AGENDA
Council on Postsecondary Education
November 7, 2005
10 a.m. (ET)
CPE Meeting Room A
Frankfort, Kentucky

Page

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

The Council Business

Other Business
Next Meeting – January 30, 2006, NKU Metropolitan Center
Adjournment

The Council on Postsecondary Education met Sunday, September 18, 2005, at 12:30 p.m. at the Marriott Downtown in Louisville, Kentucky. Chair Greenberg presided.

OATH OF OFFICE

Mr. Greenberg introduced two new Council members.

Mark Wattier, the new faculty member, is a professor of government, law, and international affairs at Murray State University. He has been with Murray since 1980 and has been a member of the Murray faculty senate for a number of years. Dr. Wattier holds degrees from Baylor University and the University of Tennessee.

Ryan Quarles, the new student member, is a senior at the University of Kentucky where he is pursuing triple majors in agriculture economics, public service and leadership, and political science. At the same time, he is enrolled in the graduate program with a dual major in diplomacy and agriculture economics. Mr. Quarles was recently selected as one of 75 students from around the country to receive the 2005 Harry S. Truman Scholarship.

Jefferson County District Judge Joan Stringer administered the oath of office to the new members.

ROLL CALL

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

APPROVAL OF
MINUTES

The minutes of the July 18 Council meeting were approved as distributed.

UofL
PRESENTATION

UofL President James Ramsey presented information on the institution's quest to become a premier, nationally recognized metropolitan research institution as called for in *The Kentucky Postsecondary Education Improvement Act of 1997*. He said that the University of Louisville is a member of Kentuckiana Metroversity, a cooperative effort to meet the education and workforce needs of the Louisville area. Metroversity consists of seven institutions: Bellarmine University, Indiana University Southeast, Jefferson Community College, Louisville Presbyterian Theological Seminary, Southern

Baptist Theological Seminary, Spalding University, and the University of Louisville. A full-time student of any of these schools may enjoy cross registration, double degree programs, library privileges, innovative off-campus experiences, and extracurricular activities at any of the other schools.

President Ramsey said that the House Bill 1 mandate was also defined for UofL in the 1996 Boyle Report. The focus of that report was how the community could replace the lost manufacturing jobs experienced over time. The report recommended that UofL build jobs in the areas of health care/life science and logistics and distribution.

The Boyle Report and the passage of House Bill 1 led to UofL creating a strategic plan and business plan in 1998 called the Challenge for Excellence 10-Year Plan. This plan is the university's road map to meet the goal of becoming a premier, nationally recognized metropolitan research institution. The Challenge for Excellence outlines five goals:

1. Create a responsive, challenging, and supportive educational environment characterized by high standards, commitment to quality, and student success.
2. Focus energy and resources to enhance the scholarly agenda and advance to national prominence areas of programmatic strength.
3. Develop a seamless system of access and intercultural understanding that promotes working with the community to address diversity, accessibility, and equity issues.
4. Develop and integrate interdisciplinary activities associated with teaching, research, and service, and support existing partnerships and engage new partners to contribute to the educational, social, and economic progress of the region and state.
5. Improve the effectiveness and accountability of programs and services in fulfilling the mission and vision of the university.

President Ramsey said that the Council can help UofL meet its goals by continuing to build the appreciation for research in the state, by helping people realize that building a research infrastructure and strong research programs are critical to the state's economic future, by advocating for funding for all levels of education, and by providing flexibility in public policy that will allow the institutions move forward.

2005-2010
PUBLIC AGENDA

Dr. Layzell said that the printed version of the 2005-2010 public agenda was included in the materials for the 2005 Governor's

Conference on Postsecondary Education Trusteeship. Achieving the goals of the new public agenda for postsecondary and adult education, *Five Questions: One Mission — Better Lives for Kentuckians*, was the focus of the conference. The new agenda will guide the work of adult and postsecondary education through 2010. Dr. Layzell said that the Council must stay the course and make sure that the people of Kentucky understand what it takes to achieve this very challenging agenda for Kentucky.

2006-08
CAPITAL PROJECTS
PLANNING
PRIORITIES

In odd-numbered years, each state agency and postsecondary institution is required to submit information about its facilities and facilities-related needs to the Capital Planning Advisory Board. The individual plans are used to develop a comprehensive statewide capital improvements plan. The Council worked with the institutions to develop a model to identify capital planning priorities for the 2006-08 biennium. As requested by the CPAB, the projects were listed in priority order and were submitted August 9, 2005. Dr. Layzell noted that the top five projects listed for each institution total $1.3 billion. He said this gives some context to what it will take in terms of facilities over the next several years to keep moving forward.

KYAE MOBILE
EDUCATION LAB

RECOMMENDATION: The staff recommended that the Council approve the Kentucky Adult Education request to purchase a mobile education laboratory with $300,000 of federal funds from the U.S. Department of Education, Office of Vocational and Adult Education.

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

Dr. Layzell said that the mobile labs are an important part of the adult education program to do workforce training around the Commonwealth. He said that one of the existing mobile labs was recently taken to Mississippi to assist in handling the large number of unemployment claims and job placement requests resulting from Hurricane Katrina.

VOTE: The motion passed.

KYAE
ENROLLMENT

A record number 124,801 Kentuckians enrolled in adult education programs in fiscal year 2005, with adult education programs in 88 counties meeting or exceeding their enrollment and performance goals. These counties will share nearly $1 million in incentive funds. The enrollment surpassed the goal by 8 percent and represents Kentuckians who enroll in adult education programs to learn to read, write, and compute, earn a GED, prepare for employment, improve

their English, or learn as a family. The continued increase in adult education enrollment is significant toward meeting Kentucky's goal of raising levels of educational attainment to the national average by 2020.

GEAR UP GRANT	Dr. Layzell said that a press conference will be held the following day to officially announce that the Council on Postsecondary Education will receive $42 million from the U.S. Department of Education for the GEAR UP program (Gaining Early Awareness and Readiness for Undergraduate Programs), designed to provide services to middle and high schools to increase the number of low-income students who are prepared to enter and succeed in postsecondary education. The new grant doubles the resources in the program and allows the Council to continue the work begun in 2000 with the original state grant. The Council will receive $21 million in federal funds over the next six years, and GEAR UP partners across the state will provide an additional $21 million in matching non-federal funds.
	Ms. Bertelsman asked about the number of GED graduates who enroll in postsecondary institutions. Dr. Cheryl King responded that the percentage of on-to-postsecondary education enrollment is nearly 20 percent. In 1998 the number was 12 percent. Over a five-year period the number has not increased substantially but progress is slowly being made.
P-16 COUNCIL UPDATE	An update on P-16 Council activities was included in the agenda book. Dr. Dorie Combs, a member of the Kentucky Board of Education, will chair the P-16 Council for the coming year. Dr. Layzell said that the 2006-08 budget recommendation will include a funding request to support local P-16 councils around the state.
COMMISSIONER OF ED REPORT	A written report from the Commissioner of Education was distributed for information.
KEES UPDATE	An update on the Kentucky Education Excellence Scholarship program was included in the agenda book. In 2005, administration of the KEES program shifted from the Council to the Kentucky Higher Education Assistance Authority. The staffs from both agencies and the Kentucky Department of Education have discussed several policy issues that may lead to changes in the KEES program, including revising the KEES curriculum, raising the threshold for awarding supplemental ACT awards, increasing the amount of KEES awards for Jeff Green scholars, and expanding the use of KEES awards for dual credit or graduate coursework or for part-time and adult learners. Over the next few months, the Kentucky Board of Education will

review Kentucky's minimum high school graduation requirements, and the staffs of all three agencies are awaiting the results of this review. Should the minimum graduation requirements be revised to a curriculum that is predictive of postsecondary success and appropriate for the KEES program, KEES revisions could be proposed simply to reflect the new KBE standards. If curricular or other revisions remain necessary, they can be proposed at that time.

MINIMUM HIGH SCHOOL GRADUATION REQUIREMENTS

MOTION: Ms. Bertelsman moved that the Council support efforts by the Kentucky Board of Education to create more rigorous minimum high school graduation requirements and to encourage the board to create a single rigorous curriculum that prepares all Kentucky high school graduates for postsecondary education. Ms. Jansing seconded the motion.

VOTE: The motion passed.

AFFORDABILITY STUDY

John Lee with JBL Associates, Inc., reviewed the findings of the affordability study. The study concluded that postsecondary education in Kentucky is affordable but not enough people understand that. The report said that the net price of education should not exceed 20-25 percent of family income; students should face no more than $4,000 in yearly college costs by using scholarships, need-based financial aid, state and federal grants, loans, family contributions, and the student's earnings at a minimum-wage job while in school; and that 80-90 percent of Kentucky's college students receive state and federal grants. The results of the study, along with additional analyses, will be used by the Council staff and institutional representatives to develop a tuition policy and the parameters within which tuition rates will be set.

MOTION: Mr. Wattier moved that the report be accepted. Ms. Maclin seconded the motion.

VOTE: The motion passed.

FALL 2005 ENROLLMENT

According to preliminary information, Kentucky's postsecondary institutions, public and independent, posted a record total enrollment of 235,083 this fall, a 1.5 percent increase over last year. Public institutions enrolled 203,273 students. The Kentucky Community and Technical College System showed the largest increase with 32,550 more students than in 1998. Undergraduate enrollment increased 44,906 students over 1998, or 27.9 percent; an increase in graduate enrollment continued but there was a decrease for public institutions of 0.9 percent between 2004 and 2005. Since postsecondary

education reforms were enacted in 1998, total enrollment has increased by 50,237 students or 27.2 percent. Although enrollment continues to increase, the numbers must be significantly higher to reach the goal of 800,000 working-age adults with a bachelor's degree or higher by 2020. Over the next 15 years, Kentucky needs to double the number of Kentuckians ages 25-64 with at least a four-year degree.

KYVU REPORT FROM SACS

The Southern Association of Colleges and Schools recently performed a site visit and review of the Kentucky Virtual University. The report contained 25 recommendations covering a wide range of issues from staffing and funding levels to the need for a consistent mission statement approved by the Council on Postsecondary Education. The review provides an opportunity to take a step back and examine the many accomplishments of the KYVU and determine the ways it can help achieve the public agenda goals. During the next several months, a team guided by an independent consultant will consider each of the recommendations and prepare a comprehensive response to SACS by its April 2006 deadline.

KCTCS PROGRAM PRODUCTIVITY REVIEW

RECOMMENDATION: The staff recommended that the Council approve the productivity reports of the Kentucky Community and Technical College System.

The review covered productivity of active associate degree programs for the five-year period between 1998-99 and 2002-03. The Council staff identified 28 of 86 eligible associate programs as low degree productivity programs. One program will be closed; other programs will be altered and updated to improve productivity. The review completes three cycles for both KCTCS and the universities. A summary report of the first three cycles of program productivity reviews and outcomes will be presented at the November Council meeting.

MOTION: Mr. Hall moved that the recommendation be accepted. Mr. Canafax seconded the motion.

VOTE: The motion passed.

2006 MEETING CALENDAR

The 2006 meeting calendar was included in the agenda book. The Council staff is working with the staff of the Kentucky Board of Education to schedule a joint meeting. The tentative date is March 8, 2006.

RESOLUTIONS	Mr. Greenberg read resolutions recognizing the service of Richard Freed and Tony Stoeppel.
	RECOMMENDATION: Ms. Jansing moved that the resolutions be approved. Mr. Owen seconded the motion.
	VOTE: The motion passed.
ACCREDITATION OF ENGINEERING PROGRAMS	Dr. Layzell said that Western Kentucky University has received accreditation for its engineering programs offered jointly with UK and UofL from the Accreditation Board for Engineering and Technology.
REGIONAL STEWARDSHIP TRUST FUND	Dr. Layzell called attention to a resolution passed by the Northern Kentucky University Board of Regents expressing its support for the regional stewardship trust fund and encouraging the Council, the Kentucky General Assembly, and the Governor to invest in this fund in the future.
NEXT MEETING	The next Council meeting is November 7 in Frankfort.
	Mr. Greenberg encouraged everyone to attend the sessions of the 2005 Governor's Conference on Postsecondary Education Trusteeship held September 18-19.
ADJOURNMENT	The meeting adjourned at 2:15 p.m.

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Thomas D. Layzell
President

_____
Phyllis L. Bailey
Senior Associate, Executive Relations

Focus on Reform:
Teacher Quality and Teacher Preparation Issues

The Education Professional Standards Board and the Council are the primary partners responsible for ensuring that teachers and school leaders in Kentucky's P-12 system are highly qualified and are receiving the preparation and professional development they need to promote high levels of student achievement. Dr. Phillip Rogers, EPSB executive director, will highlight several important EPSB initiatives targeting teacher quality including some being done in partnership with the Council. He also will discuss collaborative efforts targeting improved school leadership.

Staff preparation by Jim Applegate

2006-08 Operating and Capital Budget Request

The Council staff will seek the advice of the Executive Committee at its November 2 meeting regarding a draft recommendation for the 2006-08 postsecondary education operating and capital budget request. The recommendation and background materials will be sent to the Council members prior to the November 7 meeting.

The major components of the recommendation will include:

- Council operations and initiatives
- Institutional operating budget recommendations pursuant to the benchmark funding model
- Special initiatives recommendations
- Trust funds and incentive funding program recommendations
- Capital budget recommendations

In addition, the Council staff will present a summary of all changes made to funding policies as a result of the 2004-05 comprehensive funding model review.

Staff preparation by Sandra Woodley
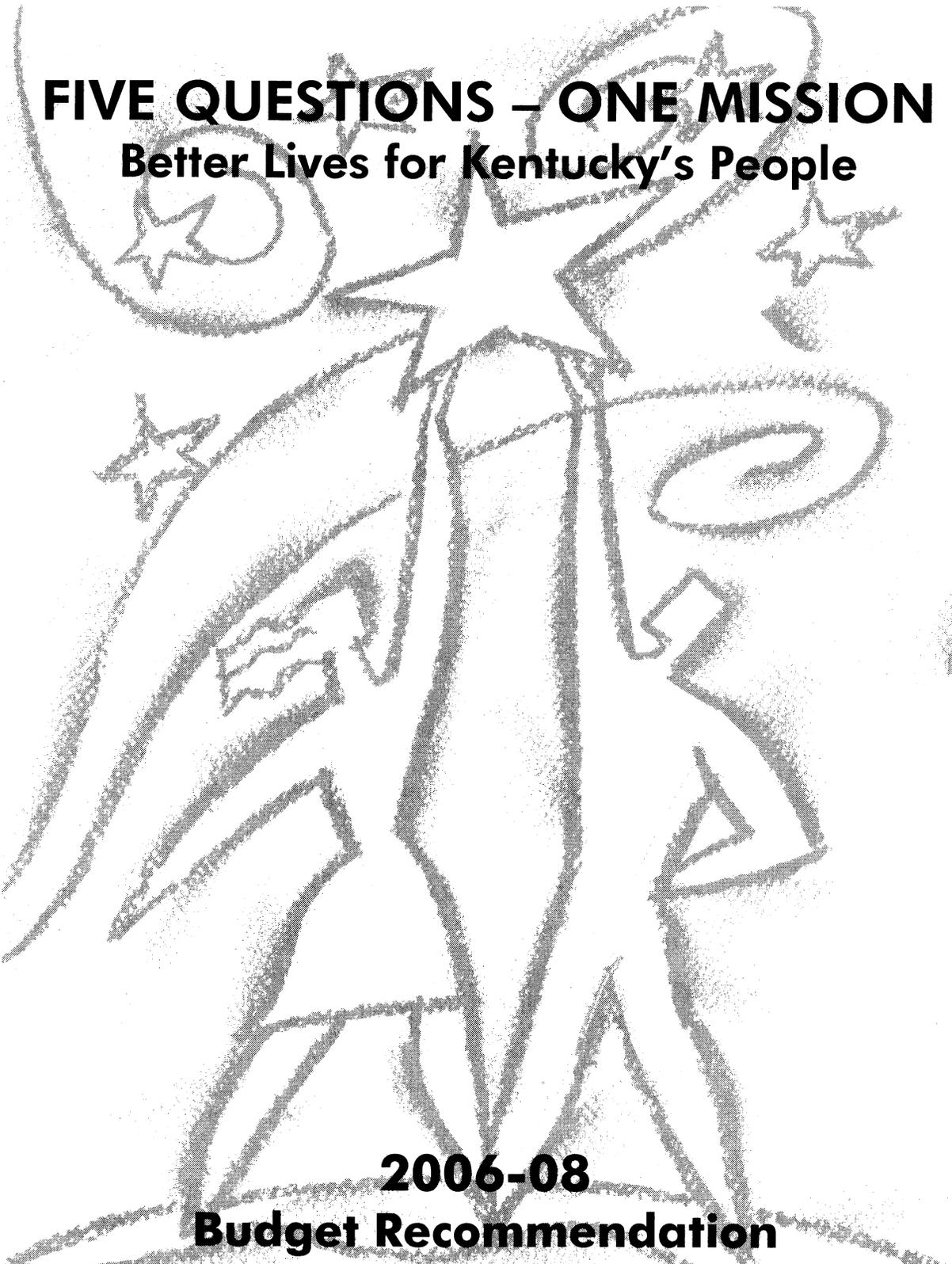
FIVE QUESTIONS – ONE MISSION
Better Lives for Kentucky's People

2006-08
Budget Recommendation
Council on Postsecondary Education

November 7, 2005
Frankfort, KY

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SECTION A

Executive Summary

Executive Summary
Postsecondary Education Budget Recommendation for 2006-08

The Council on Postsecondary Education is authorized to submit the biennial budget recommendation for postsecondary education. The following sections outline the request components for the 2006-08 budget recommendation as follows: operating budgets for CPE, Adult Education, and the institutions; trust funds/incentive funding, special initiatives; and capital funding. A detailed summary of the comprehensive funding model review and the details of a joint budget proposal which will be submitted by the Education Cabinet are included.

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

The major components of the request are prioritized and summarized in the following table:

Priority	Description	FY 2006-07	FY 2007-08	Biennium
1	Base Funding (Section B)	$76,030,900	$74,590,200	$150,621,100
2	Strategic Trust Funds/ Incentive Programs (Section C)	40,801,600	19,850,000	60,651,600
4	Special Initiatives/Pass-Through Programs (Section D)	2,160,700	10,135,500	12,296,200
3	Capital (Section E)	7,600,000	55,597,900	63,197,900

ATTACHMENT A-1 provides a detailed overview of the budget recommendation.

Base Funding

(1) CPE Operations

- $3,431,300 increase over the biennium to continue funding for filled positions and to secure funding for vacant positions to enable the Council staff to fulfill its responsibilities under House Bill 1 and to meet increased demands for service and analysis. In addition, funds are requested for electronic database cost increases and expansion of additional databases and restoration of interlibrary loan service.

(2) Adult Education Program Funding

- $6 million increase in program funding requested for the biennium to continue and enhance program services related to adult education programs statewide.

- Funding will be allocated to county programs through grants for adult education services geared toward completion of GED, workforce/employment initiatives, basic literacy, participation and engagement in adult learning opportunities, and transition of students into postsecondary education.

(3) Benchmark Funding for Postsecondary Institutions

- The request seeks to increase the base funding for each institution to 5 percent above the average of benchmark peers as approved by the Council in 2005 over the next four years. Every institution's request reflects at least a 5 percent annual increase over the enacted General Fund base net of mandated programs.

- The request provides an alternative calculation for KSU based on the relationship of its size and fixed costs.

- An additional 5 percent or $3.5 million is also requested for a performance component related directly to the key indicators of the public agenda in the second year of the biennium.

Summary of biennium increase recommendations by institution:

Institution	Biennial Increase
Eastern Kentucky University	$7,362,200
KCTCS	39,104,200
Kentucky State University	1,920,500
Morehead State University	4,342,800
Murray State University	5,159,800
Northern Kentucky University	11,173,600
University of Kentucky	27,346,600
University of Louisville	27,556,700
Western Kentucky University	13,723,400

Strategic Trust Funds/Incentive Programs

The staff recommends that the Council request $40,801,600 in FY 2006-07 and $19,850,000 in FY 2007-08 for three trust funds and three incentive funding programs. A summary of the recommended increases by trust fund or funding program is provided in the table below.

Trust Fund/Incentive Funding Program	Biennial Increase
Research Challenge Trust Fund (Endowment Match Program)	$12,000,000
Research Support Funding Program	22,000,000
Science and Technology Funding Program	850,000
Regional Stewardship Funding Program	18,000,000
Technology Initiative Trust Fund	3,801,600
Postsecondary Workforce Development Trust Fund	4,000,000
TOTAL	$60,651,600

(1) **Research Challenge Trust Fund ($12,000,000).** The Endowment Match Program encourages private investment in public higher education research activities to stimulate business development, generate increases in externally sponsored research, create better jobs and a higher standard of living, and facilitate Kentucky's transition to a knowledge-based economy (Bucks for Brains).

(2) **Research Support Funding Program ($22,000,000).** The primary goals of the program are to promote economic development, create high-tech jobs, and raise the average standard of living of Kentucky residents through strategic investments in research faculty, infrastructure, and initiatives at the University of Kentucky and the University of Louisville.

(3) **Science and Technology Funding Program ($850,000)**

- *ConnectKentucky*. To fund maintenance and enhancement of a database connecting postsecondary researchers, research projects, and funding agencies.
- *P-16 Joint Engineering Program*. Enhance the P-16 pipeline for the production of engineers and engineering technologists to improve the economy and create economic development opportunities for the state.

(4) **Regional Stewardship Funding Program ($18,000,000).** The main goal of the Regional Stewardship Funding Program is to promote regional or statewide economic development, livable communities, social inclusion, creative governance, and civic participation through public engagement activities initiated by postsecondary institution faculty and staff.

(5) **Technology Initiative Trust Fund ($3,801,600)**

- *Kentucky Postsecondary Education Network (KPEN)*. To support Internet protocol-optimized networks specifically designed for higher educational requirements and applications. Supports high-demand, high access Internet users and provides mechanism for future expansion.
- *Education Leadership Redesign Initiative*. To support university and school district efforts to redesign education leadership programs in Kentucky to produce a new generation of school leaders who are able to effectively address issues of curriculum design and delivery, assessment, and administration.
- *College Access Initiative*. To continue the successes of the "Go Higher Kentucky" communications campaign, with the main goals of this initiative to increase the educational attainment and income levels of the state's citizens to the national average by 2020.
- *Faculty Development Program*. To provide professional development in research and teaching that better enables faculty to support the public agenda for postsecondary education.
- *College-Level Learning Assessment Project*. To support Kentucky's participation in the National Center for Public Policy in Higher Education's *Measuring Up 2008 Learning Grade* and to assess the quality of student learning in Kentucky's postsecondary system.
- *Public Health Initiative*. To support a collaborative effort among the Public Health Advisory Committee (composed of the deans from four Kentucky postsecondary institutions offering graduate programs in public health), the Commissioner for Public Health, and the Council on Postsecondary Education to implement the Strategic Plan for Public Health Education and Research (approved by the Council in July 2004).

- *Academic Innovation and Collaboration Grants*. To fund proposals that stimulate partnerships among postsecondary institutions and private and public sector organizations that expand academic programs addressing current and projected workforce needs.

(6) Postsecondary Workforce Development Trust Fund ($4,000,000). The principal aims of the program are to encourage private support of public postsecondary workforce development and transfer initiatives; to support the transfer of baccalaureate degree-seeking, KCTCS associate degree completers to Kentucky public and independent colleges; and to bolster KCTCS workforce development and transfer programs in areas of strategic benefit to the Commonwealth.

Special Initiatives and Pass-Through Programs

Institutional Initiatives

The institutions submitted requests for special initiatives to the Council. These special initiatives were evaluated based on criteria related to the public agenda's goals and objectives. The following table summarizes the recommended initiatives:

Special Institutional Initiatives	Biennial Increase
Center for Instructional Technology (EKU)	$500,000
Kentucky Early College (MoSU, KCTCS)	100,000
Improved Student Services at Regional Campuses (MoSU)	300,000
2+2 Middle School Math/Science Teacher Prep. (MuSU)	200,000
Academic Transformation (NKU)	300,000
Kentucky Academy of Math and Science (WKU)	2,000,000
University Center of the Mountains (KCTCS)	900,000
Kentucky School of Craft (KCTCS)	500,000
TOTAL	$4,800,000

- Commonwealth Center for Instructional Technology and Learning (EKU) - To create a Web-based delivery system that provides evidence-based PK-12 instructional interventions, curricular and instructional strategies, and Web-based advisors to Kentucky's teachers.
- Kentucky Early College (MoSU, KCTCS) - A collaborative project among MoSU, KCTCS, and the Pike County Board of Education that allows participating students to earn up to two years of college credit while in high school. The project also includes distance learning for teacher professional development.
- Improved Student Services at Regional Campuses (MoSU) - To appoint student counselors at each of MoSU's five regional campuses who can counsel students about financial aid or study skills and provide key student services.

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- <u>2+2 Middle School Math and Science Teacher Preparation Program (MuSU)</u> -To increase the number of certified teachers in critical shortage areas by enhancing 2+2 baccalaureate program offerings in Henderson, Hopkinsville, Madisonville, and Paducah. Program funding will be used to hire full-time assistant professors to teach math and science portions of program curricula.
- <u>Academic Transformation (NKU)</u> - To transform the ways courses are designed and taught to reduce costs, expand capacity, and improve student learning and success.
- <u>Kentucky Academy of Math and Science (WKU)</u> - A residential, early-admissions program for high-achieving Kentucky students who are interested in math and science. The academy allows gifted young people to learn at challenging levels and addresses Kentucky's need for leadership in Science, Technology, Engineering, and Math (STEM) careers.
- <u>University Center of the Mountains (KCTCS)</u> - Gives citizens of southeast Kentucky direct access to a public four-year education. The absence of a conveniently located university in this region has limited student access to bachelor's and master's degrees.
- <u>Kentucky School of Craft (KCTCS)</u> - A regional collaboration and partnership that provides training for various crafts, which is a critical component of the economic development plan of Hindman and Knott County.

<u>Council Initiatives and Pass-Through Programs</u>

Council Initiatives	Biennial Increase
Retention/Affordability Initiative	$4,000,000
Commonwealth of Kentucky Principal Leadership Institute	2,000,000
Contract Spaces	922,300
Governor's Minority Student College Prep. Program	240,500
SREB Doctoral Scholars Program	233,400
KY Early Math Testing Program	100,000
TOTAL	$7,496,200

- <u>Retention/Affordability Initiative</u>- To support strategies related to questions 1, 2, and 3 of the public agenda for low income students and low income service regions of the Commonwealth.
- <u>Commonwealth of Kentucky Principal Leadership Institute</u>- Collaborative enterprise among Kentucky universities that have education leadership programs to improve K-12 student learning by providing specialized training to principals.
- <u>Contract Spaces</u>- Funds spaces in veterinary medicine and optometry for Kentucky students in programs in other states since these programs do not exist in Kentucky.
- <u>Governor's Minority Student College Preparation Program</u>- To provide academic enrichment activities for middle and high school minority students, to encourage pursuit of higher education, and to prepare them for college level work.
- <u>SREB Doctoral Scholars Program</u>- Cooperative, interstate venture that encourages minority students to enroll in and complete doctoral degree programs.

- <u>Kentucky Early Math Testing Program</u>- Statewide online diagnostic test to help high school students identify academic deficiencies that should be corrected before entering college to minimize remediation.

Capital

The recommendation includes capital project financing as follows:

State General Fund dollars:
- State funding of $15 million in projects for capital renewal and maintenance.
- State funding of $467.2 million in projects to construct new space and to renovate existing educational and general facilities (projects are priority ranked).
- State funding of $25 million for an information technology and equipment pool.

