



# KY COUNCIL ON POSTSECONDARY EDUCATION BUSINESS MEETING

October 31, 2019 – 8:30 AM

Hopkinsville Community College, Emerging Technologies Bldg, Rm 106

## I. Call to Order

*\*Denotes action to be taken by the Council*

## II. Approval of the Minutes\*

## III. Comments from the President

## IV. Assuring Job-Ready Graduates: A Report from the Quality Assurance Commons Project

## V. Committee Reports

### A. Executive Committee

1. Amendment: 13 KAR 4:010 – State Authorization Reciprocity Agreement\*
2. Amended after Comments: 13 KAR 1:020 – Private College Licensing\*
3. Committee Appointments

### B. Finance Committee

1. 2020-22 Biennial Budget Recommendation\*
2. Nonresident Student Tuition Policy\*
3. Kentucky-West Virginia Reciprocity Agreement\*

### C. Academic & Strategic Initiatives Committee

1. New Academic Program – Murray State University\*

### D. Committee on Equal Opportunities

## VI. Additional Action Items

- A. New Academic Program – University of Louisville\*
- B. Interim Capital Project – University of Kentucky\*

## VII. Reports and Information Items

- A. 60x30 Update: 2018-19 Degrees and Credentials & Fall 2019 Preliminary Enrollment
- B. Update from Commissioner of Education
- C. Campus “Good News” Reports

## VIII. Resolutions\*

## IX. Other Business & Adjournment

*Next meeting: January 23-24, 2019, University of Kentucky*

## MINUTES

### Council on Postsecondary Education

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Type: Work Session  
Date: June 27, 2019  
Time: 3:00 p.m.  
Location: Midway University, LRC 207-209

#### **WELCOMING & CALL TO ORDER**

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The Council on Postsecondary Education met Thursday, June 27, 2019, at 3:00 p.m., ET, at Midway University in Midway, Kentucky. Chair Sherrill Zimmerman presided.

#### **ATTENDENCE**

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Members in attendance: Ron Beal, Ben Brandstetter, Kim Halbauer, Lori Harper (by teleconference), Lucas Mentzer, Donna Moore, Kristi Nelson, OJ Oleka, Vidya Ravichandran, Robert Staat, Brandon Wilson, Sherrill Zimmerman, and Wayne Lewis.

Members not in attendance: Shawn Reynolds, Sebastian Torres, and Carol Wright.

CPE President Aaron Thompson attended the meeting and served as Secretary of the board, per the CPE Bylaws. Heather Faesy, CPE's senior associate for Board Relations, served as recorder of the meeting minutes.

#### **REPORT: KENTUCKY'S DEGREE AND CREDENTIAL PRODUCTION FOR 2013-18**

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Presenter: David Mahan, Associate Vice President for Data and Research

Kentucky's Degree and Credential Production Report describes the state of postsecondary education degree and credential attainment between Academic Years 2013-14 and 2017-18. Using data from the Kentucky Postsecondary Education Data System, the report details the number and types of credentials earned at Kentucky's public universities, the campuses of the Association of Independent Kentucky Colleges and Universities and the Kentucky Community and Technical College System.

The report is set within the larger context of the Council's goal to raise the percentage of Kentuckians with a high-quality college-level credential to 60% by the year 2030. To

reach this goal, the number of Kentuckians with a credential requires a 1.7% annual growth until 2030. For additional perspective, Kentucky's educational attainment is also compared to the national average.

While the report shows impressive growth in degrees and credentials, especially with the gains made by underrepresented minorities, it also highlights the challenges moving forward and areas for improvement. Council staff answered several questions regarding the decline of associate degrees, concerns around teacher shortages, and the inability to retain quality teachers and professors due to the existing pay rates.

The report can be accessed at: <http://cpe.ky.gov/data/reports/2019degreesreport.pdf>.

## **GEAR UP KENTUCKY: EVERY STUDENT PREPARED FOR POSTSECONDARY SUCCESS**

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Presenter: Kim Drummond, Executive Director of GEAR UP Kentucky

In October 2018, the Council was awarded a seven-year, \$24.5 million grant from the U.S. Department of Education to administer the GEAR UP Kentucky (GUK) project. During the seven years of the grant, GEAR UP Kentucky (GUK) will serve a minimum of 10,000 students in 12 school districts across Kentucky. In addition to delivering full services to two consecutive cohorts of 7<sup>th</sup> graders through their senior year in high school (GUK Full Service Cohorts), GUK will serve the senior class in participating high schools every year of the grant (GUK Priority Service Cohorts), providing services from the beginning of their senior year through the end of the freshman year in college.

GEAR UP Kentucky is providing services in the following school districts: Bath County, Bourbon County, Bracken County, Covington Independent, Fleming County, Frankfort Independent, Marion County, Mason County, Mercer County, Paris Independent, Pendleton County and Robertson County. In order to participate in GUK, each of these districts met school selection criteria, including having 51% or more students who are free/reduced-lunch eligible (based on 7<sup>th</sup> grade class at time of application), however once a school is chosen, all students benefit from the program.

## **HIGHER EDUCATION MATTERS: ALIGNING OUR PRIORITIES**

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The board has identified five priorities for 2019 to help close the gap between the state's current educational attainment trajectory and the needed trajectory to achieve the state's 60x30 goal.

- 1) **Determine why college students are dropping out of college:** The board's highest priority is to understand why students are dropping out of college and advance strategies to improve completion.
- 2) **Review Kentucky's non-resident tuition policies:** The board's second priority is to review CPE's non-resident tuition policies to determine whether changes should be made to encourage greater out-of-state enrollment.
- 3) **Develop tools to improve pathways between P-12 and Higher Education:** The board's third highest priority is to develop tools, programs and strategies to improve pathways to postsecondary education, including improved advising and better information about college-going and paying for college.
- 4) **Explore the creation of a free college program:** The board's fourth highest priority is to explore the creation of a "free college" program for the first one or two years of college. The Kentucky program would be similar to programs in Tennessee and other states.
- 5) **Develop strategies to improve access and success and adult learners:** The board's fifth highest priority is to improve pathways for adults to enter or reenter college and complete a postsecondary credential.

Staff provided a document on the progress thus far on each of the priorities and discussed how each build upon the larger goals of *Kentucky's 2016-2021 Strategic Agenda for Postsecondary Education* and the Commonwealth's goal to increase the percentage of adults with a postsecondary credential to 60% by 2030.

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## CAMPUS SPOTLIGHT SESSION, TOUR, AND DINNER

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Midway University staff took the Council members on a tour of the Equestrian Center. The expansive equestrian facilities allow for multiple riding venues through indoor and outdoor riding arenas, jumping field, dressage ring, and 70+ acres of pastureland. Following the tour, Midway University hosted a reception and dinner with guest speaker, Allison Ball who discussed the Financial Empowerment Coalition.

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## ADJOURNMENT

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The Council adjourned for the evening at 8:00 p.m., ET, and were scheduled to reconvene for a business meeting on June 28, 2019 at 9:00 a.m. ET.

<b>MINUTES REVIEWED AND APPROVED BY THE COUNCIL:</b> _____
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## MINUTES

### Council on Postsecondary Education

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Type: Work Session  
Date: June 28, 2019  
Time: 9:00 a.m.  
Location: Midway University, LRC 207-209

#### **WELCOMING & CALL TO ORDER**

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The Council on Postsecondary Education met Friday, June 28, 2019, at 9:00 a.m., ET, at Midway University in Midway, Kentucky. Chair Sherrill Zimmerman presided.

#### **ATTENDENCE**

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Members in attendance: Ron Beal, Ben Brandstetter, Kim Halbauer, Lori Harper (by teleconference), Lucas Mentzer, Donna Moore, Kristi Nelson, OJ Oleka, Vidya Ravichandran, Shawn Reynolds, Robert Staat, Sebastian Torres, Brandon Wilson, Sherrill Zimmerman, and Wayne Lewis.

Member not in attendance: Carol Wright.

CPE President Aaron Thompson attended the meeting and served as Secretary of the board, per the CPE Bylaws. Heather Faesy, CPE's senior associate for Board Relations, served as recorder of the meeting minutes.

#### **APPROVAL OF THE MINUTES**

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The minutes from the April 25-26, 2019 meetings were approved as distributed.

#### **COMMENTS FROM THE PRESIDENT**

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Presenter: Aaron Thompson, CPE President

President Thompson discussed several areas of work during the previous few months including the Kentucky Higher Education Roundtable with the KY Chamber of Commerce, recent work with the Prichard Committee on affordability issues, the findings

thus far from the spring listening tours, the takeaways from the senior staff retreat, the developments of the 2019 Symposium on Postsecondary Education Trusteeship, and a status update on potential changes being made on academic program review.

## **EXECUTIVE COMMITTEE REPORT**

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Presenter: Sherrill Zimmerman, Chair

Chair Zimmerman presented the takeaways from the Executive Committee meeting on June 28 at 8:00 a.m., which included establishing the duties of the committee and meeting frequency.

Chair Zimmerman made the following committee appointments, effective May 15, 2019:

- Academic and Strategic Initiatives Committee: Lori Harper (to serve as chair), Lucas Mentzer, Donna Moore, OJ Oleka, Vidya Ravichandran, Robert Staat, Brandon Wilson, Ben Brandstetter, and Sherrill Zimmerman.
- Finance Committee: Ben Brandstetter (to serve as chair), Kim Halbauer, OJ Oleka, Robert Staat, Brandon Wilson, Carol Wright, and Sherrill Zimmerman.
- Executive Committee: Sherrill Zimmerman (to serve as chair), Ben Brandstetter, Kristi Nelson, Kim Halbauer, and Ron Beal.
- 2019 Nominating Committee: Kristi Nelson and Carol Wright.

Chair Zimmerman made the following appointments to the Committee on Equal Opportunities, effective July 1, 2019:

- Kim Halbauer, replacing Vidya Ravichandran as a CPE member
- Luv'Tesha Robertson, as a citizen member.
- Robert Staat named chair of the Committee, replacing outgoing Chair Shawn Reynolds.

## **FINANCE COMMITTEE REPORT**

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Presenter: Ben Brandstetter, Committee Chair

The Finance Committee met on June 14, 2019. Discussion items included establishing the committee's areas of oversight; work completed thus far on the 2020-22 Biennial Budget Recommendation; and the 2019-20 performance funding distribution and discussions regarding stop loss provisions. The following action items were reviewed and recommended for approval by the full Council:

- 1) Proposed 2019-20 tuition and mandatory fee rates for Eastern Kentucky University, Morehead State University, the University of Kentucky, and the University of Louisville. Each institution's proposed rates complied with the ceilings adopted by the Council in April of 2018.
- 2) 2019-20 Agency Operating Budget, of which the budget totals \$17.4 million, with just 22% of that going directly towards postsecondary education coordination. The rest of the funds are budgeted to data collection and analysis, contract spaces, contract administration, ovarian cancer screenings, special initiatives, and the technology trust fund.
- 3) Three proposed tuition reciprocity agreements with Ohio, each valid July 1, 2019 through June 30, 2021. The revisions to the agreements were minimal, with the additions of 2 Ohio universities on the first and third agreements, and the addition of a Kentucky community and technical college on the second. To ensure the agreement is mutually beneficial, CPE staff provided a comparison of Kentucky and Ohio student headcounts, FTE students, and attempted student credit hours, and the number of Kentucky students taking advantage of these agreements increased to 60% in 2018 (which is up from 57% in the previous year).
- 4) KCTCS's request for interim authorization of a capital project to renovate the Main Campus at Southcentral Kentucky Community and Technical College. This authorization would provide for HVAC upgrades, additional faculty offices, and expansion of the bookstore. It will require \$3,000,000 of agency restricted funds and no debt financing. The project was approved by KCTCS's Board of Regents on June 15, 2018.

MOTION: Ms. Nelson moved that the Council accept the recommendations of approval by the Finance Committee. Mr. Torres seconded the motion.

VOTE: The motion passed.

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#### **ACADEMIC AND STRATEGIC INITIATIVES COMMITTEE REPORT**

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Presenter: Lori Harper, Committee Chair

The Academic and Strategic Initiatives Committee met on June 14, 2019. The committee established its areas of responsibility and meeting frequency, and the following action items were reviewed and recommended for approval by the full Council:

- 1) Three new academic programs from the University of Kentucky – a Bachelor of Science in Consumer Economics and Personal Finance, a Bachelor of Arts in Public Policy and Leadership, and Master of Science in Data Science.
- 2) Two new academic programs from Murray State University – a Bachelor of Arts in Human Services, and Bachelor of Arts in Culture and Language Studies.
- 3) One new academic program at Northern Kentucky University of Kentucky – a Bachelor of Science in Japanese.
- 4) The following proposed revisions to the 2016-21 Statewide Strategic Agenda.
  - Remove Objective 4, due to the reorganization of Kentucky Adult Education to the Education and Workforce Development Cabinet.
  - Revise the metric “Average Credit Hours” to measure “Median Credit Hours” to provide a more realistic view of credits to degree and remove outliers that skew that average.
  - Add a metric to measure the enrollment of credential-seeking students, disaggregated as appropriate. Dual credit students would be included in a separate calculation.
  - Add a disaggregation based on age groups for the agenda’s enrollment and completion metrics, and to
  - Remove the metrics that were intended to measure academic quality.

MOTION: Dr. Staat moved that the Council accept the recommendations of approval by the Academic & Strategic Initiatives Committee. Ms. Moore seconded the motion.

