete listing of mandatory student fees for 2005-06 may be found in Attachment B. Morehead State indicates that mandatory fees are 'bundled' with tuition into a single rate for 2006-07.

Tuition Revenue

Revenue from tuition and fees is projected to increase from \$38.2 million to \$43.6 million or \$5.4 million from 2006 to 2007. Morehead State University indicates that the estimated increase in revenue is due to an increase in both tuition rates and enrollment.

2006-07 TUITION & MANDATORY FEE RATES
(Fall 2006 and Spring 2007)

<u>Institution/Level/Residency Status</u>	<u>Fall 2006 Rates</u>	<u>Spring 2007 Rates</u>	<u>Annual 2006-07 Rates</u>	<u>Annual 2006-07 Parameter</u>	<u>Dollar Variance Rate & Parameter</u>
Morehead State University					
<i>Undergraduate</i>					
Resident					
Full-time	\$ 2,435	\$ 2,435	\$ 4,870	\$ 4,915	\$ (45)
Per Credit Hour	205	205	205		
Nonresident					
Full-time	6,475	6,475	12,950	8,523	4,427
Per Credit Hour	540	540	540		
Online Programs					
Per Credit Hour	240	240	240	NA	NA
<i>Graduate</i>					
Resident					
Full-time	2,640	2,640	5,280	NA	NA
Per Credit Hour	295	295	295		
Nonresident					
Full-time	7,065	7,065	14,130	NA	NA
Per Credit Hour	785	785	785		
Online Programs					
Per Credit Hour	330	330	330	NA	NA

Note: Tuition rates for nonresident students in contiguous counties and select urban areas are included in the exceptions agenda item.

**MOREHEAD STATE UNIVERSITY
2006-07 MANDATORY FEE SCHEDULE**

<u>Level</u>	<u>2005-06 Mandatory Fees</u>	<u>2006-07 Mandatory Fees</u>	<u>Condition for Payment</u>
<i>Undergraduate</i>			
Student Activity Fee	\$ 370	\$ -	Enrollment at the University

Note: Starting in 2006-07 all mandatory fees will be bundled with tuition eliminating all mandatory student fees.

**Council on Postsecondary Education
March 24, 2006**

**Tuition and Fee Proposal
University of Kentucky**

ACTION: The staff recommends that the Council approve 2006-07 tuition rates for the University of Kentucky.

Proposed 2006-07 tuition and mandatory fees for the University of Kentucky fall within the parameters established by the Council.

Undergraduate Resident Rates

Under the UK proposal, annual rates for full-time, resident undergraduates will increase from \$5,812 to \$6,510 for lower-division students, an increase of \$698. Tuition for upper-division students will increase from \$5,980 to \$6,698, an increase of \$718 (see Attachment A). This increase is approximately \$180 less than the maximum parameters of \$6,687 for lower-division and \$6,881 for upper-division.

Undergraduate Nonresident Rates

Under the proposal, nonresident rates will be \$13,970 for lower-division students and \$14,156 for upper-division students. This is approximately 2.1 times the rate charged to residents. The proposed rate meets the Council's parameter that requires nonresident rates be at least 1.75 times the resident rate.

Graduate and Professional Rates

Attachment A is a complete listing of rates, including graduate and professional programs.

Mandatory Fees

A separate listing of mandatory student fees may be found in Attachment B.

Tuition and Fee Revenue

Revenue from tuition and fees is projected to increase from \$186.9 million to \$206.5 million or \$19.6 million from 2005-06 to 2006-07.

**2006-07 TUITION & MANDATORY FEE RATES
(Fall 2006 and Spring 2007)**

<u>Institution/Level/Residency Status</u>	<u>Fall 2006 Rates</u>	<u>Spring 2007 Rates</u>	<u>Annual 2006-07 Rates</u>	<u>Annual 2006-07 Parameter</u>	<u>Dollar Variance Rate & Parameter</u>
University of Kentucky					
<i>Undergraduate (Lower Division)</i>					
Resident					
Full-time	\$ 3,255	\$ 3,255	\$ 6,510	\$ 6,687	\$ (177)
Per Credit Hour	258	258	516		
Nonresident					
Full-time	6,985	6,985	13,970	11,393	2,578
Per Credit Hour	569	569	1,138		
<i>Undergraduate (Upper Division)</i>					
Resident					
Full-time	3,349	3,349	6,698	6,881	(183)
Per Credit Hour	266	266	532		
Nonresident					
Full-time	7,078	7,078	14,156	11,722	2,435
Per Credit Hour	577	577	1,154		
<i>Graduate</i>					
Resident					
Full-time	3,518	3,518	7,036	NA	NA
Per Credit Hour	368	368	736		
Nonresident					
Full-time	7,577	7,577	15,154	NA	NA
Per Credit Hour	819	819	1,638		
MBA					
<i>Full-time Students in 'Day' Program</i>					
Resident	3,776	3,776	7,552	NA	NA
Nonresident	7,839	7,839	15,678	NA	NA
<i>Other Returning Students and all Part-time Students (were full-time in fall 2004)</i>					
Resident	4,068	4,068	8,136	NA	NA
Nonresident	9,046	9,046	18,092	NA	NA
<i>Master of Arts in Diplomacy and International Commerce and Master of Science in Physician Assistant Studies</i>					
Resident	3,690	3,690	7,380	NA	NA
Nonresident	7,753	7,753	15,506	NA	NA

<u>Institution/Level/Residency Status</u>	<u>Fall 2006 Rates</u>	<u>Spring 2007 Rates</u>	<u>Annual 2006-07 Rates</u>	<u>Annual 2006-07 Parameter</u>	<u>Dollar Variance Rate & Parameter</u>
University of Kentucky (Cont'd)					
<i>Master of Science in Radiological Medical Physics and Master of Science in Health Physics (College of Health Sciences, Division of Radiation Sciences)</i>					
Resident	4,095	4,095	8,190	NA	NA
Nonresident	8,156	8,156	16,312	NA	NA
Law					
<i>Students - entering classes of Fall 2005 and 2006</i>					
Resident	6,421	6,421	12,842	NA	NA
Nonresident	11,636	11,636	23,272	NA	NA
<i>Other Returning Students</i>					
Resident	6,253	6,253	12,506	NA	NA
Nonresident	11,400	11,400	22,800	NA	NA
Medicine					
<i>Students - entering classes of Fall 2005 and 2006</i>					
Resident	10,656	10,656	21,312	NA	NA
Nonresident	20,661	20,661	41,322	NA	NA
<i>Other Returning Students</i>					
Resident	10,373	10,373	20,746	NA	NA
Nonresident	20,264	20,264	40,528	NA	NA
Dentistry					
<i>Students - entering classes of Fall 2005 and 2006</i>					
Resident	9,767	9,767	19,534	NA	NA
Nonresident	21,057	21,057	42,114	NA	NA
<i>Other Returning Students</i>					
Resident	9,509	9,509	19,018	NA	NA
Nonresident	20,694	20,694	41,388	NA	NA
Pharmacy					
<i>Students - entering classes of Fall 2005 and 2006</i>					
Resident	8,154	8,154	16,308	NA	NA
Nonresident	15,530	15,530	31,060	NA	NA
<i>Other Returning Students</i>					
Resident	6,745	6,745	13,490	NA	NA
Nonresident	13,832	13,832	27,664	NA	NA
Professional Doctoral					
Resident	4,587	4,587	9,174	NA	NA
Nonresident	10,470	10,470	20,940	NA	NA

**UNIVERSITY OF KENTUCKY
2006-07 MANDATORY FEE SCHEDULE**

<u>Level</u>	<u>2005-06 Mandatory Fees</u>	<u>2006-07 Mandatory Fees</u>	<u>Condition for Payment</u>
Student Activities	\$ 8.50	\$ 8.50	These mandatory fees are charged to all full-time students enrolled on the Lexington Campus and at the Medical Center. Some fees are prorated to part-time students. Students taking all of their courses at off-campus locations outside of Fayette County and its contiguous counties may have the fees waived. Students enrolled at the Bluegrass Community and Technical College may choose services à la carte from the list of mandatory fees. Medicine, Dentistry, and MBA "Day" students pay an annualized health fee.
Athletics	12.75	12.75	
Student Government Association	6.25	6.25	
Student Health Fee	130.00	160.00	
WRFL Student Radio	3.00	3.00	
International Study Abroad Fee	2.00	2.00	
Seaton Center Fee	51.50	55.00	
Technology Fee	66.00	68.00	
Student Center Fee	37.00	40.50	
Student Services Fee	8.00	8.00	
TOTAL	\$ 325.00	\$ 364.00	
Dentistry Students	\$ 377.00	\$ 450.00	
Medicine Students	369.00	450.00	
MBA "Day" Students	325.00	450.00	

Council on Postsecondary Education
March 24, 2006

Tuition and Fee Proposal
Exceptions

Two institutions presenting at the March 24 meeting, Morehead State University and KCTCS, have submitted tuition proposals for consideration by the Council that require exceptions to the parameters. These exceptions will be presented to the Council for action with other exceptions from institutions presenting at the April 5 meeting.

