

MINUTES
Council on Postsecondary Education
May 24, 2004

The Council on Postsecondary Education met May 24, 2004, at the Marriott Griffin Gate in Lexington, Kentucky. Chair Barger presided.

**WELCOME AND
INTRODUCTIONS**

Mr. Barger welcomed everyone to the meeting. He introduced Mary Evans Sias, the new president of Kentucky State University. He recognized Secretary of the Education Cabinet Ginni Fox and Bill Huston, president of St. Catherine College, who were in the audience. He said that Secretary of the Commerce Cabinet Jim Host and Secretary of the Economic Development Cabinet Gene Strong attended the earlier meeting of the Workforce/Economic Development Policy Group.

ROLL CALL

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

**APPROVAL
OF MINUTES**

The minutes of the March meeting were approved as distributed.

**FOCUS ON
REFORM:
STATE-LEVEL
ACCOUNTABILITY
FOR STUDENT
LEARNING**

The meeting began with a focus on reform – state-level accountability for student learning. CPE President Tom Layzell said that Kentucky is participating in two projects that promise to inform national standards for measuring student learning at the college level. Margaret Miller, director of the National Forum on College-Level Learning, and George Kuh, director of the Center for Postsecondary Research at Indiana University, shared information about Kentucky's participation and how results from these two initiatives may be used in statewide and institutional accountability initiatives.

Dr. Miller said that *Measuring Up*, the national report card on higher education produced by the National Center for Public Policy and Higher Education, in 2000 and 2002 graded each state on the effectiveness of its higher education system. Grades were given for preparation, participation, affordability, persistence and completion, and benefits. The report was unable to assign a grade to the most important product of higher education – learning – because there are no nationwide comparable data by which to assess the intellectual abilities of the college graduates in each state. Therefore, all states received an “incomplete” in this category. Dr. Miller is working with the Pew-sponsored National Forum on College-Level Learning on a project whose aims are to

develop a model for assessing college-level learning in a way that is academically credible, that would generate useful information for state policy purposes, that would reinforce other accountability and improvement efforts, and that could be done in a consistent way across the states.

Dr. Miller said that Kentucky from the very beginning has been the lead state on this project for several reasons: its focus on accountability questions for improving the system of postsecondary education, its focus on what the colleges and universities can do for the people of Kentucky, its aggressive state leadership, and the effectiveness of its five questions.

Dr. Miller said that since more information was needed than was available from existing data sources Pew sponsored this five-state project, which includes Kentucky, Illinois, Oklahoma, South Carolina, and Nevada. A model has been developed that generates information that meets all the criteria and that tells stories about each state that are credible and that reflect the kind of policies in place. She shared an early draft of Kentucky's story:

Kentucky is a come-from-behind state that has made major recent investments in education in large part due its recognition that it has major challenges with respect to literacy and educational attainment. This is reflected in literacy index scores that are the second lowest among the five states. The state has recently made a significant investment in its community and technical college system, allowing these institutions to play a stronger role in workforce development. These heavy investments appear to have paid off in the form of high index scores for graduates ready to enter licensed professions. While the state remains far less competitive with respect to graduate admissions, two-year college students perform at high levels on the WorkKeys examination, an instrument oriented towards applied academic skills. And this is especially the case for business writing. It is also worth noting that Kentucky has emphasized the WorkKeys lately as part of its workforce readiness initiatives. The performance of four-year college students on authentic outcomes measures is far less competitive as are the admissions requirements of these institutions themselves. Finally, students at Kentucky's institutions report slightly below average instances of educational good practices at both two- and four-year colleges.

She said that this story shows that policy matters and makes a difference since Kentucky was only one of two states that improved in all measures in *Measuring Up 2002*. It also shows areas where there is work to be done and where further analysis and information might be useful.