VOTE: The motion passed.

## **COMMITTEE ON EQUAL OPPORTUNITIES REPORT**

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Presenter:     Shawn Reynolds, Committee Chair  
                 Travis Powell, Vice President and General Counsel  
                 Dawn Offutt, Director of Initiatives for Diversity, Equity, & Inclusion

The Committee on Equal Opportunities met on June 24, 2019, and outgoing Chair Reynolds provided a summary of the meeting. Dr. Offutt and Mr. Powell discussed the results of the 2018 evaluations as related to the Kentucky Public Postsecondary Education Policy for Diversity, Equity and Inclusion. The policy was adopted in 2016, and in the spring of 2019, the Committee on Equal Opportunities oversaw the first evaluation of institutional progress toward meeting their individual goals. Agenda

materials included a summary of the evaluation results for each institution, an example narrative report on strategy implementation, evaluation, and determination of next steps.

## **AMENDMENT TO 13 KAR 1:020 – PRIVATE COLLEGE LICENSING**

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Presenter: Travis Powell, CPE Vice President and General Counsel

The Council on Postsecondary Education is charged with protecting institutions and citizens of the Commonwealth against those colleges which resort to fraudulent practices, unfair competition, or substandard educational programs per KRS 164.947. KRS 164.947(3) vests the authority to license with the president of the Council and it covers all private, for-profit and non-profit colleges offering a bachelor's degree or above and out-of-state private and public colleges that operate in Kentucky.

Mr. Powell presented the following proposed revisions to 13 KAR 1:020:

- 1) In-state colleges required to receive approval for an instructional site where 50% of an academic program is offered, rather than 25%.
- 2) Colleges required to provide notice to the Council when certain measures of federal financial aid distress are triggered.
- 3) If those measures are triggered, in-state colleges using unrestricted cash to meet their unearned tuition coverage obligations will be required to obtain a surety bond or letter of credit or transfer the cash to the Council until those measures are no longer triggered.
- 4) The process for the Council to call in a letter of credit to protect student claims for unearned tuition is outlined.
- 5) Colleges would be required to provide notice that they are the subject of any investigation, complaint, or disciplinary matter with any accreditors or state or federal agencies within 10 days of their receipt of notice.
- 6) By January 1, 2022, all licensed colleges shall maintain all student records in an electronic format that is searchable and readily transferable consistent with industry standards. New colleges seeking licensure shall meet this requirement as a part of initial licensure.
- 7) As part of the annual renewal application for licensure, colleges must provide documentation of any notice of disciplinary action, warning or probation from any state, federal, or accrediting agency within the past two years.
- 8) Technical revisions.

An approval action authorizes staff to file the proposed administrative regulation, and authorize CPE Vice President and General Counsel [pursuant to KRS 13A.290(4) and KRS 13A.320(1)(b)] to make such changes on behalf of the Council as necessary to

comply with KRS Chapter 13A and obtain adoption by the Administrative Regulation Review Subcommittee and the Interim Joint Committee on Education.

MOTION: Ms. Nelson moved to accept the proposed amendments to 13 KAR 1:020 as presented. Mr. Torres seconded the motion.

VOTE: The motion passed.

## **UPDATE FROM THE COMMISSIONER OF EDUCATION**

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Presenter: Wayne D. Lewis, KY Commissioner of Education

Dr. Lewis discussed the current teacher shortages and ways the state is trying to mitigate the impact those shortages are causing. Much of the discussion focused on alternative pathways to certification, alternative methods to the traditional way of teaching, and programs such as Teach for America that can be expanded for Kentucky's K-12 system.

## **ANNUAL STRATEGIC AGENDA PERFORMANCE BRIEFING FROM THE ASSOCIATION OF INDEPENDENT KENTUCKY COLLEGES AND UNIVERSITIES**

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Presenters: Gary Cox, President of AIKCU  
Kenneth L. Hoyt, Ph.D., The Higher Education Practice, LLC

The Association of Independent Kentucky Colleges and Universities (AIKCU) leadership staff provided the annual independent college briefing to the Council as directed by KRS 164.020(13). Following the briefing, an update was provided on the results of AIKCU's Optimizing Academic Balance (OAB) initiative, a three-year grant-funded project to engage AIKCU institutions in a data-driven analysis of their core academic missions to help institutions better understand their academic business models and enhance their sustainability. This is the first time this type of analysis has been done for a collective group of like institutions to provide comparative data. Thirteen of eighteen AIKCU members have now completed the process.

## **RESOLUTIONS**

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Periodically, the Council recognizes certain individuals for their support of and service to postsecondary education in Kentucky. At the meeting, resolutions for the following individuals were approved by the Council:

- Gary Cox, President of the Association of Independent Kentucky Colleges and Universities
- Sebastian Torres, student member of the Council
- Shawn Reynolds, member of the Council

## **CAMPUS “GOOD NEWS” REPORTS**

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Reports from the institutions were provided in the agenda materials.

## **EXECUTIVE SESSION**

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MOTION: Dr. Staat moved that the Council go into executive discussion to discuss a matter involving potential litigation pursuant to KRS 61.810(1)(c). Ms. Ravichandran seconded the motion.

VOTE: The motion passed.

Following the motion, everyone attending the meeting left the room. The Council entered into executive session at 12:10 p.m. and remained so for eight minutes.

MOTION: Dr. Staat moved that the Council go back into open session. Ms. Ravichandran seconded the motion.

VOTE: The motion passed.

Chair Zimmerman confirmed that no action was taken in executive session and all discussion pertained to the matter was identified in the motion.

## **ADJOURNMENT**

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The Council adjourned at 12:20 p.m., ET.

**MINUTES REVIEWED AND APPROVED BY THE COUNCIL:** \_\_\_\_\_

**TITLE:** Assuring Job-Ready Graduates: A Report from the Quality Assurance Commons Project

**DESCRIPTION:** Ralph Wolff of QA Commons will present an update on progress thus far on the first year of the project.

**PRESENTERS:** Greg Rush, Senior Fellow, CPE  
Ralph Wolf, President & Founder, The QA Commons

### **SUPPORTING INFORMATION**

[QA Commons' Essential Employability Qualities Certification](#) is a quality assurance process that identifies certificate, associate, and baccalaureate programs that prepare graduates with the Essential Employability Qualities (EEQs). The EEQs are centered on people skills, problem-solving abilities, and professional strengths that are needed to thrive in the 21<sup>st</sup> century workforce. EEQ certification will signal to employers that a program focuses on these EEQs and engages employers in program design and evaluation.

Kentucky is the first state to pilot this certification process, which begin in the fall of 2018. The following institutions are participating:

- Kentucky State University
- Murray State University
- University of Kentucky
- Bluegrass Community and Technical College
- Gateway Community and Technical College
- Jefferson Community and Technical College

Each institution chose at least three academic programs to go through the EEQ certification process. The programs were evaluated on criteria related to graduate preparation, career support services, employer engagement, student and alumni engagement, and public information.

[Dr. Ralph Wolff](#), president and founder of QA Commons, will present the first year of certification progress and the resulting outcomes.

# Faculty Employability Fellows

The Faculty Fellows are engaging directly with regional and statewide employers and policy makers and undertake original research projects on the topic of employability. Through this direct interaction, the goal is to enable faculty to learn first-hand Kentucky's workforce needs, employer concerns and views of the role higher education needs to play, and at the same time, provide opportunities for faculty to share their successes and challenges in attempting to address these workforce needs.

The QA Commons has been very fortunate to appoint Janna Vice to direct the Faculty Fellows program. Dr. Vice is Provost Emeritus and Professor Emeritus of Eastern Kentucky University. Her work earned EKU the 2014 Council on Higher Education Accreditation (CHEA) Award for Outstanding Institutional Practice in Student Learning Outcomes.

## Director, Faculty Employability Fellows



**Janna Vice**  
Provost Emeritus and Professor Emeritus  
Eastern Kentucky University

## 2019-20 Fellows



**Erik Brooks**  
Dean, College of Humanities & Social Sciences  
Kentucky State University



**Lauren Campbell**  
Assistant Professor & Program Coordinator  
Bluegrass CTC



**Amy Carrino**  
Dean, Business, IT and Professional Studies  
Gateway CTC



**Annie Dail**  
Lecturer & Special Projects Coordinator  
Murray State University



**Lee Ferrell**  
Coordinator of Assessment & Accreditation  
University of Kentucky



**John Gregory**  
Director & Assistant Professor,  
Veterans Affairs  
Kentucky State University

# Faculty Employability Fellows

## 2020-21 Fellows, continued



**Nicole Hand-Bryant**  
Assistant Dean  
College of Fine Arts & Humanities  
Murray State University



**Amanda Lawrence**  
Faculty Lecturer  
College of Communication &  
Information  
University of Kentucky



**Brian Mason**  
Interim Associate Dean,  
School of Creative Arts  
Professor of Music, Percussion  
Morehead State University



**Jorge Ortega Moody**  
Assistant Professor Engineering  
Technology  
Morehead State University



**Caroline Reisner**  
Associate Professor, Geology,  
Geography & Sustainability  
Jefferson CTC



**Kara Schotter**  
Division Chair, Allied Health  
Department  
Jefferson CTC



**Reva Stroud**  
Program Coordinator, Health  
Sciences  
Gateway CTC



**Melanie Williamson**  
Assistant Dean & Professor  
Business, Computer & Info Sciences  
Bluegrass CTC



## UPDATE ON EEQ Certification 2018-2019

Developing Essential Employability Qualities in Kentucky's Graduates



**the QA commons**

THE QUALITY ASSURANCE COMMONS  
*for HIGHER and POSTSECONDARY EDUCATION*

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## PROBLEMS WE ARE ADDRESSING



- **75%** of employers report difficulty hiring graduates with the “soft skills” they need. (*SHRM*)
- **93%** of employers believe “soft skills” are as important as “hard skills” (*NACE*)
- **40%** of recent graduates would have changed their major, their institution or not gone to college at all for lack of career preparation and skill development (*Gallup, McGraw Hill*)

# PARTICIPANTS

## Kentucky State University

Business & Technology  
Computer Science  
Education & Human Development  
Nursing

## Murray State University

Construction Engineering & Technology  
Occupational Health & Safety  
Telecommunications & Systems Mgmt

## University of Kentucky

Accounting  
Equine Science  
Clinical Leadership

## Bluegrass CTC

FAME AMT  
Medical Assisting  
Computer Information Technology

## Gateway CTC

FAME AMT  
Medical Assisting  
Computer Information Technology

## Jefferson CTC

FAME AMT  
Medical Assisting  
Computer Information Technology



# THE ESSENTIAL EMPLOYABILITY QUALITIES

EEQ Certified program graduates are:

- Communicators
- Thinkers & Problem Solvers
- Inquirers
- Collaborators
- Adaptable
- Principled & Ethical
- Responsible & Professional
- Learners

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# The EEQ CERT CATEGORIES



The five categories for certification provide a comprehensive and integrated framework:

- EEQ Graduate Preparation (work-related outcomes)
- Career Services Integration
- Employer Engagement
- Student and Alumni Engagement
- Public Display of Career Information

# CHRONOLOGY



Nov 2018	CPE enters contract with QA Commons for development of a national model for employability in higher education. Project launched with 19 programs.
Jan 2019	17 programs submit self-assessments and receive feedback from the QA Commons team – many areas for improvement identified
April 2019 - Present	CPE-QA Commons consultations with programs Action/improvement plans developed. Four programs accelerated
Oct 2019	Faculty Employability Program launched
Oct 2019	Four accelerated programs submit portfolios, independently reviewed
Nov 2019	Three programs “certified;” 4th requested to resubmit
Jan 2020	Remaining programs portfolios due

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## FIRST PROGRAMS AWARDED EEQ CERT



- Murray State Occupational Health and Safety
- Murray State Construction Management
- Bluegrass Medical Assisting

**These programs are the first ever awarded certification.**

**Congratulations to them!**

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# LESSONS AFTER ONE YEAR



- Strong programs demonstrate proficiency in all 8 EEQs, evaluated internships and deep employer and alumni engagement. The three certified programs are leading the way.
- System-wide scale will be a multi-year project
- All programs are doing some things well, but only a few can demonstrate putting it all together
- Building program and institutional capacity is needed before seeking certification
- Demonstrating evidence of EEQ outcomes is the biggest challenge
- Better communication within and across programs is needed to share promising practices
- While most programs have employer advisory committees, deeper engagement is needed by many programs
- Alumni are underutilized for feedback and mentoring

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# WHERE DO WE GO FROM HERE

## Key Goals for 2020-2022

“All Kentucky Graduates Should Be Ready for The Workforce”

- Continue to support the 19 programs toward certification
- Emphasize Capacity Building Through Program Self-Assessment and Action Plan Support with a Resource Guide and Toolkits
- Certify the best programs with increasing rigor
- Develop case studies for improving employer engagement
- Expand the Faculty Employability Fellows Program and develop faculty mentors
- Create a year-long Employability Academy for campus teams



# “HIGHER EDUCATION MATTERS”



60% of future jobs will require postsecondary education (*Lumina*)

80% of future jobs haven't been created yet (*Education Commission for the States*)

***Kentucky is the national leader in developing a comprehensive systemwide approach to employability.***



the **QA** commons

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THE QUALITY ASSURANCE COMMONS  
*for HIGHER and POSTSECONDARY EDUCATION*



**TITLE:** Executive Committee Report

**PRESENTER:** Sherrill Zimmerman, CPE Chair

The Executive Meeting met on four occasions since the June 2019 Council meeting. Chair Zimmerman will provide an update from the meetings.