Other sources of funds:
- $488.7 million in institutionally funded agency bond projects for the highest institutional priorities.
- Restricted agency-funded projects for life safety, major maintenance, equipment acquisitions, infrastructure repair, and upgrades.
- Nine institutionally funded projects to improve energy efficiency.

Staff preparation by Sandra Woodley

Summary of 2006-08 General Fund Budget Recommendation for Postsecondary Education

Draft Recommended Priorities	Enacted FY 2005-06	Requested FY 2006-07	Dollar Increase FY 2006-07	Requested FY 2007-08	Dollar Increase FY 2007-08	Dollar Increase Biennium	Biennial Percentage Increase
1 Base Funding:							
Institutional Benchmark Funding							
Eastern Kentucky University	77,470,800	81,151,900	3,681,100	84,833,000	3,681,100	7,362,200	9.5%
KCTCS	207,750,700	227,302,800	19,552,100	246,854,900	19,552,100	39,104,200	18.8%
Kentucky State University	25,248,300	26,688,700	1,440,400	27,168,800	480,100	1,920,500	7.6%
Morehead State University	44,839,500	47,010,900	2,171,400	49,182,300	2,171,400	4,342,800	9.7%
Murray State University	54,954,200	57,535,700	2,581,500	60,114,000	2,578,300	5,159,800	9.4%
Northern Kentucky University	51,333,500	56,920,300	5,586,800	62,507,100	5,586,800	11,173,600	21.8%
University of Kentucky	314,302,200	328,024,400	13,722,200	341,648,800	13,624,400	27,346,600	8.7%
University of Louisville	183,687,900	197,179,800	13,491,900	211,244,600	14,064,800	27,556,700	15.0%
Western Kentucky University	78,038,800	84,900,500	6,861,700	91,762,200	6,861,700	13,723,400	17.6%
Performance Funding			3,500,000	3,500,000	3,500,000	3,500,000	
Total Institutional Benchmark Funding	1,037,625,900	1,106,715,000	69,089,100	1,178,815,700	72,100,700	141,189,800	13.6%
Council Operations	10,936,800	13,878,600	2,941,800	14,368,100	489,500	3,431,300	
Adult Education Program	22,026,000	26,026,000	4,000,000	28,026,000	2,000,000	6,000,000	
2 Trust Funds/Incentive Funding Programs							
Endowment Match (Research Challenge)[1]	-	12,000,000	12,000,000	-	-	12,000,000	
Research Support Program Nonrecurring[1]	-	18,000,000	18,000,000	-	-	18,000,000	
Research Support Program Recurring[2]	-	4,000,000	4,000,000	4,000,000	-	4,000,000	
Science and Technology[2]	10,005,900	10,605,900	600,000	10,855,900	250,000	850,000	
Regional Stewardship[2]	-	3,000,000	3,000,000	18,000,000	15,000,000	18,000,000	
Technology Trust Fund[2]	2,050,500	4,752,100	2,701,600	5,852,100	1,100,000	3,801,600	
Workforce/Transfer Nonrecurring[1]	-	500,000	500,000	-	-	500,000	
Workforce/Transfer Recurring[2]	-	-	-	3,500,000	3,500,000	3,500,000	
4 Special Initiatives/Pass Through							
Council Initiatives/Pass Through	6,228,300	7,889,000	1,660,700	13,724,500	5,835,500	7,496,200	
Institutional Special Initiatives	-	500,000	500,000	4,800,000	4,300,000	4,800,000	
Total Recurring General Fund	1,088,873,400	1,177,366,600	88,493,200	1,281,942,300	104,575,700	193,068,900	17.73%
Total Nonrecurring General Fund	-	30,500,000	30,500,000	-	-	30,500,000	
3 Capital:							
Capital Renewal[3]	-	-	-	1,578,000	1,578,000	1,578,000	
E&G Projects[3]	-	-	-	31,076,700	31,076,700	31,076,700	
Research & Economic Projects[3]	-	-	-	17,908,200	17,908,200	17,908,200	
Information/Tech Equipment Purchase[3]	-	-	-	5,035,000	5,035,000	5,035,000	
Research & Economic Project Design[4]	-	7,600,000	7,600,000	-	-	7,600,000	
Total Capital	-	7,600,000	7,600,000	55,597,900	55,597,900	63,197,900	
Programs Funded Through Other Fund Sources							
KHEAA - Need Based Financial Aid (CAP &KTG) - [Lottery][5]	87,382,300	145,337,300	57,955,000	148,133,300	2,796,000	60,751,000	
KHEAA - KEES Program - [Lottery][5]	73,125,000	88,034,100	14,909,100	88,911,100	877,000	15,786,100	

[1] Funds are nonrecurring.

[2] Funds are recurring.

[3] These funds are General Fund appropriations for debt service totaling $55,597,900 to support $507.1 M in state bonds related to 15 E&G projects, four Research/Economic Development projects and two statewide projects.

[4] This is a General Fund appropriation for project planning and design related to a Research / Economic Development project.

[5] The Council considers student financial aid to be a high priority even though KHEAA's funding request is not a budget recommendation responsibility of CPE.

SECTION B

Base Operations

Base Funding for Postsecondary Education

Base operations for postsecondary education are recommended as the Council's first priority. There are three major components to the base funding request:

(1) CPE Operations
(2) Adult Education Program Funding
(3) Benchmark and Performance Funding for the Institutions

Council Operations

Agency operations include staff and operating expenses necessary to manage the agency and programs of the Council, including those employees involved in the direct delivery of Kentucky Adult Education services and the Kentucky Virtual University/Virtual Library. The agency is organized into several primary units with agency operations providing support services to all units:

- <u>Executive</u> provides leadership and direction to the other units; coordinates the postsecondary education equal opportunity efforts; directs strategic planning, accountability, and assessment efforts; provides legal services to the agency; provides governmental and legislative services, media relations, and communications planning for the entire agency; and human resources services.

- <u>Finance</u> unit is responsible for developing funding approaches for the institutions, the analysis of postsecondary education financial information, the review and recommendation of capital construction projects, tuition setting, reciprocity agreements, and the administration of the strategic investment and incentive trust funds. In addition to these institutionally focused activities, the Finance unit also is responsible for the administrative and business operations of the agency: budgeting, accounting, purchasing, printing/copying, telecommunications services, and inventory control.

- <u>Academic Affairs</u> includes activities related to approval, modification, disapproval, or discontinuance of academic programs, extended campus activities, academic course inventory, admissions standards, accountability, statewide strategic planning, early childhood literacy, baccalaureate degree transfer, Academic Common Market, KEES, and licensure of independent colleges and universities. The Academic Affairs unit administers the faculty development program located in the Technology Initiative Trust Fund and the Early Math Testing and Local P-16 Council initiatives funded through the

Council's pass-through programs. New economy responsibilities arise out of HB 572, 2000 Regular Session, and include oversight of the Science and Technology Funding Program and coordination of the state's economic development initiatives in conjunction with the Economic Development Cabinet.

- **Kentucky Adult Education** was transferred to the Council in 2003, including staff, along with state and federal funds; every Kentucky county is served by a comprehensive adult education program that offers all levels of adult education instruction, family literacy, and employability and life skills instruction. The Council staff reorganized by adding the adult education staff and activities to the Council consolidating various administrative functions for the agency and centralizing key support functions. These functions include accounting, budgeting, purchasing, printing, facilities management, and telecommunications services, which were previously dispersed between agency operations, KYVU/KYVL, and adult education. Information and technology services, personnel and payroll services, and communications also were reorganized and centralized.

- **The Kentucky Virtual University/Virtual Library** is composed of two interrelated functions. KYVU is Kentucky's official virtual campus that is designed to be student-centered and a technology-based utility for the support of lifelong learning. KYVU simplifies access to quality college credit, professional development, and supplemental studies. The KYVU provides a single access point to statewide learning support services, including KYVL, thus serving as a seamless transition to higher education for Kentucky citizens. The KYVL's mission is to provide Kentuckians with equitable access to quality library and information resources and qualified, well-trained staff to support the Kentucky Virtual University, as well as meet broader needs for learning, working, and living.

- **Information and Technology** is composed of two sections. The Information and Research section administers activities related to the collection and analysis of student data collected through the agency's comprehensive database. It supports decision making at the Council by collecting and analyzing data from public and private postsecondary institutions within the state, and produces statistical reports, conducts policy and accountability research, and works with other agencies to develop data collection and retrieval systems. The Technology section provides support and maintenance of the agency's computing needs including the local area network and coordination of statewide technology efforts. These services are available to all of the program units of the Council. This unit also includes our Web masters, programmers, and developers.

The baseline calculations for agency operations result in 11 vacant positions being excluded from the base of the agency in fiscal years 2006-07 and 2007-08. One of the top priority requests for the next biennium is for $999,800 in FY 2006-07 and $1,055,600 in FY 2007-08 to fund these 11 full-time positions, as well as two vacant co-op/intern positions used

periodically by KY Adult Education. Four of the 11 full-time positions have been filled since August 1. Another position, Senior Fellow for Knowledge-based Economy Initiatives, is filled, but currently under contract with UK. The remaining vacant positions are essential to the successful operations of the agency especially given the responsibility for guiding the public agenda prompted by House Bill 1.

Adult Education Program Funding

The Kentucky Adult Education Act of 2000 (Senate Bill 1) stated, "Adult illiteracy is a fundamental barrier to every major challenge facing Kentucky, including early childhood education, education reform, economic development, and improving the health and well being of Kentucky's families and communities."

The Kentucky Adult Education Act provided the foundation for improving the educational status of adult Kentuckians who do not have a high school diploma, who function at low levels of literacy, or who want to learn the English language. Enrollment in adult education programs increased 142 percent from 51,177 in FY 2000 to a record high enrollment of 124,081 in FY 2005. While overall enrollment has increased, participation in English as a second language programs has declined, and GED completions have remained stagnant.

Funding is allocated to county programs through grants for adult education services, the cornerstone of Kentucky Adult Education. The Kentucky Adult Education Act requires services to be targeted to communities with the greatest need, so funds are allocated using a formula based on the number of adults in each county functioning at low literacy levels. Through this funding, every Kentucky county is served by a comprehensive adult education program that offers all levels of adult education instruction, family literacy, and employability and life skills instruction.

In 2000, Senate Bill 1 appropriated $19 million in new funds to adult education, and the increase led to a more than doubling of enrollment to 124,081 in FY 2005. Kentucky Adult Education has exceeded enrollment and performance goals every year since 2000. Kentucky is one of only two states to fund family literacy programs in every county; workplace education program enrollment has increased from 8,724 to over 50,000; students obtaining a GED and transitioning on to postsecondary education within two years has increased from 12 percent to nearly 20 percent.

While Kentucky Adult Education has made remarkable progress in the past few years, much remains to be done and additional resources are needed to continue progress. Of the 2.4 million working-age Kentuckians, 40 percent function at the two lowest levels of literacy. Even the record-setting enrollment in FY 2005 represents only 12.5 percent of the nearly one million Kentuckians functioning at low literacy levels.

Benchmark and Performance Funding for the Institutions

Section G summarizes in detail the benchmark model and the changes made to the Council's finance policies involved in determining adequate funding levels for the institutions related to the benchmarks. <u>Attachment B-1</u> details the methodology and the calculations used to determine the funding recommendation for each institution.

A summary of the major points regarding the benchmark request follows:
- Statistical model approved by the Council in April 2005 determined 30 most similar institutions in the U.S. for each comprehensive institution from which 19 were selected by each institution.
- Statistical model approved by the Council in April 2005 determined 30 most similar systems in the U.S. for KCTCS from which 19 were selected by KCTCS.
- Criteria approved by the Council in July 2005 were used to establish benchmarks for UK and UofL based on the mandate in House Bill 1 to become nationally recognized research institutions (top 20 - UK, and premier nationally recognized metropolitan research - UofL).
- The request seeks to increase the base funding for each institution to 5 percent above the average of the benchmarks within the next four years.
- Five percent or $3.5 million will be requested for a performance component related directly to the key indicators of the public agenda in the second year of the biennium.
- The recommendation does not include adjustments for maintenance and operations of new facilities. These will be added to the request as presented to the Office of the State Budget Director and the Legislative Research Commission prior to November 15.

Staff preparation by Sandra Woodley

2006-2008 BENCHMARK FUNDING - FINANCIAL ANALYSIS

2 BIENNIA PHASE-IN

		EKU	KCTCS	KSU	MoSU	MuSU	NKU	UK	UofL	WKU
A	2006-2008 Benchmark Objective (1)	$ 11,957	$ 8,015	$ 11,200	$ 11,688	$ 11,682	$ 12,786	$ 20,111	$ 20,179	$ 12,190
B	2005-06 Estimated Objective (2)	$ 12,746	$ 8,544	$ 11,940	$ 12,460	$ 12,454	$ 13,630	$ 21,440	$ 21,512	$ 12,995
C	Less Tuition and Fees (Benchmark Average or Budgeted) (3)	5,940	3,050	4,669	5,682	6,052	7,333	9,498	9,401	6,355
D	Net Funding Need Per FTE	$ 6,807	$ 5,494	$ 7,272	$ 6,778	$ 6,401	$ 6,297	$ 11,942	$ 12,111	$ 6,640
E	2005-06 State General Fund Appropriations	77,470,800	207,750,700	25,248,300	44,839,500	54,954,200	51,333,500	314,302,200	183,687,900	78,038,800
	Less:									
F	Public Service	-	-	2,379,800	-	2,835,100	-	43,155,200	19,284,000	-
G	Research	-	-	2,499,800	-	-	-	33,748,000	-	-
H	Debt Service	3,848,000	5,974,400	873,500	1,411,200	1,909,600	4,731,700	7,960,400	11,182,900	3,202,200
I	Total State General Fund Appropriations	$ 73,622,800	$ 201,776,300	$ 19,495,200	$ 43,428,300	$ 50,209,500	$ 46,601,800	$ 229,438,600	$ 153,221,000	$ 74,836,600
J	Estimated Fall 2005 FTE (4)	12,183	50,962	1,909	7,263	8,557	10,949	23,088	16,986	15,403
K (I/J)	Estimated General Fund Per FTE	$ 6,043	$ 3,959	$ 10,212	$ 5,979	$ 5,868	$ 4,256	$ 9,938	$ 9,020	$ 4,859
L (D-K)	Difference (Need less estimated)	$ 763	$ 1,535	$ (2,941)	$ 799	$ 533	$ 2,041	$ 2,004	$ 3,091	$ 1,782
M	General Funds Generated (Difference X Estimated Fall 2005 FTE)	9,301,103	78,208,405	-	5,802,827	4,565,017	22,347,129	46,275,632	52,499,282	27,446,627
	Total Public Funds Cap									
N	2006 Total Public Funds (State General Fund + Budgeted Tuition and Fees)	148,422,800	331,510,000	-	83,653,300	108,507,800	128,275,200	412,248,200	285,296,700	169,086,600
O (M+N)	Total Public Funds Generated (General Funds Generated + 2006 Total Public Funds)	157,723,903	409,718,405	-	89,456,127	113,072,817	150,622,329	458,523,832	337,795,982	196,533,227
P (B*J)	Total Public Funds Cap (Total Public Funds Objective X 105%)	163,052,618	457,206,749	-	95,023,315	111,893,469	156,702,111	519,748,553	383,670,153	210,171,014
Q	Total Public Funds Generated in Excess of Cap (Total Public Funds Generated - Total Public Funds Cap)	-	-	-	-	1,179,348	-	-	-	-
R (M-Q)	General Fund Appropriation Need (General Funds Generated - Funds in Excess of Cap)	$ 9,301,103	$ 78,208,405	$ -	$ 5,802,827	$ 3,385,669	$ 22,347,129	$ 46,275,632	$ 52,499,282	$ 27,446,627
S (R/4)	Benchmark Funding - 2 Biennia Phase-In	$ 2,325,276	$ 19,552,101	$ -	$ 1,450,707	$ 846,417	$ 5,586,782	$ 11,568,908	$ 13,124,820	$ 6,861,657
T (I*5%)	Floor Calculation - 5%	$ 3,681,140	$ 10,088,815	974,760	$ 2,171,415	$ 2,310,475	$ 2,330,090	$ 11,471,930	$ 7,661,050	$ 3,741,830
U	Small Institution Adjustment	-	-	2,880,390	-	-	-	-	-	-
	Mandated Programs Inflationary Increase									
V	2006-07 Increase (2.8%)	-	-	-	-	70,983	-	2,153,290	367,145	-
W	2007-08 Increase (2.6%)	-	-	-	-	67,758	-	2,055,469	939,987	-
	2006-08 Mandated Programs Increase	-	-	-	-	138,741	-	4,208,758	1,307,132	-
	Biennial Request									
X (Shaded Area+V)	2006-07 Increase	3,681,100	19,552,100	1,440,400	2,171,400	2,581,500	5,586,800	13,722,200	13,491,900	6,861,700
Y (Shaded Area+W)	2007-08 Increase	3,681,100	19,552,100	480,100	2,171,400	2,578,300	5,586,800	13,624,400	14,064,800	6,861,700
Z (X+Y)	2006-08 Biennial Request	7,362,200	39,104,200	1,920,500	4,342,800	5,159,800	11,173,600	27,346,600	27,556,700	13,723,400

	Total Need
	$ 248,147,473

Benchmark Funding	$ 248,147,473

1. 105% of the benchmark average.
2. The benchmark funding objective increased by inflation.
3. The tuition and fees deduction is based on 2005-06 budgeted tuition and fees as a percent of total public funds or the benchmark average tuition and fees as a percent of total public funds.
4. FTE = total full-time headcount + 1/3 part-time headcount.
5. The shaded areas represent the greater funding need (benchmark funding, floor calculation, or small institution adjustment).

SECTION C

Trust Funds/Incentive Funding Programs

2006-08 Budget Recommendation:
Trust Funds/Incentive Funding Programs

The staff recommends that the Council request $40,801,600 in FY 2006-07 and $19,850,000 in FY 2007-08 for three trust funds and three incentive funding programs. A summary of the recommended increases by trust fund or funding program is provided in the table below.

Trust Fund or Funding Program	FY 2006-07	FY 2007-08
Research Challenge Trust Fund • Endowment Match Program (nonrecurring)	$12,000,000	$0

Research Support Funding Program
• Research Support Program
  ➤ Infrastructure/Initiatives (nonrecurring)
  ➤ Research Capacity (recurring)
	
	18,000,000
	4,000,000
		
		0
		0

Science & Technology Funding Program (recurring)	600,000	250,000
Regional Stewardship Funding Program • Regional Stewardship Program (recurring)	3,000,000	15,000,000
Technology Initiative Trust Fund (recurring)	2,701,600	1,100,000

Postsecondary Workforce Development Trust Fund
• Workforce Development/Transfer Program
  ➤ Endowment (nonrecurring)
  ➤ Initiatives/Scholarships (recurring)
	
	500,000
	0
		
		0
		3,500,000

Trust Fund Totals
    Recurring Total
    Nonrecurring Total
 	
    Grand Total
	
	10,301,600
	30,500,000
	
	$40,801,600
		
		19,850,000
		0
		
		$19,850,000

(1) Research Challenge Trust Fund ($12 million)

The staff recommends that the Council request $12 million of nonrecurring funds in 2006-07 for the Research Challenge Trust Fund to provide a fourth round of funding for the Endowment Match Program at the research universities.

Endowment Match Program. The Endowment Match Program encourages private investment in public higher education research activities to stimulate business development, generate increases in externally sponsored research, create better jobs and a higher standard of living, and facilitate Kentucky's transition to a knowledge-based economy. The staff recommends that the Council request $12 million of nonrecurring funds in 2006-07 to fund chairs, professorships, research staffs and infrastructure, and graduate fellowships at the public research universities. State funds will continue to be matched dollar-for-dollar by the institutions. Program funds will be allocated and distributed based on 2006-08 Endowment Match Program Guidelines that will be presented to the Council in January 2006.

(2) Research Support Funding Program ($22 million)

The staff recommends that the Council request $18 million of nonrecurring funds and $4 million of recurring funds in 2006-07 for a new Research Support Funding Program to bolster research faculty and infrastructure at the research universities.

Research Support Program. The primary goals of the Research Support Program are to promote economic development, create high-tech jobs, and raise the average standard of living of Kentucky residents through strategic investments in research faculty, infrastructure, and initiatives at the University of Kentucky and the University of Louisville. The staff recommends that the Council request $18 million of nonrecurring funds and $4 million of recurring funds for the program in 2006-07. Program funds will be used to recruit and retain research active faculty, renovate laboratories and upgrade equipment, and undertake disciplinary and interdisciplinary research initiatives, in areas of strategic benefit to the Commonwealth. These funds will support university efforts to generate increases in federal and extramural research and development (R&D) expenditures, foster innovation and commercialization, and stimulate business development. Program funds will be allocated and distributed based on 2006-08 Research Support Program Guidelines that will be presented to the Council in January 2006.

(3) Science and Technology Funding Program ($850,000)

The staff recommends that the Council request $600,000 of recurring funds in 2006-07 and an additional $250,000 of recurring funds in 2007-08 for the Science and Technology Funding Program to support ConnectKentucky and P-16 Joint Engineering programs.

ConnectKentucky. This science and technology company was contracted through the former Office of New Economy, now the Department of Commercialization and Innovation, to foster increased innovation and opportunities for commercialization by creating a database of

postsecondary researchers that links their interests, research projects, and funding agencies. The database encourages collaborative efforts among researchers by helping them to find faculty with similar research interests and increases opportunities for submitting successful research proposals to both federal and private funding agencies. The staff recommends that the Council request $100,000 of recurring funds in 2006-07 to support the work of ConnectKentucky.

P-16 Joint Engineering Program. Kentucky needs engineers and engineering technologists to improve the economy and create economic development opportunities for the state. Many students do not have access to a rigorous curriculum in middle or high school that prepares them for college-level engineering programs. The P-16 Joint Engineering Program puts into place pre-engineering curricula in select middle and high-schools and a strategic KCTCS transfer framework to ensure that an adequate number of Kentucky high school graduates and transfer students aspire to and are prepared to enroll in Kentucky engineering programs. The staff recommends that the Council request $500,000 of recurring funds in 2006-07 and an additional $250,000 of recurring funds in 2007-08 to support this program.

(4) Regional Stewardship Funding Program ($18 million)

The staff recommends that the Council request $3 million of recurring funds in 2006-07 and an additional $15 million of recurring funds in 2007-08 for a new Regional Stewardship Funding Program to support public engagement activities at the comprehensive universities.

Regional Stewardship Program. The main goal of the Regional Stewardship Program is to promote regional or statewide economic development, livable communities, social inclusion, creative governance, and civic participation through public engagement activities initiated by postsecondary institution faculty and staff. To help accomplish this goal, campus administrators are expected to design and implement programs that align institutional priorities, resources, and infrastructure to support their missions as stewards of place, and to create partnerships and undertake engagement activities that address regional and state needs, while specifically targeting the needs of public schools, employers, grant agencies, small businesses, and non-profit organizations. Program funds will be allocated and distributed based on 2006-08 Regional Stewardship Program Guidelines that will be presented to the Council in January 2006.

(5) Technology Initiative Trust Fund ($3,801,600)

The staff recommends that the Council request $2,701,600 of recurring funds in 2006-07 and an additional $1,100,000 of recurring funds in 2007-08 for the Technology Initiative Trust Fund to support the following programs and activities:

Kentucky Postsecondary Education Network. KPEN is an Internet protocol-optimized network specifically designed for postsecondary education requirements and applications. It accommodates high-demand, high-access Internet users and provides an easy mechanism for expansion of network services. In 2003-04, the budget for KPEN was reduced by

$750,000. These funds were needed, and continue to be needed, to provide a basic level of service for the network. The staff recommends that the Council request $700,000 of recurring funds in 2006-07 to provide base-level service for public institutions that participate in KPEN.

Education Leadership Redesign Initiative. This initiative will support university and school district efforts to redesign education leadership programs in Kentucky to produce a new generation of school leaders who are able to effectively address issues of curriculum design and delivery, assessment, and administration. The staff recommends that the Council request $50,000 of recurring funds in 2006-07 and an additional $100,000 of recurring funds in 2007-08 to support this project. Anticipated benefits include increased curricular coherence and balance of masters' level education leadership programs, development of doctoral programs with stronger research emphases, and enhanced ability to retrain existing principals and superintendents, while also preparing new leaders.

College Access Initiative. In 2000, Kentucky implemented a statewide "Go Higher Kentucky" communications campaign with excellent results. The number of students enrolling in public postsecondary and adult education programs in Kentucky reached record highs, as did the number of individuals who earned a GED. Despite these successes, many Kentuckians still do not see the benefits of a college education, they significantly overestimate the cost of going to college, and often they lack necessary information about how to prepare academically and financially for college. The staff recommends that the Council request $1 million of recurring funds in 2006-07 to fund phase two of the public communications campaign. The main goals of this initiative are to increase the educational attainment and income levels of the state's citizens to the national average by 2020.

Faculty Development Program. This program provides a means to bring faculty together to find innovative ways to improve quality of instruction, including the promotion of distance learning. Reductions in program funding over the past several years have adversely impacted the Council's ability to maintain the pace of reform efforts. Of particular concern are delays in key initiatives, such as general education curriculum redesign and collaborative public health activities. Replacement of the funds will enable the Council to increase the effectiveness of these efforts, including providing support for issues of accessibility for learners with disabilities, awareness and utilization of Internet 2, and increasing efforts to engage and support stewardship of place initiatives. The staff recommends $51,600 of recurring funds in 2006-07 for this program.

College-Level Learning Assessment Project. The staff recommends that the Council request $1 million of recurring funds in 2007-08 to support Kentucky's participation in the National Center for Public Policy in Higher Education's *Measuring Up 2008 Learning Grade*. Participation requires statewide student level testing and national standardized test score data collection. This request includes provisions for logistics support, student incentives for participating in intensive testing, and follow-up analysis by the National Center for Higher Education Management Studies. Additionally, a portion of the funds will be directed to the dissemination of findings and the development of strategies for improving student learning.

Public Health Initiative. This project supports a collaborative effort among the Public Health Advisory Committee (composed of deans from four Kentucky postsecondary institutions offering graduate programs in public health), the Commissioner for Public Health, and the Council on Postsecondary Education to implement the Strategic Plan for Public Health Education and Research (approved by the Council in July 2004). The staff recommends that the Council request $500,000 of recurring funds in 2006-07 to support curricula development tailored to the needs of the current public health workforce and expand online access to public health courses and degrees by students and public health workers. Benefits of this program include a highly trained public health workforce, researchers with increased access to external funding, and a healthy population.

Academic Innovation and Collaboration Grants Program. Across the nation, postsecondary enrollment increases and competition for General Fund resources are driving campus officials to seek collaborative approaches for developing new, more efficient ways to deliver academic programs. If Kentucky's postsecondary system is to fulfill its commitment to create a workforce that supports a knowledge-based economy, it must partner with public- and private-sector organizations to develop academic programs that serve the needs of business and industry and are accessible to those who need them. The Academic Innovation and Collaboration Grants Program will encourage proposals designed to stimulate partnerships among postsecondary institutions, and public- and private-sector organizations to develop academic programs that address current and projected workforce needs. The program will also entertain proposals that increase the capacity of high demand programs through development of nontraditional delivery approaches which incorporate competency-based assessment and course redesign principles. The staff recommends that the Council request $400,000 of recurring funds in 2006-07 to support this program.