Dr. Kuh said that Kentucky also has been a leader in the National

Survey of Student Engagement. He said that it is important to measure the right things because states tend to spend a lot of time and energy on the things they measure. He said that Kentucky has made the right choices by addressing issues associated with the five questions. He said that one of the things that can have a great effect on improving the quality of education for all Kentuckians is to focus additional attention on the state's least engaged students.

2004
LEGISLATIVE
SESSION

A summary of bills and resolutions related to postsecondary education that passed during the 2004 Regular Session of the Kentucky General Assembly was provided for information.

BUDGET UPDATE

Dr. Layzell said that since no general operating budget for 2004-06 was adopted in the regular 2004 session, two possible outcomes exist – the Governor could call a special session for the purpose of passing the 2004-06 budget or he could develop an executive spending plan for the continuance of state government operations for fiscal year 2005 and then propose a budget for fiscal year 2006 to the 2005 General Assembly.

2004-05
TUITION RATES

Sandy Woodley, vice president for finance, presented a report on tuition rates to be charged by Kentucky's public postsecondary education institutions in the coming year. The average annual increase in tuition and mandatory fees for a full-time undergraduate student from Kentucky will be 14.7 percent, an additional \$508 in 2004-05. Estimated annual tuition increases for resident undergraduates for 2004-05 range from an upper- and lower-division average increase of \$693 at the University of Kentucky to \$312 at the Kentucky Community and Technical College System. Tuition and fee revenue is projected to increase by approximately \$98.9 million or 15.7 percent for all of Kentucky's public institutions. The report also presented estimates of student financial aid provided to students eligible for Pell grants by Kentucky public institutions. For 2004-05, financial aid for needy students is estimated to be a total of approximately \$14.8 million for the system and about \$1.5 million on average for each institution. This represents a 6 percent increase from 2003-04 in financial aid available for needy students. The Affordability Policy Group will conduct an in-depth study to learn more about how college expenses in Kentucky compare to family incomes.

COMPREHENSIVE
FUNDING MODEL
REVIEW

Dr. Layzell said that over the coming year the Council staff will develop policies and procedures to guide the development of the Council's 2006-08 budget recommendation. The staff will work closely with Council members, institutional and legislative representatives and staffs, and representatives of executive branch agencies such as of the Office of the State Budget Director and the Education Cabinet. The comprehensive review may include discussions on funding models used by other states, Kentucky's benchmark model, capital construction funding process, enrollment growth and productivity funding distribution, and tuition policy.

2004
STRATEGIC
PLANNING
PROCESS

RECOMMENDATION: That the Council staff be directed to coordinate a review of the systemwide public agenda and strategic implementation plans, institutional mission statements and action agendas, and key indicators of progress toward postsecondary reform, and recommend to the Council an updated set of plans and performance measures in late 2004 or early 2005. This review shall be based on a comprehensive analysis of the system's progress toward reform goals and comparisons to national and regional benchmarks and shall include broad participation of the postsecondary community and its primary constituents and stakeholders across the Commonwealth.

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

VOTE: The motion passed.

ACCOUNTABILITY
INITIATIVES

Information was included in the agenda book on two national initiatives that Kentucky has been invited to participate in that feature the Council's accountability system and knowledge resources. With funding from the Ford Foundation, the State Higher Education Executive Officers has organized a 13-member National Commission on Accountability in Higher Education consisting of former governors, legislative leaders, and corporate executives. Dr. Layzell is a member of the Commission and also chairs the SHEEO working committee overseeing the project.

The second project also is organized by SHEEO with funding from the Lumina Foundation for Education. Kentucky is one of eight states to participate in a planning grant aimed at improving postsecondary education knowledge resources in all states. The project will involve an examination of selected state practices and assistance to other SHEEO agencies in developing an effective knowledge base about postsecondary education for state policy development and decisions. A team will visit the Council offices in June to document Kentucky's approaches to using knowledge resources that address issues of student preparation and success, higher education costs and finance, and other key policy areas.

