

MINUTES
Council on Postsecondary Education
November 7, 2005

The Council on Postsecondary Education met November 7, 2005, at 10 a.m. at the Council offices in Frankfort. Chair Greenberg presided.

ROLL CALL

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

APPROVAL OF MINUTES

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

TEACHER QUALITY
& TEACHER
PREPARATION ISSUES

Dr. Phillip Rogers, executive director of the Education Professional Standards Board, highlighted several EPSB initiatives targeting teacher quality and discussed collaborative efforts for improved school leadership. He shared information about the distribution of teachers trained by teacher preparation programs at Kentucky public universities, the quality performance index report on Kentucky's teacher preparation programs, and a summary of Praxis pass rates. He said that the Council can assist the EPSB by committing to the P-16 program and improving the conversations between secondary and postsecondary education. He said that too many high school students are not prepared for college. He stressed that all students must be prepared whether they attend postsecondary education or choose a career after high school. Dr. Rogers said that there is a high need for teachers in the areas of foreign languages, physics and science, and mathematics.

2006-08 OPERATING
& CAPITAL BUDGET
REQUEST

RECOMMENDATION: The staff recommends that the Council approve the budget recommendation as submitted for 2006-08.

Council President Tom Layzell reviewed the proposed postsecondary education budget recommendation for 2006-08 and the process during the legislative session. By November 15, the Council's recommendation must be submitted to the Governor and the General Assembly. Other state agencies submitted their budget requests by November 1, but the Council received an extension due to the November 7 meeting date. The Governor's staff is already at work on the Governor's budget, and the postsecondary education budget recommendation will be included in that process. In January, after the 2006 legislative session begins, the Governor will formally announce his budget for the upcoming biennium. Budget hearings will then be scheduled, and the two branches of the General Assembly will consider the budget.

Dr. Layzell said that the very first goal of House Bill 1 is to have a strategically planned and adequately funded postsecondary system. The Council has completed the strategic plan with the public agenda for 2005-2010

approved at the September meeting. He said that the system should be

adequately funded to achieve the goals of House Bill 1.

In 2004-06, the Council submitted a request for an 18 percent increase in funding for postsecondary education. After failure to adopt a budget during the 2004 session, the system was appropriated approximately \$89 million during the 2005 session, nearly a 9 percent increase.

The major components of the 2006-08 postsecondary and adult education budget request are as follows:

<i>Base funding for core services</i>	
Colleges and Universities	\$141.2 million
Adult Education	\$6 million
Council on Postsecondary Education	\$3.4 million
<i>Incentive funding for critical reform initiatives</i>	
Endowment Match	\$12 million
Research Support Funding	\$22 million
Science and Technology	
ConnectKentucky	\$100,000
P-16 Joint Engineering Pipeline	\$750,000
Regional Stewardship	\$18 million
Workforce Development/Transfer	\$4 million
Technology Initiative Programs	\$3.8 million
<i>Capital funding (debt service)</i>	
Capital Renewal and Maintenance	\$1.6 million
Technology and Equipment	\$5 million
Institutional Capital Projects	\$56.6 million
<i>Special initiatives</i>	
Retention and Affordability Initiative	\$4 million
Kentucky Principal Leadership Institute	\$2 million
KY Academy of Math and Science (NKU)	\$2 million
Contract Spaces (optometry, veterinary)	\$922,000
University Center of the Mountains (KCTCS)	\$900,000
Center for Instructional Technology (EKU)	\$500,000
Kentucky School of Crafts (KCTCS)	\$500,000
Academic Transformation Project (NKU)	\$300,000
Improved Student Services (MoSU)	\$300,000
Minority Student Preparation Program	\$240,000
Doctoral Scholars Program	\$233,000
Math/Science Teacher Preparation (MuSU)	\$200,000
Kentucky Early Math Testing Program	\$100,000
Kentucky Early College (MoSU, KCTCS)	\$100,000
<i>Total requested increase</i>	
Operating	\$223.5 million
Capital	\$63.2 million

Dr. Layzell said that for the first time ever a joint budget request is being

submitted through the Education Cabinet from the Council, the Kentucky Department of Education, and the Education Professional Standards Board for support of local P-16 councils and for data and technology needs of education. This joint request, totaling \$40.8 million, underscores the importance of understanding that education is all one system. In addition, the Council will endorse the Kentucky Higher Education Assistance Authority's request for \$72.7 million for student financial aid programs.

Dr. Layzell said that this is a reasonable request to submit to the Governor and the General Assembly. But, given the fiscal situation of the state, he said that it will be difficult to get even a portion appropriated. However, it is the responsibility of the Council to inform the Governor and the General Assembly of the funding needed to continue with reform and achieve the goals of House Bill 1. He thanked the staffs of the institutions for their work on the budget over the last several months.

Ms. Bertelsman asked that action be delayed on the trust fund guidelines so further discussions can take place at upcoming Executive Committee and policy group meetings.

