

**MINUTES**  
**Council on Postsecondary Education**  
**January 16, 2009**

The Council on Postsecondary Education met Friday, January 16, 2009, at 10 a.m. (ET) at the Council offices in Frankfort, Kentucky. Chair John Turner presided.

ROLL CALL                   The following members attended: Chris Crumrine, Dan Flanagan, Glenn Denton, Phyllis Maclin, Pam Miller, Donna Moore, Lisa Osborne, Paul Patton, Jim Skaggs, John Turner, Mark Wattier, and Joe Weis. Peggy Bertelsman, John Hall, and Jon Draud did not attend.

CPE PRESIDENT           Mr. Turner welcomed Robert L. King as the new Council president.

Mr. King said that he is thrilled to be in Kentucky and is looking forward to his work here. He thanked Richard Crofts for his help over the last few weeks to acclimate him in his role. He said that Dr. Crofts has been most generous with his time and his thinking.

APPROVAL OF  
MINUTES                   The minutes of these meetings were approved as distributed – November 7, 2008; December 2, 2008; December 3, 2008; and December 9, 2008.

NATIONAL TRENDS  
IN VETERINARY  
MEDICINE                Dr. James O. Cook, a mixed animal practitioner in Lebanon, Kentucky, and the current president of the American Veterinary Medical Association, presented information about the current status of the veterinary profession in Kentucky and the nation and the need for more vets in the future. He said that the animal situation has changed in recent years. Small animals have become very close companions and are very important to people which has put a greater demand on veterinarians. Even though Kentucky has more beef cattle than any state east of the Mississippi River and the number one cash crop for Kentucky is horses, most new veterinarians are working with companion animals with only a few becoming large animal practitioners. He shared information that showed that Kentucky is one of the top seven states in need of veterinarians.

Kentucky does not have a college of veterinary medicine. Many studies have been conducted about building a school, but the cost was found to be tremendous. Dr. Cook estimated the cost to be \$200 million plus the major expense of the cost of equipment and faculty to operate the school. Access is provided to veterinary medicine training programs for Kentucky students through a contract program with Auburn University and Tuskegee Institute. Students participating in the program have an obligation to Kentucky, but about 80 percent of those students return to the state to practice. However, the number of veterinarians being produced is not keeping up with the number needed.

## HIGHER EDUCATION WORK GROUP

Jonathan Miller, secretary of the Finance and Administration Cabinet, gave an update on the Governor's Higher Education Work Group. Secretary Miller said that Governor Beshear is very supportive of the important, essential work that Governor Patton and the General Assembly started in the late 1990s in instituting higher education reform. He said that while the work that has taken place over the past decade has been very important and very progressive, in some ways it has come off track, in particular unstable funding for postsecondary institutions and increased tuition making college unaffordable to many Kentuckians.

Secretary Miller said that for this reason the Governor issued an executive order in October 2008 appointing the Higher Education Work Group to ensure that every Kentucky citizen who has the ability and the desire to succeed has access to a college education regardless of their income. He appointed to this work group 26 people that included members of his administration, leaders of the General Assembly and the education world, and members of the business community. The work has been divided into two subcommittees – the Affordability Subcommittee chaired by Secretary Miller and the Strategic Planning Subcommittee chaired by Larry Hayes, secretary of the Governor's Cabinet and acting secretary of the Economic Development Cabinet.

Two reports will be produced. The report due September 15 will look at the major issues facing the Commonwealth and will be in time for any major legislative and budgetary changes to be enacted by the 2010 General Assembly. The first report, which was submitted to the Governor January 15, identified a number of actions that could be implemented immediately to reduce college costs and improve efficiency in the system within current budget constraints. The report also recommends review of several key issues that will inform the work of the HEWG over the next several months. Secretary Miller said that the report required a lot of hard work in a very short time period over the holidays and over the beginning of the legislative session, and he thanked the Council staff for their work on the report.

The Affordability Subcommittee has had the advice and help of two advisory committees – one comprised of all of the public college and university presidents as well as three presidents of independent colleges, and the student committee chaired by Chris Crumrine and including the student government presidents of the public institutions, representatives of independent colleges, and some nontraditional students.

## PRESIDENT'S REPORT

President Crofts gave his report to the Council.