AFFORDABILITY
POLICY GROUP
REPORT

Mr. Davis reported on the activities of the Affordability Policy Group. At its May 24 meeting, the group discussed projected tuition and fee increases expected for 2005 at each institution, the amount of revenue that could be generated from these increases, and the amount of financial aid available to needy students. The policy group also discussed the extension of the Tennessee-Kentucky reciprocity agreement for one year, which will give the group time to study all agreements. The group reviewed several national and regional affordability studies and articles and discussed preliminary thoughts on a Kentucky affordability study.

P-16 COUNCIL

Dianne Bazell of the Council staff gave a report on the P-16 Council

UPDATE

activities. The group is overseeing the implementation of the American Diploma Project recommendations. The project broadly argues for changes not only in the P-12 curriculum and assessment but also in the education of teachers, the education of adult learners and adult education providers, college placement policies, and the certification of high school graduates for employment. At its March meeting, the P-16 Council charged its staff with developing a statewide postsecondary placement policy in mathematics and English based on the ADP benchmarks. Working with ACT, Inc. materials, the staff is meeting with representatives of the public postsecondary institutions to agree on a statewide standard of college-readiness in mathematics and language arts and to compare these competencies with ACT Standards for Transition, ACT scores, and the Kentucky Department of Education Core Content for Assessment standards.

Dr. Bazell said that Kentucky was one of six states selected by the Southern Governors' Association to participate in a project funded by the Bill and Melinda Gates Foundation to visit high performing high schools whose successful practices could stimulate creative policy thinking and be replicated elsewhere. During the month of May, representatives from participating states will visit schools in North Carolina, Mississippi, Maine, and New York. The state teams will reconvene in Atlanta at a forum of the SGA to review the applicability of the strategies they observed and to identify policy issues highlighted by these model schools.

At its June meeting, the P-16 Council will select the chair for the coming year.

PUBLIC OUTREACH INITIATIVE

The Council is discussing with *The Courier-Journal* an initiative to help promote postsecondary education generally. Tentative plans include promoting the GoHigherKY Web site, GEAR UP activities, adult education opportunities, and a college and career expo. The proposed media mix includes the newspaper, Newspaper In Education channels, special publications, radio, and an online presence on the newspaper's Web site. The Kentucky Higher Education Assistance Authority also is a member of the partnership and other business/private sector partners may be sought to help fund the proposal.

COMMISSIONER OF ED REPORT

There was no report from the Commissioner of Education.

SEAMLESSNESS POLICY GROUP REPORT

Ms. Bertelsman said that the Seamlessness Policy Group is continuing its work on strategies to promote transfer from two- to four-year colleges. The policy group is gathering information to determine the feasibility of scholarships for transfer students. Previous discussions have pointed to financial barriers to transfer for some students. The policy group wants to explore having the postsecondary institutions and the Kentucky Higher Education Assistance Authority create scholarship funds to support student transfer.

**CREATION OF
COMPLETER
DEGREE**

MOTION: Ms. Bertelsman moved on behalf of the Seamlessness Policy Group that the Council instruct all Kentucky public universities to submit within the next year a plan for creation of a completer degree allowing graduates from any KCTCS associate degree program to complete the baccalaureate degree in the normal number of hours required by the institution. Mr. Freed seconded the motion.

VOTE: The motion passed.

**KY/TENNESSEE
RECIPROCITY
AGREEMENT**

RECOMMENDATION: The staff recommends that the Council approve a one-year extension of the tuition reciprocity agreement between Kentucky and Tennessee.

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

Due to legislative interest in reciprocity agreements during the 2004 session of the General Assembly, in March the Council directed the staff to review all tuition reciprocity agreements in which Kentucky is a party to ensure that there is equitable benefit for participating states and to bring recommendations back to the Council through its Affordability Policy Group by the end of the 2004 calendar year. The extension of the Tennessee agreement for one year will allow for this review by the Affordability Policy Group.

VOTE: The motion passed.