The Committee is recommending approval by the full Council on the following:

- Amendment to 13 KAR 4:010 – State Authorization Reciprocity Agreement
- Amended after Comments: 13 KAR 1:020 – Private College Licensing

Chair Zimmerman will also make several committee appointments.

**TITLE:** Amendment: 13 KAR 4:010 – State Authorization Reciprocity Agreement

**RECOMMENDATION:** The Executive Committee reviewed and approved this item on October 8, 2019 and recommends the full Council accept the proposed regulation amendment to 13 KAR 4:010. This action would also authorize staff to file the proposed administrative regulation, and authorize Vice President and General Counsel, pursuant to KRS 13A.290(4) and KRS 13A.320(1)(b), to make such changes on behalf of the Council as necessary to comply with KRS Chapter 13A and obtain adoption by the Administrative Regulation Review Subcommittee and the Interim Joint Committee on Education..

**PRESENTER:** Sherrill Zimmerman, Council and Executive Committee Chair  
Travis Powell, Vice President and General Counsel

### **SUPPORTING INFORMATION**

KRS 164.540(3) authorizes the Council, on behalf of the Commonwealth, to enter into the State Authorization Reciprocity Agreement (SARA), which establishes uniform national standards for interstate offerings of postsecondary distance education at the Associate's level and above. SARA authorizes postsecondary educational institutions meeting those standards located in member states or territories to provide distance education to residents of other member states without being individually licensed in member states.

The Council approved Kentucky to join SARA at its September 2016 meeting. As such, 13 KAR 4:010 is now Kentucky's administrative regulation that establishes the standards and procedures for Kentucky institutions to participate in SARA.

#### Proposed Amendment Language

The proposed language set forth in a new Section 7 sets forth an appeal process for institutions denied approval for initial or renewal application for SARA participation.

### Necessity of Proposed Revision to Regulation

On June 1, 2019, the National Council for State Authorization Reciprocity Agreements (NC-SARA), the entity that oversees SARA, updated the SARA Manual to require that SARA Member States develop and implement a means to hear and internally resolve appeals from Institutions for which they deny initial participation or renewal of participation in SARA by January 1, 2021.

### Conclusion

The process of revising an administrative regulation, established by the Legislative Research Commission, will be initiated with Council approval of this revised regulation. The proposed revised administrative regulation will go through a public hearing and review by the Administrative Regulation Review Subcommittee and the Interim Joint Committee on Education.

1 COUNCIL ON POSTSECONDARY EDUCATION

2 (Amendment)

3 13 KAR 4:010. State Authorization Reciprocity Agreement.

4 RELATES TO: KRS 164.020(23), 164.945, 164.946, 164.947, 164.992, 165A.320-  
5 165A.450

6 STATUTORY AUTHORITY: KRS 164.540(3)(c)

7 NECESSITY, FUNCTION, AND CONFORMITY: KRS 164.540(3) authorizes the  
8 Council on Postsecondary Education to promulgate an administrative regulation to enter  
9 into the State Authorization Reciprocity Agreement, which establishes uniform national  
10 standards for interstate offerings of postsecondary distance education and authorizes  
11 postsecondary educational institutions meeting those standards located in member states  
12 or territories to provide distance education to residents of other member states. KRS  
13 164.540(3) also authorizes the council to serve as the lead or portal agency on behalf of  
14 the Commonwealth's public and private postsecondary institutions seeking to offer distance  
15 education in member states. This administrative regulation establishes the mechanism by  
16 which Kentucky institutions may join the State Authorization Reciprocity Agreement and  
17 sets forth the process by which non-resident students can file complaints against Kentucky  
18 member institutions.

19 Section 1. Definitions. (1) "Accredited" means holding institutional accreditation by  
20 name as a U.S.-based institution from an accreditor recognized by the U.S. Department of  
21 Education.

1                   (2) "Commission" means the Kentucky Commission on Proprietary Education.

2                   (3) "Council" means the Kentucky Council on Postsecondary Education.

3                   (4) "Degree" means an award conferred at the associate level or higher by an insti-  
4 tution as official recognition for the successful completion of a program of studies.

5                   (5) "Institution" means a Kentucky degree-granting postsecondary entity.

6                   (6) "NC-SARA" means the National Council for State Authorization Reciprocity  
7 Agreements.

8                   (7) "President" means the President of the Kentucky Council on Postsecondary Ed-  
9 ucation.

10                  (8) "State Authorization Reciprocity Agreement," or "SARA," means the agreement  
11 among member states, districts, and U.S. territories that establishes comparable national  
12 standards for interstate offering of degrees through distance education and authorizes in-  
13 stitutions meeting those standards located in member states or territories to provide dis-  
14 tance education to residents of other member states.

15                  Section 2. Initial Application Procedures. (1) In order to participate in SARA, an in-  
16 stitution shall submit the following items to the president for review and action:

17                  (a) The current NC-SARA Application and Approval Form for Institutional Participa-  
18 tion in SARA, in electronic format; and

19                  (b) The fees due to the Council, in accordance with Section 6 of this administrative  
20 regulation.

21                  (2) The application referenced in subsection (1)(a) of this section may be found  
22 online at [www.nc-sara.org](http://www.nc-sara.org).

23                  Section 3. Renewal Application Procedures. (1) In order to continue participating in

1 SARA, an institution shall submit the following items to the president for review and action  
2 at least sixty (60) days before the anniversary date of the institution's initial approval:

- 3       (a) The current NC-SARA Application for Institutional Renewal to Participate in  
4 SARA, in electronic format; and  
5       (b) The fees due to the council, in accordance with Section 6 of this administrative  
6 regulation.

7       (2) The application referenced in subsection (1)(a) of this section may be found  
8 online at [www.nc-sara.org](http://www.nc-sara.org).

9       Section 4. Standards for Approval. In order to participate in SARA, an institution  
10 shall comply with the following:

- 11       (1) Maintain authorization to operate in Kentucky through one (1) of the following:  
12           (a) Creation by Kentucky Revised Statutes;  
13           (b) Licensure by the council; or  
14           (c) Licensure by the commission; and  
15       (2) Meet the current minimum requirements to participate in SARA.

16       Section 5. Consumer Complaints. (1) After first exhausting the institution's internal  
17 procedure for complaint resolution, a non-resident student may file a complaint against the  
18 institution for failure to comply with any SARA standard within two (2) years of the incident  
19 about which the complaint is made.

20       (2) In order to be considered, a complaint shall be submitted by the student in writ-  
21 ing and include the following information:

- 22           (a) Name, address, email address, and phone number of student;  
23           (b) Name of institution;

- 1                   (c) Location of institution;  
2                   (d) Dates of attendance;  
3                   (e) An explanation of the steps taken to exhaust the institution's grievance process;  
4                   (f) A full description of the issue and any relevant documentation supporting the  
5                   complaint; and  
6                   (g) The desired resolution of the complaint.

7                   (3) Complaints regarding student grades or student conduct violations shall not be  
8                   considered.

9                   (4) The president shall forward the complaint by email to the institution and require a  
10                  written response no later than thirty (30) days from the date of transmittal.

11                  (5) After review of information and materials provided by the student and the institu-  
12                  tion, the president may request additional information from either party.

13                  (6) After review of all relevant information and materials, the president shall facilitate  
14                  a resolution of the complaint. The relief provided the student, if any, shall be commensu-  
15                  rate with the circumstances.

16                  (7) Resolution of a complaint by the president shall be final, except in instances  
17                  where the subject matter of the complaint may violate any other applicable laws.

18                  (8) The president shall provide to the executive director of the commission, for refer-  
19                  ence purposes, a copy of:

- 20                   (a) Any complaint initiated against an institution licensed by the commission;  
21                   (b) The resolution; and  
22                   (c) Any related materials.

23                  Section 6. Fees. The council shall charge an initial and annual renewal fee to institu-

1 tions based on all enrolled full time equivalent students, which shall be due at time of appli-  
2 cation. Applications shall not be reviewed without receipt of fee payment. Failure to pay a  
3 fee on or before the date of application shall be sufficient grounds for denial of an applica-  
4 tion. Fees shall be in addition to any fees charged by NC-SARA and shall be in accordance  
5 with the following schedule:

- 6 (1) Under 2,500 - \$3,000;  
7 (2) 2,500 – 9,999 - \$5,000; or  
8 (3) 10,000 or more - \$7,000.

9 Section 7. Appeals. (1) An institution denied approval for an initial or renewal appli-  
10 cation may request an appeal of that decision in accordance with the terms of this subsec-  
11 tion.

12 (a) The institution shall notify the president of the intent to appeal the decision with-  
13 in seven (7) days of the receipt of the notice of denial.

14 (b) The president shall request that the Office of Administrative Hearings appoint a  
15 hearing officer who shall conduct an administrative hearing consistent with the provisions  
16 of KRS 13B.005-13B.170.

17 (c) The appeal shall be presented in writing no later than thirty (30) days following  
18 the receipt of notification of intent to appeal. The appeal shall be considered on the written  
19 record alone.

20 (d) The appeals officer shall review findings of fact, consider testimony, draw con-  
21 clusions, and formulate a recommendation consistent with the facts and this administrative  
22 regulation.

23 (e) Upon completion, the report of the appeals officer shall be forwarded to the insti-

1 tution and to the president.

2 (f) Within thirty (30) working days of receiving the report of the appeals officer, the

3 president shall either uphold the decision or approve the application.

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Date

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Sherrill B. Zimmerman, Chair  
Council on Postsecondary Education

APPROVED AS TO FORM:

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Date

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Travis Powell, General Counsel  
Council on Postsecondary Education

**PUBLIC HEARING AND PUBLIC COMMENT PERIOD:** A public hearing on this administrative regulation shall be held on December 23, 2019 at 10:00 a.m. EST at the Council on Postsecondary Education, 1024 Capital Center Drive, Suite 320, Frankfort, Kentucky, 40601 in Conference Room A. Individuals interested in being heard at this hearing shall notify this agency in writing five workdays prior to the hearing of their intent to attend. If no notification to attend the hearing is received by that date, the hearing may be cancelled.

This hearing is open to the public. Any person who wishes to be heard will be given an opportunity to comment on the proposed administrative regulation. A transcript of the public hearing will not be made unless a written request for a transcript is made.

If you do not wish to be heard at the public hearing, you may submit written comments on the proposed administrative regulation. Written comments shall be accepted until December 31, 2019.

Send written notification of intent to be heard at the public hearing or written comments on the proposed administrative regulation to the contact person.

**CONTACT PERSON:**

Sarah Levy  
Executive Director of Postsecondary Licensing  
Council on Postsecondary Education  
1024 Capital Center Dr.  
Suite 350  
Frankfort, Kentucky 40601  
Phone: 502.573.1555  
Fax: 502.573.1535  
Email: [sarah.levy@ky.gov](mailto:sarah.levy@ky.gov)

## REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

Administrative Regulation 13 KAR 4:010. *State Authorization Reciprocity Agreement*

Contact person: Sarah Levy  
Executive Director of Postsecondary Licensing  
Council on Postsecondary Education  
1024 Capital Center Drive, Suite 320  
Frankfort, KY 40601  
502.573.1555 ext. 350  
[sarah.levy@ky.gov](mailto:sarah.levy@ky.gov)  
FAX: 502.573.1535

- (1) Provide a brief summary of:
  - (a) What this administrative regulation does: This administrative regulation establishes the procedures for participation by Kentucky postsecondary institutions in the State Authorization Reciprocity Agreement (SARA), which establishes uniform national standards for interstate offerings of postsecondary distance education and authorizes postsecondary educational institutions meeting those standards located in member states or territories to provide distance education to residents of other member states.
  - (b) The necessity of this administrative regulation: KRS 164.540(3) provides the Council with the authority to enter into SARA on behalf of the Commonwealth and promulgate regulations to establish procedures for Kentucky postsecondary institutions to participate.
  - (c) How this administrative regulation conforms to the content of the authorizing statutes: The administrative regulation sets out the procedures for Kentucky postsecondary institutions to participate in SARA as required by KRS 164.540(3)(c).
  - (d) How this administrative regulation currently assists or will assist in the effective administration of the statutes: The procedures set forth in this regulation are in conformance with SARA requirements which must be met in order for Kentucky to be a member as authorized by KRS 164.540(3).
- (2) If this is an amendment to an existing administrative regulation, provide a brief summary of:

- (a) How the amendment will change this existing administrative regulation: This amendment adds an appeals process for institutions who are denied approval.
  - (b) The necessity of the amendment to this administrative regulation: SARA state participation requirements were recently amended to mandate an institutional appeal process at the state portal agency level.
  - (c) How the amendment conforms to the content of the authorizing statutes: The authorizing statutes give the Council the authority to adopt provisions via regulation to meet the SARA participation requirements.
  - (d) How the amendment will assist in the effective administration of the statutes: This amendment will allow Kentucky to continue to participate in SARA as contemplated in the authorizing statutes.
- (3) List the type and number of individuals, businesses, organizations, or state and local governments affected by this administrative regulation: All public and private colleges and universities offering Associate's degrees or higher.
- (4) Provide an assessment of how the above group or groups will be impacted by either the implementation of this administrative regulation, if new, or by the change if it is an amendment, including:
- (a) List the actions that each of the regulated entities identified in question (3) will have to take to comply with this administrative regulation or amendment: No additional action will be required of regulated entities unless an application is denied. If an application is denied, the institution wants to appeal the decision, it must file its appeal in accordance with the provisions set forth in the amendment.
  - (b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (3): There will no additional cost of compliance related to this amendment, except the staff or outside counsel cost of filing an appeal and arguing for consideration of the decision to deny.
  - (c) As a result of compliance, what benefits will accrue to the entities identified in question (3): Institutions will be able to appeal application denials.
- (5) Provide an estimate of how much it will cost to implement this administrative regu-

lation:

- (a) Initially: The amendment will not result in any additional cost of implementation initially.
  - (b) On a continuing basis: The amendment will only result in additional costs to the Council if an appeal is filed. There may be cost incurred for the use of a hearing officer.
- (6) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation: SARA fees and General Fund appropriations.
- (7) Provide an assessment of whether an increase in fees or funding will be necessary to implement this administrative regulation, if new, or by the change if it is an amendment: No. The amendment does not require an increase in fees.
- (8) State whether or not this administrative regulation establishes any fees or directly or indirectly increases any fees: Yes. This regulation assesses fees.
- (9) TIERING: Is tiering applied? No, the amendment does not apply any tiering.

