

MINUTES
Council on Postsecondary Education
February 11, 2004

The Council on Postsecondary Education met February 11, 2004, at 2 p.m. at the Council offices in Frankfort. Chair Barger presided.

NEW MEMBERS Mr. Barger introduced two new Council members appointed January 2, 2004.

John S. Turner is the executive vice president and chief operating officer of Angell Manufacturing in Lebanon, Kentucky. He serves on the Kentucky Chamber of Commerce and is a board member and past chair of Saint Catherine College. He is a member of the Kentucky Advocates for Higher Education and currently serves as chair. Mr. Turner holds a B.S. degree from Seton Hall University.

Kenneth W. Winters lives in Murray. He served 11 years as president of Campbellsville University before retiring in 1999. Prior to that, he worked 23 years at Murray State University, the last 11 as dean of the College of Industry and Technology. Dr. Winters holds a bachelor's degree from Murray State University, a master's degree from Indiana University, and a doctorate from the University of Northern Colorado.

Mr. Barger explained that the two new members are awaiting confirmation from the Kentucky General Assembly. They will be sworn in as Council members after their confirmation hearings. Until then, they can participate in the meeting discussion but cannot vote on matters requiring action.

ROLL CALL The following Council members were present: Steve Barger, J. P. Davis, Richard Freed, Ron Greenberg, Susan Guess, Esther Jansing, Charlie Owen, and Joan Taylor. John Hall participated by phone. Walter Baker, Peggy Bertelsman, Lois Combs Weinberg, Charles Whitehead, and Gene Wilhoit did not attend.

APPROVAL OF MINUTES The minutes of the November 2003 Council meeting were approved as distributed.

The minutes of the November 17, 2003, Executive Committee meeting were included in the agenda book for information and will be approved at the next Executive Committee meeting.

2004-06 BUDGET UPDATE Sandy Woodley, CPE Vice President for Finance, gave an update on the 2004-06 budget recommendations and the fiscal year 2004 budget reductions. As a result of a current year budget shortfall as well as major structural budget problems in FY 2005, the Governor implemented a budget reduction order for 2004 and additional budget cuts for postsecondary education to be included in his FY 2004-06 budget recommendation that was presented to the General

Assembly January 27. \$6.4 million (\$1.6 million recurring General Funds and \$4.8 million nonrecurring non-General Funds) was cut from the Council's budget including agency operations and trust fund programs and \$64 million (\$23 million recurring General Funds and \$41 million nonrecurring funds) was cut from the institutional budgets.

A side-by-side comparison of the Council budget recommendation and the Executive recommendation was provided. A table showing the specific cuts to the institutions was in the agenda book. Ms. Woodley said that the funding distribution methodology approved by the Council in November 2003 was used to distribute the reductions to the institutions. She explained that part of the reason the percentages are different for the institutions is that in the funding distribution methodology the first thing considered was the prior year increases. In addition to the recurring cuts, the institutions also had a one-time reduction of \$41 million. The institutions were given the flexibility by the Governor to determine how to take this one-time cut within their own budgets. Most of the institutions took the cuts from their restricted funds, UK and LCC took all of their reductions from their General Fund, and UofL divided the cuts between restricted and General Funds. Details of the cuts to the Council agency operations (including the Kentucky Virtual University and Kentucky Adult Education) were included in the agenda book.

FUNDING DISTRIBUTION PRINCIPLES

Dr. Layzell asked that the item pertaining to the funding distribution principles be removed from the agenda. Since this agreement was reached in December prior to the Governor's budget recommendations, continued discussions need to take place with the presidents.

2002-03 ACCOUNT- ABILITY REPORT

Dr. Layzell said that in December 2003 the Council submitted its annual accountability report to the Office of the Governor, the Legislative Research Commission, the Strategic Committee on Postsecondary Education, and the General Assembly. The purpose of the report is to inform policymakers and the public of systemwide and institutional progress toward achieving the goals of the Postsecondary Education Improvement Act of 1997. The format of the report was revised substantially to respond to the recommendations of the Program Review and Investigations Committee adopted July 10, 2003. Sue Hodges Moore, Council Executive Vice President, pointed out that the report is for 2002-03. Since the staff now has fall 2003 enrollment information, much of the information is obsolete and should not be used as a reference if it involves current enrollment.

