

AGENDA

Council on Postsecondary Education

March 15, 1999

10:30 a.m. (ET), CPE Conference Room, Frankfort, Kentucky

- A. Roll Call
- B. Approval of Minutes 1
- C. President's Report
 - 1. Information: Update on Commonwealth Virtual University 7
 - 2. Action: Northeast Regional Postsecondary Education Center 9
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- D. Other Business
- E. Next Meetings
 - April 11-12, Joint Meeting with State Board of Education, Seelbach Hotel
 - May 14-15 Retreat, Louisville Marriott East at Hurstbourne Lane
- F. Adjournment

Sunday, March 14 – Holiday Inn Capital Plaza, Frankfort

4:00 p.m. (ET) discussion sessions for Council members
6:30 p.m. (ET) reception/dinner for Council members

Monday, March 15 – Council on Postsecondary Education, Frankfort

8:00 a.m. (ET) Distance Learning Advisory Committee meeting
10:30 a.m. (ET) Council meeting



Academic Affairs Committee

Peggy Bertelsman, Chair
Lee Todd, Vice Chair
Norma Adams
Steve Barger
Leonard Hardin
Marlene Helm
Wilmer Cody
Lois Weinberg

Finance Committee

Ron Greenberg, Chair
Merl Hackbart, Vice Chair
Walter Baker
John Cary
Leonard Hardin
Philip Huddleston
Shirley Menendez
Marcia Ridings
Charles Whitehead

Executive Committee

Leonard Hardin, Chair
Charles Whitehead, Vice Chair
Peggy Bertelsman
Ron Greenberg
Merl Hackbart
Lee Todd
Walter Baker
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**UPDATE ON
COMMONWEALTH VIRTUAL UNIVERSITY**

**Agenda Item C-1
March 15, 1999**

Information:

The Distance Learning Advisory Committee will meet at 8:00 a.m. March 15, prior to the regular Council meeting. Since this will be Mary Beth Susman's first meeting with DLAC and since there are a number of interesting items on the DLAC agenda, the Finance and Academic Affairs Committees of the Council are not scheduled to meet in March so that Council members can attend the DLAC meeting if they wish.

Council members will receive a copy of the March 15 DLAC agenda book as a separate mailing to the Council agenda book. These agenda materials also will be accessible through the Council homepage at <http://www.cpe.state.ky.us>.

**Commonwealth Virtual University
Chronology of Events in the CVU Development
[CVL development activities shown in Attachment]**

May 1997 - February 1999

May 1997

- ◆ Kentucky General Assembly approves and Governor Paul Patton signs into legislation the Kentucky Postsecondary Education Improvement Act of 1997, which mandates the creation of the Commonwealth Virtual University by the Council on Postsecondary Education.

July 1997

- ◆ New Council on Postsecondary Education (CPE) appointed.

September 1997

- ◆ Development of CVU listed as high priority in CPE transition agenda of activities for 1997/98.

October 1997

- ◆ Ad hoc committee formed by CPE Chair Leonard Hardin to coordinate early stages of CVU policy development. Members included Lee Todd (chair), Jim Miller, Norma Adams, Crit Luallen, Vi Miller, Jim Ramsey, Sue Hodges Moore, Ken Walker, Larry Fowler, and Steve Dooley.
- ◆ Leonard Hardin names Distance Learning Advisory Committee (DLAC) to advise CPE on CVU development.
- ◆ At October 22 meeting, Council discusses its mandate to create a virtual university; Lee Todd makes presentation outlining what a virtual university is, what models currently exist elsewhere, what Kentucky needs, whom the CVU should serve and, how the CPE should proceed.

November 1997

- ◆ DLAC holds first organizational meeting and discusses "home institution" model proposed initially by institutions, 1998/2000 funding request, and the status of Kentucky's current technology infrastructure.
- ◆ Group from Kentucky [Lee Todd (CPE), Sue Hodges Moore (CPE), Ken Walker (CPE), Jim Ramsey (KCTCS), John Shumaker (UL), Ken Nelson (EKU), Don Olsen

(MuSU), Barbara Burch (WKU), and Ron Moore (UL)] visits Colorado to explore different virtual university models with representatives from National Center for Higher Education Management Systems (NCHEMS), Western Cooperative for Educational Telecommunications (WCET), Education Commission of the States (ECS), State Higher Education Executive Officers (SHEEO), and Colorado Electronic Community College.

January 1998

- ◆ DLAC meeting held. George Connick, consultant and President Emeritus of the Education Network of Maine, presents Maine model. DLAC discusses the need for two work groups—one to develop criteria for selecting pilot projects and one to guide development of an initial policy statement for the CVU—and asks Lee Todd to appoint members.
- ◆ CCAO meets to identify collaborative opportunities for CVU programs.
- ◆ CPE receives report on November Colorado trip.

February 1998

- ◆ Lee Todd appoints two DLAC subgroups. Membership of the Policy Work Group includes Merl Hackbart, Viola Miller, James Ramsey, Lee Todd, James Votruba, and Ken Walker. Membership of the Pilot Work Group includes Norma Adams, Virginia Fox, James Nelson, Gary Ransdell, and Aldona Valicenti.