## FISCAL NOTE ON STATE OR LOCAL GOVERNMENT

Administrative Regulation 13 KAR 4:010. *State Authorization Reciprocity Agreement*

Contact person: Sarah Levy  
Executive Director of Postsecondary Licensing  
Council on Postsecondary Education  
1024 Capital Center Drive, Suite 320  
Frankfort, KY 40601  
502.573.1555  
sarah.levy@ky.gov  
FAX: 502.573.1535

1. What units, parts or divisions of state or local government (including cities, counties, fire departments, or school districts) will be impacted by this administrative regulation? The Council is responsible for implementation, and this regulation applies to Kentucky public institutions and private colleges and universities that seek to become members of SARA.
2. Identify each state or federal statute or federal regulation that requires or authorizes the action taken by the administrative regulation. KRS 164.540(3)(c).
3. Estimate the effect of this administrative regulation on the expenditures and revenues of a state or local government agency (including cities, counties, fire departments, or school districts) for the first full year the administrative regulation is to be in effect.
  - (a) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for the first year? Revenue from SARA fees is approximately \$170,000 annually.
  - (b) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for subsequent years? See 3(a).
  - (c) How much will it cost to administer this program for the first year? Approximately \$87,500.
  - (d) How much will it cost to administer this program for subsequent years? Approximately \$175,000.

Note: If specific dollar estimates cannot be determined, provide a brief narrative to explain the fiscal impact of the administrative regulation.

Revenues (+/-):

Expenditures (+/-):

Other Explanation: N/A

**TITLE:** Amended after Comments: 13 KAR 1:020 – Private College Licensing

**RECOMMENDATION:** The Executive Committee reviewed and approved this item on October 8, 2019 and recommends the full Council accept the proposed amended after comments regulation amendment to 13 KAR 1:020.

**PRESENTER:** Sherrill Zimmerman, Council and Executive Committee Chair  
Travis Powell, Vice President and General Counsel

### **SUPPORTING INFORMATION**

At the June 28, 2019 meeting, the Council approved an amendment to 13 KAR 1:020 and among the revisions included the following, listed as Section 8(4)(e):

A college shall notify the president within ten (10) days of the college receiving notice from an accrediting agency or any state or federal agency that the college is the subject of any investigative action, complaint, or disciplinary matter with the accrediting agency or state or federal agency.

The amendment was filed on July 15, 2019 and the public comment period ended on August 31, 2019. During the public comment period, the Council received a comment from Walden University regarding that provision, suggesting that the Council may not want to receive notice each time a student files a complaint against the school with another state agency or a federal agency.

Since there is generally no threshold to initiate a student complaint with a state or federal agency, complaint filing is not indicative that an issue of concern exists. However, if a complaint or a series of complaints were substantive, the state or federal agency would most certainly initiate an investigation.

As such, staff is recommending that the word “complaint” be removed from Section 8(4)(e) of the regulation. Comment specifics and materials to be filed with the Administrative Regulation Review Subcommittee (if approved) are provided in the attached materials.

**STATEMENT OF CONSIDERATION**  
**Relating to 13 KAR 1:020**  
**(Amended After Comments)**

I. A public hearing on 13 KAR 1:020, scheduled for August 22, 2019 at 10:00am at the Council on Postsecondary Education (CPE) was canceled; however, a written comment was received during the public comment period.

II. The following people submitted written comments:

<u>Name and Title</u>	<u>Agency/Organization/Entity/Other</u>
Ward Ulmer, President	Walden University

III. The following people from the promulgating administrative body responded to the written comments:

Name and Title

Sarah Levy, Executive Director of Postsecondary Licensing, Council on Postsecondary Education  
Travis Powell, Vice President and General Counsel, Council on Postsecondary Education

IV. Summary of Comments and Responses

(1) Subject Matter: Notification of Action by Accrediting, State, and Federal Agencies

(a) Commentator: Ward Ulmer

Comment: The Council proposes in Section 8. (4)(e) on page 7 of the amendments that, “A college shall notify the president within ten (10) days of the college receiving notice from an accrediting agency or any state or federal agency that the college is the

subject of any investigative action, complaint, or disciplinary matter with the accrediting agency or state or federal agency.” As written, this section is overly broad as “any investigative action, complaint, or disciplinary matter” could include routine matters such as the resolution of individual student complaints.

To that end, Walden suggests clarifying that notification does not include any individual student complaint or similar activity, since these rarely implicate the entire institution. Only actions at the institutional level initiated by a regulator or accreditor should trigger the need to notify. Accordingly, Walden urges CPE to replace everything after “investigative action...” with “U.S. Department of Education program review, U.S. Department of Education Inspector General audit, or any adverse action commenced by an accrediting agency, or any program review or enforcement action taking by an institution’s home state regulator or any other agency in that home state.”

Similarly, the proposed notice requirement encompasses preliminary notifications that are often resolved in the routine course of business. Walden recommends limiting the required notice by specifying that CPE include the words “of any final determination” after “...receiving notice...” Investigations and complaints typically do not result in punitive action, so it is useful for the Council to clarify that notice pertains to final determinations.

(b) CPE response: CPE agrees that receiving all “complaints” about a licensed institution received by any federal, state, or accrediting agency is not necessary. A complaint could be unsubstantiated and those that are, if pervasive enough, will result

in an investigative action or disciplinary matter. As such, the Council will remove the reference to “complaint” from Section 8(4)(e).

#### IV. Summary Action Taken By Promulgating Agency

The Council on Postsecondary Education reviewed the comments and, as a result, is amending the administrative regulation as follows:

**Page 15**  
**Section 8(4)(e)**  
**Line 12**

After “any investigative action”, delete “, complaint.”.

1     **COUNCIL ON POSTSECONDARY EDUCATION**

2     **(Amended After Comments)**

3     **13 KAR 1:020. Private college licensing.**

4                 RELATES TO: KRS 13B.005-13B.170, 164.020(23), 164.945, 164.946, 164.947,  
5     164.992, 165A.320, 20 U.S.C. 1001 et. seq.

6                 STATUTORY AUTHORITY: KRS 164.947(1), (2), 164.020(38) [164.020(37)]

7                 NECESSITY, FUNCTION, AND CONFORMITY: KRS 164.947(1) requires the  
8     Council on Postsecondary Education to promulgate an administrative regulation to estab-  
9     lish the procedures for the licensing of colleges as defined in KRS 164.945. KRS 164.947  
10   provides that religious instruction or training shall not be restricted. This administrative reg-  
11   ulation establishes the private college licensing requirements and the requirements for reli-  
12   gious in-state colleges to apply for an exemption to those licensing requirements.

13   Section 1. Definitions. (1) "Accredited" means the approval of an accrediting agency.

14   (2) "Accrediting agency" means a national or regional agency which evaluates colleges  
15   and is recognized by the United States Department of Education, the Council on Higher  
16   Education Accreditation, or the Council on Postsecondary Education.

17   (3) "Agent" means any person employed by a college to act as a solicitor, broker, or in-  
18   dependent contractor to procure students for the college by solicitation in any form made at  
19   any place other than the main campus of the college.

20   (4) "College" is defined by KRS 164.945(1).

21   (5) "Degree" is defined by KRS 164.945(2).

1       (6) "Diploma" is defined by KRS 164.946(3).

2       (7) "In-state college" means a college that is charted by, organized within, and has its  
3       principal location in Kentucky.

4       (8) "Net tuition and fees" means the total of tuition and mandatory fee revenue less insti-  
5       tutional scholarships and fellowships.

6       (9) "Operating or soliciting" means having a physical presence within Kentucky and in-  
7       cludes:

8           (a) An instructional or administrative site within Kentucky whether owned, leased, rent-  
9           ed, or provided without charge;

10          (b) Instruction, whether theory or clinical, originating from or delivered within Kentucky  
11          utilizing teachers, trainers, counselors, advisors, sponsors, or mentors;

12          (c) An agent, recruiter, in-state liaison personnel, institution, or business located in Ken-  
13          tucky that advises, promotes, or solicits for enrollment, credit, or award of an educational or  
14          occupational credential;

15          (d) An articulation agreement with a Kentucky licensed college or state-supported institu-  
16          tion; or

17          (e) Advertising, promotional material, or public solicitation in any form that targets Ken-  
18          tucky residents through distribution or advertising in the state.

19          (10) "Out-of-state college" means a college that is chartered, organized, or has its prin-  
20          cipal location outside of Kentucky.

21          (11) "President" means the president of the Council on Postsecondary Education.

22          (12) "Unearned tuition" means the excess of cumulative collections of tuition and other  
23          instructional charges over the cumulative amount of earned tuition and other institutional

1 charges prior to the first date of refund in accordance with the college's refund policy.

2 (13) "Unrestricted cash" means any cash or cash equivalents held by a college which  
3 are available to cover payments to students for any unearned tuition.

4 Section 2. General Requirements. (1)(a) Except as provided in paragraph (b) of this  
5 subsection or subsection (7) of this section, an in-state or out-of-state college that is oper-  
6 ating or soliciting in Kentucky shall be licensed.

7 (b) If a college is operating or soliciting in Kentucky solely for on-ground instruction at a  
8 location outside of Kentucky in which students leave Kentucky to attend, licensure shall not  
9 be required.

10 (2)(a) An out-of-state college shall be licensed separately for each instructional site in  
11 Kentucky.

12 (b) Except as provided in paragraph (c) of this subsection, an out-of-state college that is  
13 operating or soliciting using on-line instruction to Kentucky residents shall be considered to  
14 have an online campus which shall be licensed separately as an instructional site.

15 (c) Licensure shall not be required for an out-of-state college if the college:

16 1. Is only operating and soliciting under Section 1(9)(b) of this administrative regulation  
17 solely due to a faculty member residing in Kentucky and providing online instruction to Ken-  
18 tucky students; and

19 2. Has less than one (1) percent of its faculty members residing in Kentucky.

20 (3) A college awarding a certificate, diploma, associate degree, baccalaureate degree,  
21 master's degree, doctoral degree, or other degree, whether the degree is earned or honor-  
22 ary, shall be licensed. If a college's program is also required to be licensed or approved by  
23 another state agency as well as the Council on Postsecondary Education, the president

1 shall attempt to coordinate the licensing function with that agency.

2 (4) A college shall offer only those programs, courses, and degrees, including honorary  
3 degrees, specifically authorized in the license.

4 (5) If a college ceases offering a licensed program, course, or degree, the college shall  
5 notify the president in writing and request that the program, course, or degree be removed  
6 from the college's license.

7 (6) Providing false or misleading information shall be grounds for denial of a license, or  
8 suspension or revocation of an existing license.

9 (7) A religious in-state college may operate or solicit in Kentucky if the college submits to  
10 the council an Application for Religious In-State College Letter of Exemption per KRS  
11 164.947(2). The institution shall submit an application each year by the anniversary of its  
12 initial submission date. As part of the application, the institution shall verify compliance with  
13 the requirements established in this subsection.

14 (a) The institution shall be nonprofit, owned, maintained, and controlled by a church or  
15 religious organization which is exempt from property taxation under the laws of Kentucky.

16 (b) The name of the institution shall include a religious modifier or the name of a reli-  
17 gious patriarch, saint, person, or symbol of the church.

18 (c) The institution shall offer only educational programs that prepare students for reli-  
19 gious vocations as ministers or laypersons in the categories of ministry, counseling, theolo-  
20 gy, religious education, administration, religious music, religious fine arts, media communi-  
21 cations, or social work.

22 (d) The titles of degrees issued by the institution shall be distinguished from secular de-  
23 gree titles by including a religious modifier that:

1       1. Immediately precedes, or is included within, any degree title, including an Associate of  
2       Arts, Associate of Science, Bachelor of Arts, Bachelor of Science, Master of Arts, Master of  
3       Science, Advanced Practice Doctorate, Doctor of Philosophy, or Doctor of Education de-  
4       gree; and

5       2. Is placed on the title line of the degree, on the transcript, and wherever [whenever]  
6       the title of the degree appears in official school documents or publications.

7       (e) The duration of all degree programs offered by the institution shall be consistent with  
8       Section 8(8)(b) of this administrative regulation.

9       (f) The institution shall comply with the truth in advertising requirements established in  
10      Section 8(11) of this administrative regulation.