**COLLABORATIVE
ACADEMIC
PROGRAMS
REPORT**

Information was included in the agenda book on the request for proposals to stimulate collaborative approaches to address state workforce needs and increase the capacity of high demand academic programs. In March the Council staff received 13 proposals that were reviewed by a committee representing the Council, the Kentucky Virtual University, the Kentucky Workforce Investment Board, and the Kentucky Department of Technical Education. Three finalists have been selected and the programs are expected to be funded and underway in the next fiscal year.

DLAC REPORT

RECOMMENDATION: The Distance Learning Advisory Committee recommends that the Council approve 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.

MOTION: Mr. Hall moved that the recommendation be approved. Mr. Whitehead seconded the motion.

VOTE: The motion passed.

Dr. Layzell said that DLAC has established a Distance Learning Steering Team to ensure the communication and coordination of collaborative distance education opportunities. The committee also has completed a review of postsecondary distance education issues and opportunities. The findings of the review, including goals and action items for the steering team, are in the report "Issues & Opportunities: The Kentucky eLearning Strategic Framework." The report is available on the Council's Web site.

**KEY INDICATORS:
GRADUATION
RATES**

Christina Whitfield of the Council staff gave an update for six-year graduation rates for baccalaureate degree students, an indicator under Question 3 (Are more students advancing through the system?). The system experienced significant progress between 2002 and 2003, rising from 43.5 percent in 2002 to 45.3 percent in 2003. In 1998, the six-year graduation rate was 36.7 percent. She added that the national average for 2002 was 54.3 percent so there is room for improvement. The rate for each institution was included in the agenda book.

Ms. Bertelsman expressed interest in tracking certificate and two-year graduation rates since the majority of the growth in postsecondary education has occurred in the KCTCS institutions.

**WORKFORCE/
ECONOMIC
DEVELOPMENT
POLICY GROUP
REPORT**

Mr. Hall gave a report on the activities of the Workforce/Economic Development Policy Group. Commerce Secretary Jim Host and Economic Development Cabinet Secretary Gene Strong attended the policy group meeting earlier in the day to discuss how postsecondary education and workforce/economic development can form a closer partnership. The discussion will continue with the two cabinet secretaries at the July 19 policy group meeting. The group also heard from Dr. Paul Coomes, Professor of Economics and National City Research Fellow, University of Louisville. Dr. Coomes' presentation demonstrated the power of using available databases to generate new analyses of regional occupational growth, wages and benefits, education and training needs, and local postsecondary institutional offerings and throughput. He and his colleagues have constructed a Web site covering 750 occupations in the 23-county Louisville labor market. The newest version of the site will include links from occupations to local education and training institutions. The Council staff shared data from the National Center for Higher Education Management Systems HigherEdInfo.org Web site, including information about Kentucky's workforce, educational attainment, and migration by degree level and occupation. The Council staff will identify a number of job skills to monitor how many people are working on those fields versus how many are needed. The policy group will discuss these workforce issues.

NEW PROGRAM

RECOMMENDATION: The staff recommends that the Council approve the Doctor of Philosophy in Theatre Practice (CIP 50.0501)

proposed by the University of Kentucky.

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

VOTE: The motion passed.

CAPITAL PROJECTS

RECOMMENDATION: The staff recommends that the Council approve the reallocation of \$24,127,000 from the 2002-04 Agency Bond Pools to be used in part to complete projects in student housing, life safety, infrastructure, renovation, and new construction at ECU, WKU, and UofL.

Sherron Jackson of the Council staff said that, at its March 2004 meeting, the Council allocated the unneeded portion of institutional agency bond authority to ECU, WKU, and UofL to complete capital projects authorized by the 2002-04 appropriations bill. Following action at the March meeting, the Council staff became aware that \$5,530,000 of reallocated agency bond authority would not be used and that the scope of projects at the three institutions needed to be adjusted to keep the Council recommendation within the legislatively authorized agency bond authority of \$155 million.