March 1998

- ◆ DLAC meets to hear presentations on virtual university concepts and models by Sally Johnstone, Western Cooperative on Educational Telecommunications; Phillip Swain, Indiana Partnership for Higher Education; and Mary Beth Susman, President of Colorado Electronic Community College. DLAC discusses policy statement, institutional advisory group structure and roles, and needs assessment.
- ◆ CPE contracts with George Connick to serve as primary consultant for CVU development.
- ◆ Lee Todd names James Nelson to chair the Commonwealth Virtual Library Steering Committee.

April 1998

- ◆ George Connick meets with CPE staff, DLAC Policy Work Group, and groups of institutional staff representing the areas of faculty development, needs assessment, libraries, and student services.

- ◆ NKU offers to host and begins development of CVU web site.
- ◆ DLAC meeting held; George Connick presents and DLAC discusses a vision of a virtual university for Kentucky and its primary functions, including call center, marketing, bookstore, "smart catalog," needs assessment, library services, computer hardware and software, and academic logistics. DLAC reviews the first draft of the policy guidelines developed by the Policy Work Group.
- ◆ The 1998 General Assembly passes HB321, which includes funding of \$8,000,000 in 1998-99 and \$9,605,000 in 1999-2000 for the CVU and provides for up to \$30 million in bond funds for technology infrastructure to support the CVU and CVL.

June 1998

- ◆ DLAC approves *Policy Statement Guiding Development of the Commonwealth Virtual University*, receives final report from George Connick, directs Chief Academic Officers to develop a set of principles of good practice for the Commonwealth Virtual University, and discusses the Council staff analysis on the characteristics of extended-campus and distance learning students in Kentucky.
- ◆ Pilot Projects Work Group develops pilot project guidelines.
- ◆ At its annual retreat, Chief Academic Officers discuss the role of the CCAO in the CVU, faculty training and incentives, principles of good practice for distance learning, and potential pilot programs.

July 1998

- ◆ DLAC approves CEO position description, pilot project guidelines, work plan for implementation of the Connick report, and charges for the Student Services and Technology Work Groups.
- ◆ CPE approves CVU policy statement.
- ◆ *CVU Pilot Project Criteria and Guidelines* issued to institutions.

August 1998

- ◆ Technology Work Group meets twice to discuss its charge and address budget and technical issues related to the development of the technology infrastructure of the CVU.
- ◆ Student Services Work Group meets for first time to learn about the CVU and review its charge.

- ◆ Campus faculty representatives meet to plan a CVU kick off event for those faculty, professional staff, and academic administrators who will be involved in the CVU pilot projects.
- ◆ Council of Chief Academic Officers discusses the charge of the CVU Academic Council, possible pilot projects, pilot kick-off event, and a preliminary draft of the CVU *Principles of Good Practice*.
- ◆ CPE staff develops draft CVU operating budget.
- ◆ CEO position advertised locally and nationally.

September 1998

- ◆ Leonard Hardin adds additional members to DLAC: Crit Luallen, Secretary of the Cabinet and State Budget Director; Allen Rose, Secretary of the Workforce Development Cabinet; Wilmer Cody, Commissioner, Kentucky Department of Education
- ◆ DLAC discusses CVU/CVL governance options; approves charges for four CVU work groups: (Academic, Financial Affairs, Marketing, and Bookstore;) and reviews draft 1998-99 budget plan. The budget review includes discussion of revenue projections, CVU central operations, technology infrastructure, CVL, faculty development and courseware, and one-time expenses and contingencies for consultants, hardware, software, and other start-up costs.
- ◆ Academic Council meets and continues discussion of the faculty development symposium, the *Principles of Good Practice*, pilot project criteria and proposal review process.
- ◆ Technology Work Group meets to discuss standards for campus infrastructure upgrades and web course management software.
- ◆ CPE contracts with Pamela MacBrayne, Educational Network of Maine, as a subject matter expert on virtual university student services and call center operations.

October 1998

- ◆ Institutions across the state submit 42 pilot projects. Proposals, summary sheets, and evaluation forms distributed to Academic Council.
- ◆ Academic Council holds daylong retreat to evaluate pilot project proposals and make pilot selections. CPE staff are directed to negotiate budget adjustments with pilot project leaders.

- ◆ Student Services Work Group holds daylong meeting to discuss student flow model for the CVU.
- DLAC approves nine pilot programs and 1998-99 budget, continues discussion of CVU governance options, and is updated on plans for outsourcing to KCTCS technology support for central operations and for using standard web course management software and training.
- ◆ Gordon Davies names CEO Screening Committee. Membership includes Sue Hodges Moore (chair), Jim Nelson, Jim Votruba, Aldona Valicenti, and Larry Fowler, with Dennis Taulbee providing staff support.
- ◆ CPE staff begin negotiating individual pilot project budgets with pilot leaders.