KEY INDICATORS OF PROGRESS

RECOMMENDATION: The staff recommends that the Council approve goals for five indicators under questions 3 and 4, and revised goals for two indicators under questions 2 and 5.

Christina Whitfield of the Council staff said that the Council approved at its November meeting a list of 19 key indicators and goals for 14 of those indicators. Consideration of goals for five productivity measures (retention, transfer, graduation rates, degree production, and degree production in priority areas) was postponed to allow the Council staff and the institutions to analyze the fall 2003 results and national comparisons for these measurements. Detailed information by institution about these goals for 2004, 2005, and 2006 was included in the agenda book.

MOTION: Mr. Freed moved that the recommendation be approved. Ms. Guess seconded the motion.

VOTE: The motion passed.

**ENROLLMENT
GROWTH &
PRODUCTIVITY
PROGRAM**

Dr. Layzell asked that the item pertaining to the Enrollment Growth and Productivity Program be removed from the agenda. He said that further discussions with the campuses are needed.

**LEGISLATIVE
UPDATE**

A list of legislative bills pertaining to postsecondary education was distributed for information.

**AFFORDABILITY
POLICY GROUP**

Mr. Davis gave a report on activities of the Council's Affordability Policy Group. The policy group has met three times. Even though the November meeting in Louisville included all three policy groups, the focus was on affordability. Dr. Layzell provided background information and summarized handouts that the intended speakers – Dennis Jones (President of the National Center for Higher Education Management Systems) and David Longanecker (Executive Director of the Western Interstate Commission for Higher Education) – planned to discuss but could not attend due to flight delays. KHEAA Executive Director Joe McCormick provided comments and answered questions regarding student financial aid. The meeting in January included discussion regarding financial aid again with Dr. McCormick. He summarized Kentucky's financial aid programs and discussed demographics related to issues that are in turn related to the work of the policy group. In the meeting earlier in the day presentations and information were given on regional and national issues concerning affordability, integrating financial aid and finance policies, performance measurements, college costs, and sticker prices versus net prices that students have to pay this year.

**KY ADULT ED
STRATEGIC
AGENDA**

RECOMMENDATION: The staff recommends that the Council approve the revised Kentucky Adult Education Strategic Agenda for 2004-05.

Cheryl King, Vice President for Kentucky Adult Education, said that this is a continuation of the plan approved in 2000 with an increased enrollment goal for 2004-05 to 115,000 students statewide, up from this past year's attained goal of 109,880

students. The revised plan contains enrollment and performance goals for only one year, 2004-05, because the federal Workforce Investment Act has not yet been reauthorized by Congress, and the U.S. Department of Education is negotiating performance goals for only 2004-05, which is being considered a continuation year.

Dr. King reported that Kentucky Adult Education this year has exceeded the 2004-05 goal of GED completers advancing on to postsecondary education. She said that 21.7 percent of the individuals in Kentucky who completed the GED have enrolled in postsecondary education over a two-year period, an increase from four years ago of only 12 percent advancing. About 80 percent of these completers enrolled in two-year institutions, 14.6 percent in four-year institutions, and 4.5 percent in independent institutions.

MOTION: Ms. Jansing moved that the recommendation be approved. Mr. Davis seconded the motion.

VOTE: The motion passed.

P-16 COUNCIL An update on activities of the P-16 Council was included in the agenda book. Dianne Bazell with the Council staff said that on February 10 the American Diploma Project released its benchmarks of college and workplace readiness in English language arts and mathematics with accompanying college and workplace applications.

GEAR UP
KENTUCKY A progress report was included in the agenda book on the GEAR UP Kentucky program, a partnership of schools, postsecondary education institutions, businesses, and non-profit organizations focused on increasing college participation by low-income students. Dr. Layzell called attention to a report on the GEAR UP program in the Lane Report magazine.

SEAMLESSNESS
POLICY GROUP Mr. Freed reported on activities of the Seamlessness Policy Group. The group met in November and established four areas of interest – transferability, dual credit enrollment, the American Diploma Project, and student advising. The group met earlier in the day and talked primarily about transferability. In March the group plans to meet with people who are engaged in transfers from two-year institutions to four-year institutions to learn about the problems and begin to think about how to work on the resolution of the problems. The group also will look at ways to improve the Course Applicability System.