(6) Postsecondary Workforce Development Trust Fund ($4 million)

The staff recommends that the Council request $500,000 of nonrecurring funds in 2006-07 and $3.5 million of recurring funds in 2007-08 to support a new Workforce Development/Transfer Program housed in the Postsecondary Workforce Development Trust Fund.

Workforce Development/Transfer Program. The principal aims of this program are to encourage private support of public postsecondary workforce development and transfer initiatives, to support the transfer of baccalaureate degree-seeking, KCTCS associate degree completers to Kentucky public and independent colleges, and to bolster KCTCS workforce development and transfer programs in areas of strategic benefit to the Commonwealth. Program funds will be allocated and distributed based on 2006-08 Workforce Development/Transfer Program Guidelines that will be presented to the Council in January 2006.

Staff preparation by Sandra Woodley and Bill Payne

SECTION D

Special Initiatives/Pass-Through Programs

2006-08 Budget Recommendation
Special Initiatives/Pass-Through Programs

Special Initiative Funding Program

The Commonwealth of Kentucky's postsecondary education funding approach provides institutions an opportunity to submit requests for special and meritorious initiatives not funded through base budgets, capital requests, or the incentive trust funds. This past July, the Council approved the 2006-08 Special Initiative Funding Request Guidelines and Evaluation Criteria that were used to evaluate 28 institutional requests. Based on that evaluation, the staff recommends eight programs to advance statewide reform, totaling $500,000 in 2006-07 and an additional $4.3 million in 2007-08.

Special Initiative	FY 2006-07	FY 2007-08
Commonwealth Center for Instructional Technology and Learning (EKU)		$500,000
Kentucky Early College (MoSU, KCTCS)		100,000
Improved Student Services at Regional Campuses (MoSU)		300,000
2+2 Middle School Math and Science Teacher Preparation Program (MuSU)		200,000
Academic Transformation (NKU)		300,000
Kentucky Academy of Math and Science (WKU)	$500,000	1,500,000
University Center of the Mountains (KCTCS)		900,000
Kentucky School of Craft (KCTCS)		500,000
TOTAL	$500,000	$4,300,000

Commonwealth Center for Instructional Technology and Learning. This center, housed at EKU, will create a Web-based delivery system that provides a wide range of evidence-based PK-12 instructional interventions, curricular and instructional strategies, as well as Web-based advisors to Kentucky's teachers. The staff recommends that the Council request $500,000 of recurring funds in 2007-08 to support the center.

Kentucky Early College. This is a collaborative project among MoSU, KCTCS (Big Sandy CTC), and the Pike County Board of Education. It entails establishing an Early College at Pike County Central High School that will allow participating students to earn up to two years of college credit while in high school. The project also includes distance learning for teacher professional development. The staff recommends that the Council request $100,000 of recurring funds in 2007-08 to support the Early College.

Improved Student Services at Regional Campuses. This initiative will allow MoSU to appoint experienced student counselors at each of its five regional campuses. Currently these campuses do not have sufficient staffing to counsel students in financial aid or study skills or to provide other key student services. The staff recommends that the Council request $300,000 of recurring funds in 2007-08 to support this project.

2+2 Middle School Math and Science Teacher Preparation Program. This program will support MuSU efforts to increase the number of certified teachers in critical shortage areas (i.e., middle-school math and science) by enhancing 2+2 baccalaureate program offerings in Henderson, Hopkinsville, Madisonville, and Paducah. Program funding will be used to hire full-time assistant professors to teach math and science portions of program curricula. This program will afford nontraditional students the opportunity to complete baccalaureate degrees in their local communities and will enhance collaboration between the university, public schools, and community colleges in the region. The staff recommends that the Council request $200,000 of recurring funds in 2007-08 to support the Teacher Preparation Program.

Academic Transformation. This program supports a universitywide initiative aimed at transforming the ways in which courses are designed and taught at NKU. The purposes of the program are to reduce costs, expand capacity, and improve student learning and success. The staff recommends that the Council request $300,000 of recurring funds in 2007-08 to support academic transformation at NKU.

Kentucky Academy of Math and Science. The academy is a residential, early-admissions program for high school-aged Kentucky students who are high achievers, interested in mathematics and science. Its mission is to allow young people who are gifted in math and science to continue learning at challenging levels and to help meet the Commonwealth's need for leadership in STEM careers. The staff recommends that the Council request $500,000 of recurring funds in 2006-07 and an additional $1,500,000 of recurring funds in 2007-08 to support the academy.

University Center of the Mountains. The University Center of the Mountains gives citizens of southeast Kentucky direct access to a public four-year education. The absence of a conveniently located university has limited access in this region to bachelor's and master's degrees. The staff recommends that the Council request $900,000 of recurring funds in 2007-08 to support the University Center of the Mountains.

Kentucky School of Craft. The School of Craft is a regional community collaboration and partnership that will provide training for various craft skills, which is a critical component of the economic development plan of Hindman and Knott County. The staff recommends that the Council request $500,000 of recurring funds in 2007-08 to support the Kentucky School of Craft.

Council Initiatives/Pass-Through Programs

The Council on Postsecondary Education has been designated as the receiving agency for several programs and activities with appropriations ultimately intended for postsecondary education institutions, other state agencies, or independent organizations. These initiatives are monitored by the Council, while their day-to-day administration is, for the most part, directed by outside entities. For convenience, these programs and activities are grouped under the heading of "pass-through" programs.

The staff recommends that the Council request $1,660,700 of recurring funds in 2006-07 and an additional $5,835,500 of recurring funds in 2007-08 for various Council initiatives and pass-through programs, including an Retention/Affordability Initiative, a Commonwealth of Kentucky Principal Leadership Institute, Contract Spaces, the Governor's Minority Student College Preparation Program, the SREB Doctoral Scholars Program, and the Kentucky Early Math Testing Program.

CPE Initiative/Pass-Through Program	FY 2006-07	FY 2007-08
Retention/Affordability Initiative	$0	$4,000,000
Commonwealth of Kentucky Principal Leadership Institute	500,000	1,500,000
Contract Spaces	586,800	335,500
Governor's Minority Student College Preparation Program	240,500	0
SREB Doctoral Scholars Program	233,400	0
Kentucky Early Math Testing Program	100,000	0
TOTAL	$1,660,700	$5,835,500

Retention/Affordability Initiative. This initiative supports public postsecondary institution efforts to address issues related to questions 1, 2, and 3 of the public agenda. Funding is targeted for strategies directed toward low income students and populations. Specific challenges are inherent for those institutions serving low-income populations and, in order to reach the goals of HB 1, additional support is necessary to bolster efforts to enroll, retain, and graduate at risk populations. The staff recommends that the Council request $4 million of recurring funds in 2007-08 to support this initiative to be distributed as follows:

Institution	Distribution
Eastern Kentucky University	$1,048,600
KCTCS	260,200
Kentucky State University	247,100
Morehead State University	1,008,400
Murray State University	353,500
Northern Kentucky University	181,300
University of Kentucky	177,800
University of Louisville	197,000
Western Kentucky University	526,100
TOTAL	$4,000,000

The funds are to be used by the institutions for the following activities:
- Recruitment program enhancements targeted to low income students and specifically to populations in the service regions not represented at average rates at the institution.
- Targeted need-based financial aid packages.
- Partnering programs with adult education programs and high schools especially in targeted counties.
- Increase marketing efforts to raise public awareness of financial aid and scholarships, financial aid workshops targeted to underserved area of the service regions.
- Implement campus-level assessments of student access and affordability using matriculation and persistence surveys.

Commonwealth of Kentucky Principal Leadership Institute. This is a collaborative enterprise among Kentucky universities that have education leadership programs to improve K-12 student learning by providing specialized training to the next generation of public school principals. Anticipated program benefits include increased student achievement, reduced achievement gaps, and higher graduation rates. Program funds will be used for program planning and design, salaries and benefits for institute personnel, and participant costs. The staff recommends that the Council request $500,000 of recurring funds in 2006-07 and an additional $1.5 million in 2007-08 to support the Principal Leadership Institute. The Council staff will issue a Request for Proposal to determine the governance, curricula, and organization of the institute.

Contract Spaces. The Commonwealth of Kentucky does not have professional schools in veterinary medicine or optometry. The purpose of the contract spaces program is to provide Kentucky students with access to specialized training at professional programs in other states through contracts with SREB and Indiana University. A fixed number of entering spaces for Kentucky students is reserved, and students selected to enroll in these programs are required to pay only the equivalent of in-state tuition at the host institution. To reserve these spaces and help defray costs, the Commonwealth pays a contract fee per space to each participating institution. The staff recommends that the Council request $586,800 of recurring funds in 2006-07 and an additional $335,500 of recurring funds in 2007-08 to replace restricted funds that were used to fully fund veterinary medicine and optometry contract spaces in 2005-06 (i.e., $282,400 of the amount requested in 2006-07) and to fund tuition rate increases at host institutions, while maintaining current levels of participation for Kentucky students (i.e., $304,400 in 2006-07 and $335,500 in 2007-08).

Governor's Minority Student College Preparation Program. This program was established in 1988 to pursue several objectives: (a) provide academic enrichment activities for middle- and high-school minority students; (b) encourage these students to stay in school and enter college; (c) make young African Americans aware of the benefits of college and make them more likely to consider college as an achievable option; and (d) prepare these students to be successful in college-level work. The program emphasizes early intervention at the high-school level to increase the pool of minorities interested in attending and prepared to do well in college. Preparation activities include: (a) academic enrichment classes in English, math, and computer science; (b) field trips to colleges and universities to familiarize students with the collegiate environment; (c) counseling, tutoring, and test-taking experiences to help students overcome academic deficiencies; and (d) intensive on-campus summer experiences. The staff recommends that the Council request $240,500 of recurring funds for this program in 2006-07, to replace nonrecurring sources of funding used in 2005-06 (i.e., $105,500 of the amount requested in 2006-07) and to support each program at a minimum operating level of $20,000 (i.e., $135,000 of the amount requested in 2006-07).

SREB Doctoral Scholars Program. This program is a cooperative, interstate venture that encourages minority students to enroll in and complete doctoral degree programs. Its principal aim is to increase the number of minority individuals employed as college faculty and administrators by increasing the available pool of minority-candidate, doctoral degree completers. Students are provided scholarships and other financial support to attend institutions throughout the southern United States and in some mid-western states, as well. The staff recommends that the Council request $233,400 of recurring funds for the SREB Doctoral Scholars Program in 2006-07 to replace nonrecurring sources of funding used in 2005-06 (i.e., $188,400 of the amount requested in 2006-07) and to cover cost increases for students already in the program, going from $17,000 to $20,000 each per year (i.e., $45,000 of the amount requested in 2006-07).

Kentucky Early Math Testing Program. This program supports a statewide online diagnostic test to help high school students identify academic deficiencies that they should correct before entering college to avoid the need for postsecondary remediation. Administered by Northern Kentucky University with online capacity through the University of Kentucky, it is offered each fall and spring to all Kentucky high school students free of charge and on a voluntary basis. The program is nationally recognized and other states are using its test structure, content, and online features as models. The staff recommends that the Council request $100,000 of recurring funds for the Kentucky Early Math Testing Program in 2006-07, to replace non-recurring sources of funding used in 2005-06 (i.e., $50,000 of the amount requested in 2006-07) and to expand the program to serve more students (i.e., $50,000 of the amount requested in 2006-07).

Staff preparation by Sandra Woodley and Bill Payne

SECTION E

Capital

2006-08 Capital Budget Recommendation

The Council staff recommends $15 million in state bonds to fund the capital renewal, replacement and maintenance pool to address approximately $215.6 million of capital renewal and deferred maintenance projects that were identified by institutions. Including the required match from the institutions, $25.3 million in capital projects would be funded through this program, leaving $190.3 million of unmet deferred maintenance need across the system. Debt service for the bonds is included in the Physical Facilities Trust Fund. Only projects involving educational and general facilities are eligible for funding from the pool. The projects would be authorized in 2006-07. Projects eligible for funding from the pool are included in Table 1. The $15 million will be allocated among the institutions based on their proportionate share of educational and general space as of fall 2004. See Table 1-A for specific pool allocation guidelines and required institutional match.

The Council staff recommends $25 million in state bonds to fund an information technology and equipment purchase pool. Debt service for the bonds is included in the Technology Trust Fund. Only projects involving educational and general activities and the Kentucky Virtual University are eligible for funding from the pool. The projects would be authorized in 2006-07. Approximately $260.7 million in projects are eligible for funding from the pool and are included in Table 2. The institutions would receive $15 million of the $25 million to upgrade and replace campus based technology and instructional equipment needs leaving an unmet need of $235.7 million. The $15 million will be allocated among the institutions based on their proportionate share of 2003-04 actual unrestricted instruction expenditures or a base allocation of $500,000. See Table 2-A for specific pool allocation guidelines.

The Council staff also recommends $467,142,700 of state bonds to construct new space and to renovate existing facilities (Table 3). The combination of state bonds and institutional funds will address $511 million of new construction and renovation projects. Two categories of projects are addressed: education and general facilities in the amount of $296,820,700 and research and economic development projects costing $170,322,000. Included among the projects identified for renovation is $4,920,000 for Hathaway Hall, Phase III, at Kentucky State University. The project is needed to fulfill the commitment of the Commonwealth in its Partnership Agreement with the U.S. Department of Education, Office for Civil Rights. The Council staff's recommendations for state funded capital projects are based on evaluation using the statewide capital projects evaluation model, the space need model, institutional project priorities, and review by the Council's architect. The statewide capital projects evaluation model results (Table 3-A and 3-B), the space needs model results, and the Banks Report on project phasing are available on the Council's Web site.

The Council staff also recommends institutionally funded capital projects that support the objectives of *The Kentucky Postsecondary Education Improvement Act of 1997* and the *Public Agenda for Postsecondary and Adult Education 2005-2010*. The Council staff recommends the following 2006-08 agency-funded projects:

- 2006-07 authorization of $488,715,000 in agency bond authority. This allows authorization and completion of each institution's highest priorities for agency bond funded capital projects. The total value of projects identified for completion in this category from all sources is $542,915,000. The specific projects recommended for authorization and funding are listed in Table 4.
- 2006-07 authorization for $1,631,145,158 in agency, federal, private, and other funds projects to address life safety, major maintenance, equipment acquisitions, infrastructure repair and upgrades, and new construction. These projects would be funded using agency, federal, private, or other nonstate funds. These projects are shown in Table 5.
- 2006-07 authorization for nine agency-funded projects to improve energy efficiency in campus buildings including energy equipment acquisitions and infrastructure repair and upgrades. These projects would be funded using third party financing techniques available through the Finance and Administration Cabinet and private contractors or other nonstate funds. These projects are shown in Table 6.

Staff preparation by Sherron Jackson

TABLE 1

Capital Projects Recommendations
Capital Renewal, Replacement and Maintenance Pool
Projects Eligible for Funding

Institution and Project Title		Project Scope
Eastern Kentucky University		
1 Construct E&G Life Safety Begley Elevator	$	750,000
2 Miscellaneous Maintenance Pool - E&G		10,000,000
Subtotal - EKU	$	10,750,000
Kentucky State University		
1 Capital Renewal & Maintenance Pool	$	1,899,000
2 Roof Repairs & Replacement Pool		1,920,000
3 Life Safety Upgrade Pool		1,040,000
Subtotal - KSU	$	4,859,000
Kentucky Community and Technical College System		
1 Capital Renewal & Deferred Maintenance Pool	$	15,000,000
Subtotal - KCTCS	$	15,000,000
Morehead State University		
1 Expand Life Safety: Claypool - Young Bldg.	$	600,000
2 Comply with ADA - E&G		1,700,000
3 Capital Renewal & Maintenance Pool - E&G		3,480,000
4 Replace Boiler Tubes		800,000
5 Replace Power Plant Pollution Control System		3,540,000
Subtotal - MoSU	$	10,120,000
Murray State University		
1 Complete Capital Renewal: E&G Pool < $400,000	$	12,457,000
2 Complete Life Safety Project: E&G Pool < $400,000		590,000
3 Complete ADA Compliance: E&G Pool < $400,000		3,092,000
Subtotal - MuSU	$	16,139,000
Northern Kentucky University		
1 Replace Power Distribution Infrastructure	$	4,800,000
2 Restore Albright Center Roof		680,000
3 Replace BEP Center Roof		680,000
4 Replace Air Handlers		980,000
5 E&G Minor Projects Pool 2006-2008		3,200,000
6 Replace Elevators Landrum Hall/Lucas Administration Center		990,000
7 Repair Structural Floor Heaving/E&G Buildings		4,000,000
8 Replace E&G Fire Alarm Systems		1,400,000
Subtotal - NKU	$	16,730,000
University of Kentucky		
1 Improve Life Safety Project Pool	$	4,650,000
2 Upgrade Pharm. Fume Hoods I - Life Safety		5,040,000
3 Upgrade Elevator Controls in Nursing Building		740,000
4 Upgrade Fume Hoods TH Morgan - Life Safety		3,188,000
5 Upgrade HVAC - CAER Ph. III - Life Safety		910,000
6 Improve IAQ - Phase I - Life Safety		500,000
7 Abate Asbestos LC II - Life Safety		500,000

TABLE 1

Capital Projects Recommendations
Capital Renewal, Replacement and Maintenance Pool
Projects Eligible for Funding

Institution and Project Title	Project Scope
8 Improve Accessibility Project Pool	437,000
9 Replace Steam and Condensate Pipe	5,500,000
10 Replace Central Fire Alarm System	2,500,000
11 Repair Concrete Phase I General Campus	750,000
12 Repair Blacktop Phase I General Campus	750,000
13 Replace High Voltage Wiring	775,000
14 Replace McVey Hall HVAC	3,520,000
15 Replace Mathews Building HVAC	1,438,000
16 Replace HVAC Slone Building	2,917,000
17 Replace HVAC Kastle Hall	3,100,000
18 Replace Fine Arts HVAC	4,500,000
19 Replace Three Elevators MI King South	1,130,000
20 Replace Steam Line MC Htg - Hosp Drive Pit 2	2,114,000
21 Replace Steam Line Lime Tunnel - Main Gate Pit	3,100,000
22 Replace Steam Line Lime Tunnel - POT Tunnel	1,060,000
23 Replace Steam Line Main Gate Pit-Anderson Pit	2,750,000
24 Replace Steam Line Kastle -Chem/Phys Pit 28	775,000
25 Capital Renewal Maintenance Pool Phase 1	31,607,000
26 Improve Oswald Building, Capital Renewal	1,600,000
27 Upgrade Fume Hood in Sanders Brown-Life Safety	2,600,000
28 Replace Air Handling Units in Research # 1	1,935,000
29 Replace Air Handling Units Central Computing Facility	600,000
30 Upgrade AHUs - Med Ctr Campus	2,000,000
Subtotal - UK	$ 92,986,000
University of Louisville	
1 Capital Renewal and Maintenance Pool	$ 22,000,000
2 Renovate - Code Improvement Pool	3,191,000
3 Baghouse Collector - for Coal Fired Boilers	2,000,000
Subtotal - UofL	$ 27,191,000
Western Kentucky University revised 9.13.05	
1 Renovate Ag. Expo Center HVAC System	$ 930,000
2 Replace Steam Line	3,000,000
3 Miscellaneous Maintenance Pool	10,195,000
4 Renovate ES&T HVAC & Electrical Systems	2,000,000
5 Renovate Electrical Distribution - Phase V	4,500,000
6 Renovate Ag. Expo Center HVAC System	930,000
7 Renovate Faculty House - (Structural Problems)	500,000
Subtotal - WKU	$ 22,055,000
System Total	$ 215,830,000

TABLE 1-A

Capital Renewal, Replacement and Maintenance Program
Baseline Data for Preventive Maintenance Program
2006-08 Recommendation and Pool Allocation

Institution Name	Avg. Percentage Useful Life	Total E & G Square Footage	Share of E&G Space	Allocation of Bond Proceeds 2006-08 Bond Pool CRDM Program	Req. Institutional Match
EKU	143.68	1,667,254	9.7%	$ 1,457,400	$ 1,020,200
KCTCS	139.67	3,920,092	22.8%	3,426,800	2,398,800
KSU	106.68	455,807	2.7%	398,400	358,600
MoSU	141.30	858,394	5.0%	750,400	525,300
MuSU	145.00	1,215,625	7.1%	1,062,600	743,800
NKU	123.04	1,024,421	6.0%	895,500	716,400
UK Main Campus	183.53	4,245,165	24.7%	3,710,900	2,226,500
UofL	140.47	2,535,924	14.8%	2,216,800	1,551,800
WKU	146.41	1,236,669	7.2%	1,081,000	756,700
Total		17,159,351	100.0%	$ 14,999,800	$ 10,298,100

Recommended Pool Amount	$ 15,000,000
Total Projects Completed	$ 25,297,900

Average Useful Life	Match Rate
1. Useful Life History: Less Than 90% of expected useful life	$ 1.00
2. Useful Life History: Greater than 90% but less than 110% of expected useful life	0.90
3. Useful Life History: Greater than 110% but less than 130% of expected useful life	0.80
4. Useful Life History: Greater than 130% but less than 150% of expected useful life	0.70
5. Useful Life History: Greater than 150% of expected useful life	0.60

TABLE 2

Capital Projects Recommendations
Information Technology/Equipment Purchase Pool
Projects Eligible for Funding

Institution/Institution Priority / Project Title		Project Scope
Eastern Kentucky University		
1	Expand, Upgrade Campus Data Network	$ 13,212,000
2	Purchase Networked Education System Component	6,950,000
3	Upgrade Academic Computing	4,900,000
4	Upgrade Administrative Computing System	3,150,000
	Subtotal - EKU	$ 28,212,000
Kentucky State University		
1	KSU Online Infrastructure Upgrades	$ 2,190,000
2	KSU Online Security	1,500,000
3	KSU Online Voice-Centrex Replacement	587,000
	Subtotal - KSU	$ 4,277,000
Kentucky Community and Technical College System		
1	KCTCS Information Technology Infrastructure Upgrade - KCTCS System	$ 12,000,000
2	KCTCS Equipment Pool - KCTCS System	20,000,000
	Subtotal - KCTCS	$ 32,000,000
Morehead State University		
1	Upgrade and Expand Distance Learning	$ 1,500,000
2	Purchase Instructional Tech Initiatives	1,621,600
3	Upgrade Instruct. PCs/LANs/Peripherals	5,000,000
4	Upgrade Administrative Office Systems	2,500,000
5	Purchase Instructional and Support Equipment	620,000
6	Enhance Library Automation Resources	670,000
7	Purchase ICP-OES	110,000
8	Enhance Network/Infrastructure Resources	4,750,000
	Subtotal - MoSU	$ 16,771,600
Murray State University		
1	Central Processing Computer System Upgrade	$ 522,000
2	Telephone Switching System	1,525,000
3	Online Centralized Data Access / Warehouse	520,000
4	Campus Backbone 10 GigE Upgrade	775,000
5	Administrative Enterprise Resource Planning System	8,000,000
6	Centralized Technology Refresh Program	2,600,000
	Subtotal - MuSU	$ 13,942,000

TABLE 2

Capital Projects Recommendations
Information Technology/Equipment Purchase Pool
Projects Eligible for Funding

Institution/Institution Priority / Project Title		Project Scope
Northern Kentucky University		
1	Enhance Info Technology Infrastructure	$ 2,900,000
2	Enhance Instructional Info Technology	3,800,000
3	Direct Image Platesetter	150,000
4	Large Format Color Press	325,000
5	Purchase Computer Information Security Lab	150,000
6	Purchase Integrated Media Lab	250,000
7	Purchase Integrated Econometric Modeling & GIS	150,000
8	Purchase Digital Radiology Equipment	100,000
9	Purchase Calorimetry Instrumentation	185,000
10	Purchase ICP – Mass Spectrometer	195,000
11	Purchase Concrete Testing Equipment	175,000
12	Purchase Patient Adult Simulator	140,000
13	Purchase FT-IR and Raman Microscope	275,000
14	NKU Equipment Pool	600,000
15	Purchase Nursing Lab Equipment	185,000
16	Purchase Climbing Wall	110,000
17	Purchase Mobile Science Lab	300,000
18	Purchase Material Strength Testing Equipment	275,000
19	Purchase Ropes Challenge Course	125,000
20	Purchase Field Emission Microscope	380,000
	Subtotal - NKU	$ 10,770,000
University of Kentucky		
1	Lease/Purchase ERP System - Phase II	$ 20,000,000
2	Purchase Pharmaceutical Analysis System	200,000
3	Lease Purchase High Performance Research Computing	6,500,000
4	Lease Purchase Large Scale Computing	3,500,000
5	Lease Purchase Enterprise Storage System	1,200,000
6	Lease Purchase Campus Infrastructure Upgrade	3,500,000
7	Replace Hospital Mainframe Computer	800,000
8	Expand Hospital Data Storage	600,000
9	Lease Purchase Data Warehouse	600,000
10	Expand Kentucky Clinic Network	800,000
11	Install Perioperative Information Management System	1,200,000
12	Install Fetal Monitoring Information System	1,200,000
13	Lease Purchase Tape Library	500,000
14	Implement Medication Bar Coding System	1,750,000
15	Upgrade PACS System	2,000,000
16	Purchase Upgraded Integrated Library System	700,000
17	Replace Radiology Information System	2,000,000
18	Implement On-Site Digital Radiology Archive	700,000
19	Purchase Police Communications Equipment	600,000

TABLE 2

Capital Projects Recommendations
Information Technology/Equipment Purchase Pool
Projects Eligible for Funding

Institution/Institution Priority / Project Title	Project Scope
20 Implement PACS System in Hospital O.R.	800,000
21 Lease Purchase Network Security Hardware	1,500,000
22 Implement Automated Bed Management System	1,000,000
23 Lease Purchase Telephone Switch Convergence	12,000,000
24 Purchase Digital Media Distribution System	186,000
25 Lease Purchase Unix Cluster	600,000
26 Lease Purchase Video Switch Expansion	250,000
27 Purchase Integrated Imaging System	130,000
28 Purchase Network Infrastructure Restructuring	160,000
29 Purchase GIS Remote Sensing Teaching Lab	160,000
30 Purchase Redundant Disk Server System	170,000
31 Purchase Shared Desktop Environment	250,000
32 Lease Purchase UK/UofL/Frankfort Research Network	6,000,000
33 Purchase Patient System Enterprise	4,640,000
34 Purchase Upgrade for Servers	800,000
35 Purchase Upgrade - HIS Computing Facil.	2,900,000
36 Purchase Compressed Video-Hazard	141,000
37 Purchase Clinical System Enterprise	5,800,000
38 Purchase Computing Infrastructure Update	2,500,000
39 Purchase Data Storage Facility Upgrade	750,000
40 Purchase Dig. Medical Record Expansion	4,640,000
41 Purchase Managed Care Enterprise	1,160,000
42 Purchase Data Storage Equip & Software I	500,000
43 Purchase Telecommunications Equipment I	250,000
44 Purchase PACS Data Storage Equip & Software	500,000
45 Purchase Patient Classification Equipment	260,000
46 Purchase IS Security Equipment I	150,000
47 Purchase Data Center Printers I	350,000
48 Purchase Data Storage Equip & Software II	250,000
49 Purchase Telecommunications Equipment II	200,000
50 Purchase Mainframe Computer	400,000
51 Purchase IS Security Equipment II	150,000
52 Purchase Fiber Channel Network System	200,000
53 Purchase Data Center Printers II	300,000
54 Purchase Knowledge-based Transcription	450,000
55 Purchase Knowledge-based Charting System	400,000
56 Purchase Consumer Web Interaction System	400,000
57 Purchase Data Storage Equip & Software III	150,000
58 Purchase Telecommunications Equipment III	150,000
59 Purchase Comm. Infrastructure in Young Library	1,014,000
60 Purchase Dentistry Patient Mgmt System-Phase II	3,000,000
61 Purchase Pharmaceutical Analysis System	200,000