November 1998

- ◆ CPE approves CVU pilot programs and 1998-99 CVU budget.
- ◆ Academic Council meets and discusses charge to the Academic Council, the formalization of the Faculty Development Work Group and its relationship to the Academic Council, and the relationship of the Academic Council to the Middle School Science and Math Task Force.
- ◆ CVU Pilot Kick-off Event held for pilot project participants. Gordon Davies, George Connick, and Bill Graves (Collegis) are featured speakers. Faculty from across Kentucky's colleges and universities conduct 30 workshops on creating distance learning courses.
- ◆ CEO Screening Committee reviews applicants and conducts series of six ITV interviews with top candidates (in late-November and early December).
- ◆ Financial Affairs Work Group meets for first time and discusses generation of long-term financial support for the CVU and tuition rates for students enrolled in CVU-affiliated courses.

December 1998

- ◆ CPE contracts with the Western Cooperative for Educational Telecommunications, subject matter experts on distance learning, to assist with the design of CVU business processes and the development of an RFP for outsourcing the CVU bookstore.
- ◆ Cambridge Technology Partners, Peoplesoft implementers for KCTCS, hosts three-day "pre-scope" session to begin assessing the time and resource requirements for implementing the CVU student administration system.

- ◆ Daylong interviews held with two CEO finalists; DLAC, CPE, and all CVU work group members invited to participate in Frankfort or through campus ITV connections; CPE staff solicits evaluations from institutional staff participating in interviews; CEO Screening Committee recommends to Gordon Davies that Mary Beth Susman be employed as the CVU CEO.
- ◆ Pilot project leaders meet with Collegis representatives to discuss their projects and the Collegis faculty development program.
- ◆ CPE contracts with Cambridge Technology Partners to facilitate a five-week session to scope out CVU functions and business processes and “fit” CVU student administration processes to the Peoplesoft software.
- ◆ Mary Beth Susman offered and accepts CEO position.

January 1999

- ◆ Collegis training commences. Training sessions held at the University of Kentucky.
- ◆ Pilot project leaders meet to discuss systemic issues and implementation of pilot project programs.
- ◆ A small group of financial aid officers meet with George Connick and staff to discuss financial aid issues related to students enrolled in multiple institutions, including the need for rapid and accurate data transfer between CVU and the institutions. The possibility of seeking a DOE demonstration grant also was discussed.
- ◆ Pilot project leaders meet with CVU Faculty Development Work Group and Collegis to discuss faculty development program and institutional issues.
- ◆ Bookstore Work Group meets for the first time and reviews the draft RFP for the establishment of the CVU bookstore.
- ◆ Bookstore Request for Proposal issued.
- ◆ Faculty Development Work Group and Academic Council meet jointly with Bill Graves, President of CLNS, to discuss issues and concerns surrounding the CVU technology standard for web-based courses and interest in expanding CLNS services to non-CVU courses.
- ◆ Faculty Development Work Group meets to discuss its draft charge, the May faculty development conference agenda (scheduled for May 17-18), and the need for a statewide symposium on intellectual property issues in a distance learning environment.

- ◆ Academic Council meets with George Connick and Mary Beth Susman to discuss draft policy proposals; Academic Council supports Faculty Development Work Group recommendation for a one-day conference on intellectual property to be held prior to the May faculty development conference.
- ◆ Cambridge Scope session commences. Institutional staff representing registration, academic affairs, admissions, academic computing, technology, bursar and other campuses functions invited to participate.

February 1999

- ◆ Mary Beth Susman begins work as CVU CEO.
- ◆ Advertisement for CVU senior staff position posted.
- ◆ Daylong Cambridge Scope sessions continue.
- ◆ Collegis training continues. Training sessions held at the University of Louisville and Jefferson Community College, Southwest Campus.
- ◆ UofL holds ITV conference with the Academic Council, Technology Work Group, and the Student Services Work Group members to discuss statewide Collegis contract for non-CVU web-based and web-enhanced courses.
- ◆ Cambridge conducts change management diagnostic, including interviews with CPE staff and institutional leadership.
- ◆ Student Services Work Group holds daylong meeting to discuss draft policy proposals.
- ◆ Academic Council meets to discuss draft policy proposals.
- ◆ Bond issue for CVU technology infrastructure and campus infrastructure upgrades approved by the Capital Projects and Bond Oversight Committee.
- ◆ Intellectual property conference scheduled for April 13 at the William T. Young Library at the University of Kentucky.
- ◆ Pilot project team leaders conduct teleconferences to discuss next step in Collegis training—individual consulting sessions for fall 1999 pilot project faculty.
- ◆ DLAC meeting scheduled for March 15.
- ◆ Cambridge Scope results presented to CVU leadership.

Recommendation:

That the Council approve the plan developed by KCTCS and Morehead State University (MoSU) for implementing the Northeast Regional Postsecondary Education Center at Prestonsburg.

Rationale:

- The 1998-2000 appropriations bill includes funds for KCTCS and several of the comprehensive universities to construct new facilities (Regional Postsecondary Education Centers) in various locations around the state. These facilities are to be used by KCTCS and the participating comprehensive university. The facilities are to be equipped to support Commonwealth Virtual University activities.
- The presidents of KCTCS and Morehead State University led the planning effort for this center. This planning effort resulted in an agreement signed by the presidents and a detailed project plan for the center.
- The project plan for the center is consistent with the provisions of the 1998-2000 appropriations bill and substantially addresses the planning assumptions and guidelines for regional centers established by the Council at its July 1998 meeting.
- Council approval of this agreement and the associated project plan will allow the institutions to proceed with the center.