FALL 2003
ENROLLMENT
REPORT Sherri Noxel with the Council staff reported that enrollment in Kentucky's colleges and universities climbed for the fifth straight year last fall to a historic high of 229,061 students, up almost 8,000 students from the previous year. Since postsecondary education reform began in 1998, enrollment has grown by 44,215

students, representing a 23.9 percent gain. The enrollment growth has been consistent among both public and independent sectors and across all levels, including two-year, four-year, and graduate-level programs.

Highlights of the Council's enrollment report include:

- Of the total enrollment, 200,604 were undergraduate students, 23,546 were graduate students, 3,491 were enrolled in professional studies, and 1,420 were pursuing post-graduate work.
- Four regional universities – Western Kentucky University, Northern Kentucky University, Murray State University, and Eastern Kentucky University – reported the largest first-time freshman classes ever.
- Among the undergraduate students, 174,081 (87 percent) were Kentucky residents, 113,211 (56 percent) were female, 61,814 (31 percent) were 25 years of age or older, 15,461 (8 percent) were African-American, and 70,204 (35 percent) were enrolled part-time.
- Public two-year colleges enrolled 80,695 students; public four-year institutions enrolled 117,926 students; and independent institutions enrolled 30,440 students.
- Over 14,000 Kentucky high school students were dually enrolled at postsecondary institutions.

**KEY
INDICATORS
OF PROGRESS**

Christina Whitfield gave an update for five key indicators of progress under questions 2 and 3. Results from fall 2003 show the strong systemwide performance in enrollment and college going continues but more progress is needed in retention and transfer. Detailed results for each indicator by institution were included in the agenda book.

DLAC REPORT

Dr. Layzell reported that the Distance Learning Advisory Committee has begun work on the statewide eLearning strategic plan to describe goals of all Kentucky's agencies involved in distance learning, their initiatives, and how these match with state needs.

**WORKFORCE/
ECONOMIC
DEVELOPMENT
POLICY GROUP**

Cheryl King said that the Workforce/Economic Development Policy Group met for the first time earlier in the day. The group discussed the skill gaps and labor shortages and how to align postsecondary adult education to those labor statistics. A report was given on a survey soon to be released by the Workforce Investment Board about resources available in Kentucky for

workforce development. This resource mapping should provide information about what is available in Kentucky and what is the role of the policy group with postsecondary and adult education in leveraging those resources and using them in the most effective and efficient way possible. The group also discussed how to coordinate the workforce/economic development piece with the work of the Council policy group and other agencies within the state. Representatives of the Council policy group will work directly with the Workforce Investment Board group to ensure ongoing coordination and communication. The policy group hopes to focus on the new economy piece at the March meeting.

CEO REPORT

Sherron Jackson of the Council staff presented the report of the Committee on Equal Opportunities. Included in the report was information on the status of the implementation of the Baker & Hostetler report recommendations, the status of the partnership agreement with the Office for Civil Rights, the biennial report on institutional implementation of The Kentucky Plan, the annual evaluation of statewide equal opportunity programs, and the 2004-06 funding recommendation for EEO programs.

2004 DEGREE PROGRAM ELIGIBILITY

The report on eligibility of institutions to offer new degree programs in calendar year 2004 was included in the agenda book.

KEY INDICATORS OF PROGRESS

Christina Whitfield said that the Council uses results from the National Survey of Student Engagement to gauge progress on two key indicators: undergraduate student experience and civic engagement. Results from the 2003 survey show Kentucky's public universities have made progress since 2001 in undergraduate student experience; survey results suggest more Kentucky students are participating in activities that foster student learning. More progress is needed in undergraduate civic engagement. The Council staff will work with the institutions to address areas of concern identified by the 2003 NSSE results.

2002-03 TRUST FUND REPORTS

The Council has an ongoing responsibility to ensure effective institutional use of the investment and incentive trust funds established by House Bill 1. For the second year, the trust fund reports were presented collectively, integrating program outcomes and finances. The trust fund programs included in the report are:

1. Research Challenge and Regional University Excellence Trust Fund – Endowment Match Programs
2. Research Challenge Trust Fund
3. Regional University Excellence Trust Fund – Programs of Distinction
4. Regional University Excellence Trust Fund – Action Agenda Programs

5. Technology Trust Fund – Faculty Development Programs
6. Workforce Development Trust Fund – Workforce Development/Training Program

Dr. Layzell asked the Council members to study the information. The Council staff will have a presentation on the reports at the March meeting.