11      (g)1. The institution shall disclose to each prospective student:  
12       a. A statement of the purpose of the institution, its educational programs, and curricula;  
13       b. A description of its physical facilities;  
14       c. Its status regarding licensure;  
15       d. Its fee schedule and policies regarding retaining student fees if a student withdraws;  
16       e. Its refund policy on tuition and other instructional charges; and  
17       f. A statement regarding the transferability of credits to and from other institutions.

18      2. The institution shall make the disclosures required by subparagraph 1. of this para-  
19      graph in writing at least one (1) week prior to enrollment or collection of any tuition from the  
20      prospective student. The required disclosures may be made in the institution's current cata-  
21      log.

22      (h) The institution shall not seek to be eligible for state or federal financial aid.

23      Section 3. Licensure Application Procedures. (1) An application for a license shall be

1 submitted on the form entitled:

2       (a) Application for Licensure as an In-State, Non-Public Institution to Operate in the

3 Commonwealth of Kentucky Pursuant to 13 KAR 1:020, if the applicant is an in-state col-

4 lege; or

5       (b) Application for Licensure as an Out-of-State Institution to Operate in the Common-

6 wealth of Kentucky Pursuant to 13 KAR 1:020, if the applicant is an out-of-state college.

7       (2) An application shall be accompanied by a copy of the following:

8       (a) College charter;

9       (b) College catalog;

10      (c) College constitution and bylaws;

11      (d) Student enrollment application;

12      (e) Student contract or agreement;

13      (f) 1. Documentation of accreditation, licensure, or approval by appropriate state, federal,

14 and accrediting agencies; and

15      2. Disclosure of any prior loss or denial of:

16       a. Accreditation with the dates and reason for the loss or denial; or

17       b. Licensure or approval by an agency in this state or another state with the dates and

18 reason for the loss or denial; [and]

19      (g) Disclosure of any former names of the college with the dates each former name was

20 used.

21      Section 4. Site Visits. (1) Within ninety (90) working days of the receipt of a full and

22 complete application for a license, a supplementary application, or Application for Annual

23 Maintenance of License or for Renewal of License Pursuant to 13 KAR 1:020, the presi-

1     dent may conduct, or may have conducted, a site visit. Personnel conducting the site visit  
2     shall possess the expertise appropriate to the type of college to be visited. The purpose of  
3     a site visit shall be to make an assessment of a college using the standards for licensure  
4     as set forth in Section 8 of this administrative regulation.

5       (2) The president may conduct, or may have conducted, an announced or unannounced  
6     site visit of a licensed college during reasonable business hours to inspect the files, facili-  
7     ties, and equipment as well as conduct interviews to determine the college's compliance  
8     with this administrative regulation and KRS 164.945, 164.946, and 164.947.

9       (3) Failure to provide full access to the college's files, facilities, and equipment or pre-  
10   vention of interviews shall be grounds for denial of a license, or suspension or revocation of  
11   an existing license.

12      (4) Cost of site visits.

13       (a) Costs connected with a site visit and subsequent visits as may be necessary, such  
14     as travel, meals, lodging, and consultant honoraria, shall be paid by the college.

15       (b) The estimated cost of the site visit shall be paid by the college prior to the site visit.

16       (c) The final settlement regarding actual expenses incurred shall be paid by the college  
17     no later than thirty (30) days after receipt of the invoice.

18       (d) Failure to pay these costs shall be grounds for denial of a license, or suspension or  
19   revocation of an existing license.

20      Section 5. Action on Licensure Application. (1) Within ninety (90) working days of the  
21     completion of the site visit, or within sixty (60) working days of the submission of a com-  
22     plete licensure application if a site visit is not conducted, the president shall do one (1) of  
23     the following:

1       (a) Issue a license for a period of no less than one (1) year, nor more than two (2) years;  
2       (b) Deny the application for a license;  
3       (c) Notify the applicant college of deficiencies which shall be corrected before a license  
4       is issued; or  
5       (d) Issue a conditional license in accordance with subsection (3) of this section if the col-  
6       lege has:

7           1. Not met all of the standards for licensure when [at the time] the application is filed;  
8           and  
9           2. Provided a written business plan to the president demonstrating it will meet the  
10          standards for licensure within a period not to exceed two (2) years.

11       (2) If an institution fails to respond in writing to an official notification of deficiency within  
12          sixty (60) working days, it shall submit a new application and fee, as required by Section 15  
13          of this administrative regulation, to apply for licensure.

14       (3) A conditional license shall not exceed a period of two (2) years and shall include the  
15          conditions the college shall meet in order for the college to progress toward and eventually  
16          meet the standards for licensure, including when the college shall report progress to the  
17          president and when the college shall be required to have satisfied all the conditions.

18       (a) The college's failure to satisfy the conditions within the specified timeframe shall:  
19           1. Result in automatic revocation of the conditional license; or  
20           2. Result in an extension of the conditional license based on a determination by the  
21          president that the college is making progress in satisfying the conditions in response to the  
22          college's written request for an extension with supporting justification.

23       (b) If the college satisfies all the conditions with the timeframe specified, the president

1 shall issue a license in accordance with subsection (1)(a) of this section.

2       Section 6. Supplementary Application Procedures. (1)(a) A Supplementary Application  
3 for Change of Name of Institution Pursuant to 13 KAR 1:020 shall be submitted to the  
4 council at least ninety (90) days prior to the effective date of a change in the name of a col-  
5 lege.

6       (b) A Supplementary Application for Change of Location of Principal Location of a Col-  
7 lege or Location of a Licensed Instructional Site in Kentucky Pursuant to 13 KAR 1:020  
8 shall be submitted to the council at least ninety (90) days prior to the effective date of a  
9 change in the principal location of a college or the location of a licensed instructional site in  
10 Kentucky.

11       (c) A Supplementary Application for Change of Ownership or Governance Pursuant to  
12 13 KAR 1:020 shall be submitted to the council at least ninety (90) days prior to the effec-  
13 tive date of a change in ownership or governance of a college.

14       (d) An out-of-state college shall submit a Supplementary Application to Operate as an  
15 Out-of-State Institution in the Commonwealth of Kentucky Pursuant to 13 KAR 1:020 at  
16 least ninety (90) days prior to implementation of a change to offer an additional certificate,  
17 diploma, or degree program, major, or other concentration or specialty at an instructional  
18 site.

19       (e) A Supplementary Application to Operate as an In-State Nonpublic Institution in the  
20 Commonwealth of Kentucky Pursuant to 13 KAR 1:020 shall be submitted by an in-state  
21 college at least ninety (90) days prior to the effective date of:

22           1. A change to offer an additional certificate, diploma, or degree program, major, or oth-  
23 er concentration or specialty at the main campus; or

1       2. The establishment of an instructional site away from the main campus of an in-state  
2 college for the purpose of offering courses for college credit which comprise at least fifty  
3 (50) percent [~~twenty-five (25) percent~~] of the course requirements for a degree program.

4       (f) A college shall submit a Supplementary Application for Administrative Site, Recruit-  
5 ment Office, or Advising Center Pursuant to 13 KAR 1:020 at least ninety (90) days prior to  
6 the establishment of an administrative site, recruitment office, or advising center in Ken-  
7 tucky, or the change of location of a licensed administrative site, recruitment office, or ad-  
8 vising center in Kentucky, if the site, office, or center is not part of a licensed instructional  
9 site or proposed instructional site for which the college is seeking licensure.

10      (g) A college shall submit a Supplementary Application for Notification of Change in Ac-  
11 creditation or Licensure Status Pursuant to 13 KAR 1:020 within thirty (30) days following  
12 action by an accrediting agency or another state licensing agency which results in:

- 13       1. A college being placed in a probationary status;  
14       2. A college losing accreditation or licensure; or  
15       3. A college being denied accreditation or licensure.

16       (2) A site visit may be conducted as part of the supplementary application process in ac-  
17 cordance with Section 4 of this administrative regulation.

18       (3) Failure to submit a complete and accurate supplementary application, if required,  
19 shall be sufficient cause for denial of a license, or suspension or revocation of an existing  
20 license. The president shall notify the college by registered mail, return receipt, of the deni-  
21 al, suspension, or revocation of the college's license.

22       Section 7. Action on Supplementary Applications. (1) Within sixty (60) working days of  
23 the submission of a complete supplementary application if a site visit is not conducted, or

1       within ninety (90) working days of the completion of a site visit, the president shall do one  
2       (1) of the following:  
3           (a) Approve the supplementary application and amend the current license without  
4           changing the renewal date;  
5           (b) Deny the supplementary application without amendment to the college's license;  
6           (c) Suspend or revoke the college's license;  
7           (d) Notify the applicant college of deficiencies which shall be corrected before the sup-  
8           plementary application is approved and the license is amended; or  
9           (e) Issue a conditional license in accordance with subsection (3) of this section if the col-  
10          lege has:

11           1. Not met all of the standards for licensure when [at the time] the application is filed;  
12          and  
13           2. Provided a written business plan to the president demonstrating it will meet the  
14          standards for licensure within a period not to exceed two (2) years.

15           (2) If an institution fails to respond in writing to an official notification of deficiency within  
16          sixty (60) working days, it shall submit a new application to apply for licensure.

17           (3) A conditional license shall not exceed a period of two (2) years and shall include the  
18          conditions the college shall meet in order for the college to progress toward and eventually  
19          meet the standards for licensure, including when the college shall report progress to the  
20          president and when the college shall be required to have satisfied all the conditions.

21           (a) The college's failure to satisfy the conditions within the specified timeframe shall:  
22           1. Result in automatic revocation of the conditional license; or  
23           2. Result in an extension of the conditional license based on a determination by the

1 president that the college is making progress in satisfying the conditions in response to the  
2 college's written request for an extension with supporting justification.

3 (b) If the college satisfies all the conditions with the timeframe specified, the president  
4 shall amend the current license in accordance with subsection (1)(a) of this section.

5 Section 8. Standards for Licensure. A college shall meet the requirements and stand-  
6 ards established in this section in order to be licensed.

7 (1) Financial requirements. The college shall adhere to generally accepted accounting  
8 practices and present evidence of financial stability, including the following:

9 (a) Financial statements including:

10 1. A statement of financial position of unrestricted net assets and liabilities, including  
11 foundation and trust agreements;

12 2. An audit report prepared by an independent certified public accountant for each cor-  
13 poration of the college; and

14 3. If available, audit reports for the past three (3) years;

15 (b) The name of a bank or other financial institution used by the college as a reference;

16 (c) A statement from the Kentucky Higher Education Assistance Authority related to pro-  
17 grams administered by that agency and from the U.S. Department of Education related to  
18 programs administered by that department that the college is in good standing; and

19 (d) An annual operating budget for the college.

20 (2) Agents. A college shall be responsible for the actions of its agents if [when] acting on  
21 behalf of the college.

22 (3) Guarantee of refund of unearned tuition. A college shall guarantee the refund of any  
23 unearned tuition held by the college as established in this subsection.

1       (a) Except as provided in paragraph (d) of this subsection, an in-state college shall:  
2           1. Secure and maintain a surety bond equal to or in excess of the largest amount of un-  
3           earned tuition held by the college at any time during the most recently completed fiscal  
4           year, executed by a surety company qualified and authorized to do business in Kentucky,  
5           and made payable to the Council on Postsecondary Education;

6           2. Maintain an unrestricted cash reserve equal to or in excess of the largest amount of  
7           unearned tuition held by the college at any time during the most recently completed fiscal  
8           year; or

9           3. Provide a letter of credit equal to or in excess of the largest amount of unearned tui-  
10          tion held by the college at any time during the most recently completed fiscal year.

11       (b) An out-of-state college shall secure and maintain a surety bond:

12           1. That is:

13           a. Equal to or in excess of the largest amount of unearned tuition held by the college at  
14           any time during the most recently completed fiscal year; and

15           b. At least \$10,000;

16           2. Executed by a surety company qualified and authorized to do business in Kentucky;  
17          and

18           3. Made payable to the Council on Postsecondary Education.

19       (c) A college applying for a license for the first time shall estimate the amount of un-  
20          earned tuition based on projected enrollment and tuition and other instructional charges.

21       (d) An in-state college licensed continuously by the council for:

22           1. Five (5) to ten (10) years shall maintain coverage by surety bond, letter of credit, or  
23          unrestricted cash reserve for ten (10) percent of its annual total net tuition and fees collect-

1 ed by the college in its most recently completed fiscal year; or  
2 2. Ten (10) years or more shall maintain coverage by surety bond, letter of credit, or un-  
3 restricted cash reserve for five (5) percent of its annual total net tuition and fees collected  
4 by the college in its most recently completed fiscal year.

5 (e) A college shall provide a letter from an independent certified public accountant con-  
6 firming that the college is in compliance with this subsection.

7 (4) Notice required.

8 (a) If a surety bond is terminated, a college shall notify the president and the license  
9 shall automatically expire with the bond unless a replacement bond is provided without a  
10 lapse in bonding.

11 (b) An in-state college using an unrestricted cash reserve or letter of credit to satisfy the  
12 provisions of subsection (3) of this section shall notify the president if the unrestricted cash  
13 reserve or letter of credit falls below the required amount, and the college shall obtain a  
14 surety bond for the required amount.