Background:

Following passage of the 1998-2000 appropriations bill, representatives of KCTCS, Eastern Kentucky University, Western Kentucky University, Morehead State University, and Murray State University initiated discussions concerning regional postsecondary education centers. The Council established planning assumptions and guidelines to be used by the institutions in planning these centers.

Since the July Council meeting, the presidents of KCTCS and Morehead State University have signed an agreement and prepared a more detailed project plan for the Northeast Regional Postsecondary Education Center in Prestonsburg. A copy of the signed agreement and the letter transmitting the project plan are attached. A summary of the project plan follows. A copy of the plan is filed at the Council office.

Northeast Regional Postsecondary Education Center

The presidents of KCTCS and Morehead State University headed a planning team composed of members of their staffs. This planning team conducted a needs assessment of the area surrounding the city of Prestonsburg. This assessment indicated that in the first half of this decade the population growth rate in this region was greater than the growth rate for the state. Between 1995 and 2020, the total population for the region is expected to decline from approximately 182,000 to 164,000, a 10 percent decline. The assessment included 1990 educational attainment data from the Bureau of the Census. These data show that for each county in this region the percentage of the adult population completing four or more years of college is less than the statewide average. The same is true for the percentage of the adult population who has graduated from high school.

The plan indicates that, based on current employment opportunities, academic programs needed at this time are primarily in the areas of Allied Health and Nursing, Business, Law Enforcement, Social Work, and Education. Technical programs needed at this time are primarily in the areas of Computer Technologies, Business and Office Technology, and Allied Health. The plan indicates a need for an adult education and literacy program to increase the number of adults in the region who have high school diplomas. The plan also indicates a need for training programs for individuals who are transitioning from welfare to the workplace.

The plan developed by KCTCS and MoSU will result in the construction of a new facility in Prestonsburg, separate from the Classroom Health Education Building (authorized in 1996) at Prestonsburg Community College. Other postsecondary education institutions may be invited to offer courses and programs that KCTCS or MoSU do not offer. A significant feature of this plan is the inclusion of existing facilities at Prestonsburg Community College into the definition of the Northeast Regional Center. This action provides an opportunity for the concept of “regional center” and cooperation between institutions to be viewed beyond simply the construction of one new facility.

The plan indicates that the new facility in Prestonsburg will be designed and equipped to implement the Commonwealth Virtual University (CVU). The building will be completely wired for audio, video, and Internet access. The building will have two CVU-dedicated classrooms equipped with satellite downlinks and at least one compressed video (interactive television) classroom. The building will include a multimedia resource center, computer laboratory, and space for advising, testing, and other relevant student services for CVU students.

As project development continues, the planning team will solicit additional input from community representatives to help determine the best design for the facility and to help determine specific programs and services to be provided.

Information:

At its July 1998 meeting, the Council approved planning assumptions and guidelines to be used by KCTCS and the comprehensive universities in planning each regional postsecondary education center authorized by the 1998-2000 appropriations bill (HB 321). Since that meeting, the presidents of KCTCS and the comprehensive universities have initiated efforts to develop proposals responsive to the Council's planning assumptions and guidelines.

Attached is a memorandum of agreement between KCTCS and Murray State University addressing the West Regional Postsecondary Education Center in Hopkinsville. The facility will be jointly planned and designed for the benefit of the participating institutions. Representatives of KCTCS and Murray State University are developing a plan to implement the provisions of this memorandum of agreement. The Council staff will present the plan for action at a future Council meeting.

**NORTHERN KENTUCKY UNIVERSITY
PROGRAM OF DISTINCTION**

**ACTION
Agenda Item C-4
March 15, 1999**

Recommendation:

- That the Council approve the Center for Integrative Natural Science and Mathematics as a program of distinction for Northern Kentucky University.
- That the Council award to Northern Kentucky University from the Regional University Excellence Trust Fund \$737,000 in the 1997-98 appropriation, \$739,000 in the 1998-99 appropriation, and \$739,000 in the 1999-2000 appropriation.

Rationale:

- The Kentucky Postsecondary Education Improvement Act of 1997 (HB 1) created the Regional University Excellence Trust Fund to implement the goal of having six Kentucky comprehensive universities with at least one nationally-recognized program of distinction or one nationally-recognized applied research program at each university.
- The proposal submitted by Northern Kentucky University satisfactorily addresses the key components and criteria outlined in the application guidelines developed by the Council.
- The proposed program of distinction is appropriate for Northern Kentucky University because it responds to the university's primary mission to provide academic programs to meet the needs of northern Kentucky.
- The Council staff has worked with university representatives to verify that required matching funds have been made available to support the proposal.