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

VOTE: The motion passed.

RECOMMENDATION: The staff recommends that the Council approve the request of Western Kentucky University to renovate Downing University Center dining facilities with \$1,200,000 of private funds.

RECOMMENDATION: The staff recommends that the Council approve the request of Western Kentucky University to renovate the university baseball facilities to accommodate a minor league baseball team franchise in Bowling Green, Kentucky, with \$2,000,000 of private funds.

MOTION: Mr. Whitehead moved that the Council act on the two projects in one motion and moved the approval of the two WKU projects. Mr. Davis seconded the motion.

Mr. Hall asked if the sale of alcohol beverages at the WKU baseball facility has been addressed. John Osborne, WKU associate vice president for campus services and facilities, said that the issue has not been addressed but will be prior to signing a contract or lease.

VOTE: The motion passed.

RECOMMENDATION: The staff recommends that the Council approve the request of the University of Kentucky to replace the Memorial Coliseum court lighting system with \$600,000 of private funds.

RECOMMENDATION: The staff recommends that the Council approve the request of the University of Kentucky to develop an electronic access rural demonstration project phases I and II for the College of Law with \$1,989,500 of federal funds.

RECOMMENDATION: The staff recommends that the Council approve the request of the University of Kentucky to renovate and expand the integrated resource information systems facility with \$1,253,000 of private funds.

MOTION: Mr. Davis moved the three projects be considered by one motion and moved that the three UK projects be approved. Ms. Bertelsman seconded the motion.

Mr. Baker asked the locations of the two rural courthouse locations for the electronic access rural demonstration project. Angela Martin, UK vice president for planning, budget, and policy, said that the sites have not yet been identified.

VOTE: The motion passed.

CEO REPORT

Mr. Whitehead gave a report from the Council's Committee on Equal Opportunities. He noted the recent celebration of 50 years of Brown v. Board of Education. He said that the CEO has concerns about the Governor's proposed budget for 2004-06 since it once again failed to provide recurring funds for the Council's statewide equal opportunity programs. He said there appears to be a lack of support for these initiatives. Mr. Whitehead said that the CEO members urge the Council to pursue recurring funds for these programs. A detailed CEO report was in the agenda book.

KSU/CPE OVERSIGHT COMMITTEE REPORT

Mr. Jackson said that the KSU/CPE Comprehensive Assessment Implementation Oversight Committee met in April to review the status of the implementation of the recommendations from the 2003 Baker & Hostetler report. The committee found that KSU is moving forward to address many of the report's recommendations.

In a related matter, Mr. Jackson said that one commitment from the Partnership Agreement was for the Council, in collaboration with the KSU board of regents, to communicate with the Governor regarding the effort to strengthen the KSU board to focus more of its efforts on ensuring that KSU finds its rightful place among its sister institutions within the postsecondary education system in Kentucky. He said that nine names have been submitted to the Governor's Office for consideration for the KSU board of regents.

KEY INDICATORS: Dr. Whitfield reported on the results of two indicators under

RESEARCH AND DEVELOPMENT

Question 5 (Are Kentucky's communities and economy benefiting?). Kentucky's long-term goal is to reach \$1 billion in extramural research and development expenditures at UK and UofL by 2020. Figures reported by the institutions to the National Science Foundation for fiscal years 2002 and 2003 show progress toward this goal. Extramural expenditures at UK increased to \$162 million in 2002 and \$187 million in 2003, exceeding UK's goals for both years. UofL also exceeded its 2002 and 2003 goals, with extramural expenditures rising to \$58 million in 2002 and \$63 million in 2003. Combined extramural research and development expenditures (\$220 million in 2002 and \$250 million in 2003) exceeded the statewide goals.