15 (c) A college shall notify the president within ten (10) days of the college receiving writ-  
16 ten notice from the U.S. Department of Education of placement on heightened cash moni-  
17 toring status or calculation of college's financial responsibility composite score at below  
18 1.0. If an in-state college is using unrestricted cash reserve to satisfy subsection (3) of this  
19 section, it shall within thirty (30) days of either event:

20 1. Obtain a surety bond or letter of credit in the required amount until the college is satis-  
21 factorily removed from heightened cash monitoring status by the U.S. Department of Edu-  
22 cation or the college's financial responsibility composite score is 1.0 or higher; or  
23 2. Transfer the unrestricted cash reserve to the Council in the required amount to be

1     held on behalf of the college, which the Council shall return once the college is satisfactori-  
2     ly removed from heightened cash monitoring status by the U.S. Department of Education,  
3     the college's financial responsibility composite score is 1.0 or higher, or once all unearned  
4     tuition claims have been paid.

5       (d) Upon notice to the college, the Council may call in a letter of credit upon any valid  
6     claim of unearned tuition in the amount of the claim, or for the full amount of the letter if  
7     necessary to protect access to those funds. If the full amount of the letter is called, the  
8     Council shall return any funds remaining after claims have been paid, either to the bank or  
9     the college, as appropriate, after one (1) year from the date of closure of the college.

10      (e) A college shall notify the president within ten (10) days of the college receiving notice  
11     from an accrediting agency or any state or federal agency that the college is the subject of  
12     any investigative action[~~, complaint,~~] or disciplinary matter with the accrediting agency or  
13     state or federal agency.

14       (5) Personnel requirements.

15       (a) The college shall furnish information regarding the administrative officers, the direc-  
16     tors, the owners, and the faculty, as required by the [appropriate] application form.

17       (b) The chief administrator shall hold at least an earned baccalaureate degree from an  
18     accredited or licensed college and shall have sufficient experience to qualify for the posi-  
19     tion.

20       (c) Faculty members.

21       1. For a course or program licensed by the council prior to January 1, 2014:  
22           a. Effective until December 31, 2015, faculty members shall possess academic, scholar-  
23           ly, and teaching qualifications similar to those required for faculty in accredited colleges

- 1       that offer degrees at comparable levels.
- 2           b. Effective beginning on January 1, 2016, faculty members shall meet the requirements
- 3       established in paragraph (d) of this subsection.
- 4           2. For a course or program not licensed by the council prior to January 1, 2014, faculty
- 5       members shall meet the requirements established in paragraph (d) of this subsection when
- 6       [~~at the time~~] the course or program is licensed.
- 7           (d) Faculty member qualifications.
- 8           1. Each degree possessed by a faculty member shall be from an institution accredited
- 9       by an accrediting agency recognized by the U.S. Department of Education or the Council
- 10      for Higher Education Accreditation.
- 11          2. To teach a certificate or diploma course, a faculty member shall have:
- 12           a. A bachelor's degree; or
- 13           b. A high school diploma or GED along with one (1) or more of the following:
- 14              (i) Completed a training or degree program in the applicable occupational area;
- 15              (ii) Demonstrated outstanding professional experience;
- 16              (iii) Demonstrated outstanding professional contributions to the discipline being taught;
- 17          or
- 18              (iv) Professional licensure or certification in the field.
- 19          3. To teach an associate degree course not designed for transfer to a baccalaureate
- 20      degree, a faculty member shall hold:
- 21           a. A bachelor's degree in the discipline being taught; or
- 22           b. An associate's degree in the discipline being taught along with one (1) or more of the
- 23      following:

- 1       (i) Demonstrated outstanding professional experience;
- 2       (ii) Demonstrated outstanding professional contributions to the discipline being taught; or
- 3       (iii) Professional licensure or certification in the field.

4       4. To teach a general education course, a faculty member shall hold:

5       a. A master's degree in the discipline being taught; or

6       b. A master's degree with a minimum of eighteen (18) graduate semester hours in the  
7       discipline being taught.

8       5. To teach a baccalaureate course or an associate course designed for transfer to a  
9       baccalaureate degree, a faculty member shall hold:

10      a. A master's degree in the discipline being taught;

11      b. A master's degree with a minimum of eighteen (18) graduate semester hours in the  
12      discipline being taught; or

13      c. A baccalaureate degree in the discipline being taught along with one (1) or more of  
14      the following:

15       (i) Demonstrated outstanding professional experience;

16       (ii) Demonstrated outstanding professional contributions to the discipline being taught; or

17       (iii) Professional licensure or certification in the field.

18       6. To teach a graduate course, a faculty member shall hold:

19       a. An earned doctorate or terminal degree in the discipline being taught or in a related  
20      discipline; or

21       b. A master's degree in the discipline being taught along with one (1) or more of the fol-  
22      lowing:

23       (i) Demonstrated outstanding professional experience;

1       (ii) Demonstrated outstanding professional contributions to the discipline being taught; or  
2       (iii) Professional licensure or certification in the field.

3       (e) There shall be a sufficient number of full-time faculty to ensure continuity and stability  
4       of the educational program.

5       (f) Teaching loads of faculty members shall be consistent with recognized educational  
6       practices, and shall be appropriate to the field, the variety of courses assigned, class size,  
7       and other related factors.

8       (6) Facilities and equipment.

9       (a) An instructional program shall be conducted in a facility in accordance with the re-  
10      quirements specified on the [appropriate] application form.

11      (b) Enrollment shall not exceed the design characteristics of the facilities.

12      (c) A college shall have facilities and equipment that are:

13       1. Maintained and operated in compliance with the safety and health requirements set  
14       forth in local, city, and county ordinances, and federal and state law; and

15       2. Adequate and appropriate for instruction in classrooms and laboratories consistent  
16       with accrediting and licensing requirements.

17      (7) Library resources. The library shall [be appropriate] to support the programs offered  
18       by the college in accordance with this subsection.

19       (a) A college, through ownership or formal agreements, shall provide and support stu-  
20       dent and faculty access to adequate library collections, and to other learning and infor-  
21       mation resources where courses and programs are offered. Library resources shall be ap-  
22       propriate to the degree level offered by the college, and shall be sufficient to support all  
23       educational, research, and public service programs.

1       (b) A college that does not provide its own library facilities, but instead relies on another  
2 institution, shall demonstrate that it has permission to utilize the resources of the other in-  
3 stitution, by providing a copy of the written agreement to the president with the [at the time  
4 of] license application, and prior to the offering of any courses.

5       (c) A college that is dependent on another college or library for library resources shall  
6 make the extent of the dependence and the details of the agreements clear both to the  
7 president and to students and faculty.

8       (d) Library expenditures, expressed as a percentage of the total educational and general  
9 budget, shall be consistent with the percentage of library expenditures commonly observed  
10 in accredited colleges of similar types.

11      (e) Library staff shall be qualified as required for accredited colleges of similar types.

12      (f) Sufficient seating and work space for a reasonable proportion of the faculty and stu-  
13 dents to be accommodated at one (1) time shall be provided as observed in accredited col-  
14 leges of similar types.

15      (g) The library shall provide a safe and secure physical and virtual environment condu-  
16 cive to study and research [~~The physical environment of the library shall be conducive to~~  
17 ~~reflective intellectual pursuits common to institutions of higher learning~~].

18      (8) Curriculum. Earned degrees awarded by a college shall be bona fide academic de-  
19 grees and the courses offered in degree programs shall be of collegiate quality as deter-  
20 mined by the president using the criteria established in this section.

21      (a) Except as provided in subparagraph 2. of this paragraph, a course offered in a de-  
22 gree program shall be consistent with a course that is generally transferable for credit  
23 among accredited colleges where the program is at a corresponding degree level, or for

- 1 credit toward the baccalaureate degree if a program is at the associate degree level.
- 2 2. A course may be offered that is not transferable based on the uniqueness of a pro-
- 3 gram.
- 4 (b) A college shall require a minimum of:
- 5 1. Sixty (60) student credit hours for an associate degree;
- 6 2. 120 student credit hours for a baccalaureate degree; or
- 7 3. Thirty (30) student credit hours for a post-baccalaureate, graduate, or first profes-
- 8 sional degree.
- 9 (c) A minimum of twenty-five (25) percent of the student credit hours required for a de-
- 10 gree shall be earned through instruction offered by:
- 11 1. The college awarding the degree; or
- 12 2. A college that is:
- 13 a. A party to a joint, cooperative, or consortia agreement; and
- 14 b. Either:
- 15 (i) Licensed by the Council on Postsecondary Education; or
- 16 (ii) A Kentucky state-supported postsecondary education institution.
- 17 (d) A majority of the student credit hours required for a graduate degree may be met
- 18 through a joint, cooperative, or consortia agreement in which the instruction is offered by a
- 19 college that is:
- 20 1. A party to the agreement; and
- 21 2. Either:
- 22 a. Licensed by the Council on Postsecondary Education; or
- 23 b. A Kentucky state-supported postsecondary education institution.

1       (e) A college shall have a systematic program of curriculum revision in order to maintain  
2       the general standards of accredited colleges with similar programs.

3       (f) A college shall have a program of evaluation that includes a periodic assessment of  
4       the changes in student achievement.

5       (9) General education.

6       (a) A minimum of fifteen (15) student credit hours for associate degree programs and  
7       thirty (30) student credit hours for baccalaureate degree programs shall be earned in gen-  
8       eral education, including science, mathematics, social and behavioral sciences, and hu-  
9       manities. A college which offers an interdisciplinary general education program, a block-  
10      type program, or other unique general education program shall be considered to be in  
11      compliance with the general education requirement if the president determines that the  
12      program content and distribution are [appropriately] related to the degree and institutional  
13      purposes.

14      (b) A new college, or any existing college which initiates a new associate degree or bac-  
15      calaureate degree program or major, or other concentration or specialty, after March 5,  
16      2010, shall comply fully from the outset with the general education requirements.

17      (10) Program supervision and instructional support. Regardless of location, type of pro-  
18      gram, method of instruction, or other characteristics, an instructional program for which de-  
19      gree credit is awarded shall include:

20       (a) Adequate supervision by the college; and

21       (b) Instructional [Other instructional] support necessary to maintain the program.

22      (11) Truth in advertising. A college shall meet the requirements established in this sub-  
23      section regarding advertising.

1       (a) Advertisements, announcements, or promotional material of any kind which are dis-  
2 tributed in Kentucky shall not contain any statements that are untrue, deceptive, or mis-  
3 leading with respect to the college, its personnel, its services, or the content, accreditation  
4 status, or transferability of its courses or degree programs.

5       (b) Advertisements, announcements, or other materials produced by or on behalf of the  
6 college shall not indicate that the college is "supervised", "recommended", "endorsed", or  
7 "accredited" by the Commonwealth of Kentucky, by the Council on Postsecondary Educa-  
8 tion, or by any other state agency. A statement using the name of the Council on Postsec-  
9 ondary Education, if any, shall be in exactly the following form, based on which statement  
10 is applicable to the college:

11       1. "(Name of College) is licensed by the Kentucky Council on Postsecondary Educa-  
12 tion."; or

13       2. "(Name of College) has a religious exemption from the Kentucky Council on Postsec-  
14 ondary Education to operate or solicit in Kentucky."

15       (12) Recruitment and enrollment procedures. A college shall furnish the following to  
16 each student prior to enrollment:

17       (a) The college's policies on grades, attendance, and conduct;

18       (b) A description of the instructional program;

19       (c) A detailed schedule of all charges, rentals, and deposits;

20       (d) The schedule of refunds of all charges, rentals, and deposits; and

21       (e) The student enrollment application, contract, or agreement.

22       (13) Student affairs.

23       (a) Students admitted to the college shall have completed a state-approved secondary

1 school program or its equivalent unless dually enrolled in high school.

2 (b) The college shall provide academic counseling by faculty or staff to each student  
3 when admitted [at the time of admission] and throughout the program.

4 (c) The college shall make assistance and counseling available to each student who  
5 completes a technical or vocational program for the purpose of assisting the student with  
6 an appropriate job placement or with transfer.

7 (d) The college shall maintain sufficient records for each student to provide an under-  
8 standing of his or her background, to record progress through the instructional program,  
9 and for reference purposes. By January 1, 2022, the college shall maintain all student rec-  
10 ords in an electronic format that is searchable and readily transferable consistent with in-  
11 dustry standards. For a college not licensed by the Council prior to January 1, 2020, the  
12 college shall meet this requirement when the college is licensed.

13 (e) Administrative officers of the college shall be knowledgeable of the federal and state  
14 laws and administrative regulations concerning the disclosure of student information and  
15 shall comply with those laws and administrative regulations.

16 (f) A college shall make provision for the maintenance of student records if the college  
17 ceases operations in accordance with KRS 164.020(23). The location of student records  
18 shall be approved in advance by the president.

19 (14) College policies.

20 (a) The college shall maintain records in an orderly manner and make them available for  
21 inspection by the president or his or her designated representative.