Background:

Program Summary

NKU plans to establish the Center for Integrative Natural Science and Mathematics in 1999-2000 as an interdisciplinary approach to teaching mathematics and science. The Center will involve faculty from the departments of Biological Sciences, Chemistry, Mathematics and Computer Science, and Physics and Geology in the College of Arts and Sciences and faculty from the School of Education in the College of Professional Studies. The Center will address needs related to education and practice in the scientific disciplines of biology, chemistry, physics, geology, the supporting discipline of mathematics (including statistics and computer science), and associated fields such as environmental science, astronomy, and materials science.

The Center will not offer degrees. Instead the Center will provide interdisciplinary learning opportunities for mathematics and science majors, mathematics and science education majors, and eventually all NKU undergraduate students. The director of the Center will hold an academic position in one of the participating departments. Supporting staff will concurrently serve the needs of several departments. All students, faculty, and staff in the sciences, mathematics, and science or mathematics education will be in a position to take advantage of the Center's opportunities. The Center will fund one or two additional faculty positions in most of the participating departments to bring their programs up to levels necessary for the operation of the Center. But all faculty, present and future, constitute the pool of talent from which the Center will draw.

The Center will address three primary needs: 1) preparing mathematics and science teachers for elementary, middle, and secondary schools; 2) preparing graduates with mathematics and science majors for jobs in business and industry; and 3) preparing undergraduate NKU students (regardless of major) with the skills of critical inquiry and analysis through better understanding of mathematics and science. The Center will address these primary needs by revising the curriculum of majors in the participating departments and by encouraging all mathematics and science students to participate in integrative science and mathematics seminars, interdisciplinary research teams, or "externship" programs which will take students off the campus and into the community. The Center will develop courses and curricula for pre-service and in-service teachers, and will offer after-school, summer, and event-based science and mathematics programs for secondary school students. A two-semester course sequence in "Integrative Science" has been developed and is being proposed as a general education requirement for all NKU undergraduate students. The course is designed to help students understand the methods and ideas of science rather than memorize scientific facts.

The new \$38 million Natural Science Building, recommended by the Council and Governor Patton and authorized for construction by the 1998 General Assembly, is being designed to support the interdisciplinary nature of the proposed Center. Scheduled to open in 2001, this modern facility has integration of knowledge across the science disciplines as a principal design feature. Laboratories, student study areas, faculty offices, and research facilities are planned to maximize collaboration and cross-discipline interaction. The building will be home to the Center as well as the Departments of Physics and Geology, Chemistry, and Biological Sciences. Labs will be open and combined with lecture space. Facilities for the disciplines will be shared. The building will be fully networked and will house state-of-the-art computers and instrumentation accessible to students in any department.

The Center will establish 22 assessment indicators to measure its success in addressing the needs listed above. Among these 22 indicators, the Center has identified six indicators that will be used by NKU and the Council as the primary means of assessing success of the Center. These six indicators are: 1) monitor scores on the science and mathematics parts of the PRAXIS test (a national, standardized examination required for teacher certification in Kentucky); 2) monitor the number and amounts of state and federal grants supporting science, mathematics, and education programs in the Center; 3) monitor the number of students participating in the Center's externship programs; 4) monitor the number of faculty receiving external research funding that includes components for undergraduate research; 5) monitor the number of students enrolled in the integrative science course; and 6) monitor the number and standardized test scores of incoming

freshmen expressing an interest in mathematics, science, or mathematics and science education. NKU will compile baseline data for each of these indicators and will establish intermediate and long-term goals representing improved performance in each indicator.

The Center's success will be evaluated annually by an advisory committee composed of two representatives from each of the following groups: 1) faculty from other area institutions of higher education; 2) superintendents and science or mathematics teachers from area school districts; and 3) representatives from local companies traditionally hiring graduates in the sciences and mathematics. The advisory committee will study assessment and outcomes data compiled by the Center.

Funding Plan

Funding for the Center will begin in 1999-2000. The Center will receive \$739,000 from the Regional Excellence Trust Fund to be matched by like amount reallocated from the NKU Budget Reserve, a combined total of \$1,478,000. By the third year of the program annual expenditures are expected to exceed \$1,478,000. These additional expenditures will be funded in total by additional NKU funds. Planned expenditures include hiring a director, support staff, and eight additional mathematics and science faculty over a four-year period. The Center will provide funding for an annual symposium on integrative mathematics and science, a visiting scholars program, and science and mathematics scholarships.

The \$737,000 from the Trust Fund in 1997-98 will be matched by NKU to create a \$1,474,000 endowment to fund merit scholarships throughout the university. The \$739,000 from the Trust Fund in 1998-99 will be matched by NKU providing \$1,478,000 for nonrecurring expenditures supporting the Center for Integrative Natural Science and Mathematics. The Council staff is assured that required matching funds are available.

A copy of President Votruba's letter transmitting the proposal is attached. A copy of the proposal is filed at the Council office. The Council work group will meet with the Council staff Sunday March 14 to discuss the proposal.

**UNIVERSITY OF KENTUCKY
CAPITAL CONSTRUCTION PROJECTS**

**ACTION
Agenda Item C-5
March 15, 1999**

Recommendation:

- That the Council approve the University of Kentucky request for authorization of a \$2,500,000 capital project from private funds and athletic funds for the Football Office Complex, adjoining the E. J. Nutter Training Facility.
- That the Council approve the University of Kentucky request for authorization of a \$765,100 capital project from grant funds and agency funds for renovation of 212 E. Maxwell Street (the German House) to be used by the university's German Department.
- That there be no request for maintenance and operations support from state funds for the Football Office Complex or the German House Facility. The University of Kentucky will fund these costs.