- *Measuring Up 2008* – Released in December, the report showed that Kentucky has made statewide progress since the 1990s in four out of five major categories (preparation C, participation C, affordability F, completion B, benefits D+, and learning I). On the key indicators that *Measuring Up 2008* tracked since the 1990s, Kentucky ranked first in terms of the state that averaged the most improvement in its rankings during this time period. Kentucky continues to be concerned about the college affordability grade, although Kentucky's grade of "F" is similar to every other state except

California. To reverse this negative trend in college affordability, the rate of increases in tuition needs to slow dramatically, significantly more need-based aid will need to be provided, and state support will have to grow in order to support the aggressive educational attainment goals set for 2020.

- *Draft accountability report* – This year’s report compares 2007-08 results with 2007-08 statewide and institutional goals, as well as trend data since 2000. The final report is expected to be released in February.
- *STEM2 implementation plan* – Following the work initiated by the Council in 2006 and recommendations made to the legislature in the STEM Task Force report, the STEM2 Task Force has provided an implementation plan which calls for one- to three-year priorities with estimates of cost, desired outcomes, metrics, and responsible parties. The plan was submitted to the Interim Joint Committees of Appropriations and Revenue and Education in December 2008 and a copy has been sent to the Council members. Four priorities were presented as challenges with strategies and desired outcomes described which include the need for a STEM communications network, extensive professional development through “best practices” of programs that have research-based methodology and pedagogy, curricula alignment, and recruitment and retention recommendations that engage community partnerships across the Commonwealth.
- *Kentucky’s status under the partnership with the OCR* – The Governor’s Office has received official notification that the Office for Civil Rights of the U.S. Department of Education has concluded that the Commonwealth is in compliance with Title VI of the Civil Rights Act of 1964 and its implementing regulation with respect to the issues addressed in the Partnership Agreement. The Partnership Agreement, entered into in January 2000, included activities to be carried out by the Commonwealth and its eight public universities to address the remaining requirements of Title VI. Since 1982, OCR has monitored Kentucky’s progress and Kentucky remained under its oversight. Kentucky is definitely turning a corner and should be heartened by its progress, but the work to ensure access and success in postsecondary education for Kentucky’s African American community is far from over. Moving forward, the Kentucky Plan for Equal Opportunities remains in effect until a diversity plan is developed and implemented. The diversity planning effort, coordinated by the Committee on Equal Opportunities, also will assure that the system maintains a strong emphasis on increasing access and success.
- *New Kentucky Virtual Library service* – The Kentucky Virtual Library has just added a major new service that greatly simplifies everyone’s ability to find articles, books, photos, and more. The new search tool is called MetaLib and is now available from the KYVL home page.
- *Legislative update* – The 2009 legislative session began January 6 with the election of leadership in both chambers. Some significant changes in leadership occurred in the House with the election of Representative Greg Stumbo as the new Speaker of the House. Several bills were filed in the organizational portion of the session, and several more bills with postsecondary implications are expected to be filed as the session continues.
- *State budget update* – The Governor has put together as “a starting point” for budget negotiations with the legislature a plan to close the budget gap

resulting from the \$456 million General Fund revenue shortfall in the current fiscal year, which ends June 30. The detailed presentation about the Governor's plan that the state budget office presented to a joint meeting of the Senate and House Appropriations and Revenue Committees has been shared with the Council members. The Council staff also made presentations to both the Senate and House A & R Committees regarding the postsecondary education portion of the Governor's budget cutback plan.

- *Kentucky Learning Depot* – This joint project of CPE and the Kentucky Department of Education, under development for over a year with a planned start-up on July 1, 2009, recently received a \$136,000 grant from AT&T. The depot is a repository where teachers and faculty can share rich digital learning content. By sharing and reusing expensive interactive video and other content, the depot can reduce the cost of course materials while improving the quality of the student experience.
- *William B. Keightley Project* – The Kentucky Virtual Library and its Kentuckiana Digital Library have completed a project with the Louie B. Nunn Center for Oral History at the University of Kentucky. This project contains over 10 hours of searchable audio interviews with Bill Keightley, nicknamed "Mr. Wildcat," about his life and experiences as the equipment manager for the University of Kentucky men's basketball team from 1962 until his death in 2008.
- *American Recovery and Reinvestment Bill* – A summary of the House version of the federal economic stimulus package was provided for information. If passed, a significant amount of money could be distributed to postsecondary education in Kentucky. The Council staff will provide analyses and updates as this bill develops.

CPE &  
INSTITUTIONAL  
BUDGET  
REDUCTION PLANS

In November 2008 the Council staff and public institutions were asked to submit plans on the impact of mid-year 4 percent and 2 percent reductions in General Funds for 2008-09. Budget reduction plans for the Council and the institutions as well as the impact of these proposed cuts was included in the agenda materials.