22 (b) A catalog shall be published and distributed at least every two (2) years and shall in-  
23 clude general information, administrative policies, and academic policies of the college in-

- 1     cluding:
- 2       1. General information:
- 3           a. Official name and address of the college, name of the chief administrative officers,
- 4     members of the governing body, and names of principal owners;
- 5           b. The college's calendar for the period covered by the catalog including beginning and
- 6     ending dates of each term or semester, registration and examination dates, legal holidays,
- 7     and other important dates;
- 8           c. Names of faculty, including relevant education and experience; and
- 9           d. Full disclosure of the philosophy and purpose of the college;
- 10      2. Administrative policies:
- 11       a. Admissions policies and procedures, applicable to the various programs, including
- 12     policies regarding granting of credit for previous education;
- 13       b. Policies and procedures regarding student conduct and behavior and the process for
- 14     dealing with cases which culminate in probation or dismissal;
- 15       c. Schedules for all tuition and instructional charges, and refund schedules for the tuition
- 16     and instructional charges;
- 17       d. Statement of financial aid available to students; and
- 18       e. Procedures for obtaining transcripts in a timely fashion and at reasonable cost; and
- 19      3. Academic policies, including:
- 20       a. Policy on class attendance;
- 21       b. Description of grading system;
- 22       c. Description of the degree, diploma, certificate, or other programs, including the course
- 23     requirements and the time normally required to complete each degree, diploma, certificate,

- 1 or other program; and
- 2 d. Full description of the nature and objectives of all degrees offered.
- 3 (c) Refund policy on tuition and other instructional charges. The refund policy shall meet
- 4 the minimum requirements established in this paragraph.
- 5 1. If tuition and other instructional charges are collected in advance of enrollment and
- 6 the student fails to enroll, the college shall retain not more than \$100, or not more than ten
- 7 (10) percent of the tuition and other instructional charges for a term or semester, whichever
- 8 is less.
- 9 2.a. Except as provided in clause b. of this subparagraph, tuition and other instructional
- 10 charges shall be charged by the enrollment period, and the student shall not be obligated
- 11 for tuition or other instructional charges relating to an enrollment period that had not begun
- 12 when the student withdrew.
- 13 b. The president may approve program tuition for a specific program at a college if a
- 14 student may only enroll at the beginning of the program sequence and shall remain in
- 15 phase. If program tuition is approved, the college shall refund tuition and other instructional
- 16 charges in accordance with its published refund policy that considers both the coursework
- 17 completed prior to withdrawal and the coursework that remains.
- 18 3. If a student withdraws from the college, or if a student fails to attend classes for a pe-
- 19 riod of thirty (30) days during which classes are in session, the college shall officially with-
- 20 draw the student from the college and shall refund an amount reasonably related to the pe-
- 21 riod for which the student is not enrolled and shall refund 100 percent of all other tuition
- 22 and other fees collected by the college for subsequent enrollment or registration periods
- 23 unless the student is enrolled in a program for which program tuition is charged as speci-

1 fied in subparagraph 2. of this paragraph.

2       a. After completion of fifty (50) percent of the enrollment period, the college shall not be

3 required to make refunds of tuition or other fees for that period.

4       b. In all other cases, including illness or accident, the college shall make a refund set-

5 tlement.

6       c. Refunds shall be made within thirty (30) days after notification of withdrawal has been

7 received by the college.

8       4. If a college is accredited by an accrediting agency which has a specific refund policy

9 which is more favorable to the student, that policy shall be followed.

10      5. An out-of-state college shall refund in accordance with this section unless its policy is

11 more favorable to the student, in which case the latter shall be followed.

12      Section 9. Failure to Apply for a License. (1) If a college which is subject to this adminis-

13 trative regulation fails to apply for a license, the president shall notify the college by regis-

14 tered mail of the requirement to obtain a license.

15       (2) If a license application is not then received within sixty (60) days of notification by the

16 president, the president shall require the chief administrative officer to appear for a hearing

17 as provided in Section 14 of this administrative regulation.

18       (3) If the chief administrative officer does not appear for the hearing, the president shall

19 refer the case to the appropriate county attorney for enforcement.

20      Section 10. Annual Maintenance of a College's License and Renewal of a College's Li-

21 cense. (1) A college shall submit an Application for Annual Maintenance of License or for

22 Renewal of License Pursuant to 13 KAR 1:020 to the president by April 1 of each year.

23       (a) In an odd numbered year, the application shall contain the following information:

1       1. Financial Information:

- 2       a. A statement from the Kentucky Higher Education Assistance Authority related to pro-  
3       grams administered by that agency and from the United States Department of Education  
4       related to programs administered by that department that the college is in good standing;  
5       b. A letter prepared by an independent certified public accountant confirming that the  
6       college is in compliance with Section 8(3) of this administrative regulation; [and]  
7       c. Financial statement including assets and liabilities and an audit report prepared by an  
8       independent certified public accountant within the last year.

9       2. Institutional information:

- 10      a. Name and address of college;  
11      b. Chief executive officer's name, title, address, phone number, fax number, and email  
12      address;  
13      c. Institutional liaison's name, title, address, phone number, fax number, and email ad-  
14      dress;  
15      d. A current list of the college's agents;  
16      e. Copies of articles of incorporation, charter, constitution, and by-laws if there have  
17      been any changes to the documents within the last two (2) years; and  
18      f. A copy of each articulation agreement the college has with a Kentucky licensed col-  
19      lege or state-supported institution entered into or changed within the last two (2) years;

20      3. Accreditation status:

- 21      a. If the college is accredited by an accrediting agency, verification of the college's ac-  
22      creditation status and documentation of any notice of disciplinary action, warning, or proba-  
23      tion from any state, federal, or accrediting agency within the past two (2) years; or

1        b. If an in-state [the] college is not accredited by an accrediting agency, a statement in-  
2        dicating its intention to receive accreditation and its timeline for attainment [if, when, and  
3        from whom the college will seek accreditation].

4        4. Tuition for the current enrollment period per credit hour, specifying semester hour,  
5        quarter hour, or other basis, and per full-time student;

6        5. A copy of the college's current catalog;

7        6. For an in-state college, a list of all licensed instructional sites away from the main  
8        campus of the in-state college for the purpose of offering courses for college credit which  
9        comprise at least fifty (50) percent [~~twenty-five (25) percent~~] of the course requirements for  
10      a degree program, including the name and title of the primary contact of the off-campus  
11      site, address, phone number, and program or programs by CIP code offered at the site, or  
12      course or courses if not offering an entire degree program at the site;

13      7. Program information:

14      a. Changes, if any, in program requirements for each program within the last two (2)  
15      years including admission requirements, courses required, and the number of credit hours  
16      required for the program or major;

17      b. Results of the most recent program evaluation;

18      c. Methods used to assess student achievement;

19      d. Results of the most recent assessment of student achievement; and

20      e. A list of programs withdrawn within the last two (2) years in which there are no longer  
21      students enrolled including program title, degree level, CIP code, and address where the  
22      program is no longer being offered;

23      8. Faculty information: Faculty credentials [Vitae] for each program faculty member em-

1 ployed within the last two (2) years;

2       9. Facilities information: Verification of compliance with all applicable local, state, and

3 federal safety and fire codes; and

4       10. Library information regarding the library collection and budget, and lease, contract,

5 or letter of agreement authorizing use of another library collection, if any.

6       (b) In an even numbered year, the application shall only contain the information required

7 by paragraphs (a)1.b. and d., and (a)2.a., b., and c., of this subsection. An institution shall

8 provide any other information listed in paragraph (a) of this subsection upon request of the

9 council.

10     (2) The president may conduct, or may have conducted, a site visit as part of the annual

11 maintenance of a license or renewal of a license process in accordance with Section 4 of

12 this administrative regulation.

13     (3) Within ninety (90) working days of the submission of a complete and accurate Appli-

14 cation for Annual Maintenance of License or for Renewal of License Pursuant to 13 KAR

15 1:020 if a site visit is not conducted, or within ninety (90) working days of the completion of

16 a site visit, the president shall:

17       (a) Notify the college of any deficiencies which shall be corrected before the college's

18 license is maintained or renewed;

19       (b) Deny maintenance or renewal of the college's license;

20       (c) Maintain the college's license without changing the college's license renewal date;

21       (d) Renew the college's license to June 30 of the next year; or

22       (e) Issue a conditional license in accordance with subsection (4) of this section if the col-

23 lege has:

1       1. Not met all of the standards for licensure when [at the time] the application is filed;

2       and

3       2. Provided a written business plan to the president demonstrating it will meet the  
4       standards for licensure within a period not to exceed one (1) year.

5       (4) A conditional license shall not exceed a period of one (1) year and shall include the  
6       conditions the college shall meet in order for the college to progress toward and eventually  
7       meet the standards for licensure, including when the college shall report progress to the  
8       president and when the college shall be required to have satisfied all the conditions.

9       (a) The college's failure to satisfy the conditions within the specified timeframe shall:

10      1. Result in automatic revocation of the conditional license; or

11      2. Result in an extension of the conditional license based on a determination by the  
12       president that the college is making progress in satisfying the conditions in response to the  
13       college's written request for an extension with supporting justification.

14      (b) If the college satisfies all the conditions with the timeframe specified, the president  
15       shall renew the license in accordance with subsection (3)(d) of this section.

16      (5) A college's failure to submit a complete and accurate Application for Annual Mainte-  
17       nance of License or for Renewal of License Pursuant to 13 KAR 1:020 shall be grounds for  
18       denial of a license, or suspension or revocation of an existing license, and the president  
19       shall notify the college by registered mail, return receipt, of the denial, suspension, or revo-  
20       cation of the college's license.

21      Section 11. Required Data Submission. (1) A licensed college shall submit student at-  
22       tendance and performance data in an electronic format. The required data fields, the for-  
23       mat and method of submission, and the dates for submission shall be in accordance with

1 the Licensure Compliance Reporting Manual.

2 (2) The president may conduct, or may have conducted, a site visit as part of the data  
3 submission process in accordance with Section 4 of this administrative regulation.

4 (3) A college's failure to submit complete, timely, and accurate data shall be sufficient  
5 grounds for denial of a license, or suspension or revocation of an existing license, and the  
6 president shall notify the college by registered mail, return receipt, of the denial, suspen-  
7 sion, or revocation of the college's license.

8 Section 12. License Expiration. (1) A license shall automatically expire if the college  
9 ceases operating or soliciting.

10 (2) A college that ceases operating or soliciting shall comply with Section 8(13)(f) of this  
11 administrative regulation and KRS 164.020(23).

12 Section 13. Consumer Complaint Procedure. A person with a complaint or grievance in-  
13 volving misrepresentation against a college licensed under this administrative regulation  
14 shall make a reasonable effort to resolve the complaint or grievance directly with the col-  
15 lege. If a mutually satisfactory solution cannot be reached, the procedures established in  
16 this section shall be followed.

17 (1) A person shall submit a written complaint to the president which contains evidence  
18 relevant to the complaint and documentation that a reasonable effort was made to resolve  
19 the complaint directly with the college.

20 (2) The president shall require an institution to file a written response setting forth the  
21 relevant facts concerning the consumer complaint, including a statement on the current  
22 status of the complaint, and any resolution of the complaint.

23 (3) The president shall review the facts as presented and may intervene to bring the

1 matter to a satisfactory conclusion through facilitation, but the facilitation shall not include  
2 legal action on behalf of any party.

3       Section 14. Hearings and Appeals. (1) The president shall, for cause, require the chief  
4 administrative officer, or other officers, of a college to appear for a hearing within thirty (30)  
5 working days of notice in order to determine the facts if the president has determined that:

6           (a) There is sufficient cause for a suspension, a revocation of a license, or placement of  
7 a college's license in a probationary status, based upon the college's failure to comply with  
8 this administrative regulation; or

9           (b) A college which is subject to this administrative regulation fails to apply for a license.

10 [~~there is sufficient cause for a suspension, a revocation of a license, or placement of a col-~~  
11 ~~lege's license in a probationary status or if a college which is subject to this administrative~~  
12 ~~regulation fails to apply for a license~~].

13       (2) The officer, or other officers, of the college may be accompanied at the hearing by  
14 counsel of their own choosing and at their expense.

15       (3) Within thirty (30) working days after a hearing is held or if the college fails to appear  
16 for the hearing, the president shall reach a determination and shall issue findings, in writ-  
17 ing, to the council and to the chief executive officer of the college.

18       (4) If it is determined that the public interest requires that sanctions be imposed, the  
19 president shall:

20           (a) Impose one (1) of the following sanctions:

21           1. Place the college's license in a probationary status for a designated period not to ex-  
22 cede one (1) year while deficiencies are being corrected;  
23           2. Suspend the college's license for a period not to exceed one (1) year; or

1       3. Revoke the college's license; or

2       (b) Refer the case to other officials for appropriate legal action.

3       (5) A college which is sanctioned, whether the sanction is probation, suspension of li-  
4 cense, or revocation of license, shall comply with the terms of the sanction.

5       (6) A college may appeal the actions of the president regarding the denial of issuance of  
6 a license or license renewal or the imposition of sanctions according to the procedures es-  
7 tablished in this subsection.

8       (a) A college shall notify the president of the intent to appeal an action within fourteen  
9 (14) days of the receipt of the letter notifying the college of the action taken.

10      (b) The president shall request that the Office of Administrative Hearings appoint a hear-  
11 ing officer who shall conduct an administrative hearing consistent with the provisions of  
12 KRS 13B.005-13B.170.

13      (c) The appeal shall be presented in writing no later than sixty (60) days following the  
14 receipt of notification of intent to appeal. The appeal shall be considered on the written  
15 record alone.

16      (d) The appeals officer shall review findings of fact, consider testimony, draw conclu-  
17 sions, and formulate a recommendation consistent with the facts and this administrative  
18 regulation.

19      (e) Upon completion, the report of the appeals officer shall be forwarded to the college  
20 and to the president of the Council on Postsecondary Education.

21      (f) Within thirty (30) working days of receiving the report of the appeals officer, the presi-  
22 dent shall take one (1) of the following actions:

23      1. Issue a license;

- 1        2. Renew the license;
- 2        3. Impose one (1) of the sanctions authorized in this section; or
- 3        4. Refer the case to other officials for appropriate action.