Morehead State University

Morehead State University has requested that an exception be made to the parameter requiring nonresidents to pay at least 1.75 times the resident rate. Morehead requests the nonresident rate be 1.25 times the resident rate for students in targeted counties in neighboring states and select urban areas. Based on 2005 enrollment, this exception will apply to 508 or 5.6 percent of Morehead students. Morehead argues that the discounted rate is crucial to recruitment and retention of high-performing out-of-state students and also to the recruitment of minority students. If this exception is not approved, the tuition rate for Morehead State University nonresident students from contiguous counties and select urban areas will be the minimum rate allowable under the Council's parameters, 1.75 times the resident rate.

KCTCS

KCTCS has requested that an exception be made to the nonresident tuition parameter for students in contiguous counties. KCTCS requests that nonresidents in contiguous counties be charged 1.2 times the resident rate instead of the parameter of 1.75 times the resident rate. Based on 2005 enrollment, the exception will apply to 410 students or 0.48 percent of students attending KCTCS. KCTCS argues that a continuation of its current nonresident tuition structure will yield more tuition revenue than a strict adherence to the Council's parameter, 1.75 times the resident rate for all nonresident students. KCTCS current nonresident tuition structure is 1.2 times the resident rate for students in contiguous counties and 3.0 times the resident rate for all other nonresident students. Twenty-five percent of all KCTCS' nonresident students are from contiguous counties. If this exception is not approved, the tuition rate for KCTCS nonresident students from contiguous counties will be the minimum rate allowable under the Council's parameters, 1.75 times the resident rate or \$191 per credit hour.

Council on Postsecondary Education
March 24, 2006

Analysis of the 2006-08
Senate Budget Recommendation

A summary of the changes among the various versions of the budget are provided in the following attachments:

- Attachment A - Operating funding for postsecondary education
- Attachment B - Capital funding for postsecondary education

The following is a summary of the major changes made by the Senate to the House version of the budget for 2006-08:

Council Agency Budget:

- The Senate restored the \$1 million reduction to the Council's operations budget included in the House budget.
- The Senate added funding for statewide postsecondary initiatives that were included in the Governor's budget for programs such as: Contract Spaces, College Level Learning Assessment, College Access Initiative, Academic Innovation & Collaborative Grants, P-16 Engineering Pipeline, and the Collaborative Public Health Initiative.
- The Senate eliminated \$4 million included in the House budget for a Legislative Scholarship Program.

Institutional Funding:

- The Senate added an additional \$10 million in benchmark funding to the House level for a total increase in 2008 of \$30 million (in addition to the \$20 million in 2007).
- Business plan funding provided in the House budget (\$23 million) for KSU, MuSU, NKU, UK, UofL, and WKU was eliminated for all institutions except for UK, which received \$17.7 million in the Senate version.
- The Senate eliminated the \$10 million in Affordability and Retention funding provided by the House for EKV, MoSU, and six community colleges.
- The Senate added Regional Stewardship funding of \$1.2 million in 2007 and \$3.6 million in 2008 consistent with the Governor's recommendation (the House had no funds for 2007 and \$4.8 million in 2008).
- The Senate changed the \$6 million in nonrecurring research support for UK and UofL from operating funding to bonded debt.

Capital Budget:

1. Total State Bond Authority and Debt Service

- The Senate provided \$382.1 million in state bonds compared to \$507.0 million recommended by the House and \$507.1 million as recommended by the Council.
- The Senate provided \$32.8 million for debt service (22 projects, combination ½ year and full year debt service) compared to \$24.1 million recommended by the House (32 projects, ½ year debt service) and \$55.6 million recommended by the Council (full-year debt service for 22 projects).

2. Projects Recommended by the Council

- Nine of the 22 projects recommended by the Council are not in the Senate Substitute (HB 380) compared to six projects not included by the House.
- Eight of the 22 projects included by the Senate (HB 380) compared to 16 of 32 projects included by the House were not recommended by the Council.

Analysis of HB 380
Additional State General Fund Appropriations

	Enacted FY 2005-06 Base	FY 2006-07 Increase				FY 2007-08 Increase			
		Council Recommendation	Executive Budget	House Budget	Senate Budget	Council Recommendation	Executive Budget	House Budget	Senate Budget
Base Funding (See Note)									
UK	\$ 306,341,800	\$ 13,722,200	\$ 4,603,500	\$ 4,603,500	\$ 4,603,500	\$ 13,624,400	\$ 2,472,100	\$ 13,775,700	\$ 23,986,100
UofL	154,261,900	13,491,900	3,390,600	3,390,600	3,390,600	14,064,800	1,828,000	10,363,200	5,961,500
EKU	73,622,800	3,681,100	1,271,000	1,271,000	1,271,000	3,681,100	683,700	4,867,600	1,498,500
KSU	24,374,800	1,440,400	1,724,500	1,733,700	1,724,500	480,100	159,200	833,200	196,000
MOSU	43,428,300	2,171,400	624,800	624,800	624,800	2,171,400	335,300	4,149,000	968,000
MUSU	53,044,600	2,581,500	624,600	624,900	624,600	2,578,300	334,200	2,699,200	989,100
NKU	46,601,800	5,586,800	1,261,700	1,260,700	1,261,700	5,586,800	681,400	4,095,000	4,011,200
WKU	74,836,600	6,861,700	1,716,600	1,716,600	1,716,600	6,861,700	925,900	4,789,000	3,474,100
KCTCS	201,776,300	19,552,100	4,782,700	4,782,700	5,050,500	19,552,100	2,580,200	7,972,100	7,324,800
Total Institutional Base Funding	978,288,900	69,089,100	20,000,000	20,008,500	20,267,800	68,600,700	10,000,000	53,544,000	48,409,300
Specific Institutional Funding	-	-	1,038,000	4,949,000	2,150,000	-	574,200	1,738,500	1,500,000
Performance Funding	-	-	-	-	-	3,500,000	1,000,000	1,000,000	1,000,000
Council Operations	10,844,700	2,841,800	751,000	(249,000)	751,000	489,500	394,000	394,000	394,000
Adult Education	22,026,000	4,000,000	1,000,000	1,000,000	1,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Totals	\$ 1,011,159,600	\$ 75,930,900	\$ 22,789,000	\$ 25,708,500	\$ 24,168,800	\$ 74,590,200	\$ 13,968,200	\$ 58,676,500	\$ 53,303,300
Trust Funds / Incentive Funding Programs									
Endowment Match	-	12,000,000	-	-	-	-	-	-	-
Research Support (Nonrecurring)	-	18,000,000	-	-	-	-	6,000,000	6,000,000	6,000,000
Research Support (Recurring)	-	4,000,000	1,500,000	1,500,000	1,500,000	-	1,500,000	1,500,000	1,500,000
Science and Technology	10,005,900	600,000	350,000	225,000	350,000	250,000	-	-	-
Regional Stewardship	-	3,000,000	1,200,000	-	1,200,000	15,000,000	3,600,000	4,800,000	3,600,000
Technology Trust Fund	2,050,500	2,701,600	1,352,500	1,085,500	1,352,500	1,100,000	650,000	1,016,500	1,567,000
Workforce / Transfer Nonrecurring	-	500,000	300,000	300,000	300,000	-	-	-	-
Workforce / Transfer Recurring	-	-	-	-	-	3,500,000	\$ 1,200,000	\$ 1,200,000	\$ 1,200,000
Totals	\$ 12,056,400	\$ 40,801,600	\$ 4,702,500	\$ 3,110,500	\$ 4,702,500	\$ 19,850,000	\$ 12,950,000	\$ 14,516,500	\$ 13,867,000
Special Initiatives / Pass Through									
Council Initiatives / Pass Through	6,228,300	1,660,700	1,089,300	284,900	589,300	5,835,500	1,335,500	500,000	835,500
Institutional Special Initiatives	-	500,000	-	500,000	-	4,300,000	-	2,300,000	-
Totals	\$ 6,228,300	\$ 2,160,700	\$ 1,089,300	\$ 784,900	\$ 589,300	\$ 10,135,500	\$ 1,335,500	\$ 2,800,000	\$ 835,500
Total Total	\$ 1,029,444,300	\$ 118,893,200	\$ 28,580,800	\$ 29,603,900	\$ 29,460,600	\$ 104,575,700	\$ 28,253,700	\$ 75,993,000	\$ 68,005,800

Note: For purposes of this analysis, base funding includes benchmark funding, business plan funding, and rural retention and affordability funding. This display is net of debt service.