President Crofts pointed out that currently the contract spaces program, which helps secure veterinary seats for Kentucky residents at Auburn University and Tuskegee University and optometry seats for Kentucky residents at Indiana University, Southern College of Optometry, and the University of Alabama Birmingham, makes up over 80 percent of the Council's pass-through programs, with a FY09 budget of \$4.2 million. This program was heavily protected during the previous round of budget cuts, evidenced by an actual increase of 4.7 percent in its budget from FY08 to FY09.

Dr. Wattier mentioned the Kentucky Breeders Incentive Fund which relies on the thoroughbred industry taking a small percentage of the fees that are paid for breeding mares to the world champion Kentucky Derby winners. That creates a substantial amount of money that goes to people who are accomplished with their horses and other breeds. He wondered if a fund such as this can be modified to provide a stream of money for these contract spaces.

MINIMUM  
COLLEGE

RECOMMENDATION: The staff recommended that the Council approve the revised administrative regulation 13 KAR 2:020.

ADMISSION  
REQUIREMENTS

The revisions, which must go through a public hearing and review by the Administrative Regulation Subcommittee and the Interim Joint Committee on Education, adjust the reading readiness standard to a 20 ACT score, delay implementation of institutions' new requirements around assessment and academic support from fall 2009 to fall 2010, and require students to enroll in needed developmental coursework within their first two terms rather than their first term.

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

VOTE: The motion passed.

DEVELOPMENTAL  
EDUCATION  
UPDATE

The Council staff has been working closely with institutional representatives to ensure that students enter postsecondary institutions and the workforce prepared to meet their educational and career goals. This work has been underway since the completion of the Developmental Education Task Force Report adopted in February 2007. Sue Cain, ECU's director of developmental education, who is serving as the system-level lead in developmental education through May 2009, provided an update on the task force recommendations and efforts to coordinate the implementation of the revised college readiness standards.

P-16 COUNCIL  
REPORT

Donna Moore reported that the December 2008 P-16 Council meeting focused primarily on mathematics. Several reports were heard including information about the initiatives of the Kentucky Committee for Mathematics Achievement to develop a strategic plan for improving math achievement. UK President Lee Todd reported on the work of the STEM2 Task Force and the need for public awareness about the critical need in Kentucky for graduates in STEM disciplines.

COMMISSIONER  
OF EDUCATION  
REPORT

A written report from Commissioner of Education Jon Draud was distributed. Dr. Draud recently resigned his position due to health reasons effective the first part of February. Deputy Commissioner Elaine Farris will serve as interim commissioner until the position is filled permanently.

2009-10 TUITION  
SETTING PROCESS

John Hayek, the Council's interim vice president for finance, reviewed an update on the 2009-10 tuition setting process which included a series of observations from data related to key tuition policy objectives from both a statewide and institutional perspective.

2008 FALL  
ENROLLMENT

Official enrollment for the fall 2008 semester from the public universities showed a modest enrollment increase of slightly less than 1 percent (.9 percent) with overall growth of undergraduates (1.2 percent increase over fall 2007) and a decline in the number of graduate students (.9 percent less than fall 2007). Overall, this was a record for enrollment at the state universities. Kentucky State University, Morehead State University, and Murray State University saw small drops in enrollment compared to fall 2007. Western Kentucky University had the largest enrollment growth with 2.6 percent more students than fall 2007.

Official enrollment for the fall 2008 semester was not available from KCTCS due to changes in the process used to collect and verify data files from the institutions. Data from the independent institutions were not yet finalized and will not be available until later in the spring term.

[An updated fall 2008 enrollment report for Kentucky's public institutions was later provided to the CPE members. As was discussed at the January 16 meeting, overall headcount enrollment dropped from 212,994 in fall 2007 to 211,179 this past fall – slightly less than 1 percent. While several four-year campuses saw minor enrollment declines, particularly in graduate enrollment, the university sector as a whole saw a slight overall increase. The largest decline was within KCTCS, primarily within their dual credit and part-time student populations. Full-time and degree-seeking student enrollment at KCTCS increased over last year.]

## CEO REPORT

An update on the activities of the Committee on Equal Opportunities was included in the agenda book.

Phyllis Maclin said that the CEO members were pleased to learn that the Governor received notification from OCR that Kentucky is in compliance with Title VI of the 1964 Civil Rights Act. This action acknowledges the efforts in the Commonwealth over many years, but all has not been accomplished to ensure access and success in postsecondary education, particularly for Kentucky's African American community. The new status has no impact on the Kentucky Plan which remains in effect until a new diversity plan is developed and implemented. She said that the committee agrees with the Governor "that the economic viability of the state and the quality of life for those who live here is unequivocally linked to the education level of our citizens. And yet, for too many Kentuckians, the door of opportunity remains closed or is beyond reach." She said that the work should be continued and the pace quickened.