Rationale:

- The University of Kentucky Board of Trustees authorized the projects, and the requests conform to the Council's Capital Construction Procedures.
- The Council has the statutory responsibility to review and approve all postsecondary education capital construction projects costing \$400,000 or more, regardless of the source of funds.
- The University of Kentucky has certified that funds necessary for completion of both capital projects have been made available.
- Completion of the projects will not create a need for additional state funds for operations and maintenance.

Background:

The Council has the statutory responsibility to review and approve all postsecondary education capital construction projects costing \$400,000 or more, regardless of the source of funds for the project. During the interim, capital projects may be authorized under the provisions of KRS 45.760 (14) which states that a capital construction project may be authorized even though it is not specifically listed in the biennial budget if 50 percent or more of the cost will be funded by federal or private funds, and if funds specifically budgeted and appropriated by the General Assembly for another purpose will not be used for the project. The Capital Projects and Bond Oversight Committee and the Secretary of the Finance and Administration Cabinet established a policy that, when the source of funds for a project is private, the agency or institution of postsecondary education must provide certification that the funds are available for project completion.

Football Office Complex

The construction of a football office complex supports the intercollegiate athletics program of the university. The office complex will provide on-site office facilities for the football coach, assistant coaches, and video operation. Completion of the project will consolidate the football coaches' offices with the football training facility.

The total project scope for the Football Office Complex is \$2,500,000 and the source of funding is \$1,600,000 of private funds and \$900,000 of athletic program funds. The university has \$200,000 of the private funds in-hand, and certifies that the remaining \$1,400,000 will be received at a rate of \$100,000 per year over the next 14 years. To allow completion of the project now, the athletic program will provide \$2,300,000 for project completion. The \$2,300,000 consists of the athletic program's \$900,000 share of the project cost and the remaining \$1,400,000 of the private donor's pledge. The funding arrangement does not include any debt instruments or interest payments. The private donor will repay the \$1.4 million to the athletic program. Funds for operating and maintenance costs will be from athletic program revenue.

German House

The renovation and expansion of the property at 212 East Maxwell Street into a classroom/seminar and residential facility for the German Language program supports the teaching mission of the university. The purpose of the project is to provide a living experience in which German is the language of communication. The location of the facility is in keeping with the goals of the Campus Master Plan to maintain a residential atmosphere at the northern edge of the campus.

The project will cost \$765,100 and will be funded by a grant of \$400,000 from the Max Kade Foundation and agency funds of \$365,100. The university has received \$200,000 of the grant funds and certifies that the remaining \$200,000 will be received from the Max Kade Foundation by the time of project bid. When the facility is completed, the university housing and dining operation will manage the facility. Funds for operating and maintenance costs will be from housing and dining revenue.

The University of Kentucky Board of Trustees has approved the projects. Given that the projects support the mission of the university, the availability of private funds has been certified, and the projects do not create a need for additional state funds for operations and maintenance, Council staff recommends approval.

Following Council action at the March 15 meeting, the staff will forward the Council recommendation to the Secretary of the Finance and Administration Cabinet for necessary action.

**NEW PROGRAM PROPOSALS: CERTIFICATE IN
BUILDING/PROPERTY MAINTENANCE AND
MANAGER AND CERTIFICATE IN
MANUFACTURING SYSTEMS TECHNOLOGY,
CENTRAL KENTUCKY TECHNICAL COLLEGE**

ACTION
Agenda Item C-6-a
March 15, 1999

Recommendation:

- That the Building/Property Maintenance and Manager program be approved and registered in CIP 46.0401.99;
- That the Manufacturing Systems Technology program be approved and registered in CIP 15.0603.99.

Rationale:

- The proposed programs are consistent with the mission of Central Kentucky Technical College to provide citizens with the technical skills and self-confidence necessary for successful employment. These programs initially will award certificates in building maintenance and manufacturing and light assembly.
- The proposed certificates will serve welfare-to-work clientele. Students enrolled in these certificate programs will attend class from 8 a.m. to 4 p.m. and will satisfy the welfare-to-work employment requirement.
- The certificates consist of courses currently offered by CKTC. Each certificate can be completed in one 18-week semester, although students may progress through the program on self-paced schedules.
- The programs are supported by the Lexington Partnership for Workforce Development (which represents the Lexington Chamber of Commerce), the Workforce Partnership, and Lexlinc, three Lexington workforce advocacy organizations. Due to the support of these organizations, no additional KCTCS funds are requested or anticipated to operate these programs.

An executive summary prepared by Central Kentucky Technical College is attached to this agenda item.

Staff Preparation by Barbara Cook

**NEW PROGRAM PROPOSAL: CERTIFICATE
IN TRUCK DRIVER TRAINING,
JEFFERSON TECHNICAL COLLEGE**

ACTION
Agenda Item C-6-b
March 15, 1999

Recommendation:

That the Truck Driver Training program proposed by Jefferson Technical College be approved and registered in CIP 49.0205.99.