General Fund Capital Project Priorities
2006-08

System Priority	Institution/Project Name	Project Scope	CPE Recommended	Executive Budget	House Budget	Debt	Senate Budget	Debt
			St. Bond/G Fund	St. Bond/G Fund	St. Bond/G Fund	Service	St. Bond/G Fund	Service
Infrastructure Repairs/Replacement/Improvements (2 Projects)								
1	Capital Renewal, Replacement, and Maintenance Pool	\$ 15,000,000	\$ 15,000,000	\$ 13,000,000	\$ 13,927,000	\$ 649,000	\$ 13,927,000	\$ 1,297,000
2	Information Technology/Instructional Equipment Purchase Pool	25,000,000	25,000,000	-	10,000,000	917,000	10,000,000	917,000
<i>Total - Infrastructure, Repairs, Replacement, & Improvements</i>		<i>\$ 40,000,000</i>	<i>\$ 40,000,000</i>	<i>\$ 13,000,000</i>	<i>\$ 23,927,000</i>	<i>\$ 1,566,000</i>	<i>\$ 23,927,000</i>	<i>\$ 2,214,000</i>
E&G and Postsecondary Education Center Projects (38 Projects)								
1	MoSU Construct Center for Health, Education, and Research	\$ 20,000,000	\$ 15,000,000	\$ 15,000,000	\$ 23,000,000	\$ 1,071,000	\$ 15,000,000	\$ 1,398,000
2	KCTCS Construct Science/Allied Health Bldg Jefferson Community	25,557,000	25,557,000	-	25,557,000	1,190,000	25,557,000	1,190,000
3	KCTCS Construct Allied Health/Tech Ed Bldg, Somerset CC Laurel	13,815,000	13,815,000	13,200,000	13,815,000	644,000	14,015,000	1,305,000
4	NKU Renovate Old Science Building	15,000,000	15,000,000	14,192,000	-	-	-	-
5	MuSU Construct New Science Complex Phase III	15,000,000	15,000,000	-	15,000,000	699,000	15,000,000	1,398,000
6	WKU Renovate Science Campus, Phase III	7,000,000	7,000,000	6,700,000	9,000,000	420,000	9,000,000	839,000
7	NKU Construct Health Innovation Center	20,085,000	20,085,000	-	-	-	-	-
8	KSU Hathaway Hall Renovation, Phase III	4,920,000	4,920,000	4,707,000	4,920,000	231,000	-	-
9	EKU Construct Science Building	54,107,950	54,107,950	-	54,108,000	2,519,000	-	-
10	NKU Construct Center for Informatics	23,075,000	23,075,000	-	35,500,000	1,653,000	35,000,000	3,306,000
11	UK Construct Gatton Building Complex	79,289,750	40,452,750	-	-	-	-	-
12	EKU/UK Dairy Research Project (Meadowbrook)	5,300,000	5,300,000	5,121,000	5,300,000	248,000	5,300,000	248,000
13	UofL Renovate Life Sciences Building	18,240,000	18,240,000	-	-	-	-	-
14	KCTCS Construct Emerging Tech Ctr West KY Comm & Tech	16,518,000	16,518,000	15,473,000	16,518,000	770,000	16,518,000	1,539,000
15	WKU Replace College of Education - Tate Page Hall Building	22,750,000	22,750,000	-	35,000,000	1,630,000	-	-
16	UK Construct Law School Building	85,081,000	-	-	-	-	-	-
17	MoSU Renovate & Add to Student Center, Phase II	16,800,000	-	-	-	-	-	-
18	KSU Expand & Renovate Betty White Nursing Building	4,900,000	-	-	4,900,000	230,000	4,900,000	459,000
19	WKU Replace Ford College Business - Grise Hall Building	38,000,000	-	-	5,800,000	272,000	-	-
20	KCTCS Construct Mt Zion Campus Phase II Gateway CTC	36,523,000	-	26,607,000	1,000,000	49,000	28,000,000	1,304,000
21	UK Construct Medicine/Dentistry Building	202,410,000	-	-	-	-	-	-
22	MoSU Renovate Combs Classroom Building	-	6,000,000	-	-	-	-	-
23	KSU Expand & Renovate Bradford Hall	27,500,000	-	-	-	-	-	-
24	NKU Renovate University Center	8,700,000	-	-	-	-	-	-
25	KSU Renovate Jackson Hall	1,628,000	-	-	-	-	-	-
26	EKU Renovate Donovan/Donovan Annex/Mattox Hall	19,900,000	-	-	-	-	-	-
27	KCTCS Construct Tech Drive Campus Phase III Ashland CTC	14,833,000	-	-	17,600,000	814,000	-	-
28	MoSU Renovate & Expand Baird Music Hall	10,200,000	-	-	-	-	-	-
29	MuSU Construct Public Safety Building	2,000,000	-	-	-	-	-	-
30	UofL Construct Belknap Research & Classroom Building	66,420,000	-	-	-	-	-	-
31	MoSU Renovate & Expand Camden Carroll Library, Phase I	6,000,000	-	-	-	-	-	-
32	KSU Hill Student Center - 3rd Floor Build-Out	600,000	-	-	-	-	-	-
33	WKU Construct Owensboro Advanced Technology Center	12,536,000	-	-	14,055,000	655,000	-	-
34	EKU Construct Danville Postsecondary Education Center	11,000,000	-	-	-	-	-	-
35	MuSU Construct Agriculture Tech Telecommunications Center	23,000,000	-	-	-	-	-	-
36	EKU Construct University Activity Center, Phase II	15,400,000	-	-	-	-	-	-
37	MuSU Construct Madisonville Postsecondary Education Center	25,000,000	-	-	-	-	-	-
38	NKU Relocate Master Plan Infrastructure	6,130,000	-	-	-	-	-	-
<i>Total - (E&G) General Fund Projects Requested</i>		<i>\$ 981,218,700</i>	<i>\$ 296,820,700</i>	<i>\$ 101,000,000</i>	<i>\$ 281,073,000</i>	<i>\$ 13,095,000</i>	<i>\$ 168,290,000</i>	<i>\$ 12,986,000</i>
Research & Economic Development Projects (7 Projects)								
1	UK Construct Biological/Pharmaceutical Complex, Phase II	\$ 79,892,000	\$ 79,892,000	\$ 75,968,000	\$ 79,892,000	3,720,000	\$ 79,892,000	\$ 7,440,000
2	UofL Construct HSC Research Facility IV	69,680,000	69,680,000	65,997,000	69,680,000	3,245,000	69,680,000	6,489,000
3	UofL Renovate Medical Dental Research Building, Phase IV	19,800,000	-	-	-	-	-	-
4	WKU Construct Materials Characteristics, Phase II	4,500,000	4,500,000	4,311,000	4,500,000	211,000	4,500,000	422,000
5	MuSU Construct New Breathitt Veterinary Center	16,250,000	16,250,000	-	-	-	-	-
6	UofL Construct Center for Predictive Medicine	35,200,000	-	-	-	-	-	-
<i>Subtotal - (R&ED) General Fund Projects Requested</i>		<i>\$ 225,322,000</i>	<i>\$ 170,322,000</i>	<i>\$ 146,276,000</i>	<i>\$ 154,072,000</i>	<i>\$ 7,176,000</i>	<i>\$ 154,072,000</i>	<i>\$ 14,351,000</i>
7	UK Construct Bio-Medical Research Building (CPE Design only - cash)	\$ 95,000,000	\$ 7,600,000	\$ -	\$ -	\$ -	\$ -	\$ -
System Total - Top 45 General Fund Projects Requested *		<i>\$ 1,341,540,700</i>	<i>\$ 507,142,700</i>	<i>\$ 260,276,000</i>	<i>\$ 459,072,000</i>	<i>\$ 21,837,000</i>	<i>\$ 346,289,000</i>	<i>\$ 29,551,000</i>
* The system total does not include the design amount for the UK Bio-Medical Research Building.								
Research Support Funding Program								
1	CPE Research Support/Lab Renovation & Equipment	\$ 18,000,000	\$ 18,000,000	-	-	-	\$ 6,000,000	\$ 551,000
Projects Not Reviewed or Recommended by CPE (14 Projects)								
1	KCTCS Franklin Technology Center - Project Expansion	-	-	-	-	-	\$ 2,500,000	\$ 237,000
2	KCTCS Bluegrass Advanced Manufacturing Technology Center - Design	-	-	-	-	-	1,500,000	72,000
3	KCTCS Maysville Renovate Administration Building	-	-	-	-	-	5,008,000	469,000
4	MoSU Business Continuation Datacenter Collaborative with NKU	-	-	-	2,500,000	119,000	-	-
5	MoSU Business Continuation Datacenter-Design	-	-	-	360,000	-	-	-
6	MoSU Space Science Center	-	-	-	3,400,000	160,000	-	-
7	UK Livestock Disease Diagnostic Center, Phase II	-	-	-	13,500,000	629,000	-	-
8	KCTCS Licking Valley Campus, Phase II - Maysville CTC	-	-	-	1,000,000	49,000	-	-
9	KCTCS Etown Construct Central regional Postsecondary Ed Center, Phase	-	-	-	19,400,000	904,000	20,000,000	1,863,000
10	KCTCS Madisonville Energy/Advanced Technology Center	-	-	-	4,000,000	188,000	-	-
11	KCTCS JCTC Carrollton County Campus, Design	-	-	-	500,000	24,000	500,000	26,000
12	KCTCS Big Sandy CTC Design New Facility	-	-	-	1,500,000	72,000	-	-
13	KCTCS Maysville Rowan County Campus - Plannign & Design	-	-	-	1,500,000	72,000	-	-
14	KCTCS Madisonville Postsecondary Ed Center - Design	-	-	-	300,000	-	300,000	-
<i>Total New Projects</i>		<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ 47,960,000</i>	<i>\$ 2,217,000</i>	<i>\$ 29,808,000</i>	<i>\$ 2,667,000</i>
<i>Total Projects Proposed</i>		<i>\$ 1,359,540,700</i>	<i>\$ 525,142,700</i>	<i>\$ 260,276,000</i>	<i>\$ 507,032,000</i>	<i>\$ 24,054,000</i>	<i>\$ 382,097,000</i>	<i>\$ 32,769,000</i>