Mr. Denton asked that a letter of thanks be sent to the CEO members and others who have been involved in this effort through the years.

## ACTION PLAN FOR DIVERSITY PLAN DEVELOPMENT

RECOMMENDATION: The staff recommended that the Council accept the CEO action plan to develop a statewide plan.

At its September 2008 meeting, the Council accepted a research report from the Civil Rights Project of the University of California at Los Angeles and directed the Committee on Equal Opportunities, in collaboration with the institutions, to develop and submit to the Council a plan of action to develop a statewide diversity plan. Specifically, the committee was directed to examine the research report to identify the major elements, actions, and timeline to develop a diversity plan. The CEO will establish two work groups, appointed by its chair, to facilitate the plan development process.

MOTION: Ms. Maclin moved that the recommendation be approved. Ms. Miller seconded the motion.

VOTE: The motion passed.

DEGREE PROGRAM  
ELIGIBILITY

The annual report on the eligibility of the institutions to offer new degree programs was presented. Based on the success in enrolling, retaining, and hiring African Americans, fewer public postsecondary institutions qualified for the most favorable category of eligibility for new programs in 2009 (21) compared to 2008 (23). Six universities and 15 community and technical colleges qualify for automatic status in 2009 compared to all universities and 15 community and technical colleges in 2008.

REGIONAL  
STEWARDSHIP  
PROGRAM  
REGIONAL GRANTS  
- EKU

RECOMMENDATION: The staff recommended that the Council approve the regional strategic plan and regional grant proposal submitted by Eastern Kentucky University and authorize the university to expend its fiscal year 2008 regional grant funds.

At the May 2008 meeting, the Council granted ECU \$300,000 in fiscal year 2008 regional grant money on the condition that the money not be expended until the university submitted a regional strategic plan that clearly demonstrates regional input and consensus, a revised regional grant proposal developed with input from the regional advisory committee and endorsed by the committee, and specific metrics of success in terms of both outputs and proposed outcomes in the region. That information has been provided by ECU.

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

VOTE: The motion passed.

President Whitlock thanked the Council for the flexibility it gave ECU in developing the regional stewardship plan. He said that the quality of the proposal was greatly enhanced by this opportunity. He added that regional stewardship is not new to the region. The Carnegie Foundation for the Advancement of Teaching recently recognized ECU for its strong commitment to community engagement. He said that other Kentucky institutions also have received this recognition in recent years.

CAPITAL PROJECTS

RECOMMENDATION: The staff recommended that the Council approve the request of Kentucky State University to use federal and institutional funds to upgrade the Administrative Computing System (ERS). The estimated project cost is \$4,000,000.

KSU requested the use of federal (\$2,400,000) and institutional (\$1,600,000) money to upgrade the Administrative Computing System, the hardware and software to support the administrative computing function of the university. The project requires interim authorization because the project as reviewed and recommended by the Council in November 2007 was not included in the 2008 Appropriation Act (HB 406). Without interim authorization of the project to purchase upgraded hardware and software systems, the university will not have a functioning financial management system. The federal funds are available and the authorization will allow the work to be completed. The KSU board of regents

approved the project as a part of its 2008-10 capital projects request. No further action is required by the KSU board.

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

VOTE: The motion passed.

RECOMMENDATION: The staff recommended that the Council approve the request of the University of Kentucky to renovate the Wildcat Lodge residential facility on the university's main campus with \$1,500,000 of private funds. The project scope is \$1,500,000.

The University of Kentucky's board of trustees approved the project at its December 9, 2008, meeting.

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

VOTE: The motion passed.

#### SB 189 REPORT TO LRC

A status report was provided of building projects being completed by the institutions that qualify for funding from the \$13.9 million Capital Renewal Pool and on institutions that have elected to allocate a portion of their Bucks for Brains money for capital construction. The General Assembly, with the passage of Senate Bill 189 during the 2008 legislative session, directed the Council and the Office of the State Budget Director to produce and present to the Legislative Research Commission on or before December 1, 2008, a report with recommendations addressing the establishment and implementation of a process for funding deferred and future major capital renewal, maintenance, and renovation needs costing \$600,000 or more for facilities owned by the Commonwealth and operated by the postsecondary institutions. Because of unforeseen budget circumstances the final report is delayed. The Council staff will continue to work with the Office of the State Budget Director to complete and finalize the report.

