

**MINUTES**  
**Council on Postsecondary Education**  
**March 24, 2003**

The Council on Postsecondary Education met March 24, 2003, at 8:30 a.m. at the council offices in Frankfort, Kentucky. Chair Adams presided.

Ms. Adams welcomed everyone to the meeting and thanked Tom Layzell for attending. Mr. Layzell will join the staff full-time April 16.

**ROLL CALL**

The following members were present: Norma Adams, Steve Barger, Walter Baker, Peggy Bertelsman, Bart Darrell, Ron Greenberg, Susan Guess, John Hall, Esther Jansing, Charlie Owen, Joan Taylor, Lois Combs Weinberg, Charles Whitehead, and Gene Wilhoit. Richard Freed and Chris Pace did not attend.

**APPROVAL OF  
MINUTES**

The minutes from the February meeting were approved as distributed.

**COMMISSIONER OF  
EDUCATION REPORT**

Commissioner Wilhoit spoke about the activities of the Kentucky Department of Education. He said that the 2003 General Assembly passed no major legislation affecting the department. Like other agencies of state government, the staff is dealing with the budget cuts to elementary and secondary education.

**FOCUS ON REFORM:  
ECONOMIC  
DEVELOPMENT AND  
WORKFORCE  
TRAINING MATCHING  
PROGRAM**

The meeting began by showcasing the good work that is being done by the Workforce Alliance, a collaborative committee representing the council, the Department for Adult Education and Literacy, the Cabinet for Workforce Development, the Kentucky Community and Technical College System, and the Economic Development Cabinet. The alliance leverages funds from several different sources into an integrated, coherent approach to workplace education and training. Cheryl King with the council staff, J. R. Wilhite (commissioner of the Department of Community Development with the Workforce Development Cabinet), and Keith Bird (KCTCS chancellor) discussed the alliance.

Dr. King said that the Cabinet for Workforce Development has offered excellent workplace education for a number of years. But this alliance is an opportunity to expand and leverage resources and to provide better coordination with other agencies. Enrollment in workplace education programs has increased from 11,000 adults in 2001 to 22,000

employees participating in 2002 when the alliance was created, with more than 600 Kentucky participating employers. Information was included in the agenda book on four projects, the Russell County Prehire, American Woodwork, Owensboro Mercy Health Systems, and the Nelson County Training Consortium, showing alliance activities and outcomes.

Mr. Greenberg asked for a list of manpower shortage areas. This information will help direct postsecondary education resources to train people to fill jobs to help move Kentucky's economy forward and to retrain employees in areas where there is a surplus of workers.

2002-04  
BUDGET UPDATE

A summary of House Bill 269, the final version of the budget bill for the 2002-04 biennium, was included in the agenda book. The bill was agreed to by both the House and the Senate and was sent to Governor Patton March 11. The Governor may sign the bill, let it become law without his signature, or veto the entire bill or parts of the bill.

The 2002-04 budget bill includes state General Fund appropriations as follows:

For the institutions:

- A 2.6 percent (\$24.4 million) recurring budget reduction in FY 2002-03. House Bill 269 includes \$962.9 million in operating funds for the institutions. The Executive Spending Plan funded the institutions at \$987.3 million in FY 02-03. The council recommended \$1.05 billion in operating funds for the institutions, which included a request for \$34.6 million in benchmark funding.
- A funding increase of \$18.9 million to the institutions' base budgets in FY 2003-04 for benchmark funding, bringing the total institutional base budgets to \$982.1 million. The council's recommendation included an increase of \$34.8 million, bringing the total institutional base budget recommendation to \$1.08 billion.
- Agency bond pool authority of \$155 million, allowing an institution to address campus-based fire/life safety, infrastructure, renovations, and new construction needs with its own money. The council's 2002-04 recommendation of agency bond authority was \$100 million.

For the trust funds:

- Debt service in FY 2003-04 to issue \$120 million in taxable bonds for the Endowment Match Program (Bucks for Brains).
- \$1.3 million in FY 2002-03 for the Technology Trust Fund (the level of funding in 2001-02) - \$1.2 million for network infrastructure and \$100,000 for faculty development. In FY 2003-04 the budget includes \$450,000 for network infrastructure and \$50,000 for faculty development. The budget cuts \$800,000 in the Technology Trust Fund for the public communications campaign, which actually results in cutting funds associated with the Kentucky Postsecondary Education Network and faculty development.
- \$60.4 million in FY 2002-03 and \$63.0 million in FY 2003-04 for the KEES program. Additional funds will be available to the program from the unclaimed lottery prize fund. Revised estimates indicate that the KEES program will be able to meet obligations for 2003-04.
- \$11.8 million in FY 2002-03 and \$11.0 million in FY 2003-04 for Adult Education and Literacy Incentive Funding Program. This program was cut by \$750,000 in an attempt to eliminate the public communications campaign; however, the cut will actually affect basic adult education services.
- \$6.8 million in FY 2002-03 and \$8.8 million in FY 2003-04 for programs in the Science and Technology Trust Fund. This includes restricted (one-time) funds of \$1.0 million in each of the year of the biennium for the Rural Innovation Fund, \$1.0 million in each year for the Kentucky-Based Economy Academic Programs (engineering education), and \$2.0 million in FY 2002-03 for the Experimental Program to Stimulate Competitive Research (EPSCoR). In FY 2003-04 the \$2.0 million restricted funds for EPSCoR are replaced with recurring General Fund dollars.