CPE v Executive v House Sub v Senate Sub (HB 380) Recommendations
Capital Projects - Agency Bond Authority
2006-08

Institution and Project Title	CPE Recommendation		Executive Budget (HB 380)		House Sub (HB 380) Budget		Senate Sub (HB 380) Budget	
	Project Scope	Agency Bonds	Project Scope	Agency Bonds	Project Scope	Agency Bonds	Project Scope	Agency Bonds
Eastern Kentucky University								
1 Construct New Student Housing	\$ 10,520,000	\$ 10,520,000	\$ 9,961,000	\$ 9,961,000	\$ 10,520,000	\$ 10,520,000	10,520,000	10,520,000
Subtotal - EKV	\$ 10,520,000	\$ 10,520,000	\$ 9,961,000	\$ 9,961,000	\$ 10,520,000	\$ 10,520,000	\$ 10,520,000	\$ 10,520,000
Kentucky State University								
1 Construct Parking Structure	\$ 7,000,000	\$ 7,000,000	Project not in Executive Budget.		\$ 7,000,000	\$ 7,000,000	-	-
2 Construct New Residence Hall (Privatized)	20,000,000	20,000,000	Project not in Executive Budget.		20,000,000	20,000,000	-	-
Subtotal - KSV	\$ 27,000,000	\$ 27,000,000			\$ 27,000,000	\$ 27,000,000	\$ -	\$ -
Morehead State University								
1 Construct Student Recreation Center	\$ 17,000,000	\$ 17,000,000	Project not in Executive Budget.		\$ 17,000,000	\$ 17,000,000	-	-
2 Construct Apartment Housing Complexes - Phase II	6,000,000	6,000,000	Project not in Executive Budget.		Project Not Recommended		-	-
3 Construct Parking Structure	7,000,000	7,000,000	Project not in Executive Budget.		Project Not Recommended		-	-
4 Renovate Student Housing Facilities	10,000,000	10,000,000	Project not in Executive Budget.		10,000,000	10,000,000	-	-
Subtotal - MoSV	\$ 40,000,000	\$ 40,000,000			\$ 27,000,000	\$ 27,000,000	\$ -	\$ -
Murray State University								
1 New Residential College (Replace Richmond Hall)	\$ 13,077,000	\$ 13,077,000	\$ 12,106,000	\$ 12,106,000	\$ 13,077,000	\$ 13,077,000	13,077,000	13,077,000
2 Renovate Waterfield Library	8,000,000	4,000,000	Project not in Executive Budget.		Project Not Recommended		-	-
3 Replace Franklin Hall	13,077,000	13,077,000	Project not in Executive Budget.		13,077,000	13,077,000	-	-
4 Renovate Curris Center and T-Room	750,000	750,000	Project not in Executive Budget.		750,000	750,000	-	-
Subtotal - MuSV	\$ 34,904,000	\$ 30,904,000	\$ 12,106,000	\$ 12,106,000	\$ 26,904,000	\$ 26,904,000	\$ 13,077,000	\$ 13,077,000
Northern Kentucky University								
1 Construct New Student Union	\$ 16,250,000	\$ 16,250,000	\$ 17,360,000	\$ 17,360,000	\$ 17,360,000	\$ 17,360,000	17,360,000	17,360,000
2 Construct Parking Garage #3	15,400,000	15,400,000	Project not in Executive Budget.		15,400,000	15,400,000	-	-
3 Construct Parking Garage #4	9,200,000	9,200,000	Project not in Executive Budget.		9,200,000	9,200,000	-	-
4 Expand Norse Commons	1,400,000	1,400,000	Project not in Executive Budget.		1,400,000	1,400,000	-	-
5 Construct Student Housing	23,000,000	23,000,000	Project not in Executive Budget.		23,000,000	23,000,000	-	-
Subtotal - NKU	\$ 65,250,000	\$ 65,250,000	\$ 17,360,000	\$ 17,360,000	\$ 66,360,000	\$ 66,360,000	\$ 17,360,000	\$ 17,360,000
University of Kentucky								
1 Construct Patient Care Facility Phase II	\$ 175,000,000	\$ 150,000,000	\$ 155,000,000	\$ 130,000,000	\$ 175,000,000	\$ 150,000,000	150,000,000	150,000,000
2 Renovate Blazer Hall Cafeteria	3,010,000	3,010,000	Project not in Executive Budget.		3,010,000	3,010,000	-	-
3 Install HVAC in Keeneland Hall	7,013,000	7,013,000	Project not in Executive Budget.		7,013,000	7,013,000	-	-
4 Renovate Student Center Food Court	1,643,000	1,643,000	Project not in Executive Budget.		Project Not Recommended		-	-
5 Renovate K-Lair Building	4,650,000	4,650,000	Project not in Executive Budget.		Project Not Recommended		-	-
Subtotal - UK	\$ 191,316,000	\$ 166,316,000	\$ 155,000,000	\$ 130,000,000	\$ 185,023,000	\$ 160,023,000	\$ 150,000,000	\$ 150,000,000
University of Louisville								
1 Construct Center for Predictive Medicine	\$ 35,200,000	\$ 13,000,000	\$ 33,749,000	\$ 11,549,000	\$ 35,200,000	\$ 13,000,000	13,000,000	13,000,000
2 Construct HSC Parking Structure II	26,113,000	26,113,000	Project not in Executive Budget.		26,113,000	26,113,000	-	-
3 Construct Residence Hall, 500 Bed	33,172,000	33,172,000	Project not in Executive Budget.		33,172,000	33,172,000	-	-
4 Construct Basketball Practice Facility, Phase II	16,140,000	16,140,000	Project not in Executive Budget.		16,140,000	16,140,000	-	-
5 Renovate Medical Dental Research Building - Phase IV	19,800,000	19,800,000	Project not in Executive Budget.		19,800,000	19,800,000	-	-
Subtotal - UoFL	\$ 130,425,000	\$ 108,225,000	\$ 33,749,000	\$ 11,549,000	\$ 130,425,000	\$ 108,225,000	\$ 13,000,000	\$ 13,000,000
Western Kentucky University								
1 Renovate Academic/Athletic #2	\$ 28,500,000	\$ 25,500,000	\$ 27,156,000	\$ 24,156,000	\$ 26,500,000	\$ 25,500,000	25,500,000	25,500,000
2 Renovate Van Meter Hall	16,000,000	16,000,000	Project not in Executive Budget.		Project not Recommended		-	-
3 Renovate Ivan Wilson Center	8,000,000	8,000,000	Project not in Executive Budget.		Project not Recommended		-	-
4 Expand Preston Center	10,000,000	10,000,000	Project not in Executive Budget.		10,000,000	10,000,000	-	-
5 Acquire Prop. & Con. Parking	4,000,000	4,000,000	Project not in Executive Budget.		4,000,000	4,000,000	-	-
Subtotal - WKU	\$ 66,500,000	\$ 63,500,000	\$ 27,156,000	\$ 24,156,000	\$ 40,500,000	\$ 39,500,000	\$ 25,500,000	\$ 25,500,000
System Total	\$ 565,915,000	\$ 511,715,000	\$ 255,332,000	\$ 205,132,000	\$ 513,732,000	\$ 465,532,000	\$ 229,457,000	\$ 229,457,000