#### COMMITTEE APPOINTMENTS

Mr. Turner announced the appointment of Abraham Williams of Bowling Green and Representative Carl Rollins of Midway to the Committee on Equal Opportunities. Also, Governor Beshear has issued an executive order confirming Dan Flanagan's appointment to the Governance Board of the Lung Cancer Research Center.

#### RESOLUTIONS OF SERVICE

Resolutions were presented recognizing the service of Kevin Canafax and Jon Draud. Mr. Canafax resigned from the Council in November 2008 and Mr. Draud resigned as Commissioner of Education due to health reasons.

MOTION: Mr. Crumrine moved that the resolutions be accepted. Ms. Moore seconded the motion.



VOTE: The motion passed.

Mr. Turner read a resolution thanking Richard A. Crofts for serving as interim CPE president since May 2008.

MOTION: Mr. Flanagan moved that the resolution be approved. Ms. Osborne seconded the motion.

VOTE: The motion passed.

Mr. Turner thanked Dr. Crofts for the time that he gave to Kentucky.

Dr. Crofts said that he appreciates the opportunity to serve the Council and feels that his career has been complete by finishing where he began in his native state of Kentucky.

#### ELECTION OF CHAIR AND VICE CHAIR

MOTION: On behalf of the Nominating Committee, Ms. Miller moved that Paul Patton serve as chair and Dan Flanagan serve as vice chair for a period of one year – February 1, 2009, through January 31, 2010. Mr. Denton seconded the motion.

VOTE: The motion passed.

Governor Patton presented Mr. Turner a gavel in recognition of his service as chair and thanked him for his leadership.

Governor Patton said that he appreciates the Council's confidence in appointing him as chair. He said he has never been involved in a group where a leader makes so much effort to get the members involved and he appreciates the efforts of Dr. Crofts to do this. He is encouraged by Governor Beshear's commitment to postsecondary education and said that the state has an extremely strong cadre of presidents and looks forward to working with them as partners to accomplish the goals set forth in House Bill 1.

Mr. Flanagan also thanked the Council for its endorsement of him to serve as vice chair. He said that he is looking forward to working with Governor Patton and the Council to further its goals.

#### REPORTS FROM INSTITUTIONS

Mr. Turner called attention to the reports from the institutions highlighting recent achievements and initiatives. Several Council members indicated that the reports are informative and expressed the desire to continue them.

#### NEXT MEETINGS

The next regular Council meeting is March 5 and 6 at the KCTCS Central Office in Versailles, Kentucky. A special meeting to discuss tuition is scheduled for February 16 at the Council offices in Frankfort.

#### STUDENT RALLY

Mr. Crumrine announced that the board of student body presidents is holding a student rally February 3 at the Capitol Building and invited the Council members to attend.

ADJOURNMENT

The meeting adjourned at 1:30 p.m.

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JANUARY 16  
COUNCIL MEMBER  
WORK SESSION

A Council member work session was held January 16, 2009, at 8:30 a.m. at the Council offices in Frankfort.

The following Council members attended: Chris Crumrine, Dan Flanagan, Pam Miller, Donna Moore, Lisa Osborne, Paul Patton, Jim Skaggs, John Turner, Mark Wattier, and Joe Weis. Peggy Bertelsman, Glenn Denton, John Hall, Phyllis Maclin, and Jon Draud did not attend.

The following topics were discussed:

Council committee structure – The Council discussed the function of the existing policy groups and the need for some other type of committee structure or to act as a committee of the whole. Some see the value for in-depth discussions about particular topics and suggested that ad hoc committees might be appointed for this purpose. The Council chair and the staff will discuss and bring a proposal to the Council members for consideration.

Tuition – Dr. Crofts said that given the state of the economy it is time to do something bold and dramatic and recognize the financial stress on the families of Kentucky. The Council members suggested scheduling a special meeting prior to the March meeting for a discussion about tuition. They would like to see information about the relationship between tuition and financial aid and whether the financial aid policies in place assure that people go to college.

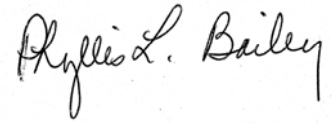
Common financial reporting system – This topic was discussed at the November work session at Morehead. The Council members would like to see how postsecondary education dollars are spent and how much it costs an institution to turn out a degree. Dr. Crofts said that these issues are being discussed by the Governor's Higher Education Work Group.

Follow up to work session discussions and record of discussion – An informal report about the discussion items will be included in the meeting minutes.



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Robert L. King  
CPE President



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Phyllis L. Bailey  
Senior Associate, Executive Relations