**NEW PROGRAM
PROPOSALS**

At the November 2003 meeting, the Council approved Western Kentucky University's proposed Associate of Science in Hospitality Management. Due to a miscommunication with WKU, the Council approved the degree as an Associate of Applied Science degree.

MOTION: Mr. Davis moved that the program be approved as an Associate of Science degree. Mr. Freed seconded the motion.

VOTE: The motion passed.

**KENTUCKY
CAMPUS
COMPACT**

Information was provided on the Kentucky Campus Compact. The national Campus Compact is a coalition of more than 900 colleges and universities that promotes community service that develops students' citizenship skills and values, encourages partnerships between campuses and communities, and assists faculty who seek to integrate public and community engagement into their teaching and research. Representatives of the public universities, the Kentucky Community and Technical College System, and the Association of Independent Kentucky Colleges and Universities have formed a committee to plan the structure of the Kentucky Campus Compact.

**MUSU
PRIVATIZED
STUDENT
HOUSING**

Dr. Layzell said that Murray State University and the MuSU Foundation are developing an alternative financing method for the construction of a new residence hall. The foundation will contract with a private entity, the MuSU Campus Improvement Corporation, to develop financing and to construct the facility on the MuSU campus, to be managed by the university. This method differs from the traditional method used by the state for developing student housing but several institutions have used this method in recent years. The Council will be kept up-to-date about the details of this project.

**CAPITAL
CONSTRUCTION**

Mr. Jackson said that House Bill 622 enacted by the 1982 General Assembly gave the institutions management flexibility to perform some or all of the financial management functions that were being performed by the Finance and Administration Cabinet, including purchasing, acquisitions, or disposal of real property and the implementation of capital projects. At that time a special section in the capital construction statutes was created to allow institutions to elect to perform all activities surrounding implementation of

capital construction projects. The WKU board of regents has now elected to perform all financial management functions, including the implementation of capital projects. The university has completed the necessary steps to assume this responsibility effective October 31, 2003. Since enactment of House Bill 622, three other institutions have chosen this process – UK, UofL, and MuSU.

Mr. Barger recognized Secretary of the Education Cabinet Ginni Fox who was in the audience.

BUDGET REDUCTIONS

Mr. Barger said that the Council held a study session earlier in the day and heard from several of the presidents about how the institutions are addressing the budget cuts. The presidents discussed cutbacks in personnel, programs, and services. The funding cuts will affect not only the institutions and the students but will impact the local communities for years to come.

NOMINATING COMMITTEE

Mr. Barger appointed a nominating committee to bring a recommendation for Council vice chair at the March meeting. This group also will bring recommendations to the May meeting for Council chair and vice chair for the coming year. The committee members are Mr. Hall (chair), Ms. Bertelsman, Mr. Freed, Ms. Jansing, and Ms. Taylor.

PRESIDENT EVALUATION COMMITTEE

Mr. Barger appointed a president evaluation committee composed of Mr. Greenberg (chair), Mr. Owen, Ms. Bertelsman, Ms. Taylor, and Ms. Weinberg. A report will be given at the May Council meeting.

RESOLUTIONS

Resolutions were presented honoring and commending Norma Adams and Bart Darrell for their service to the Council.

MOTION: Mr. Freed moved that the resolutions be adopted. Mr. Owen seconded the motion.

VOTE: The motion passed.

CEO APPOINTMENTS

Mr. Barger made appointments to the Committee on Equal Opportunities. Raoul Cunningham, Hilma Prather, Wendell Thomas, Beverly Watts, and David Welch were reappointed. The new appointments are Jerome Bowles, Jesse Harris, and Louise Cooper. Their terms will be staggered with four-year and two-year terms. These members serve in addition to the representatives of the Council – Mr. Baker, Ms. Jansing, Ms. Taylor, and Mr. Whitehead.

ADJOURNMENT

The meeting adjourned at 3:30 p.m.

Thomas D. Layzell
President

Phyllis L. Bailey
Associate, Executive Relations