Council on Postsecondary Education
March 24, 2006

Legislative Update

A list of bills that relate to postsecondary education will be distributed at the March 24 meeting. The Council staff will be available for discussion.

Kentucky Board of Education Report
Commissioner Gene Wilhoit
For
March 24, 2006 Council on Postsecondary Education Meeting

Major News Item

- **ASSESSMENT CONTRACTS APPROVED BY THE GOVERNMENT CONTRACT REVIEW SUBCOMMITTEE**--The Kentucky Department of Education (KDE) recommended to the Legislative Research Commission the award of its statewide assessment contract to Measured Progress. Measured Progress is the prime contractor, supported by WestEd as the test development subcontractor and the Collaborative for Teaching and Learning as the writing portfolio subcontractor. The Department also recommended the award of contracts to the following other contractors: ACT (predictive test contractor), CTB/McGraw Hill (norm-referenced contractor) and HumRRO (research contractor).

All of the above contracts were approved by the Government Contract Review Subcommittee at its March 14 meeting. Work with the contractors has now begun to put the revised statewide assessment in place that will be given beginning in the spring of 2007.

Through the proposals from Measured Progress and the other selected vendors, Kentucky gains all of the additional components that legislators, the Kentucky Board of Education and constituents have expressed are essential in order to have an instructionally sound, valid and reliable statewide assessment at virtually the same price per year that we are now paying for the current CATS assessment. These include:

- development and implementation of reading and mathematics tests in grades 3-8 that are aligned to Kentucky's content standards and will meet the requirements of *No Child Left Behind*
- a longitudinal measure of student progress for grades 3-8 in reading and mathematics that will provide year to year comparisons of achievement on individual students
- analytical scoring of the writing assessment that will give specific feedback to students and teachers on how to improve writing
- professional development for teachers on best practices for teaching and assessing writing to eliminate past abuses including reducing the amount of time spent on the writing portfolio
- electronic reporting and imaging techniques that will allow teachers to immediately score the common released items on the CATS test and use them for local accountability of students
- location of a scoring center in Kentucky to score the CATS test and tests from other states resulting in jobs for the state, direct involvement of

- Kentucky educators in the development of tests and scoring of student work, and reduction of shipping time and costs related to scoring
- addition of a predictive measure of postsecondary success at grades 8 and 10 that will enable reteaching geared to individual needs of students to take place well in advance of the senior year
 - expertise to move Kentucky to an online assessment over the next three years
 - significant experience in the development of end-of-course assessments for the high school level that will enable Kentucky to get these in the hands of teachers for local use
 - innovative proposals on how we could measure achievement in Arts and Humanities and Practical Living/Vocational Studies differently to help us transition in the future to more accurate methods of assessing what students know and are able to do in these areas
 - support in moving Kentucky closer to the vision of full implementation of a diagnostic/formative (snapshot) assessment system that would enable teachers to pretest and posttest students on an ongoing basis to know where they are in their learning at all times

These contracts put into place our redesigned assessment system, the culmination of almost two years of discussion about the assessment improvements needed to move education forward in Kentucky. All the key stakeholder groups have been involved in the design, including the Local Superintendents Advisory Council, the School Curriculum, Assessment and Accountability Council, the National Technical Advisory Council on Assessment and Accountability, the legislature's Education Assessment and Accountability Review Subcommittee, the Interim Joint Committee on Education, and numerous internal advisory groups that include students, parents, teachers, principals, superintendents, and school board members.

February 1-2, 2006 Kentucky Board of Education Highlights:

- **704 KAR 3:305, MINIMUM REQUIREMENTS FOR HIGH SCHOOL GRADUATION APPROVED**--Changes to the minimum requirements for high school graduation were given final approval at the February meeting. These revised requirements will *take effect with the graduating class of 2012*.

Below is a summary of the new requirements:

- Language Arts: 4 credits (English I, II, III, IV) to include the content strands of reading, writing, speaking, listening, observing, inquiry, conventions, analysis, and using technology as a communication tool

- Social Studies: 3 credits to include the content strands of historical perspective, including US History, geography, economics, government and civics, and cultures and societies
- Mathematics: 3 credits to include the content strands of number property and operation, measurement, geometry, data analysis and probability, and algebraic thinking and including the following minimum requirements:
 - One mathematics course taken each year of high school
 - Required courses shall include Algebra I, Geometry, and Algebra II. An integrated, applied, interdisciplinary or technical/occupational course that prepares a student for a career path based on the student's Individual Learning Plan may be substituted for a traditional Algebra I, Geometry, or Algebra II course on an individual student basis
 - Prealgebra shall not be counted as one of the three required mathematics credits for graduation, but may be counted as an elective
- Science: 3 credits to incorporate lab-based scientific investigation experiences and includes the content strands of biological science, physical science, earth and space science, and unifying concepts
- Health: ½ credit to include the content strands of individual well-being, consumer decision, personal wellness, mental wellness, and community services
- Physical education: ½ credit to include the content strands of personal wellness, psychomotor, and lifetime activity
- History and appreciation of visual and performing arts (or another arts course which incorporates this content): 1 credit to include the content strands of arts, dance, music, theatre, and visual arts or a standards-based specialized arts course based on the student's Individual Learning Plan
- Academic and career interest standards-based learning experiences: 7 credits including 4 standards-based learning experiences in an academic or career interest based on the student's Individual Learning Plan
- Technology: Demonstrated competency

(Note: Changes were also made in the regulation's language to clarify the appropriate development and implementation of the Individual Learning Plan.)

An additional change was a revision to the awarding of a certificate of attendance for an exceptional student whose disability precludes a course of study leading to receipt of a diploma. Such a student would now receive a certificate of work readiness and employability related to an alternative course of study.

- **BOARD APPROVES 702 KAR 7:125, PUPIL ATTENDANCE--**Final approval to 702 KAR 7:125, Pupil attendance was given at the February meeting. The amendments will allow schools to count students in attendance who are participating in performance-based credit experiences and thus, generate SEEK funds.

In addition, a provision was added to the regulation to allow districts to receive full-day funding for students who are not six by October 1 but whose developmentally appropriate placement would best be served in the second level (first grade) of the primary program. This can only occur, however, if a student meets certain criteria specified in the regulation, is recommended for this placement to the Department of Education by local board approval, and is approved for the placement by the Department of Education.

- **FIRST REVIEW OF PROGRAM OF STUDIES REVISIONS OCCUR--** Changes to the minimum high school graduation requirements and adjustments to the Core Content for Assessment have necessitated changes to the Program of Studies. The Program of Studies outlines the minimum content standards required for all students for the required credits for high school graduation and the content standards for primary, intermediate and middle level programs that lead up to the high school requirements.

At its February meeting, drafts from the areas of science, social studies and high school reading were reviewed and discussed. The discussion was led by Karin Hess of the Center for Assessment, a national not-for-profit organization that is assisting the Department to accomplish this work under a very short timeline. It is anticipated that the Program of Studies will come back to the Board for final approval at its April 11-12 meeting.

- **703 KAR 5:010, WRITING PORTFOLIO PROCEDURES REVIEWED--** Due to design changes in the Kentucky Writing Portfolio, concerns from the field and instructional concerns of the Board, it became necessary to revise the language in 703 KAR 5:010, which governs writing portfolio procedures. The revisions are based on previous discussions with the Board regarding more direction on reduction of time spent on the portfolio and relative to finalizing the Administration Guidelines for Writing.