For the Council on Postsecondary Education:

- The budget for agency operations is \$3,958,000 both in FY 2002-03 and FY 2003-04, a reduction of 2.6 percent in 2002-03 when compared to the 2003 Governor's Executive Spending Plan.
- The KYVU/KYVL operating budget was reduced by 2.6 percent to \$4.5 million in FY 2002-03 and then straight-lined at the same level for FY 2003-04.
- Pass-through programs are budgeted at \$10,407,800 in FY 2002-03, a reduction of \$150,000. House Bill 269 instructs the council to fund the Early Mathematics

Testing Program and the local P-16 councils at \$100,000 for each program for FY 2002-03 and FY 2003-04. Sufficient funds are not provided to fund all the other activities contained in the list of pass-through programs.

The budget is about \$100 million less than what the council recommended in November 2001 for the institutions and for the postsecondary system as a whole about \$150 million short.

Mr. Whitehead said that while we are pleased with the funding for postsecondary education as compared to other agencies, without additional resources he is concerned that postsecondary education will be unable to keep up the momentum for reform.

Ms. Adams said that postsecondary education has taken on a much broader role since 1997 and we must continue to think about all areas of education – from pre-school to adult education and literacy programs. She said that the 2004 legislative session will be the most important legislative session since 1997 as it affects reform of postsecondary education. She urged every Kentuckian, particularly the college and university presidents, the governing boards, faculty, staff, students, and alumni, to be aware of how important the 2004 legislative session will be to postsecondary reform and to begin now building a positive program to show accountability.

Ms. Weinberg said that postsecondary education must be accountable and must keep this reform moving forward. Kentucky has achieved real successes since this reform began and these successes must be made aware of in order to build the momentum to sustain reform. Every governing board member of every university in Kentucky needs to be engaged in the process. Postsecondary education leaders must begin now putting together success stories and telling how postsecondary education is making a difference in the lives of Kentuckians.

Ms. Adams urged the governing board members to attend council meetings to observe the total picture of what is going on in the policymaking arena of postsecondary education.

Sue Hodges Moore said that the presidents will have discussions about sustaining reform at their monthly meetings. The Partners for Kentucky's Future is planning a campaign to advocate for postsecondary education over the next several months. This topic will be discussed with the

governing board members at the Institute for Effective Governance Spring Seminar May 19-20.

LEGISLATIVE  
UPDATE

Bill Swinford discussed legislation impacting postsecondary education passed by the 2003 Kentucky General Assembly. The legislation included:

- House Bill 233 made various changes to the Kentucky Postsecondary Education Improvement Act of 1997 regarding the structure and governance of the Kentucky Community and Technical College System.
- House Concurrent Resolution 141 directed the Interim Joint Committee on Education to study the KEES program and suggest changes to the program before the 2004 session of the General Assembly.

A summary of other legislation was included in the agenda book.

DEVELOPMENT OF  
2004-06 OPERATING  
AND CAPITAL  
RECOMMENDATIONS  
AND TUITION  
GUIDELINES

An update on the development of the 2004-06 operating and capital recommendations and tuition guidelines was included in the agenda book. Over the coming months, the council and institutional staffs will begin work. The council staff will bring several discussion items to the council at its May meeting. There also will be a discussion at the June 2 SCOPE meeting to engage that group in this process as well.

CONFERENCE  
UPDATE

A summary of conferences and other activities that staff has coordinated or been involved with over the past few months was included in the agenda book.

REVISIONS TO  
KEES REGULATION

**RECOMMENDATION:** The staff recommends that the council approve the proposed amendments to the administrative regulation titled, 13 KAR 2:090. Kentucky Educational Excellence Scholarship Program and file the administrative regulation with the Legislative Research Commission in accordance with the statutory requirements in KRS Chapter 13A.

**MOTION:** Ms. Bertelsman moved that the recommendation be approved. Ms. Weinberg seconded the motion.

Barbara Cook of the council staff explained the changes to the regulation:

- Add the five-year engineering programs in which

Kentucky residents enroll through the Academic Common Market and remove the University of Kentucky's undergraduate architecture program since it is now a four-year program.