TABLE 2

Capital Projects Recommendations
Information Technology/Equipment Purchase Pool
Projects Eligible for Funding

Institution/Institution Priority / Project Title		Project Scope
62	Lease Purchase High Performance Research Computing	6,500,000
63	Purchase Integrated Imaging System	130,000
64	Lease Purchase UK/UofL/Frankfort Research Network	6,000,000
	Subtotal - UKMC	$ 116,791,000
University of Louisville		
1	Purchase - Enterprise Application System	$ 2,000,000
2	Purchase - Networking System	3,000,000
3	Purchase - Computer Processing System	2,000,000
4	Lease - Digital Output System	1,000,000
5	Lease/Purchase - Visualization System	1,000,000
6	Purchase - Biocontainment Cage Autoclave	125,000
7	Purchase - Cage Washing Equipment	525,000
8	Purchase - Ciphergen Protein Chip Biology System	300,000
9	Purchase - Confocal Live Cell Imaging Station	450,000
10	Purchase - Digital Communications System	4,000,000
11	Purchase - Digital Micro-Luminography System	135,000
12	Purchase - Electronic Research Information System	1,080,000
13	Purchase - Equipment Replacement Research & Inst	5,000,000
14	Purchase - Four Temperature & Humidity Control	150,000
15	Purchase - High Resolution SEM with Backscatter	316,000
16	Purchase - HRDS Computer	700,000
17	Purchase - Intermediate Voltage Transmission Ele	605,000
18	Purchase - Library Chairs and tables	100,000
19	Purchase - Linux Cluster Computer System	125,000
20	Purchase - MALDI-TOF - TOF Mass Spectrometer	250,000
21	Purchase - Multi-Photon Confocal Microscope	200,000
22	Purchase - New Computers for CBPA	300,000
23	Purchase - Olympus FV1000 Confocal	314,000
24	Purchase - PC's Printers, Scanners	200,000
25	Purchase - Radiographic Fluoroscopic X-Ray System	350,000
26	Purchase - Robotic Cranes (2) for Automated Book	1,700,000
27	Purchase - Storage System	1,000,000
	Subtotal - UofL	$ 26,925,000
Western Kentucky University		
1	Convert WKUY-NPR and WKUY-PS to Digital	$ 500,000
2	Upgrade IT Infrastructure	500,000
	Subtotal - WKU	$ 1,000,000
Total Institutions		$ 250,688,600
Council on Postsecondary Education		
1	Statewide Software License Pool	$ 500,000
2	Purchase KYVL Integrated Library System	4,000,000
3	Purchase Knowledge Resource Management System	5,000,000
4	Interactive Video Conferencing System	500,000
	Subtotal - CPE	$ 10,000,000
System Total		$ 260,688,600

TABLE 2-A

2006-08 Capital Projects Request
Information Technology and Equipment Purchase Pool
Recommendation and Pool Allocation Guidelines

Institution	2003-04 Actual Unrestricted Expend. for Instruction	Share of Total Unrest. Instr.	Share of IT/Equip Pool	% Share $15M Pool
Eastern Kentucky University	$ 62,170,400	$ 0.08	$ 1,180,022	7.87
Kentucky Community & Technical College System	133,829,869	0.18	2,540,151	16.93
Kentucky State University	13,651,496		500,000	3.33
Morehead State University	36,449,300	0.05	691,824	4.61
Murray State University	40,622,100	0.05	771,026	5.14
Northern Kentucky University	45,015,000	0.06	854,405	5.70
University of Kentucky	219,134,988	0.29	4,159,280	27.73
University of Louisville	161,679,392	0.21	3,068,747	20.46
Western Kentucky University	65,042,989	0.09	1,234,545	8.23
Subtotal	$ 763,944,038	$ 1.00	$ 15,000,000	100.00
CPE/KYVU/KYVL Technology Refresh			10,000,000	
Total - IT & Equipment Pool	$ 763,944,038	$ 1.00	$ 25,000,000	100.00

Notes:

1 Minimum base allocation for any institution is $500,000.

2 The funds are to be used to upgrade and replace instructional and information technology equipment.

3 The equipment will have an expected average useful life of seven years or less.

4 The $15 million pool is allocated proportionately among the institutions based on 2003-04 actual unrestricted instruction expenditures or a minimum allocation of $500,000.

5 If funds are to be expended for research equipment, those funds must be matched dollar for dollar.

6 Institutions must certify that at least their 2003-04 level of actual unrestricted instruction expenditures for information technology and equipment will be maintained.

TABLE 3

Council on Postsecondary Education
General Fund Capital Project Priorities
Recommendation 2006-08

System Priority	Institution/Project Name	Total Scope	General Funds	Other Funds	Estimated Debt Service
Project Category: Current Infrastructure Repairs/Replacement/Improvements					
1	Capital Renewal, Replacement and Maintenance Pool	$ 15,000,000	$ 15,000,000		$ 1,578,000
2	Information Technology/Instructional Equipment Purchase Pool	25,000,000	25,000,000		5,035,000
	Total - Infrastructure, Repairs, Replacement & Improvements	$ 40,000,000	$ 40,000,000	$ -	$ 6,613,000
Project Category: E&G and Postsecondary Ed Center Projects					
1	MoSU Construct Center for Health, Education, and Research (1)	$ 20,000,000	$ 15,000,000	$ 5,000,000	$ 1,578,000
2	KCTCS Construct Science/Allied Health Bldg Jefferson Community (2)	25,557,000	25,557,000		2,687,000
3	KCTCS Construct Allied Health/Tech Ed Bldg, Somerset CC Laurel (3)	13,815,000	13,815,000		1,453,000
4	NKU Renovate Old Science Building (1)	15,000,000	15,000,000		1,578,000
5	MuSU Construct New Science Complex Phase III(1)	15,000,000	15,000,000		1,578,000
6	WKU Renovate Science Campus, Phase III (2)	7,000,000	7,000,000		737,000
7	NKU Construct Health Innovation Center (3)	20,085,000	20,085,000		2,111,200
8	KSU Hathaway Hall Renovation, Phase III (1)	4,920,000	4,920,000		520,000
9	EKU Construct Science Building (1)	54,107,950	54,107,950		5,687,500
10	NKU Construct Center for Informatics (2)	23,075,000	23,075,000		2,289,300
11	UK Construct Gatton Building Complex (2)	79,289,750	40,452,750	38,837,000	4,252,300
12	EKU/UK Dairy Research Project (Meadowbrook) (2)	5,300,000	5,300,000		559,000
13	UofL Renovate Life Sciences Building (4)	18,240,000	18,240,000		1,918,000
14	KCTCS Construct Emerging Tech Cntr West KY Comm & Tech (1)	16,518,000	16,518,000		1,737,000
15	WKU Replace College of Education - Tate Page Hall Building (1)	22,750,000	22,750,000		2,391,350
	Total - (E&G) General Fund Projects Requested	$ 340,657,700	$ 296,820,700	$ 43,837,000	$ 31,076,650
Project Category: Research & Economic Development Projects @ 100%					
1	UK Construct Biological/Pharmaceutical Complex, Phase II (1)	$ 79,892,000	$ 79,892,000		$ 8,399,000
2	UofL Construct HSC Research Facility IV (1)	69,680,000	69,680,000		7,325,000
3	WKU Construct Materials Characteristics, Phase II (4)	4,500,000	4,500,000		476,000
4	MuSU Construct New Breathitt Veterinary Center (3)	16,250,000	16,250,000		1,708,200
	Total - (R&ED) General Fund Projects Requested	$ 170,322,000	$ 170,322,000	$ -	$ 17,908,200
Project Category: Project Planning and Design					
2	UK Construct Bio-Medical Research Building (4)	$ 95,000,000			$ 7,600,000
	Total - Planning & Design	$ 95,000,000	$ -	$ -	$ 7,600,000
	System Total - General Fund Projects Recommendation	$ 645,979,700	$ 507,142,700	$ 43,837,000	$ 63,197,850
	Total Estimated Annual Debt Service Amount				$ 55,597,850

TABLE 3-A

Statewide Capital Project Priorities Model
Priorities by Category (with evaluative criteria)

Revised: June 21, 2005

Project Category: Capital Renewal, Maintenance, and Life Safety
1. CPE request fund amount to be distributed to institutions on a matching basis.
2. There will not be a project listing in this category - the maintenance pool list will be used as in the past.

Project Category: Education and General Projects (New, Expansion, or Renovation)
1. The project directly supports HB 1 goals, the public agenda, and statewide economic development goals.
2. The project supports the institution's CPE approved mission and is a high priority.
3. Provides for the completion of projects authorized in a prior biennium and which, if not funded, will compromise the viability of the phased facility. (Based in evidence of intent.)
4. The postsecondary system Space Utilization Standards and Space Needs Model indicates a need for additional space or there is an explicit need to retool/remodel/replace existing space.
5. The project significantly reduces the capital renewal and maintenance burden and the institution has demonstrated good stewardship through evidence of facility renewal and facilities systems maintenance.

Project Category: Research and Economic Development (New, Expansion, or Renovation)
1. The project directly supports HB 1 goals, the public agenda, and statewide economic development goals.
2. The project supports the institution's CPE approved mission and is a high priority.
3. Provides for the completion of projects authorized in a prior biennium and which, if not funded, will compromise the viability of the phased facility. (Based in evidence of intent.)
4. The postsecondary system Space Utilization Standards and Space Needs Model indicates a need for additional space or there is an explicit need to retool/remodel/replace existing space.
5. The project significantly reduces the capital renewal and maintenance burden and the institution has demonstrated good stewardship through evidence of facility renewal and facilities systems maintenance.

Note:
The capital projects planning priorities model is implemented through a separate set of evaluation criteria.

TABLE 3-B

Capital Project Priorities Model
Project Evaluation Criteria

The evaluation criteria assesses the nature/intent of a project as described by the institution. They form the core factors that the system looks at to evaluate the relative position of each project as compared to the postsecondary system public agenda and CPE approved institution missions. All sub-criteria have equal weighting, except where specifically noted.

Institution/Project Name

1. The project directly supports HB 1 goals, the public agenda, and the statewide economic development goals.

a. Extent to which the project provides space for student instruction, enrollment growth, or direct support of the CPE approved program of national distinction.

b. Extent to which the project addresses space or infrastructure that directly supports statewide economic development goals or Workforce Development (KCTCS).

c. Extent to which the project addresses research in one of five new economy clusters, WFD, the RCTF, or RUETF goals of HB1.

d. Extent to which the project addresses space for applied research programs outside the new economy areas that addresses the economic and community needs of the institutions service area or workforce development (no KCTCS).

2. The project supports the institution's mission and is a high institutional priority.

a. The project addresses a specific area identified by the Council approved mission.

b. Extent to which the project addresses an existing program, program expansion, enrollment growth, institution service region, or a specific need of the region as identified by the public agenda.

c. Institutional project priority (Priority: #1 = 15 points; #2 = 12 points; #3 = 9 points; #4 = 6 points; and #5 = 3 points).

d. Extent to which project addresses public engagement, research, or economic development initiatives.

3. Projects providing for the completion of facilities authorized during a previous biennium and which, if not funded, will compromise the viability of the phased facility. (Based in evidence of intent by G. A, Governor, or CPE.)

a. The Governor, G.A., CPE, or institution stated an intent to phase a project and Phase I has been authorized and funded (planning, programming, schematic design, or site acquisition).

b. The project has not been authorized in a previous biennia but has been properly developed, programmed, has a schematic design, or is properly scoped.

4. The postsecondary system Space Utilization Standards and Space Needs Model indicates a need for additional space or there is an explicit need to retool/remodel/replace existing space.

a. Extent to which the project is retooling the facility for a different use, remodeling, renovating, or replacing space.

b. Extent to which the space needs model indicates a need for additional space for the use identified by the project request.

c. The project is on the national historic register or has other official historic status.

d. Extent to which construction of new space will free up space for a new use.

5. The project significantly reduces the capital renewal and maintenance burden and the institution has demonstrated good stewardship through evidence of facility renewal and facilities systems exceeding the manufacturer's suggested system life expectancies.

a. Extent to which the building system's history shows an average useful life of 90% or greater.

b. Extent to which the project is upgrading systems that have offsetting economies or efficiencies.

c. Extent to which the project is required for regulatory compliance, i.e., ADA, energy, fire, life safety, pollution/air quality, or earthquake, federal, state or local regulation, or citation by state or federal government regulatory agency.

d. Extent to which the project addresses structural or impending failure, flaws that have occurred as a result of improper design, construction, or materials failure.

TABLE 4

Capital Projects Recommendations
Agency Bond Authority
2006-08

Institution and Project Title	Project Scope	Agency Bonds	Institution or Other Funds	Revenue Stream For Debt Service	Board Action (2)	Status of Existing Fee (3)	Est. Date to Issue Debt
Eastern Kentucky University							
1 Construct New Student Housing	$ 10,520,000	10,520,000		Auxiliary Housing & Dining Fees	N/A	Available Now	May-07
Subtotal - EKU	$ 10,520,000	$ 10,520,000	$ -				
Kentucky State University							
1 Construct Parking Structure	$ 7,000,000	7,000,000		New Parking Fee	To be determined	N/A	December 2006
2 Construct New Residence Hall (Privatized)	20,000,000	20,000,000		New Housing Fee	To be determined	N/A	December 2007
Subtotal - KSU	$ 27,000,000	27,000,000	$ -				
Morehead State University							
1 Construct Student Recreation Center	$ 17,000,000	17,000,000		New Student Fee (Student Gov 5/2005)	Jun-05	Available Now	Dec-06
2 Construct Apartment Housing Complexes-Phase II	6,000,000	6,000,000		Revenue from Rental of Housing	Annually	Available Now	Dec-07
3 Construct Parking Structure	7,000,000	7,000,000		Sale of Aux. Goods/Services/Parking Fees	Annually	Available Now	Mar-08
4 Renovate Student Housing Facilities	10,000,000	10,000,000		Revenue from Rental of Housing	Annually	Available Now	Aug-06
Subtotal - MoSU	$ 40,000,000	40,000,000	$ -				
Murray State University							
1 Replace Richmond Hall	$ 13,077,000	13,077,000		Residential Housing Fees	May-05	Will increase fee	Sep-06
2 Renovate Waterfield Library	8,000,000	4,000,000	4,000,000	Student Mandatory Fee	May-05	Available Now	Jul-06
3 Replace Franklin Hall	13,077,000	13,077,000		Residential Housing Fees	To be determined	N/A	Sep-07
4 Renovate Curris Center and T-Room	750,000	750,000		Dining Fees	May-05	N/A	Sep-06
Subtotal - MuSU	$ 34,904,000	30,904,000	4,000,000				
Northern Kentucky University							
1 Construct New Student Union	$ 16,250,000	16,250,000		Student Fee	March 2003	Available Now	FY 2006-07
2 Construct Parking Garage #3	15,400,000	15,400,000		Parking Regis/Daily fees	To be determined		FY 2006-07
3 Construct Parking Garage #4	9,200,000	9,200,000		Parking Regis/Daily fees	To be determined		FY 2006-07
4 Expand Norse Commons	1,400,000	1,400,000		Resident Dining Fees	To be determined		FY 2006-07
Subtotal - NKU	$ 42,250,000	42,250,000	$ -				

TABLE 4

Capital Projects Recommendations
Agency Bond Authority
2006-08

Institution and Project Title	Project Scope	Agency Bonds	Institution or Other Funds	Revenue Stream For Debt Service	Board Action (2)	Status of Existing Fee (3)	Est. Date to Issue Debt
University of Kentucky							
1 Construct Patient Care Facility Phase II	$ 175,000,000	$ 150,000,000	$ 25,000,000	Hospital Revenue	December, 2004	N/A	December, 2006
2 Renovate Blazer Hall Cafeteria	3,010,000	3,010,000		Dining Income	June, 2005		September, 2006
3 Install HVAC in Keeneland Hall	7,013,000	7,013,000		Housing Income	June, 2005		September, 2006
4 Renovate Student Center Food Court	1,643,000	1,643,000		Dining Income	June, 2005		September, 2006
5 Renovate K-Lair Building	4,650,000	4,650,000		Dining Income	June, 2005		Undetermined
Subtotal - UK	$ 191,316,000	$ 166,316,000	$ 25,000,000				
University of Louisville							
1 Construct - Center for Predictive Medicine	$ 35,200,000	$ 13,000,000	$ 22,200,000		To be determined		
2 Construct - HSC Parking Structure II	26,113,000	26,113,000		Parking Revenue	To be determined		Sep-06
3 Construct - Residence Hall, 500 Bed	33,172,000	33,172,000		Housing Revenue	To be determined		Sep-06
4 Construct - Basketball Practice Facility, Phase II	16,140,000	16,140,000		Athletics (Private Funds)	To be determined		Jul-06
5 Renovate - Medical Dental Research Building - Phase IV	19,800,000	19,800,000		Institutional Funds	To be determined		Jul-06
Subtotal - UofL	$ 130,425,000	$ 108,225,000	$ 22,200,000				
Western Kentucky University							
1 Renovate Academic/Athletic #2	$ 28,500,000	$ 25,500,000	$ 3,000,000	Campus rebuilding fee	4/29/2005	Available	7/1/2006
2 Renovate Van Meter Hall	16,000,000	16,000,000		Campus rebuilding fee	4/29/2005	Available	7/1/2006
3 Renovate Ivan Wilson Center	8,000,000	8,000,000		Increase to campus rebuilding fee	Jan-06		7/1/2007
4 Expand Preston Center	10,000,000	10,000,000		Increase to campus rebuilding fee	Jan-06		7/1/2007
5 Acquire Prop. & Con. Parking	4,000,000	4,000,000		Line item in budget allocations, FY 06	6/17/2005	Budget line available	7/1/2006
Subtotal - WKU	$ 66,500,000	$ 63,500,000	$ 3,000,000				
System Total	$ 542,915,000	$ 488,715,000	$ 54,200,000				

Capital Projects Recommendations
Restricted Agency, Federal and Other Funds
2006-08

		Project Scope		Institution or Other Funds		Federal Other Funds
Eastern Kentucky University						
1	Arlington Renovation and Addition	$ 4,000,000	$	4,000,000		
2	Expand and Renovate Presnell Building	2,200,000		2,200,000		
3	Expand Indoor Tennis Facility	1,100,000		1,100,000		
4	Library Studio for Academic Creativity	1,500,000		1,500,000		
5	Purchase of Property	3,000,000		3,000,000		
6	Renovate Watts Property (Elmwood)	2,000,000		2,000,000		
	Subtotal - EKU	$ 13,800,000	$	13,800,000	$	-
Kentucky State University						
1	Construct Aquaculture Production Technologies Lab	$ 1,200,000	$	1,000,000	$	200,000
2	Expand Aquaculture Pond	1,430,000				1,430,000
3	Construct Land Grant Farm Projects (pavilion, welcome ctr, apiculture)	1,400,000				1,400,000
4	Construct Center for Families and Children (Rosenwald)	2,022,000				2,022,000
5	Renovate Jackson Hall	1,628,000		1,628,000		
6	Acquire Land Related to Campus Master Plan	2,000,000		2,000,000		
7	Construct Cntr for Training/Experiential Learning in Food and Ag. Science	2,755,000				2,755,000
	Subtotal - KSU	$ 12,435,000	$	4,628,000	$	7,807,000
Kentucky Community and Technical College System						
1	Const. Child Development Center - Henderson C&TC	$ 2,635,000	$	2,635,000		
2	Purchase Emergency Care Simulator - System	250,000		250,000		
3	Existing Lease Applied Technology Program - Henderson CTC	240,000		240,000		
4	Existing Lease Jefferson Education Center - Jefferson CTC	334,520		334,520		
5	Existing Lease Purchase - City of Versailles - KCTCS System Office	677,700		677,700		
6	New Lease Automotive MFG Training Center - Bluegrass CTC	200,000		200,000		
7	Renovation for Kentucky School of Craft - Hazard CTC	2,899,000		2,649,000	$	250,000
8	Greenspace Development, Mayo Campus - Big Sandy CTC	1,083,000		1,083,000		
9	Renovate Anderson Building - West KY CTC	1,395,000		1,395,000		
10	Renovate Simulated Mine, Harlan Campus - Southeast KY CTC	1,380,000		1,380,000		
11	Renovate Administration Building - Elizabethtown CTC	850,000		850,000		
12	Renovate Administration Building, Whitesburg Campus - Southeast KY CTC	898,000		898,000		
13	Renovate Administration Building, Maysville Campus - Maysville CTC	4,600,000		4,600,000		
14	Master Plan Development & Upgrade Pool, Systemwide	850,000		850,000		
15	KCTCS Property Acquisition Pool	5,500,000		5,500,000		
16	Const. Licking Valley Center, Phase II - Maysville CTC	3,959,000		3,959,000		
17	Purchase 329 CL Excavator - Hazard CTC	156,000		156,000		
18	Purchase 730 Articulated Truck - Hazard CTC	331,000		331,000		
19	Purchase 924G Loader - Hazard CTC	110,000		110,000		
20	Purchase DFG XL Bulldozer - Hazard CTC	100,000		100,000		
21	Purchase DSN XL Bulldozer - Hazard CTC	125,000		125,000		
22	Purchase Multi-Engine Aircraft - Somerset CC South Campus	1,645,000		1,645,000		
23	Renovate Gray Building, Main Campus - Madisonville CC	3,600,000		3,600,000		
24	KCTCS Information Technology Infrastructure Upgrade	12,000,000		12,000,000		
25	Complete Acquisition of KCTCS System Office & Expansion	10,000,000		10,000,000		
	Subtotal - KCTCS	$ 55,818,220	$	55,568,220	$	250,000
Morehead State University						
1	Construct Law Enforcement Complex	$ 5,215,000			$	5,215,000
2	Capital Renewal & Maintenance Pool-Auxiliary	1,618,000	$	1,618,000		
3	Comply with ADA - Auxiliary	1,200,000		1,200,000		
4	Acquire Land Related to Campus Master Plan	2,000,000		2,000,000		
5	Construct East KY Animal Science Ctr	8,000,000				8,000,000
6	Purchase Space Science Equipment and Furnishings	3,400,000		3,400,000		
7	Renovate Button Auditorium	3,000,000		3,000,000		
8	Construct Molecular Biology Student Lab	474,000		474,000		
9	Construct KY Mountain Crafts Center	5,434,000		5,434,000		
10	Expand Student Wellness Center	1,200,000		1,200,000		
11	Renovate John Sonny Allen Field	4,165,778		4,165,778		
12	Construct Softball Facility/Lighting	1,700,000		1,700,000		
13	Renovate McClure Pool Area	4,714,800		4,714,800		
14	Reconstruct Central Campus	780,000		780,000		
15	Purchase Bus	400,000		400,000		
16	Renovate Jayne Stadium	8,400,000		8,400,000		
	Subtotal - MoSU	$ 51,701,578	$	38,486,578	$	13,215,000

Capital Projects Recommendations
Restricted Agency, Federal and Other Funds
2006-08

		Project Scope		Institution or Other Funds		Federal Other Funds
Murray State University						
1	Construct Electrical Generation Plant (New)	$ 5,000,000	$	5,000,000		
2	Abate Asbestos: H&D Pool < $400,000	276,000		276,000		
3	Complete Capital Renewal: H&D Pool < $400,000	5,445,000		5,445,000		
4	Complete Life Safety Project: H&D Pool < $400,000	300,000		300,000		
5	Complete ADA Compliance: H&D Pool < $400,000	615,000		615,000		
6	Acquire Land Related to Campus Master Plan	1,000,000		1,000,000		
7	Public Safety Building	2,000,000		2,000,000		
8	Construct Open-sided Stall Barn - Expo Center	770,000		770,000		
9	Renovate Ordway Hall	3,962,000		3,962,000		
10	Renovate Wells Hall Interior	500,000		500,000		
11	Renovate Pogue Library	4,000,000		4,000,000		
12	Renovate A Carmen Pavilion Phase II	500,000		500,000		
13	Renovate White Hall HVAC System	1,000,000		1,000,000		
	Subtotal - MuSU	$ 25,368,000	$	25,368,000	$	-
Northern Kentucky University						
1	Coach Bus	$ 690,000	$	690,000		
2	Construct Alumni/Welcome Center	7,800,000		7,800,000		
3	Renovate University Center	600,000		600,000		
4	Relocate Master Plan Infrastructure	6,130,000		6,130,000		
5	Relocate Early Childcare Center	1,000,000		1,000,000		
6	Construct Soccer Stadium	5,500,000		5,500,000		
7	Construct Track and Field Stadium	5,500,000		5,500,000		
8	Enhance Softball Field	600,000		600,000		
9	Housing/Minor Projects Pool	2,200,000		2,200,000		
10	Acquire New Residence Hall	10,000,000		10,000,000		
11	Reconstruct Central Plaza Phase II	4,900,000		4,900,000		
12	Acquire Land Related to Campus Master Plan 2006-08	6,000,000		6,000,000		
13	Construct Student Housing	23,000,000		23,000,000		
14	Purchase Mobile TV Production Unit	650,000		650,000		
15	Construct Intramural Fields	1,900,000		1,900,000		
	Subtotal - NKU	$ 76,470,000	$	76,470,000	$	-
University of Kentucky						
1	Construct Law School Building -Design	$ 20,920,000	$	6,000,000	$	14,920,000
2	Construct Medicine/Dentistry Building - Design	14,000,000		14,000,000		0
3	Construct Digital Technologies Building - Design	10,610,000		4,200,000		6,410,000
4	Expand Chemistry Physics Building - Design	5,000,000		5,000,000		0
5	Expand & Upgrade LDDC - Phase II	13,500,000		13,500,000		0
6	Improve Life Safety Project Pool	4,650,000		4,650,000		0
7	Research Equipment Replacement Program	25,000,000		25,000,000		0
8	Upgrade/Modify Coldstream Facilities	10,000,000		10,000,000		0
9	Renovate Lab & Support Space in Med Science	9,500,000		9,500,000		0
10	Expand Pence Hall	4,300,000		0		4,300,000
11	Renovate Sections of Funkhouser	3,000,000		3,000,000		0
12	Construct Track and Field Facility	7,139,000		0		7,139,000
13	Construct Hagan Baseball Stadium Clubhouse	4,000,000		0		4,000,000
14	Renovate Façade - Agriculture Building North	6,100,000		6,100,000		0
15	Upgrade Pharm. Fume Hoods I - Life Safety	5,040,000		5,040,000		0
16	Renovate 3rd Floor Little Library	2,500,000		2,500,000		0
17	Renovate Lab for Coating and Surface Inspection	8,000,000		8,000,000		0
18	Upgrade Elevator Controls in Nursing Building	740,000		740,000		0
19	Upgrade Fume Hoods TH Morgan - Life Safety	3,188,000		3,188,000		0
20	Upgrade HVAC - CAER Ph. III - Life Safety	910,000		910,000		0
21	Improve IAQ - Phase I - Life Safety	500,000		500,000		0
22	Abate Asbestos LC II - Life Safety	500,000		500,000		0
23	Renovate Student Center Food Court	0		0		0
24	Renovate K-Lair Building	0		0		0
25	Renovate SECAT Building at Coldstream	2,000,000		2,000,000		0
26	Renovate PSC Building	750,000		750,000		0
27	Renovate COM Administrative Offices	1,200,000		1,200,000		0
28	Renovate-Expand Boone Faculty Center	6,200,000		0		6,200,000
29	Purchase Furn./Equip. - Patient Care Fac.	27,000,000		27,000,000		0
30	Construct University Student Center - Design	5,000,000		5,000,000		0