Changes to the regulation include:

Section 1. Appropriate Use of Time – A new Section 1 was written to establish a stronger focus on the appropriate use of time. New language makes clear that practices to reduce teacher and student time in preparing the portfolio are to be implemented, the amount of time spent on a single portfolio entry and the number of revisions of a single entry are to be limited, development of portfolio entries shall support the learning of content, and practices that use time efficiently shall be implemented.

Section 2. School and District Writing Programs – Establishes the framework for school and district writing programs including requirements for (1) working folders and the transition of the pieces in these folders from one grade level to the next; (2) the writing cluster leaders to be teacher leaders with experience in writing instruction and not be intern teachers; (3) professional development access and opportunity for teachers across the curriculum and grade levels; and (4) the school council’s allocation of resources and use of resources in the school (e.g., extended school services, technology, staffing, etc.).

Section 3. Writing Instruction – Establishes that writing tasks are to be linked to real-world situations and writing styles and evolve out of the standards-based units of instruction. It requires that instruction include content area reading representing the kinds of writing students are asked to include in their portfolio and that time is provided within the classroom instructional time for development of writing. It limits the development of writing pieces at home. This section also provides clarification on conferencing by requiring teachers to use individual, small group and/or large group conferencing sessions rather than an implied one-on-one conferencing session, focusing conferencing and limiting the conferencing on one or two areas of need. It includes provisions that conferencing partners shall not take ownership of a student’s writing or require an arbitrary number of revisions. Provisions are included to allow students to use word processing in the development of their writing pieces or submit pieces for the portfolio in their own handwriting; however, the school media centers are not to be restricted to the development of writing portfolios.

Section 4. Portfolio Design and Scoring – Changes the number of the portfolio pieces for each grade level to align with the 2007 assessment design approved by the Kentucky Board of Education and requires schools and districts to implement procedures for scoring student portfolios.

The regulation will come back for final approval to the April 11-12 meeting.

Upcoming Agenda Items for the April 11-12, 2006 Kentucky Board of Education Meeting Include:

- 704 KAR 3:530, Mathematics Achievement Fund (Final)
- 704 KAR 3:490, Teachers' Professional Growth Fund (Final)
- 704 KAR 3:303, Program of Studies (Final)
- 703 KAR 5:010, Writing Portfolio Procedures (Final)
- Discussion on the rigor of dual credit courses
- Report from the Kentucky High School Athletics Association on the Work of the Task Force Seeking Solutions to Issues within Proposals 3 and 20 and Related Proposed Bylaw Changes from the KHSAA Board of Control
- Assessment issues related to the new assessment contracts and No Child Left Behind

**Council on Postsecondary Education
March 24, 2006**

Distance Learning Advisory Committee Report

The Distance Learning Advisory Committee (DLAC) met March 22, 2006. The meeting included an update on the status of the KYVU response to the 25 recommendations made by a Special Committee of the Southern Association of Colleges and Schools (SACS) following its May 2005 visit. The response, describing how KYVU has complied with some recommendations and detailing the strategic planning process currently underway to respond to the remaining recommendations, will be submitted to SACS April 1, 2006. The KYVU response will be reviewed by SACS, who will issue a report following its June 2006 meeting. A timeline and list of milestones for the KYVU response and strategic planning process is attached (Attachment A).

As part of the KYVU strategic planning process, DLAC charged its working group, the Distance Learning Steering Team (DLST), to develop recommendations for KYVU to incorporate into the new strategic plan. The recommendations address who KYVU should serve, address in what ways it should serve its constituencies, suggest guiding principles, recommend KYVU explore alternative names rather than continue calling itself a "university," and propose changes to the KYVU advisory structure. These recommendations were presented to DLAC and were approved at the March 22 meeting. A copy of the DLAC approved recommendations is included (Attachment B).

KYVU Strategic Planning Timeline & Milestones

Dates	Milestones
May 1-4, 2005	SACS Special Committee visits KYVU
June 15, 2005	Report of the Special Committee sent to KYVU with October 1, 2005 deadline
June 30, 2005	The Distance Learning Steering Team, the operational group of the DLAC, meets
July 1, 2005	CPE hires Allen Lind as KYVU Chief Executive Officer
September 1, 2005	Deadline for response extended until April 1, 2006
September 29, 2005	DLST meets to discuss the Report of the Special Committee
October 5, 2005	Distance Learning Advisory Committee (DLAC) assigns operational charge of assisting KYVU to the DLST
	KYVU initiates Strategic Planning Process
October 11, 2006	CPE/KYVU SACS Response team begins bi-weekly meetings
November 18, 2005	KYVU convenes 69 representatives of instructional partners for day-long analysis of their expectations for KYVU and its strengths, weaknesses, opportunities, and threats
December 13, 2005	DLST meets
December 16, 2005	KYVU Staff Day-long Strategic Planning Retreat
January 11, 2006	KYVU and CPE staffs meet in day-long retreat for a similar SWOT analysis
January 26, 2006	DLST meets
February 6, 2006	DLST - KYVU Planning Workgroup begins meeting to develop recommendations for DLAC
February 16, 2006	DLST meets
February 17, 2006	KYVU conducts focus groups of instructors and students using KYVU services
February 22/25, 2006	KYVU staff spend one and a half days developing KYVU draft versions of mission and vision statements and core values
March 16, 2006	DLST approves KYVU Planning Workgroup recommendations
March 22, 2006	DLAC approves DLST recommendations for KYVU Strategic Planning Process
April 1, 2006	KYVU response to the Report of the Special Committee submitted to SACS
April 2006	KYVU develops draft of KYVU Strategic Plan <ul style="list-style-type: none"> - Mission & values statements - Strategic Directions
April 2006	KYVU works with DLST/KYVU Planning Workgroup to review Strategic Plan
April 2006	DLST meets for interim discussion of KYVU Strategic Plan
May 2006	KYVU expands Strategic Plan draft <ul style="list-style-type: none"> - S.M.A.R.T. Objective Statements - Define Roles and Responsibilities
May 2006	KYVU & DLST/KYVU Planning Workgroup review and finalize Strategic Plan draft
May 2006	DLST meets to recommend KYVU Strategic Plan to DLAC
June 2006	DLAC meets to review and endorse KYVU Strategic Plan
July 2006	CPE meets to approve KYVU Strategic Plan

March 22, 2006

Distance Learning Steering Team KYVU Planning Workgroup

Recommendations to DLAC for Consideration in the KYVU Strategic Planning Process

The KYVU Planning Workgroup was established by the Distance Learning Steering Team (DLST) to develop recommendations the DLST would consider for recommendation to the Distance Learning Advisory Committee (DLAC). These recommendations would address the most salient issues DLAC should address regarding the strategic planning efforts undertaken by the Kentucky Virtual University. The members of the KYVU Planning Workgroup are: Gary Pratt (NKU), Tad Pedigo (UK), Dennis Robinson (UofL), Dan Connell (MoSU), Sandy Cook (KCTCS), Myk Garn (CPE), Chela Kaplan (EPSB), Allen Lind (KYVU), Penny Armstrong (OEOD), Linda Pittenger (KDE), Michael Clark (KET), and Terry Magel (KSU).

The workgroup established five questions for discussion and development of recommendations. These questions are:

1. Who does KYVU serve?
2. In what ways should KYVU serve its constituencies?
3. What should be KYVU's core values or guiding principles?
4. Should KYVU call itself a "university?"
5. What is the proper advisory structure for KYVU?

The full DLST, after consideration and discussion, approved the following five recommendations March 16, 2006. The DLST now forwards these to the DLAC with the expectation DLAC will recommend KYVU consider these recommendations as part of the current KYVU strategic planning process.

1. Who does KYVU serve?

Issue: As KYVU looks to its future mission, it must determine its audiences. KYVU currently serves Kentucky's learners through partnerships with postsecondary education institutions and state agencies. As the postsecondary institutions continued to develop their own infrastructure to deliver distance learning, KYVU's role changed to also serve state agencies. With KCTCS implementing its own CMS, hosting the participation by postsecondary education continues to shift. KYVU is at a point of determining who it should serve and how those audiences should be served.

Recommendation: KYVU should serve as a facilitator and advocate for distance learning in Kentucky by bringing together collaborative partners among multiple audiences to promote lifelong learning in Kentucky. The primary audiences KYVU should recognize and include are Kentucky's postsecondary education institutions and its state agencies.