Rationale:

- The proposed program in truck driver training is consistent with the mission of Jefferson Technical College.
- The proposed program will be offered in collaboration with the Ameri-Mex Training Center, Inc., a truck driver training program located in Clarksville, Indiana. The program will include 454 clock hours: 104 hours of classroom and laboratory instruction, 44 hours of truck driving range time, and 306 hours of live freight driving time. Ameri-Mex, a private corporation, serves as a contract educator for transportation carriers. Jefferson Technical College will employ one instructor for classroom and lab instruction and provide a program coordinator. The coordinator will maintain records and schedule the student co-op experiences with carriers. The co-op experience requires 10,000 or more driving miles with live freight. Ameri-Mex will seek certification of the program from the Professional Truck Driver Institute of America, Inc.
- A 1996 Chamber of Commerce study documents the need for truck drivers in the Louisville/Jefferson County area. The proposal includes letters of support from the Louisville/Jefferson County Office for Economic Development, Kentucky Motor Transport Association, two insurance companies, and five transportation carrier companies. The Transportation Industry Network/Trucking Consortium serves as the program advisory committee. The Network includes representatives from many of the companies that employ drivers in the Louisville/Jefferson County area.
- No new funds will be requested from KCTCS to support the program. Resources will be generated through a cost recovery tuition charge of \$2,300 per student. Thirty annual start dates are planned, with an anticipated 10 to 12 students per start date. Jefferson Technical College projects annual revenues of \$690,000 for the program. The agreement with Ameri-Mex calls for JTC to pay a \$1,600 per student fee for the use of its facilities and equipment and the truck driving range instruction. Ameri-Mex and local transportation carriers will assist the college in recruiting students for the program. This cooperative agreement with Ameri-Mex allows Jefferson Technical College to offer the program without investing in expensive trucks, trailers, and a truck driving range.

An executive summary prepared by Jefferson Technical College is attached to this agenda item.

Staff Preparation by Charles Wade

Discussion:

Funding Guidelines

At the January 1999 Finance Committee meeting, the staff presented a proposed approach for operating funding guidelines to be used in the 2000-02 budget process. These new funding guidelines were developed to help implement the behavior envisioned in HB 1. For Kentucky postsecondary education to achieve national recognition, it must be compared to other higher education institutions at the national level, not just within the state or region. The funding guidelines propose to meet these objectives through three areas of emphasis. These areas are:

- **Benchmark Institutions** - New benchmark institutions will be selected for each Kentucky university and the KCTCS. The benchmark institutions for each Kentucky institution will be from outside Kentucky and will most closely reflect certain characteristics of the Kentucky institution. The criteria for selecting the benchmark institutions will be quantitative and descriptive of current institutional traits. The benchmark institutions will not be "aspiration" institutions.

Once the benchmark institutions have been established by the Council staff and institutional representatives, and approved by the Council, an analysis of the public fund support per full-time equivalent (FTE) student will be done for each benchmark institution and the corresponding Kentucky institution. "Public fund support" is defined as the total of state appropriation plus tuition and fee revenue. The public funding levels per FTE will be appropriately arrayed and a funding objective will be established for each Kentucky institution relative to its benchmark institutions.

The objective might be the median or some percentile, such as the 60th percentile. Base funding for each Kentucky institution will be recommended by the Council using the most recent actual or estimated enrollment information. The general fund support level depends upon the relationship of tuition and fees revenues to total public fund support. More information about tuition and fees is included in the section on Tuition Guidelines.

- **Performance Indicators** - In addition to the funding objective support level, institutions may qualify for a higher level of base support if they have met certain performance measures. There will be from three to five performance measures identified in such areas as graduation rates and equal opportunities objectives. Achieving objectives in these areas would result in the Council recommending an incremental increase in the funding level for an institution.

- **Incentive Trust Funds** – The incentive trust funds as incorporated in HB 1 were targeted at achieving aspirations for institutional change and improvement. As postsecondary education changes in Kentucky, it may be necessary in 2000-02 to redirect or initiate new incentive trust funds to encourage progress toward the goals of HB 1 and *2020 Vision: An Agenda for Kentucky's System of Postsecondary Education*.

The Council staff has held meetings with institutional representatives, the Governor's Office for Policy and Management (GOPM), and the Legislative Research Commission (LRC) staff to review the selection criteria for identifying benchmark institutions. As a result, changes have been made to some of the selection criteria. Draft lists of benchmark institutions have been distributed to the universities. Once the selection criteria have been finally determined, revised lists will serve as the starting point for discussion with each university during the next step of the process, designed to establish a list of benchmark institutions. Once benchmark lists are approved by the Council, the funding level objective can be identified and the FTE enrollment to be funded can be determined.

The Council staff is working with the KCTCS staff to identify comparable systems of community colleges and technical colleges to be used as the benchmarks for the KCTCS. The same process will be used to set the funding objective and FTE enrollment levels for the KCTCS.

This work must be completed by July 1999.