Capital Projects Recommendations
Restricted Agency, Federal and Other Funds
2006-08

		Project Scope	Institution or Other Funds	Federal Other Funds
31	Construct University Press Facility	2,950,000	2,950,000	0
32	Lease/Purchase ERP System - Phase II	20,000,000	20,000,000	0
33	Seal/Waterproof Commonwealth Stadium Concrete	2,500,000	0	2,500,000
34	Install Scoreboards Memorial Col./Hagan Stadium	1,500,000	0	1,500,000
35	Improve Accessibility Project Pool	437,000	437,000	0
36	Purchase Pharmaceutical Analysis System	200,000	200,000	0
37	Expand Kastle Hall Vivarium	4,505,000	4,505,000	0
38	Extend Virginia Avenue	4,000,000	4,000,000	0
39	Purchase PET Scanner	1,500,000	1,500,000	0
40	Upgrade the Vivarium in Sanders Brown Building	6,720,000	3,360,000	3,360,000
41	Lease Purchase High Performance Research Computing	6,500,000	6,500,000	0
42	Expand Cancer Infusion Suites	1,964,000	1,964,000	0
43	Replace Memorial Coliseum Playing Surface	725,000	0	725,000
44	Renovate King Library South - 1930 Section - Design	1,400,000	1,400,000	0
45	Renovate DLAR Quarantine Facility at Spindletop	2,720,000	2,720,000	0
46	Expand/Renovate Art Museum in Singletary Center -Design	1,900,000	1,900,000	0
47	Expand Ophthalmology Clinic	3,100,000	3,100,000	0
48	Paint Commonwealth Stadium Steel	750,000	0	750,000
49	Renovate Labs in Pharmacy Building	4,000,000	2,000,000	2,000,000
50	Expand KGS Well Sample & Core Repository	4,310,000	4,310,000	0
51	Lease Purchase Large Scale Computing	3,500,000	3,500,000	0
52	Expand Outpatient Radiology	2,000,000	2,000,000	0
53	Renovate Soccer/Softball Facilities	1,400,000	0	1,400,000
54	Renovate Practice Instruction Space in Pharmacy	4,310,000	3,310,000	1,000,000
55	Upgrade Pilot-scale Mineral Processing Facility	600,000	600,000	0
56	Lease Purchase Enterprise Storage System	1,200,000	1,200,000	0
57	Renovate Hospital Nursing Units	2,000,000	2,000,000	0
58	Renovate Outpatient Clinic in Kentucky Clinic	2,930,000	2,930,000	0
59	Expand CAER Laboratories	4,450,000	4,450,000	0
60	Lease Purchase UPS System	941,000	941,000	0
61	Renovate Hospital Cafeteria	631,000	631,000	0
62	Renovate Memorial Coliseum	4,731,000	0	4,731,000
63	Renov. Graduate Edu. & Research Space in Nursing	1,700,000	1,700,000	0
64	Purchase Hydrocarbon Analysis System	120,000	120,000	0
65	Lease Purchase Campus Infrastructure Upgrade	3,500,000	3,500,000	0
66	Fit Up Gill Bldg. Ground Floor	1,250,000	1,250,000	0
67	Construct Commonwealth Stadium Suite Addition	2,300,000	0	2,300,000
68	Renovate Koinonia House	2,715,000	2,715,000	0
69	Lab Security Systems Project Pool	500,000	500,000	0
70	Upgrade Clinical Services	2,000,000	2,000,000	0
71	Construct Horticulture Research & Ed. Facilities	1,600,000	1,600,000	0
72	Purchase High Res. Optical Microscope	110,000	110,000	0
73	Install Emergency Generator Computing Facility	500,000	500,000	0
74	Upgrade Outpatient Services	2,000,000	2,000,000	0
75	Renovate Bowman Hall - Design	1,000,000	1,000,000	0
76	Purchase Environmental Scanning Probe Microscope	480,000	480,000	0
77	Acquire Land	15,000,000	15,000,000	0
78	Upgrade Hospital Data Network	826,000	826,000	0
79	Renovate Reynolds Building - Design	1,000,000	1,000,000	0
80	Purchase Laser Ablation Sampling Sys.	200,000	200,000	0
81	Replace Air Handling Units Central Computing Fac	600,000	600,000	0
82	Replace Hospital Mainframe Computer	800,000	800,000	0
83	Purchase Pharmaceutical Development Instrument	183,000	183,000	0
84	Purchase FTIR Microscope with mapping	105,000	105,000	0
85	Construct New Housing - Design	2,000,000	2,000,000	0
86	Expand Hospital Data Storage	600,000	600,000	0
87	Purchase Common Room Package	250,000	250,000	0
88	Purchase Hi-resolution FTIR Imaging System	160,000	160,000	0
89	Lease Purchase Data Warehouse	600,000	600,000	0
90	Expand Kentucky Clinic Network	800,000	800,000	0
91	Renovate Taylor Education Building - Design	2,000,000	2,000,000	0
92	Purchase ESCA-X-ray Photoelectron Micro.	400,000	400,000	0
93	Construct Parking Structure - Central Campus - Design	1,000,000	1,000,000	0
94	Purchase Open MRI Unit	800,000	800,000	0
95	Purchase MRI Equipment	2,000,000	2,000,000	0

Capital Projects Recommendations
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		Project Scope	Institution or Other Funds	Federal Other Funds
96	Construct Parking Structure - North Campus - Design	1,000,000	1,000,000	0
97	Install Fetal Monitoring Information System	1,200,000	1,200,000	0
98	Purchase Microscope	165,000	165,000	0
99	Lease Purchase Tape Library	500,000	500,000	0
100	Implement Medication Bar Coding System	1,750,000	1,750,000	0
101	Construct New Alumni Center	17,344,000	0	17,344,000
102	Upgrade PACS System	2,000,000	2,000,000	0
103	Purchase Upgraded Integrated Library System	700,000	700,000	0
104	Renovate Central Computing Facility	2,811,000	2,811,000	0
105	Replace Radiology Information System (QuadRIS replacement)	2,000,000	2,000,000	0
106	Expand Animal Science Research Center - Phase II - Design	2,200,000	2,200,000	0
107	Lease Purchase Fire Suppression Upgrade	1,000,000	1,000,000	0
108	Implement On-Site Digital Radiology Archive	700,000	700,000	0
109	Renovate Slone Building - Design	1,000,000	1,000,000	0
110	Purchase Police Communications Equipment	600,000	600,000	0
111	Implement PACS System in Hospital O.R.	800,000	800,000	0
112	Purchase Electron Spin Resonance Instr.	320,000	320,000	0
113	Lease Purchase Network Security Hardware	1,500,000	1,500,000	0
114	Implement Automated Bed Management System	1,000,000	1,000,000	0
115	Fit-Up Education Space in Health Science Bldg.	1,000,000	1,000,000	0
116	Replace Steam and Condensate Pipe	5,500,000	5,500,000	0
117	Upgrade Global Ventilation Controls - Hospital	3,000,000	3,000,000	0
118	Purchase High Res Transmission Electron Microscope	2,500,000	0	2,500,000
119	Lease Purchase Telephone Switch Convergence	12,000,000	12,000,000	0
120	Expand Surgical Services - Hospital	4,545,000	4,545,000	0
121	Purchase Digital Media Distribution System	186,000	186,000	0
122	Lease Purchase Unix Cluster	600,000	600,000	0
123	Purchase/Lease Ambulance	180,000	180,000	0
124	Purchase Studio Recording Equipment	113,000	113,000	0
125	Purchase Garbage Truck Front Loader	175,000	175,000	0
126	Create Universal Nursing Unit - Hospital	1,180,000	1,180,000	0
127	Renovate College of Public Health Building - Design	1,000,000	1,000,000	0
128	Lease Purchase Video Switch Expansion	250,000	250,000	0
129	Construct Facilities Support Bldg - Hospital	14,728,000	14,728,000	0
130	Purchase Scanning Electron Microscope	700,000	350,000	350,000
131	Replace Law Building Marble Facade	930,000	930,000	0
132	Purchase Angiography Unit	1,740,000	1,740,000	0
133	Purchase Integrated Imaging System	130,000	130,000	0
134	Replace Central Facilities Management System	3,500,000	3,500,000	0
135	Purchase Angiography Unit	1,276,000	1,276,000	0
136	Purchase DNA Microarray Facility	300,000	300,000	0
137	Replace Chemistry Physics Ductwork	2,200,000	2,200,000	0
138	Upgrade Outpt Surgical Suite - Hospital	2,500,000	2,500,000	0
139	Purchase Three Ultrasound Units	450,000	450,000	0
140	Replace Central Fire Alarm System	2,500,000	2,500,000	0
141	Purchase Gamma Knife	2,330,000	2,330,000	0
142	Purchase Focused Ion Beam Machine (FIB)	500,000	250,000	250,000
143	Improve Central Heating Plant	4,860,000	4,860,000	0
144	Modify Nursing Unit XI - Hospital	1,390,000	1,390,000	0
145	Purchase Network Infrastructure Restructuring	160,000	160,000	0
146	Purchase Cardiac Cath. Image Mgmt. Sys.	957,000	957,000	0
147	Construct Multi-Care Clinic Building - Design	2,200,000	2,200,000	0
148	Improve Storm Sewer Funkhouser	1,225,000	1,225,000	0
149	Modify Nursing Unit XII - Hospital	4,806,000	4,806,000	0
150	Purchase GIS Remote Sensing Teaching Lab	160,000	160,000	0
151	Install Chilled Water Pipe-Clg 2 to Pit	1,500,000	1,500,000	0
152	Purchase Radiation Therapy Unit Upgrade	400,000	400,000	0
153	Purchase 500 MHz NMR Spectrometers	1,000,000	1,000,000	0
154	Install Cooling Secondary Pumping	2,800,000	2,800,000	0
155	Construct Imaging Facility - Hospital	10,079,000	10,079,000	0
156	Purchase Automated DNA Sequencer	130,000	130,000	0
157	Replace Cooling Plant Chillers	6,000,000	6,000,000	0
158	Purchase Biplane Angiography	1,160,000	1,160,000	0
159	Purchase Redundant Disk Server System	170,000	170,000	0
160	Replace Master Clock and Bell System	1,750,000	1,750,000	0

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		Project Scope	Institution or Other Funds	Federal Other Funds
161	Upgrade Cancer Ctr Radiologic Svcs - Hospital	6,000,000	6,000,000	0
162	Purchase High Resolution Laser System	350,000	350,000	0
163	Repair Concrete Phase I General Campus	750,000	750,000	0
164	Purchase Nuclear Medicine Camera	1,000,000	1,000,000	0
165	Renovate Imaging Center in Ky Clinic	4,590,000	4,590,000	0
166	Repair Blacktop Phase I General Campus	750,000	750,000	0
167	Construct Cancer Urgent Treatment Fac - Hospital	12,728,000	12,728,000	0
168	Purchase Confocal Microscope	250,000	250,000	0
169	Upgrade Electrical Substation	4,500,000	4,500,000	0
170	Purchase Epilepsy Monitoring System	500,000	500,000	0
171	Purchase Cryoprobe for a 600 MHz NMR	200,000	200,000	0
172	Install Chilled Water Pipe To South Campus	6,000,000	6,000,000	0
173	Upgrade Surgical Suite - Hospital	2,945,000	2,945,000	0
174	Purchase HPLC	145,000	145,000	0
175	Install Chilled Water Additions General Campus	1,100,000	1,100,000	0
176	Purchase Open MRI Unit	1,000,000	1,000,000	0
177	Purchase Facscan for Flow Cytometry	140,000	140,000	0
178	Replace High Voltage Wiring	775,000	775,000	0
179	Construct Radiation Medicine Facility - Hospital	6,069,000	6,069,000	0
180	Purchase Fluorescent Cell Sorter	200,000	200,000	0
181	Replace McVey Hall HVAC	3,520,000	3,520,000	0
182	Purchase Radiology Information System	800,000	800,000	0
183	Purchase Laser Photoelectron System	280,000	280,000	0
184	Replace Mathews Building HVAC	1,438,000	1,438,000	0
185	Upgrade Transport Systems V - Hospital	800,000	800,000	0
186	Purchase Dedicated Supercomputer	330,000	330,000	0
187	Replace HVAC Slone Building	2,917,000	2,917,000	0
188	Purchase RIS (Quadris) Upgrade	500,000	500,000	0
189	Purchase Gas-Source Isotope-Ratio Mass Spect	100,000	100,000	0
190	Replace HVAC Kastle Hall	3,100,000	3,100,000	0
191	Expand Operating Room Suites - Hospital	3,559,000	3,559,000	0
192	Purchase Physiology Workstation	101,000	101,000	0
193	Replace Fine Arts HVAC	4,500,000	4,500,000	0
194	Purchase C-Arm X-Ray Unit	275,000	275,000	0
195	Purchase DNA Sequencer	135,000	135,000	0
196	Replace Three Elevators MI King South	1,130,000	1,130,000	0
197	Purchase C-Arm X-Ray Unit	440,000	440,000	0
198	Purchase Ultra High Vacuum System	250,000	250,000	0
199	Renovate Barker Hall - Design	1,000,000	1,000,000	0
200	Upgrade Building/Site IV - Hospital	800,000	800,000	0
201	Add Centralized Emergency Generator	5,542,000	5,542,000	0
202	Purchase Cardiac Ultrasound	1,600,000	1,600,000	0
203	Purchase 300 MHz Console	300,000	300,000	0
204	Expand Plant Capacity Infrastructure - Design	2,040,000	2,040,000	0
205	Upgrade HVAC II - Hospital	3,500,000	3,500,000	0
206	Renovate Imaging Center, I	706,000	706,000	0
207	Purchase CR PAC Server	275,000	275,000	0
208	Purchase Shared Desktop Environment	250,000	250,000	0
209	Replace Holmes Elevator	740,000	740,000	0
210	Construct Radiation Med Facility II - Hospital	2,955,000	2,955,000	0
211	Construct Library Depository Facility	6,415,000	2,915,000	3,500,000
212	Lease Purchase UK/UofL/Frankfort Research Network	6,000,000	6,000,000	0
213	Purchase Electrophysiology Lab	5,800,000	5,800,000	0
214	Purchase Thermal Ionization Mass Spectrometer	650,000	650,000	0
215	Upgrade Utility Systems VI - Hospital	1,500,000	1,500,000	0
216	Purchase DNA Sequencer	125,000	125,000	0
217	Replace Steam Line MC Htg - Hosp Drive Pit 2	2,114,000	2,114,000	0
218	Purchase EMG Unit	250,000	250,000	0
219	Renovate Research Labs in Med Center, III	2,000,000	2,000,000	0
220	Replace Steam Line Lime Tunnel - Main Gate Pit	3,100,000	3,100,000	0
221	Purchase Filmless Radiation System	150,000	150,000	0
222	Purchase DNA Chip Analysis System	160,000	160,000	0
223	Replace Steam Line Lime Tunnel - POT Tunnel	1,606,000	1,606,000	0
224	Replace AHU I - Hospital	16,165,000	16,165,000	0
225	Renovate Research Labs in Med Center, I	1,500,000	1,500,000	0

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	Project Scope	Institution or Other Funds	Federal Other Funds
226 Install Steam Line BBSRB - Old Main Gate Pit	6,865,000	6,865,000	0
227 Purchase Scanning Dosimetry System	100,000	100,000	0
228 Purchase HPLC Mass Spectrometer	400,000	400,000	0
229 Replace Steam Line Main Gate Pit-Anderson Pit	2,750,000	2,750,000	0
230 Replace AHU I - Roach	1,200,000	1,200,000	0
231 Renovate Imaging Center, II	1,257,000	1,257,000	0
232 Replace Steam Line Kastle -Chem/Phys Pit 28	775,000	775,000	0
233 Purchase MC Treatment Planning	150,000	150,000	0
234 Purchase Two Digital Radiology Units	1,100,000	1,100,000	0
235 Install Pollution Controls	1,900,000	1,900,000	0
236 Replace AHU II - Roach	1,200,000	1,200,000	0
237 Renovate Research Labs in Med Center, IV	2,500,000	2,500,000	0
238 Capital Renewal Maintenance Pool Phase 1	31,607,000	31,607,000	0
239 Purchase Pneumatic Tube System Upgrade	750,000	750,000	0
240 Purchase Phospho/Fluoro Imager	150,000	150,000	0
241 Construct Cancer Hospice Facility - Hospital	5,145,000	5,145,000	0
242 Construct Cancer Education Facility - Hospital	2,000,000	2,000,000	0
243 Purchase Encapsulator	151,000	151,000	0
244 Improve Exterior Lighting, Phase I	1,200,000	1,200,000	0
245 Purchase Peds TE Echo Unit	200,000	200,000	0
246 Renovate Research Space in Med Center, I	3,000,000	3,000,000	0
247 Improve Oswald Building, Capital Renewal	1,600,000	1,600,000	0
248 Construct Cancer Infusion Suites - Hospital	10,688,000	10,688,000	0
249 Purchase DNA Sequencer/Genetic Analyzer	110,000	110,000	0
250 Improve Spindletop Hall Facilities, Capital Renewal	2,450,000	2,450,000	0
251 Purchase External Systems Monitoring	100,000	100,000	0
252 Install Steam Line – Taylor Bldg to Transportation Bldg	6,725,000	6,725,000	0
253 Construct Remote Cancer Clinic - Hospital	12,880,000	12,880,000	0
254 Purchase Nucleic Acid Workstation	150,000	150,000	0
255 Install Steam Line Blazer to Singletary Center	5,275,000	5,275,000	0
256 Purchase Angiography Unit	2,000,000	2,000,000	0
257 Purchase X-Ray Laue Unit-Single Crystal	150,000	150,000	0
258 Renovate Parking Structure #3	2,500,000	2,500,000	0
259 Construct Physicians Svcs Facilities - Hospital	2,000,000	2,000,000	0
260 Purchase CT Scanners	650,000	650,000	0
261 Replace Agr North primary electrical service	1,000,000	1,000,000	0
262 Upgrade Information Systems Svcs - Hospital	4,206,000	4,206,000	0
263 Purchase Flow Cytometer	108,000	108,000	0
264 Construct Alumni Roundabouts	2,630,000	2,630,000	0
265 Purchase Digital Radiographic Unit	1,800,000	1,800,000	0
266 Purchase Helium Liquefier and Recovery System	500,000	500,000	0
267 Upgrade Diagnostic Radiology - Hospital	3,530,000	3,530,000	0
268 Purchase Oxymax Open Circuit Calorimeter	130,000	130,000	0
269 Upgrade Bldg. Entrances Safety & Security	1,100,000	1,100,000	0
270 Purchase Nuclear Medicine Upgrade	900,000	900,000	0
271 Purchase Inductive Coupled Spec Sys	120,000	120,000	0
272 Upgrade Fume Hood in Sanders Brown-Life Safety	2,600,000	2,600,000	0
273 Renovate Dietetics - Hospital	6,000,000	6,000,000	0
274 Purchase Analytical Biosensor	295,000	295,000	0
275 Purchase Web Imaging Product	500,000	500,000	0
276 Purchase DNA Sequencer/Genetic Analyzer	121,000	121,000	0
277 Upgrade Communications Services	1,126,000	1,126,000	0
278 Purchase Automated Nucleic Acid Extraction & PCR	150,000	150,000	0
279 Purchase Interoperative CT	1,100,000	1,100,000	0
280 Purchase Laser Based Total Image Analysis System	113,000	113,000	0
281 Renovate Faculty Office Space in Med. Center	742,000	742,000	0
282 Purchase Adult Echocardiology Unit	200,000	200,000	0
283 Purchase Mass Spectrometer	200,000	200,000	0
284 Construct Outpt Care Fac II - Hospital	11,157,000	11,157,000	0
285 Purchase Adult Echocardiology Unit	200,000	200,000	0
286 Purchase MRI Scanners	3,600,000	3,600,000	0
287 Construct Outpt Diag/Treat Fac II - Hospital	24,271,000	24,271,000	0
288 Purchase Confocal Microscope	600,000	600,000	0
289 Purchase Peds Echocardiology Probe	200,000	200,000	0
290 Expand West Kentucky Research & Education Ctr. - Design	1,000,000	1,000,000	0

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		Project Scope	Institution or Other Funds	Federal Other Funds
291	Construct Bldg Connectors III - Hospital	3,059,000	3,059,000	0
292	Purchase Fluorescence Activ. Cell Sorter	220,000	220,000	0
293	Purchase Diagnostic Radiology Unit	330,000	330,000	0
294	Purchase Ultrasound Units	150,000	150,000	0
295	Construct Primary Care Ctr II - Hospital	17,237,000	17,237,000	0
296	Purchase HPLC/Mass Spectrophotometer System	300,000	300,000	0
297	Purchase Digital Enhancement	1,085,000	1,085,000	0
298	Purchase Two Digital Radiology Units	1,100,000	1,100,000	0
299	Construct Patient Care Fac II	15,909,000	15,909,000	0
300	Purchase Digital Imaging	957,000	957,000	0
301	Purchase Laser Capture Microdissection System	126,000	126,000	0
302	Upgrade Nutrition Services II - Hospital	1,278,000	1,278,000	0
303	Purchase Liquid Filling/Stoppering Line	351,000	351,000	0
304	Purchase EKG Unit	440,000	440,000	0
305	Purchase Four PACS Workstations	480,000	480,000	0
306	Upgrade Support Services II - Hospital	1,000,000	1,000,000	0
307	Purchase Plant/Microbial Growth Chamber	100,000	100,000	0
308	Purchase EKG Unit	400,000	400,000	0
309	Construct Gluck Equine Research Center - Phase II - Design	3,500,000	2,000,000	1,500,000
310	Expand Data Systems III - Hospital	700,000	700,000	0
311	Purchase Semi-Solid Manufacturing Equip.	211,000	211,000	0
312	Lease Purchase Equipment Pool	5,030,000	5,030,000	0
313	Purchase Confocal Microscope	500,000	500,000	0
314	Implement Land Use Plan IV - Hospital	2,500,000	2,500,000	0
315	Purchase Two Mammography Units	900,000	900,000	0
316	Purchase Endoscopic Ultrasound	440,000	440,000	0
317	Purchase LCMS Instrument System	225,000	225,000	0
318	Upgrade Diagnostic Services XII - Hospital	1,000,000	1,000,000	0
319	Purchase Terminal Sterilizing Autoclave	221,000	221,000	0
320	Purchase Endoscopic Video System	300,000	300,000	0
321	Construct Outpatient Svs. III - Hospital	10,775,000	10,775,000	0
322	Purchase Breast Ultrasound Unit	120,000	120,000	0
323	Purchase Endoscopic Video Ultrasound	275,000	275,000	0
324	Purchase Transmission Elec. Microscope	250,000	250,000	0
325	Upgrade Diagnostic Serv XI - Hospital	1,500,000	1,500,000	0
326	Purchase Plot Combine	130,000	130,000	0
327	Purchase Intracardiac Laser	550,000	550,000	0
328	Purchase Ovarian Cancer Ultrasound	150,000	150,000	0
329	Renovate Medical Records Suite I - Hospital	700,000	700,000	0
330	Purchase Plant/Microbial Growth Chamber	100,000	100,000	0
331	Purchase Intracardiac Laser	500,000	500,000	0
332	Implement Energy Performance Contracting	0	0	0
333	Purchase Digital Radiology Unit	550,000	550,000	0
334	Purchase Image Guided Surgery System	600,000	600,000	0
335	Purchase Quadrapole Mass Spec.	360,000	360,000	0
336	Purchase Laboratory Analyzer	500,000	500,000	0
337	Purchase Two Pacs Workstations	240,000	240,000	0
338	Purchase OB Ultrasound	350,000	350,000	0
339	Purchase Combustion Analyzer Systems	115,000	115,000	0
340	Purchase Patient System Enterprise	4,640,000	4,640,000	0
341	Purchase Radiology Information Center	300,000	300,000	0
342	Purchase QuadRIS Upgrade	300,000	300,000	0
343	Construct UK Paducah Engineering Research Center	1,230,000	1,230,000	0
344	Purchase Mobile Fluoroscopic Unit	250,000	250,000	0
345	Purchase Plot Combine	125,000	125,000	0
346	Purchase Rad. Med. Software/System	350,000	350,000	0
347	Purchase Plant/Microbial Growth Chamber	100,000	100,000	0
348	Purchase C-Arm X-Ray Unit	350,000	350,000	0
349	Purchase DNA Chip Analysis System	160,000	160,000	0
350	Purchase Washer	350,000	350,000	0
351	Purchase Dual Photon Confocal Microscope	300,000	300,000	0
352	Purchase Mobile Radiology Unit	250,000	250,000	0
353	Purchase Bioinformatics Analysis Equipment	150,000	150,000	0
354	Purchase Vascular Ultrasound	900,000	900,000	0
355	Construct KY Transportation Center Building - Phase I	4,000,000	0	4,000,000

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	Project Scope	Institution or Other Funds	Federal Other Funds
356 Purchase MRI Upgrade	500,000	500,000	0
357 Purchase Forage Harvester System	150,000	150,000	0
358 Purchase Vascular Ultrasound	300,000	300,000	0
359 Purchase 3-D Ultrasound Machine	200,000	200,000	0
360 Purchase Upgrade for Servers	800,000	800,000	0
361 Purchase Plot Combine w/Weighing System	135,000	135,000	0
362 Purchase Upgrade - HIS Computing Facil.	2,900,000	2,900,000	0
363 Purchase Confocal Microscope	346,000	346,000	0
364 Purchase Surgical C-Arm(ISS)System	650,000	650,000	0
365 Purchase 2D-Electrophoresis Set-up	238,000	238,000	0
366 Purchase Radiographic Unit	350,000	350,000	0
367 Construct University Conference Center - Design	1,900,000	1,900,000	0
368 Purchase Radiographic Unit	400,000	400,000	0
369 Purchase Transmission Elec. Microscope	375,000	375,000	0
370 Purchase Radiology Ultrasound	440,000	440,000	0
371 Purchase DNA Sequencer	420,000	420,000	0
372 Purchase Ultrasound Image Management	800,000	800,000	0
373 Purchase Fluorescent Scope and Auto Metophase	120,000	120,000	0
374 Purchase Laboratory Analyzer	200,000	200,000	0
375 Purchase High Resolution Phosphor Imager	235,000	235,000	0
376 Purchase Genetic Analyzer	200,000	200,000	0
377 Purchase Axiovision	100,000	100,000	0
378 Purchase HDR Brachy Therapy System	350,000	350,000	0
379 Upgrade Sound and Lighting for Singletary Center	1,000,000	1,000,000	0
380 Purchase Interoperative MRI	1,500,000	1,500,000	0
381 Purchase Neuroangiography Unit	1,800,000	1,800,000	0
382 Purchase Camera for Transmission/Scanning	105,000	105,000	0
383 Purchase Magneoencephalogy Unit	2,100,000	2,100,000	0
384 Purchase Ultrasound Units	840,000	840,000	0
385 Purchase Digital Radiology	1,020,000	1,020,000	0
386 Purchase Ultracentrifuge	110,000	110,000	0
387 Purchase Digital Radiology	4,060,000	4,060,000	0
388 Renovate Dentistry Class Lab	1,475,000	1,475,000	0
389 Purchase Fluoroscopy Unit	550,000	550,000	0
390 Purchase Gen. Rad./Fluoroscopic Unit	500,000	500,000	0
391 Purchase Confocal Microscope	300,000	300,000	0
392 Purchase Linear Accelerator	2,050,000	2,050,000	0
393 Purchase Mass Spectrometer	450,000	450,000	0
394 Purchase Portal Imaging System	200,000	200,000	0
395 Purchase Robotics Pipsetter System	104,000	104,000	0
396 Purchase CT Scanner	1,000,000	1,000,000	0
397 Purchase DNA Sequencer Machine	125,000	125,000	0
398 Purchase MR Monitoring Equipment	100,000	100,000	0
399 Renovate King Library South - 1962 Section - Design	1,700,000	1,700,000	0
400 Purchase Portal Imaging System	250,000	250,000	0
401 Purchase Mouse PET Scanner	385,000	385,000	0
402 Purchase Gen. Rad./Fluoroscopic Unit	550,000	550,000	0
403 Purchase Real Time PCR Machine	165,000	165,000	0
404 Purchase Digital Orbitor Camera	275,000	275,000	0
405 Purchase Genesis Workstation	425,000	425,000	0
406 Purchase CT Simulator	1,200,000	1,200,000	0
407 Purchase DNA Sequencer	420,000	420,000	0
408 Purchase Accelerator	1,600,000	1,600,000	0
409 Purchase Microscope with Imaging	135,000	135,000	0
410 Purchase Teleradiology	200,000	200,000	0
411 Purchase SPECT System	1,000,000	1,000,000	0
412 Purchase ORCA Robot-on-Rail	100,000	100,000	0
413 Purchase Mobile MRI	1,500,000	1,500,000	0
414 Purchase Behav. Monitor. & Analysis Sys.	165,000	165,000	0
415 Purchase CR Readers	750,000	750,000	0
416 Purchase Information & Decision Management Station	100,000	100,000	0
417 Purchase CR Reader	300,000	300,000	0
418 Purchase Chain Reaction Analyzer	150,000	150,000	0
419 Purchase ATL Ultrasound	220,000	220,000	0
420 Purchase Digital Nanochip Enzyme Sequencing Machine	500,000	500,000	0