2. In what ways should KYVU serve its constituencies?

Issue: How should KYVU serve its multiple constituents? KYVU currently is a provider of many services. The types of services vary by constituent groups. As KYVU transitions between being primarily a provider of services to a broker, facilitator, and catalyst, it must be a good steward of limited resources.

Recommendation: In the role of broker, facilitator, and catalyst, KYVU will identify distance learning issues and bring together postsecondary institutions, state agencies, and other entities to collaboratively find solutions. The statewide Kentucky "virtual" collaborative environment should:

1. **Expand Programming.** Identify, convene, and lead initiatives for collaboration among postsecondary education, public education, state agencies, and others to discuss common issues, develop common solutions, and expand online education.
 - a. Be a focal point for data collection and analysis about distance learners and distance education.
 - b. Expand the amount of eLearning programs available to Kentuckians through targeted program development, i.e., increase number of online degree programs, completer degrees, professional development and workforce development initiatives, and accelerate efforts to help more Kentuckians successfully complete GED programs and transition to postsecondary education.
2. **Expand Capacity.** As a broker, enable and support common standards and technology solutions resulting in economies of scale through shared resources and common needs for consistent support toward lifelong learning, i.e., connectivity, KEN, KET, KYVL, statewide CMS, helpdesk, and live communications. As a catalyst, encourage and support innovative technology-based approaches for teaching and learning that increase the attend ability and instructional capacity of instruction its partners make available i.e., interactive approaches -- gaming and simulations, shared content objects, and online tutoring services.
3. **Reduce Barriers.** Partner with CPE to reduce policy and practice barriers that prevent lifelong learning and advocating for access through the latest technologies. Identify and address policy issues including increasing transfer, identification and utilization of common competencies, agency training converted to credit, and career paths.
4. **Market Opportunity.** Connect Kentuckians to postsecondary, workforce education/training, professional development, and career pathways, and K-20. Create and expand awareness of multiple and diverse distance learning opportunities, matching them with learner needs, through marketing of distance learning opportunities offered by postsecondary institutions, school districts, state agencies, and other entities to meet identified needs in the Commonwealth.
5. **Expand Support Services.** Bring together postsecondary education, public education, libraries, state agencies, and others developing collaborative strategies supporting eLearning in the Commonwealth. Facilitate collaborative testing and adoption of new technologies in support of teaching, learning, and research within the libraries, and for the citizens of Kentucky. Enhance collaborative efforts of the Kentucky Virtual Library, including expansion of licensed databases and the addition of multi-media collections, learning objects, curriculum support materials, and additional resources for all KYVL constituents and partners.

3. What should be KYVU's core values or guiding principles?

Issue: The SACS Special Committee recommended "that a clear and comprehensive mission statement be formulated which guides its (KYVU) continuing operations and development..." A first step in the process of developing a mission and strategic plan is to identify guiding principles that will provide a framework for the development of a mission statement and a strategic plan. The mission and plan will be guided by the "Five Questions" of the Public Agenda:

1. Are more Kentuckians ready for postsecondary education?
2. Is Kentucky postsecondary education affordable for its citizens?
3. Do more Kentuckians have certificates and degrees?
4. Are more college graduates prepared for life and work in Kentucky?
5. Are Kentucky's people, communities, and economy benefiting?

Recommendation: The workgroup recommends that KYVU consider the following "guiding principles" as it formulates its strategic plan:

1. Enable providers to identify and use best practices and offer the highest quality services to students connecting Kentuckians to postsecondary, workforce education and training, professional development, and career pathways, and K-20.
2. Convene and facilitate opportunities to collaborate and advance access to education through technology.
3. Maximize benefits to learners by being a good steward of resources.
4. Reduce redundancies by being an equitable broker, a bridge and, a transparent connection facilitating cooperation between institutions, agencies, and learners.
5. Incubate and support innovative approaches to teaching, learning, and research utilizing educational technology.
6. Support quality improvement efforts to continually assess educational technology.

4. Should KYVU call itself a "university?"

Issue: The SACS findings raised the question of whether it is appropriate to use the term "university" when referring to KYVU. Since the postsecondary institutions award degrees, offer the courses, maintain accreditation standards, and have responsibility for faculty, it may not be appropriate for KYVU to be labeled as a "university." Institutions feel use of the term "university" is not appropriate while agencies have indicated it is not required.

Recommendation: The KYVU should not use the term "university." The KYVU should explore alternative names which retain the brand awareness of KYVU while more clearly denoting its evolving mission and role in Kentucky's postsecondary education environment.

5. What is the proper advisory structure for KYVU?

Issue: In its report of June 15, 2005, the SACS Special Committee recommended that “the Distance Learning Advisory Committee take an active role in fulfilling its statutory requirement, i.e., making recommendations to the CPE regarding policies ‘to be used by the Commonwealth Virtual University’. The CPE endorsed expanding the scope of DLAC and established a Distance Learning Steering Team to address implementation of:

“the expansion of the scope of DLAC to include not only its statutory mandate to advise the Council on the operations of the Kentucky Virtual University but also to address the coordination of policies, programs, support services, and infrastructure in support of distance education across all Kentucky postsecondary education institutions” (May 24, 2004).

While this better addressed the need for on going operational discussions, it did not address inclusive representation of a growing distance learning community, including adult education and other state agencies.

Recommendation: In order to ensure a broad representation of distance learning communities and interests, DLAC should:

- 1. Establish an Executive Committee.** The Executive Committee shall be charged to ensure that issues from all Kentucky distance learning communities are equitably and adequately addressed. The primary functions of the Executive Committee shall be to (a) review and recommend when necessary membership of DLAC and DLST and (b) set meeting agendas for DLAC and DLST sessions. Executive Committee membership shall consist of the DLAC chair, the DLST chair and vice chair, KVHS director, and the CEO of the KYVU. To ensure the primary communities of postsecondary education academia and state agency training are represented, the DLST chair and vice chair positions should each be filled with an alternating representative from academic and agency communities.
- 2. Establish Official and Adjunct DLST Members.** Each member of DLAC will nominate a representative for the DLST. These designees of official DLAC members will comprise the voting membership of the DLST. Additional academic and agency representatives may attend, participate in, and serve on the DLST as adjunct members.
- 3. Add members to DLAC.** The executive director of the Office of Employee and Organizational Development, the executive director of the Education Professional Standards Board, the vice president of Kentucky Adult Education, and the President of ConnectKentucky should be appointed to DLAC. The DLAC membership should be revised by other appointments as needed.

Council on Postsecondary Education
March 24, 2006

Committee on Equal Opportunities Report

The Committee on Equal Opportunities met Monday, February 20, 2006. The status of initiatives and recurring activities related to the implementation of the Kentucky Plan for Equal Opportunities, the partnership with the U.S. Department of Education, Office of Civil Rights, and the Committee on Equal Opportunities follows:

- The CEO expressed support for the effort by the special workgroup to increase the level of merit for the KEES secondary pool by raising the minimum ACT score for participation to 18. The committee was pleased that the Kentucky Board of Education voted to implement the single rigorous curriculum but suggested that the entire curriculum be implemented immediately.
- The CEO expressed concern that the SREB Compact for Faculty Diversity program still lacks recurring General Fund support in the biennial budget.
- The CEO received a special interim report by the University of Kentucky regarding the actions being taken to address the recent downturn in enrollment of African Americans as first-time freshmen. The committee complimented the university on its active engagement in reviewing “what went wrong and also identifying strong initiatives to address the difficulty.”
- The CEO received an interim report by the Kentucky Community and Technical College System regarding the actions being taken by the respective districts to address the recent downturn in enrollment of African Americans as first-time freshmen and the actions being taken to implement CEO recommendations from the September 2005 campus visit report.
- The CEO discussed conducting campus visits to KCTCS districts. The committee requested that staff develop a draft visit schedule for discussion at its April 17 meeting.
- The CEO expressed concern that the KCTCS board of regents does not have any representation from the African American community and asked the committee chair to raise this concern with the CPE and, if necessary, to write the Governor urging him to give strong consideration to this lack of representation during the next round of appointments in 2006.
- The CEO requested that CPE staff move forward to issue the request for proposals (RFP) to conduct a statewide diversity assessment to support the development of a new Kentucky Plan for Equal Opportunities or a diversity plan.

Council on Postsecondary Education
March 24, 2006

Statewide Diversity Study Status Report

At its July 18, 2005, meeting, the Council on Postsecondary Education adopted the recommendation of its Committee on Equal Opportunities that the Commonwealth, in conjunction with the public postsecondary institutions, conduct an environmental scan (diversity study) to determine its compelling state interest, if any, to engage in diversity planning. An RFP has been prepared and is being reviewed by institutions before being issued by the Council to conduct the study.