- Add additional equivalent undergraduate programs that allow students to be classified as graduate students prior to receiving a bachelor's degree. This allows the student to be eligible for the full eight semesters of KEES awards even though they are enrolled in a graduate program.
- Change the form used by children of military parents to submit high school grade information.
- Modify the definition of the KEES curriculum to allow students engaged in a block scheduling situation and graduate from high school at the end of the fall semester to earn KEES awards when they complete three or more courses of study during their last semester of high school.

VOTE: The motion passed.

#### P-16 COUNCIL UPDATE

Dianne Bazell of the council staff gave a report on the activities of the P-16 Council. She said the group met March 13 with business, labor, and other education stakeholders to review the research conducted during the first year of The American Diploma Project. The goal of the ADP is to make the high school diploma more meaningful to students, postsecondary institutions, and employers by securing an agreement to use high school accountability measures in admissions, placement, and hiring decisions. The March 13 discussion with important Kentucky stakeholders helped to determine which short- and long-term recommendations to make to Kentucky's various policy-making bodies so that Kentucky's high school standards and assessments can be linked to postsecondary and workforce expectations. Recommendations will be developed and brought back to the P-16 Council for consideration.

Ms. Bertelsman said that the implementation of these recommendations should significantly improve postsecondary education's retention and graduation rates. A number of changes are expected at the K-12 level, and these changes could take a significant amount of time to implement. The postsecondary education institutions should be willing to use the assessment tools from high schools for

placement purposes. If this is done, this will increase the value of a high school diploma, which is the purpose of the American Diploma Project.

In other P-16 Council activities, representatives from Kentucky's local P-16 councils and Go Higher communities met in February and formed the Kentucky P-16 Local/Regional Network. The group plans to convene regularly prior to the quarterly meetings of the state P-16 Council and will report on key issues and activities of local and regional councils at the state P-16 Council meetings.

#### CEO REPORT

Mr. Barger gave a report on the March 18 meeting of the Committee on Equal Opportunities. The partnership agreement with the U.S. Office for Civil Rights ended December 31, 2002, and a final determination of Kentucky's status will be provided to staff March 31. Based on recent conversations with OCR, the reporting requirements in the agreement are expected to be reduced to cover the ongoing commitments of renovating KSU's Hathaway Hall and Young Hall dormitories, improving the KSU teacher education program, and ensuring that the UofL Pathways to Success Program does not diminish access for African American applicants.

#### KSU COMPREHENSIVE ASSESSMENT

Mr. Barger reported that the Committee on Equal Opportunities saw a draft report of the comprehensive assessment of Kentucky State University prepared by Baker & Hostetler of Cleveland, Ohio. A timeline has been developed to finish the review process. A joint meeting of the council and the KSU board of regents will be held April 25 to receive this report.

#### ENDOWMENT MATCH PROGRAM STATUS REPORT

The trust fund report that was presented to the council at its February 3 meeting contained a report on the investment and incentive trust funds established through House Bill 1. The report examined the sources and uses of matching program funds for FY 2001-02. The council members asked for additional information regarding audit compliance, diversity, and pledge collection. A summary of the information collected from the institutions was included in the agenda book. Dr. Moore said that the budget bill passed by the 2003 General Assembly calls for the universities to develop and implement strategies for achieving reasonable diversity in the recruitment and retention of women, African Americans, and other underrepresented minorities for positions funded by the Endowment Match Program.

#### PROGRESS REPORT ON KEY INDICATORS:

A progress report was provided on two performance indicators under Question 5: "Are Kentucky's communities

RESEARCH AND  
DEVELOPMENT

and economy benefiting?” Results for Indicator 5.8, endowments in the research priority areas of the knowledge-based economy, are mixed. Results for Indicator 5.9, expenditures from endowments and gifts in the research priority areas, show significant progress. Over the next several months, the council staff will work with UK and UofL to revise goals for these indicators.

IMPROVING  
EDUCATOR QUALITY  
STATE GRANT  
PROGRAM

RECOMMENDATION: The staff recommends that the council award federal *No Child Left Behind*, Title II, Part A funds in the amount of \$1,082,500 for April 1, 2003-July 31, 2004, to support four projects.