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		Institution	Federal
	Project Scope	or Other Funds	Other Funds
421 Purchase CT Scanner	1,914,000	1,914,000	0
422 Purchase Nanochip System	350,000	350,000	0
423 Purchase CT Simulator	1,160,000	1,160,000	0
424 Purchase Compressed Video-Hazard	141,000	141,000	0
425 Purchase CT/PET Simulator	2,000,000	2,000,000	0
426 Purchase Multiplex QPRC System	100,000	100,000	0
427 Purchase CT/PET Simulator	4,000,000	4,000,000	0
428 Purchase Electron Microscope	355,000	355,000	0
429 Purchase Clinical System Enterprise	5,800,000	5,800,000	0
430 Purchase RevPrep Orbit Workstation	100,000	100,000	0
431 Purchase Computing Infrastructure Update	2,500,000	2,500,000	0
432 Purchase Data Storage Facility Upgrade	750,000	750,000	0
433 Purchase MegaPix2	300,000	300,000	0
434 Purchase Dig. Medical Record Expansion	4,640,000	4,640,000	0
435 Purchase GelPix	300,000	300,000	0
436 Purchase Intraoperative Radiation Therapy	1,300,000	1,300,000	0
437 Purchase Typhoon Variable Mode Imager	118,000	118,000	0
438 Purchase Managed Care Enterprise	1,160,000	1,160,000	0
439 Renovate Clinical Teaching Space in Nursing	1,220,000	1,220,000	0
440 Purchase Minimally Invasive Room	1,700,000	1,700,000	0
441 Purchase OR Periop. IS Doc.Syst. Upgrade	150,000	150,000	0
442 Purchase Flow Cytometry Lab Equipment	425,000	425,000	0
443 Purchase Steam Autoclave	450,000	450,000	0
444 Renovate Research Space in Med Science	5,000,000	5,000,000	0
445 Purchase Sterrad Sterilizer	450,000	450,000	0
446 Renovate Cooper House	1,600,000	1,600,000	0
447 Purchase Surgical Laser	500,000	500,000	0
448 Purchase Inverted Scope	110,000	110,000	0
449 Purchase Surgical Microscope	500,000	500,000	0
450 Purchase Laser Confocal Microscope	312,000	312,000	0
451 Purchase Data Storage Equip & Software I	500,000	500,000	0
452 Purchase Multiphoton Scanning Microscope	300,000	300,000	0
453 Purchase Telecommunications Equipment I	250,000	250,000	0
454 Purchase Open MRI Unit	1,000,000	1,000,000	0
455 Purchase PACS Data Storage Equip & Software	500,000	500,000	0
456 Purchase Patient Classification Equipment	260,000	260,000	0
457 Purchase IS Security Equipment I	150,000	150,000	0
458 Purchase Sequence Detection System	110,000	110,000	0
459 Purchase Data Center Printers I	350,000	350,000	0
460 Purchase Data Storage Equip & Software II	250,000	250,000	0
461 Purchase Ultracentrifuge	117,000	117,000	0
462 Purchase Telecommunications Equipment II	200,000	200,000	0
463 Purchase X-ray Defractometer	700,000	700,000	0
464 Purchase Mainframe Computer	400,000	400,000	0
465 Purchase Compact Shelving for Med Center Library	550,000	550,000	0
466 Purchase IS Security Equipment II	150,000	150,000	0
467 Purchase Fiber Channel Network System	200,000	200,000	0
468 Purchase Data Center Printers II	300,000	300,000	0
469 Purchase Linear Ion Trap Mass Spectrometer	280,000	280,000	0
470 Purchase Knowledge-based Transcription	450,000	450,000	0
471 Purchase 800 MHz Resolution Laser System	2,600,000	2,600,000	0
472 Purchase Knowledge-based Charting System	400,000	400,000	0
473 Purchase Mass Spectrometer	125,000	125,000	0
474 Purchase Consumer Web Interaction System	400,000	400,000	0
475 Construct Environmental Institute - Design	1,391,360	1,391,360	0
476 Purchase Data Storage Equip & Software III	150,000	150,000	0
477 Expand/Renovate CPST Facility	3,500,000	3,500,000	0
478 Purchase Telecommunications Equipment III	150,000	150,000	0
479 Renovate Carnahan House	4,000,000	4,000,000	0
480 Purchase Luminex System	100,000	100,000	0
481 Purchase Oxymax Integrated Metabolism System	160,000	160,000	0
482 Purchase Elemental Analysis System	200,000	200,000	0
483 Purchase Reactive Ion Etching	180,000	180,000	0
484 Purchase Focused Ion Milling/Patterning	400,000	400,000	0
485 Purchase Multi-Scanning Probe Microscope	200,000	200,000	0

Capital Projects Recommendations
Restricted Agency, Federal and Other Funds
2006-08

		Project Scope	Institution or Other Funds	Federal Other Funds
486	Purchase Field-Emission SEM w/e-beam	420,000	420,000	0
487	Purchase Laser Digitizer	125,000	125,000	0
488	Purchase Stereolithography Printer/SLA	350,000	350,000	0
489	Purchase Z810 Z-Corp Machine	200,000	200,000	0
490	Purchase Sinterstation Hi Q SLS System	250,000	250,000	0
491	Purchase 4-Axis Machining Center	125,000	125,000	0
492	Purchase Blow Molding Machine	150,000	150,000	0
493	Purchase High Temp Tension/Torsion Testing Machine	500,000	500,000	0
494	Purchase Compact Shelving-Fine Arts Library	500,000	500,000	0
495	Purchase High Resolution Imaging System	132,000	132,000	0
496	Purchase Laser Capture Microdissection System	242,000	242,000	0
497	Purchase HPLC-Tandem Mass Spectrophotometer	275,000	275,000	0
498	Purchase Laboratory Environ. Monitoring System	112,000	112,000	0
499	Purchase 7T Small Animal High-Field MR Imager	1,500,000	1,500,000	0
500	Purchase PET/CT Scanner	2,100,000	2,100,000	0
501	Purchase Small Animal Scanner	1,200,000	1,200,000	0
502	Purchase Gradient Insert	200,000	200,000	0
503	Purchase Spectroscopy Package	150,000	150,000	0
504	Purchase Plot Combine with Weighing System	220,000	220,000	0
505	Purchase HPLC System	120,000	120,000	0
506	Purchase Transmission Elec. Microscope	375,000	375,000	0
507	Purchase Growth Chamber	150,000	150,000	0
508	Purchase ICP/AES/Mass Spectrometer	150,000	150,000	0
509	Purchase Robotic Platform	120,000	120,000	0
510	Purchase MSQ Mass Spectrometric Detector	120,000	120,000	0
511	Purchase Peds Echocardiology Unit	200,000	200,000	0
512	Purchase Upgrade for Scanner System	500,000	500,000	0
513	Purchase Comm. Infrastructure in Young Library	1,014,000	1,014,000	0
514	Construct Data Center - Phase I	5,000,000	5,000,000	0
515	Expand Arboretum Visitor Center	2,870,000	0	2,870,000
516	Install Med. Center Chilled Water Loop	700,000	700,000	0
517	Lease Purchase UPS Upgrade for Communications	800,000	800,000	0
518	Upgrade Critical Care Center HVAC - Hospital	7,649,000	7,649,000	0
519	Renovate Central Vivarium	3,000,000	1,500,000	1,500,000
520	Expand Ambulatory Care Facilities	20,000,000	20,000,000	0
521	Upgrade Surgical Services	4,500,000	4,500,000	0
522	Replace Air Handling Units in Research # 1	1,935,000	1,935,000	0
523	Purchase Biomek FX Liquid Handling Robot	300,000	300,000	0
524	Upgrade Transport Systems - Med Ctr Campus	1,000,000	1,000,000	0
525	Upgrade AHUs - Med Ctr Campus	2,000,000	2,000,000	0
526	Expand Emergency Services	6,100,000	6,100,000	0
527	Purchase Two CT Scanners	1,300,000	1,300,000	0
528	Purchase Dentistry Patient Mgmt System-Phase II	3,000,000	3,000,000	0
	Subtotal - UKMC & Hospital	$ 1,086,546,360	$ 989,497,360	$ 97,049,000
University of Louisville				
1	Construct - Athletic Academic Support Facility	$ 5,000,000	$ 5,000,000	
2	Construct - Boathouse for Women's Rowing Program	2,947,000	2,947,000	
3	Construct- Cardinal Club Golf Practice Facility	685,000	685,000	
4	Construct - Diversity Center for Excellence	5,898,000	5,898,000	
5	Construct - Executive MBA / Business Program	26,540,000	26,540,000	
6	Construct - Glass & Visual Arts Research Center	3,015,000	3,015,000	
7	Construct - Student Health Facility	6,650,000	6,650,000	
8	Construct - Utilities, Remove Overhead Lines	2,957,000	2,957,000	
9	Eastern Parkway Improvement Study	2,200,000	2,200,000	
10	Reauth - Expand - Ambulatory Care Bldg. Academic Addition	43,950,000	43,950,000	
11	Expand - Trager Field Hockey Stadium	1,900,000	1,900,000	
12	Expand & Renovate - Dental School	37,170,000	37,170,000	
13	Expand & Renovate - Founders Union Building	12,190,000	12,190,000	
14	Reauth - Expand & Renovate - Oppenheimer Hall	7,930,000	7,930,000	
15	Purchase - Artificial Turf - Practice Field Facility	750,000	750,000	
16	Purchase - Real Estate Near HSC - Parcel II	3,875,000	3,875,000	
17	Reauth - Purchase - Real Estate Near HSC & Renovate Offices	20,500,000	20,500,000	
18	Purchase - Support Service Land (Northeast Quad)	5,095,000	5,095,000	
19	Reauth - Renovate - Chemistry Fume Hood Redesign, Ph II	4,610,000	4,610,000	

Capital Projects Recommendations
Restricted Agency, Federal and Other Funds
2006-08

		Project Scope		Institution or Other Funds		Federal Other Funds
20	Renovate - Ekstrom Library		22,081,000		22,081,000	
21	Renovate - Guaranteed Energy Savings (2006-2008)		4,000,000		4,000,000	
22	Reauth - Renovate - Housing - Capital Renewal Pool		3,920,000		3,920,000	
23	Renovate - Kersey Library		4,630,000		4,630,000	
24	Renovate - Medical School Tower - 55A, Phase II		4,225,000		4,225,000	
25	Reauth - Renovate - Natural Science Building		13,380,000		13,380,000	
26	Renovate - PJCS Scoreboard / Video Replacement		1,800,000		1,800,000	
27	Reauth - Renovate - Shelby Campus Infrastructure		8,740,000		8,740,000	
28	Shelby Campus Dormitories Demolition		436,000		436,000	
29	Utility Distribution - South Belknap Campus		6,821,000		6,821,000	
	Subtotal - UofL	$	263,895,000	$	263,895,000	$ -
Western Kentucky University						
1	Construct Agriculture Research Services Lab	$	22,825,000	$ -		$ 22,825,000
2	Purchase Property for Campus Expansion		3,000,000		3,000,000	
3	Replace College of Education Facilty - Tate Page Hall		12,250,000		12,250,000	
4	Renovation/Expansion of Carol Knicely Center		3,500,000		3,500,000	
5	Renovate Garrett Conference Center		10,000,000		10,000,000	
6	Replace Gordon Ford College of Business Building - Design		5,800,000		5,800,000	
7	Owensboro Advanced Technology Center - Phase II		12,536,000		12,536,000	
8	Central Regional Postsecondary Education Center, Phase II - Design		2,000,000		2,000,000	
	Subtotal - WKU	$	71,911,000	$	49,086,000	$ 22,825,000
System Total		**$**	**1,657,945,158**	**$**	**1,516,799,158**	**$ 141,146,000**

TABLE 6

Capital Projects Recommendations
Guaranteed Energy Savings/Performance Contracting Projects
2006-08

Institution and Project Title	Project Scope (1)
Eastern Kentucky University	N/A
Kentucky Community and Technical College System	N/A
Kentucky State University	N/A
Morehead State University	N/A
Murray State University	N/A
Northern Kentucky University	N/A
University of Kentucky	N/A
University of Louisville	N/A
Western Kentucky University	N/A

Note:

1. A scope amount is not required for this project.

SECTION F

Joint Budget Proposal
as submitted by Education Cabinet

Education Cabinet P-16 Joint Budget Request

The Council on Postsecondary Education, the Education Professional Standards Board, and the Kentucky Department of Education, under the leadership of the Governor's Education Cabinet, for the first time have developed a joint budget request that will contribute to higher levels of education attainment for all Kentuckians and make Kentucky education systems more accessible, affordable, and accountable. This proposal identifies four related areas where the agencies can jointly achieve goals none could accomplish alone.

- <u>Seamless P-16 data warehouse</u> - To improve our ability to track student progress and increase success across the entire education system ($3 million total, biennium).

- <u>Integrated Learning Systems</u> - To support integration of the various virtual education entities in the state (e.g., the Kentucky Virtual University, Virtual High School, Virtual Adult Education, Kentucky Educational Television, Kentucky Educators) on common technology platforms with integrated programming strategies that will increase their reach and efficiency ($4.2 million total, biennium).

- <u>Shared Infrastructure</u> - To support the creation of a shared, high capacity technology infrastructure that allows the agencies to collaboratively better deliver cutting edge education programs and information across the state to P-12 schools, adult learning centers, workforce centers, and universities. This infrastructure support provides a foundation for the first two initiatives ($30.9 million total, biennium).

- <u>Local P-16 Councils</u> - Recurring funding for the network of local P-16 councils across the state. Enhanced funding of local councils will support an infrastructure to drive P-16 initiatives at the community level and take advantage of the improved data and education programs provided by the other initiatives in the request ($2.7 million total, biennium).

Staff preparation by Jim Applegate and Allen Lind

SECTION G

Summary of
Comprehensive Funding Model Review

Comprehensive Funding Model Review

The Council has been involved in a comprehensive funding model review for almost two years. Recommendations resulting from the review have been developed consistently and in tandem with revisions to the public agenda. Attachment G-1 details a summary of all major revisions resulting from the review.

BENCHMARK FUNDING MODEL

A 1997 task force report on higher education reform which led to House Bill 1 recommended that the Council change its then funding approach for the following reasons:

- The existing funding formula was ignored.
- There was no linkage to a statewide strategic mission.
- Institutions were seeking "add-ons" to the formula.
- The existing enrollment-driven formula, in periods of changing demographics, rewarded wrong types of behavior, including incentives for increasing remedial education.
- The formula offered no direct incentives for collaboration and coordination.
- The formula had lost credibility.
- The formula did not provide sufficient incentives for enhancing the national competitiveness of Kentucky's institutions.

House Bill 1 required a different funding approach as well - a new approach providing comparisons to national peers and linkages to the public agenda and House Bill 1.

- The six goals of House Bill 1 and their emphasis on achieving a standard of living in excess of the national average result in a funding approach which must look outward and compare funding levels to similar national peers, rather than competition among Kentucky institutions.
- House Bill 1 refers to "benchmarks" as a means of judging the progress toward its goals.
- The goals of House Bill 1 promote comparisons to national benchmarks as identified in the following excerpts:

  o Seamless, integrated system of postsecondary education strategically planned and <u>adequately funded</u> to enhance economic development and quality of life.
  o Major comprehensive research institution <u>ranked nationally</u> in the top 20 (UK).

o Premier, <u>nationally recognized</u> metropolitan research university (UofL).
o Regional universities, at least one....<u>nationally recognized</u> program of distinction...statewide access to baccalaureate and master's degrees of a quality <u>at or above the national average</u>.
o <u>Efficient</u>, responsive, and coordinated system of autonomous institutions that delivers educational services to citizens in quantities and of a quality that is <u>comparable to the national average</u>.

Benchmark Model - 2006-08

Background
Benchmark funding was developed and implemented for the 2000-02 biennium in response to the six goals established in the 1997 reform. The approach compares funding for Kentucky's postsecondary education institutions to national benchmark institutions to assist in determining the financial resources needed to achieve HB 1 goals.

The funding model used prior to the benchmark model compared Kentucky institutions with each other on the basis of credit hours by discipline. By contrast, the benchmark model looks outward comparing Kentucky institutions to national benchmarks for the purpose of meeting the legislative mandate that Kentucky's system deliver educational services in quantities and of a quality that is comparable to the national average.

The revised benchmark selection model used for 2006-08 differs from that used for 2004-06 as follows: (1) tighter criteria and process for benchmark selection; (2) differentiated more specifically based on mission and objectives in House Bill 1; and (3) measures included to ensure that performance comparisons relative to benchmark institutions are fair and meaningful.

<u>Summary of revisions approved by the Council:</u>

- Benchmark selection model revision (approved January 2005)
- Selection of all benchmarks (approved May 2005, July 2005-UK & UofL)
- Mandated program policies remained unchanged (approved April 2005)
- Funding Distribution Methodology (FDM) revised (approved January 2005)
- Institution match to access capital renewal and maintenance pool funds (confirmed existing policy January 2005)
- Review research space guidelines: no change from 2001 update (confirmed existing policy January 2005)
- Revisions to utilization and space needs model - teaching labs (updated policy January 2005)
- Exclude unrelated space from space needs model (confirmed existing policy January 2005)
- Condition and fit-for-use of space: conduct statewide analysis (approved January 2005)
- Institutional flexibility to issue agency bonds (supported policy change April 2005)

Additional changes included in 2006-08 Budget Recommendations:

1. Tuition Deduction
2. Standard Funding Level
3. Small Institution Adjustment (KSU)
4. Performance Funding Component

(1) Tuition Deduction

In previous versions of the benchmark model, a standard tuition deduction was used to make a policy statement about the appropriate share of the cost of educating a resident student between the student and the state. The previous standard can no longer be used to reflect the need for General Funds due to tuition increases. It is recommended that this calculation be modified to more accurately reflect funding need.

- **Deduction Calculation:** The tuition deduction is recommended to be the simple mean of tuition and fee revenue as a percent of total public funds of the benchmark institutions.

  Rationale for Change:
  - o Accuracy - Since the model uses total public funds as the funding target, deducting the average of the benchmarks' tuition and fee revenue percentage is an actual estimate of the tuition dollars inherent in the total funding target. This deduction is simply the reciprocal tuition portion of the General Funds portion included in the target total public funds objective.

  - o Tuition and financial aid policy will be used to manage affordability concerns, so the funding model calculation will be used to determine adequate funding recommendations relative to the benchmark target. The Council's separate tuition policy for the complex issues related to affordability and share of responsibility will provide consistency between the funding model and tuition policy.

(2) Standard Funding Level

In the previous biennium the target funding level was referred to as the "measure of central tendency" and the 50th, 55th, and 60th percentiles were used to set the funding objective. The middle three institutions in most cases were used to determine the measure of central tendency.

This has been revised to a simple average of all of the benchmarks on each list plus 5 percent. Therefore, at full funding levels, the Kentucky institutions would be funded 5 percent above the average of their respective benchmarks.

(3) Small Institution Adjustment (KSU)

- Based on recommendations from the Baker-Hostetler report, the comprehensive funding model review evaluated the ability of the benchmark funding model to accurately reflect the needs of KSU given its small size and unique mission. It was determined that at such small levels of enrollment, the benchmark model does not adequately reflect funding needs at KSU. Since the main reason for this problem related to the small size of KSU and diseconomies of scale related to size, a small institution adjustment is recommended as the appropriate correction.
- The Funding Distribution Methodology will assume half of the adjustment will be considered a first priority base adjustment in the first year with the remainder in the equity distribution in the Funding Distribution Methodology. If the first year's adjustment is not fully funded, the remainder will be considered a first priority base adjustment in the second year. Unfunded portions of the adjustment will not carry forward to the next biennium.

(4) Performance Funding Component

Performance Component

The performance funding component is intended to provide incentives for institutions, through the base-funding model, to improve performance in the areas of critical importance to Kentucky's public agenda. The 2006-08 recommendations include a request for $3,500,000 in performance funds to be distributed by the Council to the institutions in the second year of the biennium. If a smaller amount is appropriated, the greater of $1 million or 5 percent of base funding for the institutional operating appropriation is recommended to be earmarked and appropriated to the Council for the distribution.

The Council will continue to work with the institutions to determine the performance indicators and distribution methodology for the performance component. It is anticipated that this will be presented for final approval January 2006.

Staff preparation by Sandra Woodley

Comprehensive Funding Review Comparison of Issues
2004-2005 Project

Description of Change	Rationale for Change	Previous Model	Revised Model
Benchmark Selection *CPE ACTION:* *January - model* *March - refinement* *April - drafts* *May/July -* *benchmarks* *Nov - request*	• To link model to strategic planning process. • To provide a more objective and equitable process. • To incorporate performance component. • To incorporate adequate differentiation among institutions. • To enhance consistency between KCTCS and other institutions. • To appropriately differentiate for UK and UofL House Bill 1 mandate.	• Cluster analysis based on 20 criteria. • Not constrained by Carnegie Classification. • Significant differences between benchmark lists and statistical model results (similarity measures not applied uniformly). • Benchmark negotiations determined resulting benchmark lists. • No performance component.	• Revised benchmark selection criteria. • Constrained within two Carnegie Classifications. • Strict and consistent adherence to statistical model results for selection of benchmarks. • Weighting of criteria used to more effectively address differences in mission. • Flexibility to select 19 out of the most similar 30 on statistical ranking lists for four-year institutions; 19 out of 23 state systems for KCTCS. • Open process to discuss final selection parameters and proposed choices. • Separate model for UK and UofL to address House Bill 1 mandate (based on specific measures and analyses).
Funding Distribution Methodology (FDM) *CPE ACTION:* *Approved Jan 05*	• Current model makes M&O for new facilities and proportional increases too high a priority. • Funding would have to reach too high a level before even one dollar is distributed to benchmark equity. • Change in priorities allows past enrollment growth to be funded at a higher priority when funds are limited. • Change in Equity Index to more appropriately address funding gaps and past enrollment growth.	**Priority 1** - Fully fund base adjustments including M&O on new facilities. **Priority 2** - Proportional increase of 1% or 2% depending on funding levels and current services percentage. **Priority 3** - Benchmark Equity.	• **Priority 1** - Base adjustments (not M&O). • **Priority 2** - 50%/50% proportional/Benchmark Equity up to current services increase of net base funding level. • **Priority 3** - Fully fund M&O and if funds remain they revert back to priority 2. • The current services rate specified in the FDM for capping purposes regarding proportional increases will be 2% for 2006-08 biennium
Performance Incentive *CPE ACTION:* *Nov 05-earmark* *Jan 06-indicators/* *methodology*	• To reward performance. • To link funding model to the public agenda and campus action plans.	• No performance component in base model.	• Request 5% of 2008 recommendation for performance component distribution by the Council. • Performance metrics and methodology will be developed and presented to the Council for approval in January 2006 • Performance metrics will be consistent with public agenda, key indicators, and the campus action plans. • If the Council's request is not fully funded, the Council will recommend that in the second year of the biennium no less than $1 million or 5%, whichever is higher, of amount distributed to the institutions be earmarked in the Council's budget for performance.

Comprehensive Funding Review Comparison of Issues
2004-2005 Project

Description of Change	Rationale for Change	Previous Model	Revised Model
Tuition Deduction _CPE ACTION:_ _November 05_	• To equitably and accurately account for revenue available for student funding. • Standard deductions no longer reflected reality of the share of tuition to total public funds and therefore more General Funds than needed to fully fund total public funds were requested under a standard deduction (over $100 million (or one third) of 2004-06 funding gap was related to revenue above the standard deduction which was not counted). • To ensure that the calculations of funding need in the benchmark model are accurately impacted by the Council's tuition policy currently under development (including tuition decisions regarding nonresident students). Tuition policy changes should be captured automatically in the benchmark calculations.	• Uses standard deduction, so tuition and fee revenue higher than standard percentage is not counted in the model thereby inflating General Fund recommendation. • Standard deduction was 37% for all institutions except for KCTCS and KSU, which is 30%. • Differentiation in price for nonresident student tuition was not fully captured by the benchmark calculation. • Model allowed the recommendation, in some instances, to extend beyond the total need generated by the model.	• The benchmark model determines adequacy of funding based on the total public funds of the benchmark institutions. Since only general funds are requested, tuition amounts must be deducted to determine the general funds target. • The new tuition deduction is the simple average of tuition percentages in each benchmark list. This is tuition and fee reciprocal to the General Fund need contained in the total public funds of the benchmark objective • The funding gap calculation is capped at 105% of the total public funds objective identified by the model.
Measure of Central Tendency (Standard Funding Level) _CPE ACTION:_ _November 05_	• To make the measurement more statistically sound (too few benchmark institutions for percentile calculation). • To use the data from more than a few of the benchmark institutions in the calculation of funding objective.	• Average of the 50th, 55th, and 60th percentile out of 19 benchmark institutions.	• Revised and labeled "standard funding level." The funding level will be based on funding levels of benchmark peer institutions and is recommended for Fiscal Year 2006-08 biennium to be at 5% above the average of the benchmarks

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Comprehensive Funding Review Comparison of Issues
2004-2005 Project

Description of Change	Rationale for Change	Previous Model	Revised Model
Mandated Program Deduction CPE ACTION: May 05	• Deduction for various mandated programs may be biased and collections are incomplete and difficult to verify. • Except for land grant and agriculture, benchmark institutions have little incentive to report on legislatively mandated programs (they have no reason to separately track these programs). • Since the model identifies similar institutions, it may be reasonable to assume that these institutions have similar mandated programs (however, Kentucky has fewer major research universities so Kentucky data may be higher than benchmark peers). • To the extent that the data are biased, this component could inflate the funding objective; if data are not biased, better collection procedures could be implemented.	• Manual survey goes out to each benchmark institution requesting data on legislatively mandated programs. • These data are subtracted from all institutions. • Mandated programs must meet certain criteria to be included on the list.	• Maintain current practice, but implement more effective collection procedures to minimize potential data bias.
Small Institution Adjustment CPE ACTION: November 05	• To address the issue of diseconomies of scale facing smaller institutions with headcount enrollments of less than 4,000. • Based on Baker Hostetler report and Council analysis, the benchmark model underestimates the funding need for institutions as small as KSU and this new calculation should be substituted for the benchmark calculation.	• No fixed cost adjustment. • Benchmark model showed a negative funding need and as a result only a 2% increase was recommended for KSU in previous biennia	• Using methodology developed from the Alabama funding model, a small institution adjustment is calculated based on cost factors. • Half of the total calculation is requested as a first priority base adjustment and the remaining half distributed over the remainder of the four-year funding plan.