The CEO began the process of developing a new statewide plan in June 2004. The institutional presidents appointed representatives to work with the Council staff during the planning process. The workgroup solicited information from experts to be used in developing a request for proposals to conduct the diversity study. Advice was sought from officials at the University of Michigan, the University of Wisconsin, and others regarding their experience with conducting statewide diversity studies.

The purpose of the diversity study is to examine and determine how to best structure policies and practices to maximize participation, access, and success for underrepresented minority groups in the Commonwealth. The study will ultimately determine whether the Commonwealth should continue its focus specifically on Kentucky resident African Americans or include other groups. Since Kentucky began its equal opportunity planning at the public postsecondary institutions, the focus has remained on one group, Kentucky resident African Americans, to remove remaining vestiges of de jure segregation that impacted their enrollment, retention, and graduation for many years. The CEO agreed to continue the current plan until the Office for Civil Rights informs Kentucky of its status under the Partnership Agreement.

Project Status and Next Steps:

1. All institutions have reviewed the final draft request for proposals, confirmed their commitment to participate in the study, and identified their institutional representative to evaluate proposals.
2. The RPF was issued March 17, 2006, with selection of a vendor anticipated by July 2006.
3. The study, if undertaken, is expected to be completed and a final report given to the Committee on Equal Opportunities, the Council, and institutions by June 30, 2007.

Council on Postsecondary Education
March 24, 2006

Statewide Facilities Condition Assessment Status Report

On November 17, 2005, the Council issued a request for proposals (RFP) to conduct a statewide facilities condition assessment. The deadline to submit proposals was December 12, 2005. The Council received six proposals. The typical proposal was a joint submission by three or more firms proposing to collaboratively conduct the assessment. The RFP evaluation committee met December 16, 2005, and narrowed the proposals to three firms. The committee met again January 13, 2006, to hear oral presentations by the three firms.

A single contract (encompassing all of public postsecondary education) is to be issued by the Council, on behalf of the institutions, to conduct the assessment. The cost of the project is to be shared among the institutions on the basis of square footage evaluated by the vendor.

Project Status and Next Steps:

1. On February 15, a tentative decision was made to enter into a contract with the prime vendor to implement the assessment. The Council president has authorized staff to negotiate a contract implementing the assessment.
2. The Council staff provided a revised draft contract to the vendor March 13, 2006. Contract negotiations are expected to be completed by March 20, 2006.
3. The final terms and conditions of the contract are available at the Council offices.
4. Development, review, and signing of a Memorandum of Understanding between the Council and each institution regarding execution of the contract and payment for services received under the contract are underway.
5. The contract has been signed by the vendor and submitted to the Finance and Administration Cabinet for action and placed on the agenda of the Contract Review Committee.
6. Upon approval by the Finance and Administration Cabinet and the Contract Review Committee, the contract can be executed.
7. The selected vendor will complete the review between March and November 1, 2006. This will include visits to each campus to evaluate facilities.
8. Depending on the final contract terms, a draft final report is expected by November 15, 2006.
9. The project is expected to be completed and a final report given to the Council and institutions by December 2006.

It is expected that the study will assist postsecondary institutions to better communicate the need for the investment in infrastructure that is required to reach the goals of HB 1 and the Public Agenda.



A resolution honoring and commending

SUSAN GUESS

for her service to the Council on Postsecondary Education

WHEREAS, Susan Guess served on the Council on Postsecondary Education from 2002 through 2006; and

WHEREAS, Susan has contributed her creativity, energy, passion, and skill to furthering the Council's mission and vision; and

WHEREAS, Susan has given generously of her time by serving on key Council committees, including the Governance Board of the Lung Cancer Research Project and the Distance Learning Advisory Committee; and

WHEREAS, Susan's time on the Council has been only the most recent example of service to the people of Kentucky that includes her tenure as chair of the board of the Paducah Area Chamber of Commerce; her dedicated service on the boards of directors of the Greater Paducah Economic Development Council, the Chipps Family Resource Center, the American Cancer Society, the Paducah Rotary Club, and the Paducah Community College Arts in FOCUS; and her skillful coordination of events for the March of Dimes, United Way, Paducah Community College, and Heath High School; and

WHEREAS, the Commonwealth owes Susan a debt of gratitude for her demonstrated leadership and unwavering commitment to enriching the lives of Kentucky's young people, as evidenced by her contributions to the Kentuckiana Girl Scouts, Junior Achievement, and the Heath Elementary School Mentoring Program; and

WHEREAS, Susan serves as a role model, through word and deed, to young girls and women throughout the Commonwealth who aspire to become successful businesswomen, good citizens, and responsible stewards of state and community resources; and

WHEREAS, the members of the Council will deeply miss her enthusiasm, sincerity, strong character, decency, and good spirit; and

WHEREAS, the Council is heartened by the knowledge that, even though her formal service has ended, Susan Guess will always be a trusted and valued colleague in the cause of education reform;

NOW, THEREFORE, BE IT RESOLVED, that the Council on Postsecondary Education does hereby adopt this resolution March 24, 2006, thanking Susan Guess for her dedication and service to the Council on Postsecondary Education and her commitment to improving the lives of the people of Kentucky.

Ronald Greenberg, Chair

Thomas D. Layzell, President



A resolution honoring and commending

ESTHER P. JANSING

for her service to the Council on Postsecondary Education

WHEREAS, Esther P. Jansing has been an advocate for a strong Council on Postsecondary Education since joining the Council in June 2002; and

WHEREAS, Esther has been a tireless and effective Council member serving on many committees, including the Committee on Equal Opportunities and the Kentucky State University Comprehensive Assessment Oversight Committee; and

WHEREAS, Esther has been a strong advocate for ensuring that Kentucky's college graduates are prepared to compete in the knowledge economy, and that the University of Kentucky and the University of Louisville reach their goals to become top-flight research institutions; and

WHEREAS, Esther has given freely of her time to the Council and to the Owensboro-Daviess County area as evidenced by her participation in the local Chamber of Commerce, the Owensboro Committee on Education, and the Owensboro Symphony Orchestra board of directors, and by helping the Council to connect with local officials of the Owensboro-Daviess County area; and

WHEREAS, the Council is heartened by the knowledge that, even though her formal service has ended, Esther Jansing will always be a trusted and valued colleague in the cause of education reform;

NOW, THEREFORE, BE IT RESOLVED, that the members of the Council on Postsecondary Education do hereby adopt this resolution March 24, 2006, expressing their individual and collective gratitude to Esther P. Jansing for her tireless dedication and service to the Council on Postsecondary Education and her commitment to the people of Kentucky.

Handwritten signature of Ronald Greenberg in black ink.

Ronald Greenberg, Chair

Handwritten signature of Thomas D. Layzell in black ink.

Thomas D. Layzell, President



A resolution honoring and commending

CHARLES L. OWEN

for his service to the Council on Postsecondary Education

WHEREAS, Charles "Charlie" Owen has been an advocate for a strong Council on Postsecondary Education since joining the Council in December 1999; and

WHEREAS, Charlie has provided strong, outspoken leadership as the Council navigated the rough seas of postsecondary education reform; and

WHEREAS, Charlie has been a principled advocate for greater accountability within the postsecondary education system and for a more active role for Council members in the oversight of the system; and

WHEREAS, Charlie is known for asking intelligent and probing policy questions and for working diligently to stimulate important debates on pressing policy issues; and

WHEREAS, Charlie has provided a great service to the Council by his leadership and acumen as head of the budget and finance committee; and

WHEREAS, Charlie has provided the present and future Council members with a lasting legacy by his research and completion of an important and stimulating document, "Building a Stronger, Smarter Budget for Higher Education in Kentucky"; and

WHEREAS, the Council is heartened by the knowledge that, even though his formal service has ended, Charlie Owen will always be a trusted and valued colleague in the cause of education reform;

NOW, THEREFORE, BE IT RESOLVED, that the members of the Council on Postsecondary Education do hereby adopt this resolution March 24, 2006, expressing their individual and collective gratitude to Charlie Owen for his tireless dedication and service to the Council on Postsecondary Education and his commitment to the people of Kentucky.

Handwritten signature of Ronald Greenberg in black ink.

Ronald Greenberg, Chair

Handwritten signature of Thomas D. Layzell in black ink.

Thomas D. Layzell, President