President Ransdell expressed concern about the funding being spread over four years. He said there is no guarantee that the funding will be available for the 2008-10 biennium. He asked that the third and fourth year funding be the first priority for the next biennium if funding is not provided during this biennium.

UK President Lee Todd said that House Bill 1 mandated UK to become a top 20 research institution by 2020, but there is no financing plan to accomplish this goal. He said that, after eight years since the passage of HB 1 and after strong performance during that period, UK is preparing a top 20 business plan that will track the institution's success versus other colleges and universities and will show a financial path for tuition, state support, what needs to be raised from the institution's development funds, what cost cutting needs to be done, and what needs to be accomplished through research. The plan should be available in December and will be shared with the Council at that time. He said that the benchmark funding model does not provide sufficient trust fund support for UK to move toward its top 20 mission. He asked the Council to consider adding language to its budget request stating that the Council will consider requesting an additional trust fund plan or special initiative to support UK's effort to continue its pursuit of top 20 status. After the top 20 plan is submitted to the UK board of trustees, President Todd said he would like to come back to ask the Council for additional support. He also asked the Council to consider supporting an effort to provide bonding flexibility.

EKU President Joanne Glasser expressed concerns about the proposed funding model and its impact on the unique needs of eastern and southeastern Kentucky. She said that this region must move forward if the Commonwealth is to continue to move forward and it is a region that cannot

begin to reach its full potential without the economic development that can only come from an educated citizenry. She said that the funding model should and must force the institutions to ask what steps need to be taken now to prepare Kentuckians for careers in the 21st century workplace and what students need to succeed in a global, knowledge-based economy. Those institutions that have historically made tuition affordability a priority are now being penalized by the proposed funding model. In recent years, EKU's tuition increases were very meager because it was very concerned about pricing an education beyond the means of working class families in its service region. She said that any funding model approved should take into consideration that additional state funding is necessary to bolster those institutions that have historically kept their actual tuition low in order to serve the students and citizens of the respective regions. Because EKU serves four of the top six Kentucky counties in the number of students qualified for federal financial aid grants, EKU has made need-based financial assistance a budgetary priority. The proposed funding model does not consider an institution's financial commitment to need-based student aid and does not take into account the uniqueness of eastern and southeastern Kentucky and the financial obligations needed to serve the Commonwealth's most needy students. She asked the Council to consider putting together a task force to further evaluate the proposed funding and come back with recommendations in June to develop a formula that better incorporates important factors such as mission, regional characteristics, and socio-economic needs into any proposed funding model. Such a formula would better serve the regional universities and the citizens of this Commonwealth who have entrusted the Council with preserving the affordability and access to educational opportunities throughout the Commonwealth.

MOTION: Ms. Bertelsman moved that the 2006-08 budget recommendation be approved. Ms. Jansing seconded the motion.

Mr. Flanagan asked the Council and the institutions to join together to present a united front before the General Assembly to get the budget passed and to achieve as much funding for postsecondary education as possible.

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

MOTION: Ms. Bertelsman moved that in future biennia the staff present the budget to the Council for full discussion at the September meeting. Ms. Moore seconded the motion.

VOTE: The motion passed.

BUDGET & FINANCE POLICY GROUP

Mr. Owen said that the Budget and Finance Policy Group is looking at the funding methodology and will present recommendations at a future meeting.

ROLE OF BOARD MEMBERS POLICY GROUP

Mr. Turner said that he will present a report of the policy group addressing the role of board members at the January meeting.

COMMUNICATION
WITH LEGISLATORS &
PUBLIC OFFICIALS
POLICY GROUP

Mr. Baker said that the Communication with Legislators and Public Officials Policy Group is discussing the need for a comprehensive overview of federal funding for postsecondary education in Kentucky. The policy group is recommending that the staff review how other state coordinating boards of higher education handle their federal relations functions, that the Council be briefed on federal funding requests, that the Council as a body pursue federal funds for statewide programs, that the Council be regularly and better informed about postsecondary issues at the national level, and that Council members participate in national educational conferences to learn about the work of other states. A meeting with the Governor and the Council members will be scheduled prior to the January session of the General Assembly, and the Council and institutions will host a legislative reception in early February after the budget has been presented to the General Assembly. Mr. Baker asked the staff to prepare talking points for the Council members' use in conversations with the members of the General Assembly.

COMMISSIONER OF
EDUCATION REPORT

A written report from Commissioner Wilhoit about the activities of the Kentucky Board of Education was included in the agenda materials.

DRAFT TUITION POLICY

The Council staff will continue to work with the institutions over the next few months to finalize a recommendation on tuition policy and a methodology to present to the Council. Final action on the tuition policy framework is expected at the January 2006 meeting.

CEO REPORT

A report on activities of the Committee on Equal Opportunities was included in the agenda book.