Comprehensive Funding Review Comparison of Issues
2004-2005 Project

CAPITAL

Description of Change	Rationale for Change	Previous Model	Revised Model
Institutional Match to Construct Research Space CPE Action: November 05	• Institutions have a revenue stream available to share debt service. • There are limited funds available from the state for capital construction and postsecondary education competes for limited debt capacity. • To recognize changing grant funds environment and ability of institutions to fund the match. • Many states fall into the 40% to 100% category of institutional support to construct research space; however, many states have significantly front-loaded 100% state paid research.	• Institutions are asked to share the responsibility for construction of research space (40 cents on the dollar). • Recognition of available revenue stream that can be dedicated to the capitalized cost of providing research space. • Since 1997 research space has been requested by the Council and the Governor, and funded by the General Assembly as a shared responsibility. • In the 2004-06 budget process, the Council recommended 60/40. In January 2004, the Governor requested 50/50, but the General Assembly did not pass a budget that year.	• Council will continue to analyze the need for a match in research space for future biennia in light of limited debt capacity for postsecondary projects and the ability of these projects to generate revenue. • For the 2006-08 biennium, only 50% of the scope of the research and economic development projects is recommended; therefore, if the Council determines a match is required, it can be implemented with the recommendation in the 2008-10 biennium when the remaining project scopes are likely to be funded.

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Comprehensive Funding Review Comparison of Issues
2004-2005 Project

Description of Change	Rationale for Change	Previous Model	Revised Model
Institutional Match to Access State Funds in Capital Renewal and Maintenance Pools	• Recognizes institutional performance in addressing ongoing major maintenance of E&G facilities. • Recognizes the shared responsibility between the state and the institution for facilities maintenance. • Recognizes and encourages institutions to budget for ongoing major maintenance of E&G facilities.	• Policy is that institutions should share the responsibility for deferred maintenance, capital renewal, and maintenance of facilities (match range is $0.75 to $1 per each $1 of state funds). • Does not recognize efforts by institutions to budget for the ongoing major maintenance of E&G facilities.	• Continue the current policy to require an institutional match to access state funds in capital renewal pool with match ranges between $0.60 - $1 per each $1 of state funds. • Strengthen the evaluation of institutional performance on postsecondary education maintenance standard.
Capital Projects Planning and recommendation priorities *CPE Action:* May 2005	• Responds to a request by the Capital Planning Advisory Board and implements a policy adopted by the Council in July 2001. • The planning priorities reported to the CPAB may change when a capital projects recommendation is made to the Governor.	• The Council typically provides capital priority categories to the Capital Planning Advisory Board. • Projects recommended by the Council in the prior biennial recommendation not authorized by the General Assembly are typically identified as the priorities for the upcoming biennium.	• Statewide capital priorities are established by a model based on evaluative criteria consistent with the goals and objectives of the public agenda. • This model was used to rank projects for the 2006-08 biennium. • Research and economic development projects are categorized and evaluated separately from academic projects.

THE FIVE QUESTIONS

1. **Are more Kentuckians ready for postsecondary education?**

2. **Is Kentucky postsecondary education affordable for its citizens?**

3. **Do more Kentuckians have certificates and degrees?**

4. **Are college graduates prepared for life and work in Kentucky?**

5. **Are Kentucky's people, communities, and economy benefiting?**

Kentucky Board of Education Report
to the
November 7, 2005 Council on Postsecondary Education Meeting
Submitted by
Commissioner Gene Wilhoit

October 5-6, 2005 Kentucky Board of Education Highlights:

➢ **Legislative Agenda and Budget Priorities Approved** -- At its October meeting, the Kentucky Board of Education approved the following five non-budget related proposals as items to be considered by the 2006 General Assembly:

- Clarification of the language on principal selection to clearly indicate that the superintendent recommends candidates for the position and the council selects from among those recommended;

- Repeal of the sunset provision of KRS 157.621 to ensure any eligible district is able to levy the growth nickel, if needed for facilities due to unusual growth in student population;

- Suspension of the prevailing wage requirement for school construction for two to five years in order to study its impact;

- Requiring low-performing schools to review the readiness of all students entering the school in reading and mathematics, conduct additional diagnostic assessments for students and meet with parents to develop intervention plans addressing identified problems; and,

- Clarification that employment of teachers at the Kentucky School for the Blind and Kentucky School for the Deaf is comparable to local school districts, not KRS Chapter 18A.

The Board also approved specific budget priorities that will be pursued during the 2006 General Assembly as follows:

- Additional funding for the SEEK formula (teachers' salaries and cost of living increases, additional days for the school calendar for instruction and professional development, incentive compensation program increase, funding of transportation back to its prior level and inclusion of a weight for LEP students).
- Full funding of preschool.
- Funding of technology back up to a level where districts can meet requirements.

➢ **Significant Discussion Occurs on Refocusing Secondary Education** -- Three elements – minimum high school graduation requirements, the Commonwealth Diploma and aligning funding policy to facilitate secondary school reform – were

discussed in detail and will require changes to administrative regulations that will come back for consideration of final approval at the December 7-8, 2005, meeting.

- The proposed **minimum graduation requirements** presented to the Board were:

  - Language Arts – Four (4) credits to include the content strands of reading, writing, speaking, listening, observing, inquiry, and using technology as a communication tool. Language arts shall be taken each year of high school.
  - Social Studies – Three (3) credits to include the content strands of historical perspective, geography, economics, government and civics, and culture and society.
  - Mathematics – Three (3) credits to include the content strands of number and computation, geometry and measurement, probability and statistics, and algebraic ideas and including the following minimum requirements:
    - One mathematics course taken each year of high school to ensure readiness for postsecondary education or the workforce based on the student's Individual Graduation Plan;
    - Required courses shall include: Algebra I, Geometry, Algebra II or a course of equal rigor; and
    - The minimum course for credit shall be Algebra I.
  - Science – Three (3) credits that shall incorporate lab-based scientific investigation experiences and include the content strands of biological science, physical science, earth and space science, and unifying concepts.
  - Health – One-half (1/2) credit to include the content strands of individual well-being, consumer decision, personal wellness, mental wellness, and community services.
  - Physical Education – One-half (1/2) credit to include the content strands of personal wellness, psychomotor, and lifetime activity.
  - History and appreciation of Visual and Performing Arts – One (1) credit to include the content strands of arts, dance, music, theatre, and visual arts (or another arts course that incorporates this content) or a standards-based specialized course based on the student's Individual Graduation Plan.
  - Academic and career interest standards-based learning experiences – Seven (7) credits including four (4) standards-based learning experiences in an academic or career interest based on the student's Individual Graduation Plan.
  - World Language – Demonstrated proficiency in understanding and communicating in a second language.
  - Technology – Demonstrated performance-based proficiency in technology.

- The second item, possible changes to the **Commonwealth Diploma**, included offering this type of diploma with either an academic focus or a career and technical focus. For the academic focus option, the proposed requirements were:

  (1) Successful completion of at least twenty-two (22) approved units of credit, including all of the minimum unit requirements for high school graduation set

forth in 704 KAR 3:305 and any additional units specified by the applicable local board of education.

(2) (a) Successful completion (i.e., receiving a grade or the equivalent of "B" or better) of at least four (4) courses in at least two content areas that contain essential content as described in the Advanced Placement (AP) Program Course Description booklets of the College Entrance Examination Board, which may be obtained from the College Entrance Examination Board; or,

(b) Successful completion (i.e., receiving a grade or the equivalent of "B" or better) of at least four (4) courses that contain essential content as described in the International Baccalaureate (IB) program course description booklets, which may be obtained from the International Baccalaureate North America, Inc.;

(3) Completion of one (1) AP Examination in at least three (3) of the AP or IB areas specified in subsection (3) of this section, with one passing score consisting of a three (3) or higher on the AP Examination or a score of four (4) or higher on the IB Examination received prior to the senior year so that the score will be received in a timely manner to process the Commonwealth Diploma; and

(4) A composite score of 1200 or higher on the verbal and mathematics sections of the SAT or a composite score of 24 on the ACT.

The proposed requirements for the career and technical focus included:

(1) Successful completion of at least twenty-two (22) approved units of credit, including all the minimum unit requirements for high school graduation set forth in 704 KAR 3:305 and any additional units specified by the applicable local board of education;

(2) Successful completion (i.e., receiving a grade or the equivalent of "B" or better) in at least two (2) AP or IB courses;

(3) Completion of one (1) AP Examination in at least two (2) of the AP or IB areas as described in the Advanced Placement (AP) Program Course Descriptions published by the College Entrance Examination Board or as described in the International Baccalaureate (IB) program course descriptions published by the International Baccalaureate North America, Inc., with one passing score consisting of a three (3) or higher on the AP Examination or a score of four (4) or higher on the IB Examination received prior to senior year so that the score will be received in a timely manner to process the Commonwealth Diploma;

(4) A composite score of 1200 or higher on the mathematics and verbal sections of the SAT or a composite score of 24 on the ACT;

(5) Successful completion (i.e., receiving a grade or the equivalent of "B" or better) in at least one (1) dual credit technical course; and

(6) Receive a Skill Standards Certificate.

- The final component of the refocusing secondary education discussion dealt with **alignment of funding policy to facilitate secondary reform** and would require revisions to 702 KAR 7:125, Pupil attendance. The proposed changes to 702 KAR 7:125 would provide a funding option that would allow schools to earn average daily attendance (ADA) for students involved in other types of credit-bearing educational opportunities such as standards-based performance-based credit for a class or block. Additionally, funding would be provided for a program authorized by the commissioner of education so that graduation requirements are based on student proficiency of standards and performance rather than time and Carnegie units.

➢ **More Intensive/Focused Interventions Discussed For Low-Performing/Gap Schools** -- At its October meeting, the Kentucky Board of Education continued discussions on the urgency of intervening in a more intensive/focused way in those schools that have shown the least progress in raising academic performance and closing achievement gaps. Specifically, Department staff asked the Board to consider the following:

- Current regulations allow for certain additional interventions to be applied to level 3 schools that remain in that status for two (2) consecutive biennia. There have been a certain number of schools that have moved in, out, and back into level 3 status from one biennia to another. In order to provide more sustained intervention to these schools, it is proposed that a school that falls into level 3 status for 2 out of 3 biennia, rather than just 2 consecutive biennia, will receive additional interventions.

- Currently, there are five (5) tiers under NCLB into which schools fall if they do not meet Adequate Yearly Progress (AYP) for a certain number of years ranging from 2 to 6. Additionally, schools that perform below a certain score on CATS are identified as level 1, level 2, or level 3. It is recommended that the law be amended to allow for schools in level 3 for two out of three biennia and tier 5 schools receive the same consequences and interventions. With this change, governance of tier 5 schools will be determined by scholastic audit teams the same as two biennia level 3 schools.

Other recommendations for the most effective strategies to assist low-performing schools and schools that have significant achievement gaps were considered. These were prioritized as those having the greatest impact on student achievement and were arranged around the topics of school culture, leadership, articulated curriculum, effective instruction and data-driven decision making/measuring progress.

Board members provided input on the proposals to Department staff on the proposals and asked that a revised draft be brought back to the December 7-8 meeting.

Upcoming Agenda Items for the December 7-8, 2005 Kentucky Board of Education Meeting Include:

- ➢ Update on assessment RFP process
- ➢ Writing portfolio administration guidelines
- ➢ Follow-up discussion on interventions in gap/low-performing schools
- ➢ Revised district audit process
- ➢ Quality assurance process/measures for A5 and A6 schools

Tuition Policy Update

The Council staff will seek the advice of the Executive Committee at its November 2 meeting regarding the development of the Council's tuition policy. A set of principles and objectives are being developed and discussed with institutional representatives as well as draft methodology for managing tuition rates in the future. Updated information will be shared with the Council members prior to the November 7 meeting.

Final action on the tuition policy framework is expected at the January 2006 Council meeting.

Staff preparation by Sandra Woodley

Discussion Draft regarding Tuition Policy
Draft October 2005

Policy Principles for Tuition Policy

1. **(Access)** – College Education in Kentucky should be affordable for all Kentuckians and the Council should minimize price as a barrier for a student's choice of institution. Annual price fluctuations should be minimized to the extent possible.

2. **(Adequacy)** – Tuition policy decisions should align the tuition and fee revenue with state appropriations to provide adequate total public funding levels necessary for institutions to meet the objectives of the public agenda.

3. **(Aid)** – Tuition and student financial aid policies should be coordinated effectively to ensure sufficient financial aid for needy students.

4. **(Alignment) –** The following three policies should be aligned with each other and the public agenda: (1) general fund appropriations (including all benchmark model calculations); (2) financial aid; and (3) the establishment of tuition and required fees at the institutions.

Notes:

- The net price of a college education should be affordable for resident students at all Kentucky institutions. An affordability standard should consider both enrolled students and the population of each institution's service region.

- The benchmark model determines the Council's definition of adequacy of funding relative to each institution's set of national benchmarks. The benchmarks' total public funds could be used to determine the target amount of tuition revenue, which could then be moderated, if necessary, based on the ability to pay of students enrolled at the institution and/or population of the institution's service regions.

- The tuition policy should address the establishment of tuition and required fees for all students, including non-resident, graduate and undergraduate.

- The Council will make final approvals for all tuition rates and required fees prior to each biennium. Adjustments could be considered during the biennium if necessary.

Committee on Equal Opportunities Report

The Committee on Equal Opportunities met October 17, 2005, and addressed the following actions and activities:

- Adopted the final report of the CEO Kentucky Plan discussion with the Kentucky Community and Technical College System September 27, 2005. The report has been forwarded to President Michael McCall with a request that KCTCS give a report on the status of the implementation of the committee's recommendations at the February 20, 2006, CEO meeting. The full report can be found at http://www.cpe.ky.gov/committees/ceo/meetings/ceo_20051017.htm

- Established the 2006 meeting calendar. The 2006 meeting dates are February 20, April 17, June 19, August 15, and October 16. All meetings are tentatively scheduled to be held in Frankfort.

- Conducted a campus visit at Eastern Kentucky University October 17-18, 2005, in conjunction with its regularly scheduled meeting. Generally, the committee was pleased with the campus visit and complimented President Glasser on the university's progress toward the objectives of The Kentucky Plan. The visit report will be considered at the February 20 CEO meeting.

- Discussed the interim suggested policy changes identified by a joint KEES policy workgroup and offered suggestions for further consideration. The CEO agreed with the suggested workgroup policy: (a) that the merit award portion of the program be strengthened, (b) that the age cap for participation should be removed, and (c) that the KEES program requirements should be heavily and widely communicated to students and parents. The committee suggested that the workgroup: (a) pursue and support a policy that would identify, simultaneously or prior to KEES policy changes, a single rigorous curriculum by the Kentucky Board of Education that would be implemented in every school district; (b) develop a policy that establishes a grant program to support access for students who would no longer receive KEES supplemental award money if a determination is made to change the ACT cut-off point from a score of 15 to a score of 18; (c) further review and moderate the appearance that KEES furthers an expectation that with unequal input for all schools there is an expectation of equal output (in student intellectual capacity and performance); (d) evaluate a policy position that all KEES money should be allocated

to meritorious students based on need; (e) because the original intent of KEES was to encourage students to pursue a postsecondary education, describe how the suggested policy changes will provide this encouragement; and (f) because the policy change for the KEES supplemental award will have the greatest impact on students scoring between 15 and 18 on the ACT and the average ACT score for African Americans is between 16 and 17, ensure that minority students do not bear the brunt of the policy change without an alternative grant program that provides money for access.

- Heard a report by the University of Kentucky and discussed the recent downturn in the entering enrollment of African American students at the public postsecondary institutions. The committee identified several areas that require further review: (a) the need to survey the students that were admitted but did not enroll in the specific institution to determine why and where the student actually enrolled; (b) the need for more explicit information regarding how institutions track the application, admission, and enrollment process for African American students; and (c) the answer, from all institutions, to the question raised by Representative Darryl Owens concerning the portion of the entering enrollment that can be attributed to intercollegiate athletics. The committee was alarmed at the downturn in the entering enrollment of African Americans at KCTCS institutions because KCTCS is the location identified in the public agenda as the open door, the feeder system, and the primary point of access to postsecondary education.

Due to depth and breadth of the discussion regarding the KEES policy concerns and the downturn in entering enrollment of African American students at some public postsecondary institutions, the committee did not complete its entire agenda and plans to reconvene in the near future. A date for a meeting has not been established.

Staff preparation by Sherron Jackson and Rana Johnson

Academic Program Productivity Review Update

Three rounds of university program productivity reviews were studied to determine the outcomes associated with program closures and restructuring (see Attachment 1). KCTCS results were not included because of historically low numbers of low-productivity programs. In addition, because of the large-scale redesign of many academic programs as part of the recent restructuring, many programs have not yet been reviewed. Nevertheless, issues that emerged in the 2004 KCTCS program productivity review are discussed in the findings.

A smaller proportion of eligible programs fell below the established productivity thresholds with each round of productivity reviews. This indicates that, overall, the reviews have accomplished their primary goal of reducing the number of low-productivity programs.

Universities themselves reported both fiscal and programmatic effects of three rounds of productivity reviews. Student services were improved through creation of more updated and relevant curricula, improved advising, and more flexible degree options for students to meet program requirements. Notably, some altered programs required additional funding to increase productivity. Efficiencies were reported due to program consolidations, reducing time-to-degree for students, and closer alignment with KCTCS programs.

Program Productivity Review Issues for Further Study

- Should quantitative reviews be moved to a four-year 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?

- Should the program productivity review be revised to include the measurement of fiscal and programmatic benefits associated with the changes?

- How can certifications within degree programs be better acknowledged as indicators of productivity?

- Given the increase in collaborative programs, how should multi-institutional program productivity be measured?

Academic Program Productivity Review Update

Academic program productivity has been part of the public agenda since the start of Kentucky's postsecondary education reform in 1997. The new public agenda for postsecondary education and adult education for 2005-2010, *Five Questions-One Mission: Better Lives for Kentucky's People,* affirms the need for highly productive degree programs to meet the 2020 goals of House Bill 1. Program review procedures were implemented to support the reform by providing high-quality, accessible, and efficient programs.

This review of the program productivity process outcomes sought to identify quality improvements, cost savings, and efficiencies associated with the reviews. Institutions have undergone three separate reviews of program productivity, providing a rich source of data for this review. Early into the project it was evident that a comprehensive assessment of direct cost savings was not possible because university fiscal accounting systems are not directly linked to the academic program designations used in the program productivity review. However, institutions provided estimates of efficiencies and examples of improved program quality based on the program review outcomes.

Overall, the productivity 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.

Program Review Policies and Procedures

Program reviews were initiated by the Council on Higher Education in 1976. With the release of the 1985 Strategic Plan for Higher Education in Kentucky, the Council staff was directed to restructure and strengthen the program review process. Greater emphasis was to be placed on review of programs related to planning and the implementation of strategic directions. These review procedures were designed to assess strengths and weaknesses in quality and productivity to determine desired program mix and support state goals. This process also included a provision for special studies if an "issue or problem was triggered in the selective review process." In summary documents it was proposed that consultants be hired to assist the Council staff, given the increased expectations for program review.

In November 1999, the Council passed a series of guidelines related to academic programs that streamlined the process of reviewing programs and recognized the need for institutional flexibility within the new postsecondary structures of the *Kentucky Postsecondary Education Improvement Act of 1997.* The previous voluminous, regulatory, and bureaucratic policies were replaced with new guidelines developed in consultation with the Council of Chief Academic Officers (see Attachment 2). Reviews were updated to determine whether programs were effectively contributing to the public agenda for postsecondary education in Kentucky.

Streamlined academic program policies established thresholds for determining the productivity of academic programs in operation for more than four years. Programs must meet the following thresholds:

Degree Level	Average Output Over 5 Years
Associate	12
Baccalaureate	12
Master's	7
Doctoral	5

The Council staff analyzed official degree data to identify programs at each institution that were below the thresholds. Institutions were notified and asked to review each low-productivity program and make written recommendations for continuation, alteration, or closure. The Council staff reviewed the institutional responses and, in consultation with campus leadership, final recommendations were prepared for Council approval.

While the number of conferred degrees initially identifies low-productivity programs, several other criteria are considered when determining the final outcome. Programs may be closed, altered, or continued in their current form. Institutions provide additional information to assist in this determination. A selected program may not graduate large numbers of students but the academic program is essential because it provides a significant number of courses to meet general education requirements. Low-productivity programs also may provide graduates in disciplines that are critical for Kentucky's economic development or in academic fields that meet the needs of specific student populations. Additionally, programs that show recent increases in enrollment and degree production may be retained to be reviewed in the next cycle. Evidence of productivity in research also supports the decision to maintain programs that produce fewer graduates.

All low-productivity programs, and particularly those in academic disciplines of high need, are scrutinized for innovative ways to improve productivity. Extra effort is taken to meet state needs by working with campuses to significantly restructure programs for greater productivity as an alternative to closing the program.

The following table summarizes the timing of university reviews and report approvals since the policy was approved in 1999.

Round 1		Round 2		Round 3	
Years of Degree Output Reviewed	Council Approved Results	Years of Degree Output Reviewed	Council Approved Results	Years of Degree Output Reviewed	Council Approved Results
1994/95 to 1998/99	July 2001	1996/97 to 2000/01	May 2003	1998/99 to 2002/03	January 2005

Data Collection Methods

Lists of closed and altered programs from each review were prepared and sent to each institution for verification. Chief academic officers provided information about each program that was closed or altered, as well as summary narratives describing the impact of program review on academic program delivery and quality. Additionally, policy documents, agenda items, and published program reports were collected and scanned for background and reference information.

The Kentucky Community and Technical College System outcomes are not reflected in this report. While programs at KCTCS have been reviewed for productivity in 2000, 2002, and 2004, the results show limited associate degree program closures. Specifically, nine programs were closed and 43 programs were altered as a result of three rounds of productivity reviews. KCTCS has recently undergone several curricular and program changes for consolidation and restructuring of the system. These programs will not be eligible for productivity reviews until four years after the first class of graduates. Nevertheless, important issues that emerged in the most recent review are discussed in the findings.

Findings

1. Has the productivity of existing academic programs increased since 2000?

For program review procedures, productivity is defined as degree output. In the first round of the review, 48 percent of the 1,164 academic programs eligible to be reviewed did not meet the productivity thresholds. In the second round 21 percent, and, by the third round, just 19 percent of all programs produced fewer degrees than the established productivity criteria. The proportion of unproductive programs decreased while the overall number of eligible programs for review increased from 1,164 in 2000 to 1,449 in 2005 (see Attachment 3).

Among the unproductive programs, the following proportions were closed or altered: 56 percent in 2001, 39 percent in 2003, and 32 percent in 2005. The remaining low-productivity programs were retained due to upturns in productivity, high volumes of teaching credit hours, or special contributions to the academic profile of the institution (for example, research productivity and contribution to general education).

Productivity Review Outcomes

■Productive □Retained ▨Altered ■Closed

Year	Productive	Retained	Altered	Closed
2001	600	260	161	143
2003	968	147	67	26
2005	1,177	185	45	42

Productivity Review
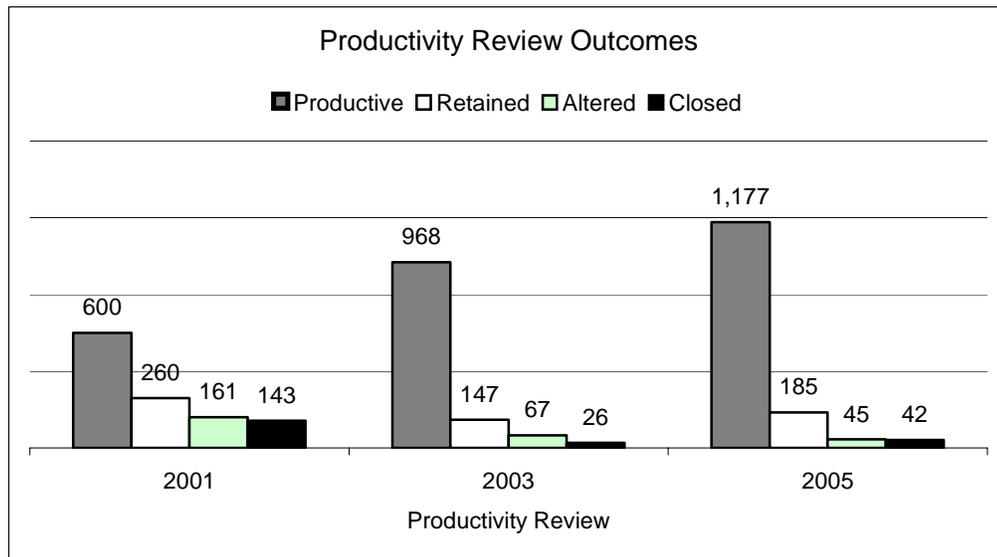
Of all low-productivity programs, 27.5 percent were in the science and technology fields, including engineering and related technologies, agriculture, biology, mathematics, and health related programs. Education degree programs, at all levels, accounted for another 26.2 percent of the low-productivity programs. Combining these two program areas shows that more than half of all low-productivity programs are evident in disciplines that are critical to Kentucky's economic development needs.

Special attention was dedicated in round 1 to recommendations for improving productivity in teacher education, foreign language, and the visual and performing arts. The teacher education productivity concerns resulted in initiation of a teacher education summit in December 2001. The meeting was notable primarily because it marked the beginning of institutions, faculties, and agencies working together to improve teacher preparation and to address teacher shortages. Since this first meeting, teacher quality summits have been held annually, focusing on a wide range of teacher preparation issues. The most recent meeting was held in October 2005 in Louisville.

The institutional reports of productivity review outcomes indicated that education programs were integrated into content majors in an effort to improve productivity and quality of teacher preparation. Efficiencies were evident where separate teacher preparation programs merged. For example, the productivity of Eastern Kentucky University's fine/studio arts baccalaureate program was improved with a major curriculum revision that incorporated an option for

educators. Kentucky State University made a similar change by closing the separate music teacher education program and creating a single bachelor of music program to prepare both educators and performance musicians. The University of Kentucky made large-scale changes by incorporating language and literature baccalaureate programs in Russian, German, French, and classical languages into a single Department of Modern and Classical Languages, Literatures, and Cultures. This program serves as the only program to train and certify Kentucky foreign language teachers in all precollege levels at UK. This merger also produced a savings of $30,000 that was used to finance the quality improvements.