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

Jim Applegate of the council staff said that this program replaces the Dwight D. Eisenhower Higher Education Grant Program, which funded professional development workshops for K-12 math and science teachers. This new program gives states increased flexibility to fund research-based training for teachers and administrators in content areas other than math and science. The council staff, with input from the Kentucky Department of Education, the Education Professional Standards Board, and the state P-16 Council, established four priorities for IEQ funds: mathematics and science, reading, school leadership, and foreign language. In addition, institutions were encouraged to form more extensive partnerships across traditional service area boundaries to reach teachers in schools with significant achievement gaps. The four projects to receive funding this fiscal year are:

1. *Using High Quality and Award-Winning Literature to Support Reading Comprehension in Mathematics and Science*, Eastern Kentucky University, \$300,000
2. *Modeling Watershed Studies Across the Commonwealth of Kentucky*, Murray State University, \$300,000
3. *Planting Seeds, Cultivating Clusters: Strengthening Middle Grade Mathematics and Science in Northern Kentucky*, Northern Kentucky University, \$228,500
4. *A Multidisciplinary Literacy Approach to Closing the Achievement Gap for Urban Middle School Students*, University of Louisville, \$254,000

Ms. Bertelsman asked that counseling services be included in school leadership projects submitted for funding for next year. Such services will help guide students toward



postsecondary education beginning in the middle school years.

VOTE: The motion passed.

**CHANGES IN  
INSTITUTIONAL  
NEW PROGRAM  
APPROVAL PROCESS**

An update on the institutional new program approval processes was included in the agenda book. In spring 2002 the council staff visited each university and the KCTCS to review campus policies and procedures put in place to approve new programs. The report summarizes the institutions' responses to staff recommendations as a result of those visits.

**KSU and MuSU  
COLLABORATIVE  
AGREEMENT IN  
PUBLIC  
ADMINISTRATION**

Dr. Applegate reported that Kentucky State University and Murray State University have a collaborative agreement to offer programs leading to degrees in public administration at both institutions. They are putting common programs on-line, sharing faculty resources, and combining their internship capacities to enrich internship opportunities for the students. This collaboration will increase the productivity of the undergraduate public administration program at KSU and also will ensure that the students from Murray have the expertise of the KSU faculty in an established program and the reverse for KSU students. The students at Murray will have internship opportunities in Frankfort they might not otherwise have had. KSU and MuSU also have created a partnership in the English and philosophy areas primarily connecting the undergraduate program in English and Philosophy at KSU with the graduate master's program at MuSU. There is exchange of faculty and an encouragement for KSU students to continue their education to the master's level.

**CAPITAL PROJECTS**

The council members agreed to act on two recommendations dealing with capital projects as a consent agenda.

**RECOMMENDATION:** The staff recommends that the council approve the UK request to renovate the Urology Clinic of the Wright Medical Plaza facility on the main campus with \$550,000 of private funds.

**RECOMMENDATION:** The staff recommends that the council approve the UK request to renovate the Pediatrics Hematology and Oncology Clinic of the Kentucky Clinic Building with \$850,000 of private funds.

**MOTION:** Mr. Greenberg moved that the two projects be approved. Mr. Barger seconded the motion.

VOTE: The motion passed.

**COUNCIL  
BYLAWS**

**RECOMMENDATION:** The staff recommends that the council approve changes to the council bylaws.

**MOTION:** Mr. Barger moved that the recommendation be approved. Mr. Baker seconded the motion.

**VOTE:** The motion passed.

**WHITEHEAD**

Ms. Adams recognized Mr. Whitehead upon his retirement the end of March from Ashland Oil after 40 years of service.

**NOMINATING  
COMMITTEE**

Ms. Adams appointed Ms. Bertelsman (chair), Mr. Freed, Ms. Taylor, and Ms. Jansing to the nominating committee to present recommendations for council chair and vice chair for the coming year at the May meeting.

**COUNCIL  
STAFF**

Dr. Moore said that Dr. Jacqueline Korengel joined the council staff March 1 as senior associate for adult education and literacy. Dr. Sandra K. Woodley has accepted the position of vice president for finance and will join the staff in mid-April. She thanked Sherron Jackson for serving as interim vice president for finance for the last eight months.

Dr. Moore thanked the council for the privilege of serving as interim president. She said she enjoyed working with the presidents and the council members. She felt that everyone worked well together during the transition period to advance the postsecondary reform agenda. She thanked the council staff for their advice and counsel during this time.

**NEXT MEETING**

The next meeting of the council is May 19 at the Radisson Plaza Hotel in Lexington. The Institute for Effective Governance Spring Seminar will begin after the council meeting and will conclude at noon May 20.

**EXECUTIVE  
SESSION**

**MOTION:** Mr. Baker moved that the council go into executive session to discuss a matter pending litigation. Mr. Barger seconded the motion.

**VOTE:** The motion passed.

No action was taken as a result of the discussion during the executive session.

**ADJOURNMENT**

The meeting adjourned at 11:40 a.m.

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**Sue Hodges Moore**  
**Interim President**

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**Phyllis L. Bailey**  
**Associate, Executive Relations**