ACADEMIC PROGRAM
PRODUCTIVITY REVIEW

Dr. Jim Applegate, the Council's vice president for academic affairs, presented an update on the academic program productivity review. The report indicates that, overall, the review process was effective and program productivity increased with each successive review. Financial impacts could not be calculated for every program but, where closures produced savings, these funds were largely redirected to improve existing program quality. Dr. Applegate said there are discussions underway to move to a four-year review cycle for the universities and KCTCS with interim years being used to conduct campus consultations to update and improve program development and review processes at the state and campus level.

DLAC REPORT

The report of the Distance Learning Advisory Committee was included in the agenda book.

QUALITY &
ACCOUNTABILITY
POLICY GROUP

Ms. Bertelsman gave a report from the Quality and Accountability Policy Group. Joe McCormick, executive director of the Kentucky Higher Education Assistance Authority, spoke at the policy group meeting earlier in the day about a proposed scholarship program for first-time, nontraditional adult students. The policy group heard a report on the remediation study and will discuss policy implications resulting from the study during the coming months.

CAPITAL PROJECTS

RECOMMENDATION: The staff recommends that the Council approve the

Kentucky State University request to construct a land grant farm facility consisting of a welcome center, pavilion, and apiculture (bee keeping) laboratory at the Cooperative Extension Research Farm with \$1,578,648 of federal funds from the U.S. Department of Agriculture, 1998 Farm Bill, Historically Black Land Grant Colleges and Universities Facilities Funding Program.

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

VOTE: The motion passed.

NEW PROGRAMS

RECOMMENDATION: The staff recommends that the Council approve the Doctor of Physical Therapy (CIP 51.2308) proposed by the University of Kentucky.

MOTION: Ms. Jansing moved that the program be approved. Ms. Moore seconded the motion.

VOTE: The motion passed.

RECOMMENDATION: The staff recommends that the Council approve the Master of Arts in Special Education (CIP 13.1001) proposed by Kentucky State University.

MOTION: Mr. Baker moved that the program be approved. Mr. Turner seconded the motion.

VOTE: The motion passed.

HOST INSTITUTION FOR CENTER FOR MATHEMATICS

In March 2005, Governor Fletcher signed into law House Bill 93, which charged the Council to select a host institution from among the Commonwealth's eight public universities for the Center for Mathematics. The center's purpose is to improve student achievement in mathematics at all levels of schooling in Kentucky, primarily through making available professional development for teachers. The staff is reviewing proposals and will bring a recommendation for Council action at the January meeting.

DATA RESEARCH INITIATIVE

The Kentucky Data Research Initiative Advisory Committee was created by House Bill 267 (2005 regular session) and has membership from UK and UofL research and information technology offices, the comprehensive universities, KCTCS, local school districts, business and industry, the Economic Development Cabinet, and the Education Cabinet. The committee will analyze the current environment for grid computing and other related technologies and will establish the needs of researchers for grid computing resources with a special emphasis on the sciences and health-related fields. Four work groups have been formed and a single report will be presented to the legislature during the 2006 session.

RESEARCH,
ECONOMIC
DEVELOPMENT, &
COMMERCIALIZATION
POLICY GROUP

Ms. Jansing gave a report on the activities of the Research, Economic Development, and Commercialization Policy Group. There were several updates given at the meeting earlier in the day on efforts in Kentucky, including a status of workforce development as it relates to adult education. The BIO Life Sciences Consortium Report was released by the Governor in August. The majority of the recommendations relate to incentives and how to create a pipeline. One recommendation of particular interest relates to the pipeline in the STEM (science, technology, engineering, and mathematics) disciplines. The annual BIO Conference and the BIO Kentucky Professional Group initiative will now be coordinated by the Economic Development Cabinet Office of Commercialization and Innovation.

NOMINATING
COMMITTEE

Mr. Greenberg appointed a nominating committee of Mr. Baker (chair), Ms. Bertelsman, Mr. Flanagan, and Ms. Taylor. The committee will present recommendations for Council chair and vice chair for the coming year at the January meeting.

AGENCY AUDIT

The 2004-05 agency audit contained a finding related to the oversight of pass-through programs. The Council staff is preparing an accountability and assessment system to be discussed at the January meeting.

RESOLUTIONS

Mr. Greenberg read a resolution honoring and commending Cheryl D. King, the Council's vice president for adult education. Dr. King will leave the staff at the end of December to become the Executive Vice President for External Relations at Kentucky Wesleyan College in Owensboro.

MOTION: Ms. Jansing moved that the resolution be accepted. Ms. Bertelsman seconded the motion.

VOTE: The motion passed.

Mr. Greenberg read a resolution honoring and commending King Alexander. President Alexander will leave Murray State University at the end of the year to become the president of California State University in Long Beach, California.

MOTION: Mr. Baker moved that the resolution be accepted. Ms. Bertelsman seconded the motion.

VOTE: The motion passed.

NEXT MEETING

The next Council meeting is January 30, 2006, at the NKU METS Center for Corporate Learning in Erlanger, Kentucky.

ADJOURNMENT

The meeting adjourned at 12:30 p.m.

Thomas D. Layzell
President

Phyllis L. Bailey
Senior Associate, Executive Relations