Tuition Guidelines

Draft tuition guidelines were presented to the Council Finance Committee at its November 1998 meeting. The Council is responsible for determining tuition rates for the public universities and colleges. In an effort to provide institutions with more management flexibility, the tuition guidelines proposed decentralization of the tuition-setting responsibility. Institutions would be responsible for setting their tuition rates consistent with a set of general principles to be determined by the Council. A draft set of principles, revised by the Council staff since November, is attached.

One issue that involves both the tuition guidelines and the funding guidelines is the relationship between tuition and fee revenue and total public funds support. As proposed in the funding guidelines, tuition and fees should generate at least 33 percent of a university's public funds (state general fund and tuition and fees) net of debt service and hospital appropriations. The relationship will be at least 25 percent of public funds for the Kentucky Community and Technical College System (KCTCS).

Next Steps

Both sets of guidelines will have a major impact on the development of the 2000-2002 biennial budget request for all of public postsecondary education. The staff will seek approval from the Finance Committee and the Council at the April meeting.

D R A F T
Tuition-Setting Guidelines for 2000-02

R E V I S E D

Each institution will establish its own tuition rates consistent with the following guidelines. The Council's biennial budget request for state general operating funds for the institutions will consider tuition and fee revenue based on these guidelines.

- Rates may be differentiated by factors such as residency status; program level (i.e., undergraduate, graduate, and first professional); and program (e.g., business and biology). Rates may be set on a per credit hour basis.
- Each institution will submit planned biennial tuition rates and projected tuition and fees revenue for 2000-2001 and 2001-2002 to the Council by September 1, 1999, for use in developing the Council's 2000-2002 biennial budget request. The planned tuition rates must be consistent with these guidelines. The anticipated tuition and fees revenue must be consistent with the Council's operating funding guidelines.

Information:

The Council on Postsecondary Education has been involved in equal opportunity planning since 1981 when the U.S. Department of Education's Office for Civil Rights and Kentucky reached agreement that Kentucky would develop a voluntary higher education desegregation plan. *The 1997-2002 Kentucky Plan for Equal Opportunities in Postsecondary Education* was adopted at the July 21, 1997, Council meeting. This is the third in a series of plans.

The Committee on Equal Opportunities (CEO) oversees the implementation of *The Kentucky Plan*. The *Plan* is intended to guide the implementation of equal opportunity initiatives over the five years.

Committee on Equal Opportunities

- The CEO will hear the University of Louisville's request for a qualitative waiver at the March 30 meeting.
- The CEO will hear requests for a qualitative waiver from Northern Kentucky University and Western Kentucky University at the April 22 meeting.
- The CEO is scheduled to meet June 21, August 23, and October 11.

Schedule of Campus Visits

| <u>Institution</u> | <u>Date of Visit</u> | <u>Time</u> |
|--------------------|----------------------|-------------|
|--------------------|----------------------|-------------|

Governor's Minority Student College Preparation Program

- During fall 1998, consultants reviewed the program and made a number of recommendations which, if implemented, will improve the effectiveness of the programs at the institution and at the system level.
- Institutions have been asked to address the consultants' recommendations in their proposal(s) for funding in the 1999-2000 academic year. Proposals are expected to be received and reviewed around mid-May 1999. Program funding for the 1999-2000 fiscal year will be set by June 1999.
- The Council's 1999-2000 Adult Achiever for the Lexington YMCA Black Achiever's program is Dr. Kenneth Chatman, Kentucky State University. Dr. Chatman will serve from July 1, 1999, through June 30, 2000.

- The YMCA Black Achiever's senior college tour (approximately 400 students) will include the following Kentucky colleges: Kentucky State University, Northern Kentucky University, and Berea College.
- Planning has begun for the 12th Annual Academically Proficient African American High School Senior Conference. The conference serves approximately 400 students and parents from across Kentucky.

Staff Preparation by Sherron Jackson

Information:

Norma V. Cantu, Assistant Secretary, Office for Civil Rights (OCR), U.S. Department of Education, notified Governor Paul Patton that the OCR plans to visit Kentucky to review compliance with Title VI of the 1964 Civil Rights Act.

Governor Patton welcomed the OCR's visit and designated the Council on Postsecondary Education as the lead agency to work with the OCR. President Gordon Davies will serve as the principal contact with Sherron Jackson providing support.

An initial meeting with the OCR is arranged for Thursday, March 11, 1999, to discuss its agenda and timeline for completing the review. CPE members Walter Baker, Steve Barger, Marlene Helm, Beverly Watts, and Charles Whitehead will attend the initial meeting. All are also members of the Committee on Equal Opportunities.

The OCR review of Kentucky's compliance with Title VI of the 1964 Civil Rights Act was expected. In 1994, the OCR announced its intention to review the status of public higher education systems, like Kentucky, which remain on the OCR's open legal docket. It said it would be re-visit the systems as part of the review. The announcement was communicated to the states by letter and was published in the January 31, 1994, Federal Register.

The OCR recently completed Title VI compliance reviews in Florida and Pennsylvania. The reviews involved collection of data, site visits to postsecondary education institutions, and staff and student interviews. The OCR practice is to establish partnerships with states and to directly involve interested stakeholders in the development of the final report.