Both UK and UofL reported increases in federal research and development expenditures for 2002 and 2003. UK increased to \$100 million in 2002 and \$120 million in 2003, exceeding the established goals. UofL expenditures rose to \$39 million in 2002 and \$40 million in 2003. UofL exceeded its goal for 2002 but did not meet its 2003 goal. Combined research and development expenditures (\$139 million in 2002 and \$160 million in 2003) exceeded the statewide goals.

HOMELAND SECURITY CONSORTIUM

Dr. Layzell said that a consortium of Kentucky's postsecondary education institutions, facilitated by the Council, is preparing a set of collaborative proposals for the U.S. Department of Homeland Security to create a "virtual laboratory" to address homeland security priorities. Federal funding in the amount of \$4.5 million will be available to support collaborative efforts including research, technology, and commercialization. This initiative will allow Kentucky to respond rapidly to federal funding opportunities.

AGENCY AUDIT

RECOMMENDATION: The staff recommends that the Council authorize the president to enter into a personal services contract with Moore Stephens Potter, LLP, to perform the Council's independent audit for fiscal year ending June 30, 2004, in the amount of \$49,000.

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

Sandy Woodley said that the staff received two responses to a request for proposals from independent accounting firms to perform the financial audit. The firm selected is formerly Potter & Company, the firm that has conducted the Council's audit for the past three years.

Mr. Whitehead asked the staff to consider a policy for changing auditors every few years.

VOTE: The motion passed.

**ELECTION OF
OFFICERS**

MOTION: On behalf of the nominating committee, Mr. Hall moved that Mr. Barger serve as chair and Mr. Greenberg serve as vice chair for the coming year (July 1, 2004 – June 30, 2005). Ms. Bertelsman seconded the motion.

VOTE: The motion passed.

BUDGET

The Council is preparing a letter to Governor Ernie Fletcher, Senate President David Williams, and House Speaker Jody Richards addressing concerns about the lack of a budget and funding for postsecondary education.

MOTION: Mr. Freed moved that the letter be sent to the appropriate parties. Mr. Whitehead seconded the motion.

Mr. Baker expressed concern about the recent departure of several top-level professors from the University of Kentucky. He said that the end result will be the deterioration of the educational product produced by Kentucky and of its institutions. He said that he personally believes that postsecondary education funding is inadequate to attain the goals of House Bill 1. The inability to adopt a budget is a reflection on all the participants in this budgetary process – legislative, House and Senate, and executive. He said that Kentucky, which once was a leader in postsecondary reform, is now sliding back into mediocrity. He said that this is not acceptable and that it is time to come together and move the state forward.

VOTE: The motion passed.

**RECOGNITION OF
J. P. DAVIS**

Mr. Barger congratulated Mr. Davis on his recent graduation from the University of Louisville. He received a bachelor of arts in communications with a minor in political science.

**STAFF
RESOLUTION**

Mr. Barger read a resolution honoring and commending Bill Swinford for his dedication and service to the Council and postsecondary education. Dr. Swinford will become the director of policy analysis at the University of Kentucky June 1.

MOTION: Mr. Whitehead moved that the resolution be adopted. Mr. Davis seconded the motion.

VOTE: The motion passed.

**P-16 COUNCIL
APPOINTMENT**

Mr. Barger announced that he will reappoint Bart Darrell to continue as one of the Council's representatives on the P-16 Council.

**EVALUATION OF
CPE PRESIDENT**

MOTION: Mr. Greenberg moved that the Council go into executive session to discuss the annual evaluation of the Council president. Ms. Bertelsman seconded the motion.

VOTE: The motion passed.

Mr. Barger said that this action is allowed by KRS 61.810(1)(f) and that he anticipates no action when the Council reconvenes.

When the Council reconvened, Mr. Barger announced that no action was taken during the executive session.

NEXT MEETING The next meeting is July 18-19 at Campbellsville University in Campbellsville, Kentucky.

ADJOURNMENT The meeting adjourned at 12:20 p.m.

Thomas D. Layzell
President

Phyllis L. Bailey
Associate, Executive Relations