2. What efficiency increases or cost savings have been associated with the productivity review outcomes?

At the start of this investigation, institutions were asked to provide estimated annual savings in administration time, faculty FTE, and costs for each reviewed program. Several responses illustrate the difficulty with this original request. Chief academic officers noted that efficiencies and savings that are directly attributed to closed or altered programs are difficult to determine because:

- Budgets were being reduced during this period and the efficiencies were absorbed in the cuts.
- The institutions did not track how individual savings translated into new expenditures.
- The institutions currently do not calculate administration time, allocation of FTE, or annual cost of FTE according to degree program (for example, CIP code).

Fiscal Impacts. Institutions did provide an array of illustrations of the fiscal impacts of closing programs. The graduate programs in anthropology at UK estimated savings of $459,000 between 2001-04 because of curriculum changes that significantly reduced time to degree for master's and doctoral students. EKU administrators reported that the primary impact of program productivity review has been "the associated increase in efficiency of the administrative oversight and assessment of fewer degree programs…"

These savings are often redirected to improve other existing programs. Such was the case at UK with the Department of Modern and Classical Languages, Literatures, and Cultures cited previously. Resources were used to hire key foreign language specialists and to create a language media center to train UK language faculty in integrating technologies into their language instruction. Murray State University reallocated the operating budget of a closed program to two new, more relevant programs of the Program of Distinction, Telecommunications Systems Management and Electromechanical Engineering Technology. Resources saved as part of the closure of Morehead State University's associate program in enterprise management and operation were shifted to the baccalaureate and master's programs.

Community Engagement. Reallocations within programs can mean savings that can be directed to improve community engagement. The drama/theatre arts baccalaureate program

at MuSU was significantly restructured following a productivity review. Faculty reported great increases in outreach to area schools, including adding touring events in schools, three children's performance/pedagogy courses, and a change in the mission statement to include providing support for regional public K-12 schools.

Articulation with Two-Year Institutions. Improved articulation and efficiencies with the community and technical college system also were cited as outcomes of the review process. Better collaboration between two-year and four-year institutions decreases duplication of resources and increases transfers, ultimately improving productivity. Northern Kentucky University specifically noted that the closure of its associate program in manufacturing engineering technology eliminated potential duplications with Gateway Community and Technical College.

Cost Increases. It is important to note that program closures or changes to increase productivity do not always lead to cost savings. Altering programs may have different fiscal outcomes than closing programs. In fact, updating programs may require additional resources to make significant curricular or marketing changes to increase productivity. The doctoral program in environmental biology at the University of Louisville was changed to a general biology degree, resulting in significant enrollment increases, and several faculty were hired.

3. **Are there additional benefits associated with the productivity process?**

In addition to the potential reallocation of funds, there were many examples of nonfiscal impacts. Two common themes emerged from the universities' responses to the productivity reviews. First, curricula were often updated to improve their relevance to current employment opportunities in the academic discipline. Second, stand-alone programs were combined with other programs to provide more flexible options or concentrations within another degree program.

Better Alignment with Workforce Demands. Productivity reviews prompted many faculty members to review the relevance of the curriculum for the workplace. Several departments reported updated courses and program concentrations to help improve graduate competitiveness as a way to increase enrollment. The baccalaureate program at Western Kentucky University in library science/librarianship was closed. Savings were directed to help support the significant enrollment increase in the more competitive master's program. EKU closed the master's program in college student counseling and personnel services as a separate degree program. Much of the content was shifted to a new master of arts in human services where students now have the choice of preparation for private or public community agency leadership. The second track within the same program, college personnel services, allows students to prepare for leadership roles in higher education. Changes in UK's agronomy and crop science master's program produced an integrated plant and soil sciences degree program. Three traditionally separate student groups of crop science, soil science, and plant physiology are now combined. This change gives students a

"unique and holistic appreciation for the soil-plant system and its role in food production and industrial applications."

Increased Curriculum Flexibility. Restructured degree programs frequently used shared departmental resources to provide students with multiple options within the program. UofL's master's degree in art history, criticism, and conservation was merged into the single program, creative art and art history. This change resulted in a single program that currently meets productivity thresholds and provides students more options within the discipline. Specialist's degrees in education at MuSU were changed from three separate programs for elementary, middle school, and high school teachers into a single specialist's program. Educators can pursue this advanced degree while conducting research in a selected area. University administrators also noted that it is much easier to manage student services within the single program. KSU combined five separate business programs into a bachelor of arts degree in business administration with areas of concentration in accounting, management, marketing, management information systems, and general business. This merger allows greater collaboration among faculty and students and greater flexibility for students in creating a workforce relevant program.

Improved Student Service. The closure of a program for low productivity can engage faculty in a review of the academic unit that can result in better services for students. MuSU's speech and rhetorical studies baccalaureate program was closed. However, following the closure, a more applied social science oriented program in organizational communication was created. Faculty noted improvements in their ability to recruit and advise students in this more relevant discipline.

Summary

The evidence provided by the chief academic officers demonstrates that campuses are engaged in the program productivity review process. Academic administrators are concerned and attentive to low-productivity programs and provide the Council with all required documentation to complete the reviews. Extensive research is considered prior to closure, alteration, or continuation recommendations. Department chairs take advantage of this opportunity for reflection and review. MoSU has used the Council's productivity threshold as a measure on its Annual Assessment Report Card. MuSU's drama/theatre arts faculty noted that the "productivity review led us to carefully examine our program and make needed changes."

Campus action plans of the 2005-2010 public agenda strongly reflect institutional efforts to meet student and community needs with innovative and high-quality academic programs. It will be important to continue to monitor productivity as enrollments increase through expanded access. The streamlined productivity review process is one approach to provide efficient delivery of purposeful academic programs. The results of this review suggest ways to improve the effectiveness of the process.

Implications of Findings for Changes in Program Productivity Review

The program productivity review focuses on the importance of providing high-quality programs that successfully and efficiently graduate students. The substantial increases in degree production that are needed over the next decade require that program productivity be reviewed and the program structures modified to serve many more students effectively.

Cost Data. Institutions, for several reasons, were not able to provide specific and complete cost accounting information for discrete academic programs. Cost accounting of future productivity reviews would require a fiscal data component to track the transfers of funds, savings, and expenses that accompany program review outcomes. Also, a complete accounting of productivity review costs would require both savings associated with closures and expenditures for altered programs. This report would need to be a separate system of accounting that is based on academic programs or departments.

The benefit of the cost study would need to be substantial in order to balance the high cost of implementing a separate accounting system. Because of the potential investment needed for the additional cost reporting, the feasibility of a separate accounting system should be researched thoroughly. A restructuring of the focus of the program productivity review on department or college productivity might be another option.

Multi-Institutional Programs. Institutions are collaborating more to offer degree programs. Articulating the productivity measurements for these shared programs will be necessary as these new programs become eligible for review.

Certificates and Diplomas. Certificate and diploma programs in the two-year system have increased from 285 in fall 2000 to 460 in fall 2005. There are no existing productivity thresholds for these formal awards. These programs were excluded over the last three reviews largely because it was perceived that fewer resources are needed to provide these shorter programs. Also, sub-associate programs are more responsive to market demands such that institutions can easily close unproductive certificate programs. For sub-associate programs, it would be helpful to include certificate and diploma graduates as a part of the productivity review for associate programs.

Two-Year Review Cycle. Given the current degree output requirements and extensive restructuring of options within programs, the two-year review cycle may be less informative. Two consecutive rounds of low-productivity programs at roughly 20 percent indicate that institutions are maintaining relatively productive programs. It may be most useful to put the quantitative productivity review for the universities and KCTCS on a four-year cycle with the interim review being a campus consultation.

Campus consultations were approved in November 1999 as part of the streamlined program approval process. These consultations could be used in a productivity review. The campus visits would emphasize the programmatic structures and degree offerings that support the statewide needs, the feasibility of cost accounting, and other productivity issues.

Recommendations for Further Study

Based on the information reviewed in this study of three rounds of program productivity reviews, the following recommendations for further study are presented:

- Should quantitative reviews be moved to a four-year 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?

- Should the program productivity review be revised to include the measurement of fiscal and programmatic benefits associated with the changes?

- How can certifications within degree programs be better acknowledged as indicators of productivity?

- Given the increase in collaborative programs, how should multi-institutional program productivity be measured?

Sources

- Attachment 2: Streamlining Program Policies, November 8, 1999, CPE agenda item, with attachments.
- Attachment 3: Summary Table of University Productivity Review Outcomes.
- Certificate and diploma program counts provided by Kentucky Community and Technical College System, Office of Policy Research.

ACTION

STREAMLINING
PROGRAM POLICIES

Agenda Item D-1
November 8, 1999

Recommendation:

That the Council approve the attached guidelines for new program approval, program review, and extended-campus activities.

Rationale:

- The *1999-2004 Action Agenda* and the Council staff's 1999-2000 Plan of Work calls for the streamlining of the process by which new academic programs are approved at Kentucky's postsecondary institutions and monitoring the performance of the institutions and their programs.

- Current academic program policies are voluminous, regulatory, and bureaucratic, and date back as far as the 1970s. They require the Council and its staff to spend great amounts of time and effort engaged in oversight that is neither productive nor value adding. These policies—and the time-consuming procedures that accompany them—are obsolete.

- The bold reform goals outlined in the *Kentucky Postsecondary Education Improvement Act of 1997*, *2020 Vision*, and the *1999-2004 Action Agenda* require academic program policies that reflect international best practices, create strong partnerships between the Council and institutional governing boards, and provide flexibility to Kentucky's universities and the KCTCS within the context of institutional missions and plans.

- As a first step, in April 1999 the Council delegated to the KCTCS Board of Regents program approval authority for new certificate, diploma, associate in arts, associate in science, associate in applied science, and associate in applied technology degree programs at the KCTCS institutions.

- These new guidelines for Kentucky's universities reflect the goals of postsecondary education reform and were developed in consultation with the Council of Chief Academic Officers.

Staff Preparation by Bill Swinford

ATTACHMENT 2A

Guidelines for New Program Approval

Program Approval Delegation

- That the governing board at each of the four-year institutions be authorized to approve, on behalf of the Council, new academic programs that fall within its selected band of programs. The program band is based on the institution's mission, existing programs, and disciplinary strengths.

- That the Council retain its approval authority for programs in the following areas:

  - First-professional programs
  - Engineering programs at the comprehensive institutions and engineering programs at the doctoral level at the University of Kentucky and the University of Louisville
  - Teacher and school personnel preparation programs
  - Health-related programs above the baccalaureate level
  - Other programs falling outside each institution's negotiated program band

  For new programs in these areas, institutions will be required to submit full program proposals. "Statements of compelling need" will no longer be required.

- That the Council staff may request a full proposal for any program within a negotiated band.

Program Development Principles

It is expected that all new program proposals will be developed within the context of institutional missions and plans, statewide reform goals, and the Council's *2020 Vision* and *1999-2004 Action Agenda.* The following principles should be considered:

- All universities and Kentucky Community and Technical College System institutions will be in compliance with relevant EEO/AA requirements before implementing any new programs or substantial program modifications.

- Programs should be designed to ensure that students can move easily into related credential programs in the system.

- The Council strongly encourages the development of new joint and cooperative programs and the consolidation of existing programs into joint or cooperative programs with other institutions.

- The establishment of new programs will be based on compelling evidence of student demand and employment opportunities for program graduates.

- Senior institutions wishing to establish new sub-associate certificate programs for academic credit will consult with the KCTCS administration using procedures approved by the Council.

- The Council may encourage the development of targeted programs that meet critical statewide or regional needs through financial incentives or Requests for Proposals.

Program Advisory and Consultation Process

This new process for program approval is built around public dialogue among Kentucky's institutions of postsecondary education. This dialogue is designed to increase cooperation and collaboration and, in the process, prevent unnecessary duplication. To achieve these goals, inter-institutional discussion should begin after a new program has been approved at the departmental level.

For new program proposals that are within an institution's current program array and not within areas that require Council approval, the following program advisory and consultation process will be used by the four-year institutions and the KCTCS:

1. The proposing institution will provide the following information to the Council staff for posting to the Council's website:

   - Program title and suggested federal classification code
   - Brief program description
   - Brief statement of need and demand for the program
   - Preliminary plans for collaboration with other institutions
   - Plans for delivery through distance learning technologies
   - The name(s) of primary institutional contact(s)

2. Other public and independent institutions in Kentucky and the Council staff will have six weeks to comment on or state official opposition to the proposed program. Comments and stated opposition will be posted.

3. If there is no unresolved opposition to the program by the end of the six-week period, the Council staff will notify the institution that it may complete the institutional process of program approval and subsequently implement the program.

4. If another institution or the Council staff expresses major concerns about the proposed program, the Council staff will decide how best to proceed. In doing so, the Council staff may require additional information and may recommend that the Council take action on the proposal.

Programs falling outside an institution's negotiated program band and programs that fall within areas that require Council approval will follow the consultative process for other new programs outlined above in steps #1 and #2. Then, upon completion of the institution's internal approval process (including board approval), the institution will submit a complete program proposal to the Council for its consideration.

Campus Consultation Visits

An institution's internal proposal guidelines and approval procedures should reflect the principles outlined in these guidelines. The Council staff will periodically visit the campuses, including the colleges within the KCTCS, to review the process by which selected new programs are developed. Council interest during the campus visits will focus on the following matters of statewide importance:

- Evidence that a rigorous process of determining demand supported the need for the program
- Evidence of collaborative efforts with other postsecondary institutions
- Evidence that employer and other relevant groups were consulted on curriculum design
- Actual articulation agreements and other credit transfer arrangements with related credential programs at the institution and at other institutions
- Evidence that sound methods for evaluating student learning and success are in place

ATTACHMENT 2B

Guidelines for Review of Academic Program Productivity

That the Council staff review the status of all existing programs in operation for more than four years and identify those that do not appear to be sufficiently and effectively contributing to the needs of the statewide system of postsecondary education in Kentucky. Institutions will be asked to review each identified program at their respective institution and make a written recommendation about its continuation, modification, elimination, or consolidation into a cooperative program. The Council staff will consult with individual institutions and make recommendations to the Council on the most appropriate action for each program initially identified. Institutions can submit other evidence of the value of individual programs (for instance, research funding, number of declared candidates for the degree, or courses that service other programs), but this must be well documented.

That the following thresholds will be used to identify programs:

- Associate programs will be identified if they average fewer than 12 degrees awarded during the five-year period beginning with the 1994-95 academic year.

- Baccalaureate programs will be identified if they average fewer than 12 degrees awarded during the five-year period beginning with the 1994-95 academic year.

- Master's and specialist programs will be identified if they average fewer than seven degrees awarded during the five-year period beginning with the 1994-95 academic year.

- Doctoral programs will be identified if they average fewer than five degrees awarded during the five-year period beginning with the 1994-95 academic year.

ATTACHMENT 2C

Guidelines for Extended-Campus Offerings

The primary purpose of extended-campus programs and courses is to provide, in an efficient and cost effective manner, higher education access to place-bound and time-bound students who are geographically remote from existing institutions of higher education. This purpose supports the goals of the *Kentucky Postsecondary Education Improvement Act of 1997*, *2020 Vision* and the Council's recently approved *1999-2004 Action Agenda* by improving college-going rates and educational and degree attainment levels, as well as meeting documented regional needs for individuals educated in particular occupational disciplines.

The universities should work collaboratively with the Kentucky Commonwealth Virtual University, the KCTCS, individual community and technical colleges, and independent institutions to meet the educational needs of the communities in their service areas. Current designated service areas (as reflected on the attached map) will be maintained.

Programs offered at extended-campus centers or sites within an institution's designated service area do not require Council approval. If an institution wishes to implement a new extended-campus offering *outside* its designated service area, the following process will apply:

1. The institution will submit a proposal to the Council staff for posting to the Council's website at least 60 days before course registration is to begin. A proposal for a new extended-campus program should include the following information:

   - Program title
   - Program description
   - Sample curriculum
   - Statement of need and demand for the program and the program's connection to institutional mission
   - A list of individuals (names and titles) in business, the professions, and government consulted about the need for the program and employment opportunities for program graduates
   - If distance learning, the technology delivery mechanism (satellite, etc.)

   A proposal for a new extended-campus course (that is not part of a previously approved extended-campus program) should include:

   - Course title and number
   - Course description
   - Statement of need and demand for the course and the course's connection to institutional mission
   - A list of individuals (names and titles) in business, the professions, and government consulted about the need for the course
   - If distance learning, the type of technology delivery mechanism (satellite, etc.)

2. There will be a 30-day review period following posting during which the coordinating institution for the target area can respond. If the coordinating institution for the target area opposes the offering, the Council staff will decide how best to resolve the dispute. In doing so, the Council staff may require additional information and may recommend that the Council take action on the proposal. A final resolution will normally occur within 45 days of the original submission of the proposal.

The KCVU Academic Council is the review mechanism for courses and programs delivered via the KCVU. Therefore, KCVU-approved courses and programs can be offered by any institution in any service region without using the procedures outlined above for extended-campus offerings. The extended-campus offering guidelines do apply to non-KCVU courses and programs offered via the Kentucky TeleLinking Network or satellite as well as non-KCVU electronically delivered offerings that require students to receive instruction in real time at fixed, predetermined locations.

University Productivity Review Outcomes

Degrees Reviewed	Final Report Approval	Total Reviewed	Total Low Productivity	Outcomes of Low Productivity		
				Closed	Altered	Continued
1994-95 to 1998-99	July 2001	1,164	564	143	161	260
1996-97 to 2000-01	May 2003	1,144	240	26	67	147
1998-99 to 2002-03	January 2005	1,449	272	42	45	185

Distance Learning Advisory Committee Report

The Distance Learning Advisory Committee met October 5, 2005. An update on the growing use of the Kentucky Virtual University was presented by Allen Lind, the Council's new KYVU chief executive officer and vice president for information and technology. Users of KYVU increased from a total of 41,827 unduplicated users in fall 2004 to 55,964 users in fall 2005. The majority of the growth came from Kentucky Community and Technical College System users who increased by 13,404 to a total of 39,964 KCTCS users in fall 2005.

Efforts to revise the statewide definition of distance learning have been initiated. With the increased use of course management systems to support traditional courses, the current threshold of "more than 50 percent of content" being delivered electronically is proving insufficient. The Distance Learning Steering Team (DLST), the operational body of DLAC, will work with institutional research directors to develop a definition that focuses more on differences relevant to distant learners (e.g., a maximum number of face-to-face sessions) than on the technology used to deliver the instruction.

The Center for Rural Development, in partnership with KCTCS and with participation by the DLST Course Management System Exploration Workgroup, announced that it is in the final phase of negotiating a CMS license. While the initial agreement will support homeland security programs developed by the center, KCTCS expects to contract with the center for its growing CMS needs.

An update was provided on the status of the response to the May 2005 SACS Special Committee visit and report on KYVU. The Distance Learning Advisory Committee, in support of the KYVU/CPE response to SACS, passed an action item acknowledging its responsibility to make recommendations in this matter to CPE and an action item recommending that KYVU utilize the Distance Learning Steering Team as a discussion and review body assisting in the response to the SACS recommendations.

As part of the response, the DLST and other affected organizations will assist KYVU in formulating a clear and comprehensive KYVU mission statement to guide the continuing operations and development of the Kentucky Virtual University. The mission statement will assure that KYVU activities, priorities, and goals are consistent with the Council's public agenda. A day-long review and revision of the KYVU mission, goals, and services by DLST was proposed.

The KYVU will make an interim report to DLAC in January 2006 and propose responses to the SACS recommendations to DLAC in March 2006. Following their acceptance, DLAC will recommend that the new KYVU mission statement be formally approved by the CPE and communicated consistently to KYVU constituencies.

Staff preparation by Myk Garn

KSU Land Grant Farm Facility

The following interim project recommendation will authorize Kentucky State University to use federal funds to construct land grant farm facility at the Cooperative Extension Research Farm.

ACTION: 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 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.

Kentucky State University proposes to construct a land grant farm facility consisting of a welcome center, pavilion, and apiculture (bee keeping) laboratory of approximately 8,900 square feet using $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. The Kentucky State University Board of Regents approved the project at its April 29, 2005, meeting.

The Council has the statutory responsibility to review and approve postsecondary education capital projects costing $400,000 or more, regardless of fund source, that have been approved by an institution's governing board. Since the estimated cost of this project exceeds the $400,000 threshold, the Council and the Capital Projects and Bond Oversight Committee must approve the project before it is initiated. During the interim, when the General Assembly is not in session, capital projects are evaluated under the requirements established by KRS 45.760(14) and KRS 45.763.

This project will allow the university to design and construct an 8,900 square foot land grant farm facility (6,500 square foot welcome center, 750 square foot pavilion, and 2,400 square foot apiculture laboratory) on the research and demonstration farm to provide a state-of-the-art facility for meetings with farmers, educators, and the general public. The facilities include a conference and demonstration room, movable walls, honey extraction and bottling room, observation hive and research room, a hive maintenance room, a walk-in cooler, certified kitchen/food service area, storage, and a reception and office area. An outdoor covered demonstration area (pavilion) also will be constructed. The project will be designed, bid, and constructed in accordance with the requirements of the Kentucky Revised Statutes and the

Kentucky Building Code. The estimated completion date for the project is June 2008. The project requires interim authorization because the facility funds were not available at the time the 2005 General Assembly was in session.

Kentucky State University states that funding for the project will come from a USDA facility grant to the university ($1,578,648) for the purpose of constructing the facility. The project meets the requirements of KRS 45.760(14) that the source of funds is at least 50 percent federal or private. The university will not debt finance any portion of the project. The Finance and Administration Cabinet's Division of Facilities Management will implement the project. The federal government will pay the operations and maintenance costs.

Following Council approval, the staff will forward the Council's recommendation to the secretary of the Finance and Administration Cabinet and the Capital Projects and Bond Oversight Committee.

Staff preparation by Sherron Jackson

Doctor of Physical Therapy
University of Kentucky

Universities are required to submit all new doctoral programs to the Council for approval. The Doctor of Physical Therapy proposed by the University of Kentucky will replace the combined baccalaureate/master's degree currently offered, enabling graduates to provide direct access to patients and aligning the program with current accreditation trends.

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

The University of Kentucky proposes a Doctor of Physical Therapy to replace the existing Bachelor of Health Science/Master of Science in Physical Therapy dual degree program. As one of two physical therapy programs in Kentucky, the new program will better prepare graduates to compete in an ever-changing health care arena where patients have direct access to physical therapy services. (The other program offered by Bellarmine University already has transitioned to the DPT.) The new program requires an additional 20 hours of instruction, including nine hours of clinical education and 11 hours of didactic coursework in such high-need areas as differential diagnosis, pharmacology, patient management, administration, interpretation and use of rapidly evolving scientific literature, public health, aging, and wellness.

The DPT is rapidly becoming the preferred professional degree for practitioners across the country. The American Physical Therapy Association predicts that 81 percent of all physical therapy programs will be enrolling students into DPT programs by January 2006. Of the 34 programs ranked above UK's physical therapy program nationally, 27 have transitioned to a DPT.

UK will continue to enroll approximately 64 students annually – 48 at the Lexington campus and 16 at the Center for Rural Health in Hazard. Tuition increases are anticipated to generate $452,820 in additional revenue, which will fund three new faculty members, three graduate assistants through the rehabilitation sciences doctoral program, and one staff member. These new positions are necessary due to increased course development and preparation time, as well as increased student contact hours and advising.

The UK Board of Trustees approved the program at its June 14, 2005, meeting.

Staff preparation by Melissa McGinley

Master of Arts in Special Education
Kentucky State University

Universities are required to submit all new education programs to the Council for approval. The Master of Arts in Special Education proposed by Kentucky State University will be targeted at teachers who are emergency certified with the goal of increasing diversity in the teaching field.

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

Kentucky State University proposes a Master of Arts in Special Education to address the critical shortage of special education teachers in Kentucky, especially well-qualified minority practitioners. The program will offer an alternate route to certification for qualified candidates wishing to teach K-12 students with learning and behavioral disorders.

KSU received a rating of "excellent" in 2004-05 on the Quality Performance Index (QPI), a measure designed by the Education Professional Standards Board to evaluate teacher preparation programs based on PRAXIS II and KTIP pass rates, as well as new teacher survey results. As of October 3, 2005, KSU's education program is no longer bound by restrictions placed upon it by the EPSB.

KSU received a State Improvement Grant totaling nearly $1 million from the Kentucky Department of Education's Office of Special Education to develop this program. KSU will utilize these resources to ensure special educators receive training to function in technology-rich classrooms. Two new tenure-track positions will be requested to hire faculty with expertise in the areas of learning and behavioral disorders and moderate-to-severe disabilities.

KSU plans to collaborate with public and independent Kentucky institutions offering similar programs and with the Kentucky Virtual University to make the curriculum available online.

The KSU Board of Trustees approved the program at its February 4, 2005, meeting.

Staff preparation by Melissa McGinley

Host Institution for Center for Mathematics

In March 2005, Governor Fletcher signed into law House Bill 93, which charged the Council on Postsecondary Education to select a host institution from among the Commonwealth's eight public universities for the Center for Mathematics. The center calls for improving student achievement in mathematics at all levels of schooling in Kentucky, primarily through making "available professional development for teachers in reliable, research-based diagnostic assessment and intervention strategies, coaching and mentoring models, and other programs in mathematics." Coherent, high-quality professional development for educators and school leaders has been identified as a priority by Governor Fletcher's Educator Work Group.

House Bill 93 defines the objectives for the center, and the activities that the center must engage in to achieve those objectives have been defined by the legislation, the Committee for Mathematics Achievement, and the Council. The center must: (1) maintain a broad and comprehensive focus on mathematics education and educators, ranging from early childhood to adult education; and (2) build on national and international standards for high-quality mathematics education (e.g., those defined by the American Diploma Project and the National Council of Teachers of Mathematics) to ensure that Kentucky's students are prepared for postsecondary education, the skilled workplace, and the global economy.

The selection of the center is an important component of the public agenda's mandate to prepare all students for their next level of education. The center will be part of an integrated and coordinated system of education, preschool through postsecondary and beyond.

The request for proposals was developed with input from the Committee for Mathematics Achievement and the Commissioner of Education and was posted on October 20, 2005. The deadline for submissions of proposals is December 1, 2005, with a selection to be made by January 1, 2006. A report on the selection will be presented to the Council at its January 2006 meeting.

Staff preparation by John T. DeAtley

Data Research Initiative

The first meeting of the Kentucky Data Research Initiative Advisory Committee was held October 10, 2005. Co-chaired by President Layzell and Commissioner Wilhoit, the advisory committee was created by House Bill 267 (2005 Regular Session) and has membership from the University of Kentucky and the University of Louisville research and information technology offices, the comprehensive universities, the KCTCS, local school districts, business and industry, the Economic Development Cabinet, and the Education Cabinet. The purpose of the committee is to analyze the current environment for grid computing and other related technologies and to establish the needs of researchers for grid computing resources with a special emphasis on sciences and health-related fields.

As a result of the meeting, four work groups were formed. The first work group will gather information and make recommendations about how to meet the demand of the university research community for computing resources and examine alternate models and platforms for grid computing. The second work group will determine the availability of desktop computers in the K-12 community for use by university researchers in a grid computing network. The third work group will explore models for education outreach by university researchers to students and teachers in Kentucky's K-12 system. The fourth work group will assess the possible economic development impact and potential for partnerships from the business community.

The work of the four work groups will be consolidated into a single report which will be presented to the legislature during the 2006 session.

Staff preparation by Allen Lind

Appointment of Nominating Committee

Mr. Greenberg will appoint a nominating committee at the November 2 meeting. The committee will present a recommendation for Council chair and vice chair at the January 30, 2006, meeting. The chair and vice chair would serve from February 1, 2006, to January 31, 2007.