4        Section 15. License Fees. (1) The president shall assess a fee in accordance with the  
5        Kentucky Licensure Fee Schedule.

6        (2) Failure to pay a fee shall be sufficient grounds for denial of a license, or suspension  
7        or revocation of an existing license.

8        Section 16. Incorporation by Reference. (1) The following material is incorporated by  
9        reference:

10      (a) "Application for Licensure as an In-State, Non-Public Institution to Operate in the  
11       Commonwealth of Kentucky Pursuant to 13 KAR 1:020", June 2013;

12      (b) "Application for Licensure as an Out-of-State Institution to Operate in the Common-  
13       wealth of Kentucky Pursuant to 13 KAR 1:020", June 2013;

14      (c) "Supplementary Application for Change of Name of Institution Pursuant to 13 KAR  
15       1:020", June 2013;

16      (d) "Supplementary Application for Change of Location of Principal Location of a College  
17       or Location of a Licensed Instructional Site in Kentucky Pursuant to 13 KAR 1:020", June  
18       2013;

19      (e) "Supplementary Application for Change of Ownership or Governance Pursuant to 13  
20       KAR 1:020", June 2013;

21      (f) "Supplementary Application to Operate as an Out-of-State Institution in the Com-  
22       monwealth of Kentucky Pursuant to 13 KAR 1:020", June 2013;

23      (g) "Supplementary Application to Operate as an In-State Nonpublic Institution in the

- 1 Commonwealth of Kentucky Pursuant to 13 KAR 1:020", July 2019 [~~June 2013~~];  
2 (h) "Supplementary Application for Administrative Site, Recruitment Office, or Advising  
3 Center Pursuant to 13 KAR 1:020", June 2013;  
4 (i) "Supplementary Application for Notification of Change in Accreditation or Licensure  
5 Status Pursuant to 13 KAR 1:020", June 2013;  
6 (j) "Application for Annual Maintenance of License or for Renewal of License Pursuant to  
7 13 KAR 1:020", June 2013;  
8 (k) "Licensure Compliance Reporting Manual", September 8, 2009;  
9 (l) "Kentucky Licensure Fee Schedule", June 2013; and  
10 (m) "Application for Religious In-State College Letter of Exemption per KRS 164.947(2)",  
11 September 2012.  
12 (2) This material may be inspected, copied, or obtained, subject to applicable copyright  
13 law, at the Kentucky Council on Postsecondary Education, 1024 Capital Center Drive,  
14 Suite 320, Frankfort, Kentucky 40601, Monday through Friday, 8 a.m. to 4:30 p.m.

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Date

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Sherrill Zimmerman, Chair  
Council on Postsecondary Education

APPROVED AS TO FORM:

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Date

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Travis Powell, VP & General Counsel  
Council on Postsecondary Education

**PUBLIC HEARING AND PUBLIC COMMENT PERIOD:** A public hearing on this administrative regulation shall be held on August 22, 2019 at 10:00 a.m. at the Council on Postsecondary Education, 1024 Capital Center Drive, Suite 320, Frankfort, Kentucky, 40601 in Conference Room A. Individuals interested in being heard at this hearing shall notify this agency in writing five workdays prior to the hearing of their intent to attend. If no notification to attend the hearing is received by that date, the hearing may be cancelled.

This hearing is open to the public. Any person who wishes to be heard will be given an opportunity to comment on the proposed administrative regulation. A transcript of the public hearing will not be made unless a written request for a transcript is made.

If you do not wish to be heard at the public hearing, you may submit written comments on the proposed administrative regulation. Written comments shall be accepted until August 30, 2019.

Send written notification of intent to be heard at the public hearing or written comments on the proposed administrative regulation to the contact person.

**CONTACT PERSON:**

Sarah Levy  
Executive Director of Postsecondary Licensing  
Council on Postsecondary Education  
1024 Capital Center Dr.  
Suite 320  
Frankfort, Kentucky 40601  
Phone: 502.573.1555  
Fax: 502.573.1535  
Email: [sarah.levy@ky.gov](mailto:sarah.levy@ky.gov)

**REGULATORY IMPACT ANALYSIS  
AND TIERING STATEMENT**

Administrative Regulation 13 KAR 1:020. *Private College Licensing*

Contact person: Sarah Levy  
Executive Director of Postsecondary Licensing  
Council on Postsecondary Education  
1024 Capital Center Drive, Suite 320  
Frankfort, KY 40601  
502.573.1555  
[sarah.levy@ky.gov](mailto:sarah.levy@ky.gov)  
FAX: 502.573.1535

- (1) Provide a brief summary of:
  - (a) What this administrative regulation does: This administrative regulation sets the standards and rules related to the licensing of private postsecondary education institutions, both for profit and nonprofit, offering a bachelor's degree and above.
  - (b) The necessity of this administrative regulation: KRS 164.945 through 164.947 requires the Council on Postsecondary Education to license these institutions as a protection for Kentucky citizens and to protect bona fide institutions from those who engage in fraudulent practices, unfair competition, or substandard educational programs.
  - (c) How this administrative regulation conforms to the content of the authorizing statutes: KRS 164.947 states that the Council on Postsecondary Education, by regulation, shall adopt standards and procedures for the licensing of colleges.
  - (d) How this administrative regulation currently assists or will assist in the effective administration of the statutes: The administrative regulation sets out the standards institutions must meet in order to be licensed to operate in Kentucky. It also defines the process for new license applications, for amendments to licenses, and for license renewals.
- (2) If this is an amendment to an existing administrative regulation, provide a brief summary of:
  - (a) How the amendment will change this existing administrative regulation: First,

in-state colleges will be required to receive approval for an instructional site where 50% of an academic program is offered, rather than 25%. Second, colleges will be required to provide notice to the Council when certain measures of federal financial aid distress are triggered. Third, when those measures are triggered, in-state colleges using unrestricted cash to meet their unearned tuition coverage obligations will be required to obtain a surety bond or letter of credit or transfer the cash to the Council until those measures are no longer triggered. Fourth, the process for the Council to call in a letter of credit to protect student claims for unearned tuition is outlined. Fifth, institutions will be required to provide notice that they are the subject of any investigation, complaint, or disciplinary matter with any accreditors or state or federal agencies within 10 days of their receipt of notice. Sixth, by January 1, 2022 all licensed colleges shall maintain all student records in an electronic format that is searchable and readily transferable consistent with industry standards. New colleges seeking licensure shall meet this requirement as a part of initial licensure. Seventh, as part of the annual application for licensure, colleges must provide documentation of any notice of disciplinary action, warning or probation from any state, federal, or accrediting agency within in the past two years. And finally, technical revisions are being made.

- (b) The necessity of the amendment to this administrative regulation: Moving the threshold of site approval for in-state institutions from 25% to 50% of a program being offered at a location aligns with institutional accreditor requirements. Requiring notice, and in some instances action, when certain measures of federal financial aid distress are triggered allows the Council to better secure repayment of unearned tuition for students and to allow the Council to intervene, if necessary, to better protect students in the event of potential institutional closure. Providing information related to action by an institution's accreditors or other governmental agencies will allow the Council to know if those agencies have identified any issues with the institution that might also be in violation of the Council's licensure requirements. Requiring that institutions maintain electronic student records, particularly transcripts, helps

protect against the loss of records due to physical damage, helps ensure the orderly maintenance of such records, and makes them more easily transferrable in the event of closure.

- (c) How the amendment conforms to the content of the authorizing statutes: The amendment conforms with the requirements of KRS 164.947 by helping to ensure that licensed institutions provide a quality educational experience for Kentucky students.
  - (d) How the amendment will assist in the effective administration of the statutes: The amendment helps to better protect institutions in the event of school closure and to better track issues arising with other authorizing entities.
- (3) List the type and number of individuals, businesses, organizations, or state and local governments affected by this administrative regulation: The Council currently licenses 87 institutions with multiple licensed instructional sites and three (3) new initial licensure applications are currently under review.
- (4) Provide an assessment of how the above group or groups will be impacted by either the implementation of this administrative regulation, if new, or by the change if it is an amendment, including:
- (a) List the actions that each of the regulated entities identified in question (3) will have to take to comply with this administrative regulation or amendment: Colleges will be required to provide notice to the Council when certain measures of federal financial aid distress are triggered. When those measures are triggered, in-state colleges using unrestricted cash to meet their unearned tuition coverage obligations will be required to obtain a surety bond or letter of credit or transfer the cash to the Council until those measures are no longer triggered. As part of the annual application for licensure, colleges must provide documentation of any notice of disciplinary action, warning or probation from any state, federal, or accrediting agency within in the past two years. A college shall notify the president within ten (10) days of the college receiving notice from an accrediting agency or any state or federal agency that the college is the subject of any investigative action, complaint, or disciplinary matter with the accrediting agency or state or federal agency. Existing licensed colleges

will be required to digitize student records by January 1, 2022.

- (b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (3): Costs will be incurred to digitize records if not already in digital format. From surveys conducted, licensed institutions have at least some records digitized. Costs will vary depending on how many paper records need to be scanned. If an institution hits one of those financial distress markers and are using unrestricted cash to cover unearned tuition, they will be required to pay a fee to obtain a surety bond. Most institutions already use these and it is our understanding that the cost is usually \$5,000 or less. Otherwise, costs of compliance should be minimal.
  - (c) As a result of compliance, what benefits will accrue to the entities identified in question (3): Digitizing student records will assist institutions in the protection, management, and organization of student records.
- (5) Provide an estimate of how much it will cost to implement this administrative regulation:
- (a) Initially: We estimate that there will be no additional cost in implementing the proposed changes to the regulation.
  - (b) On a continuing basis: We estimate that there will be no additional costs on a continuing basis to implement the proposed changes to the regulation.
- (6) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation: License fees and General Fund appropriations.
- (7) Provide an assessment of whether an increase in fees or funding will be necessary to implement this administrative regulation, if new, or by the change if it is an amendment: No. Implementation of this amendment does not require an increase in fees or funding.
- (8) State whether or not this administrative regulation establishes any fees or directly or indirectly increases any fees: Yes. This regulation assesses fees but they will not be increased, directly or indirectly, by this amendment.
- (9) TIERING: Is tiering applied? No, tiering is not applied to this amendment.

## FISCAL NOTE ON STATE OR LOCAL GOVERNMENT

Regulation No. 13 KAR 10:020. Private College Licensing.

Contact Person: Sarah Levy

1. What units, parts or divisions of state or local government (including cities, counties, fire departments, or school districts) will be impacted by this administrative regulation? CPE is responsible for implementation, but this regulation only applies to private colleges and universities.
2. Identify each state or federal statute or federal regulation that requires or authorizes the action taken by the administrative regulation. KRS 164.947 and 164.020(37)
3. Estimate the effect of this administrative regulation on the expenditures and revenues of a state or local government agency (including cities, counties, fire departments, or school districts) for the first full year the administrative regulation is to be in effect.
  - (a) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for the first year? We estimate revenue from university and college renewals at \$105,000 per year. In most prior years, these renewal fees combined with initial application fees were greater than expenses, creating a reserve to cover costs in case initial applications were lower than expected.
  - (b) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for subsequent years? See 3(a).
  - (c) How much will it cost to administer this program for the first year? Approximately \$355,500.
  - (d) How much will it cost to administer this program for subsequent years? Approximately \$355,500.

Note: If specific dollar estimates cannot be determined, provide a brief narrative to explain the fiscal impact of the administrative regulation.

Revenues (+/-):

Expenditures (+/-):

Other Explanation: N/A

### **Summary of Material Incorporated by Reference**

1. The "Supplementary Application to Operate as an In-State Nonpublic Institution in the Commonwealth of Kentucky Pursuant to 13 KAR 1:020", June 2013, is revised to account for the change from 25% to 50% of a program offered at a site as the amount required for approval.

**TITLE:** Committee Appointments

**PRESENTER:** Sherrill Zimmerman, CPE Chair

Chair Zimmerman will make the following Council Member committee appointments:

- Grant Minix, who is appointed to the Academic & Strategic Initiatives Committee, Finance Committee, and Committee on Equal Opportunities to serve as the student representative – effective August 7, 2019.
- A third member of the Nominating Committee for the 2020 calendar year.

Chair Zimmerman will also make the following citizen members appointments to the Committee on Equal Opportunities, effective October 1, 2019 and ending December 31, 2021.

- Whitney Allen of Louisville
- Alfonso DeTorres Nunez of Louisville

**TITLE:** Finance Committee Report

**PRESENTER:** Ben Brandstetter, Chair of the Finance Committee

Committee Chair Brandstetter will present the report of the Finance Committee. The draft minutes from the October 16, 2019 meeting have been included as reference.

The committee is recommending approval of the following items:

- 2020-22 Biennial Budget Recommendation
- Nonresident Student Tuition Policy
- Kentucky-West Virginia Reciprocity Agreement

## **DRAFT MINUTES**

### Council on Postsecondary Education

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Type: Finance Committee Meeting  
Date: October 16, 2019  
Time: 9:00 a.m.  
Location: Council on Postsecondary Education, Conference Room A

#### **CALL TO ORDER**

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The Finance Committee met Wednesday, October 16, 2019, at 9:00 a.m., ET, at the CPE offices in Frankfort, Kentucky. Committee Chair Ben Brandstetter presided.

#### **ATTENDENCE**

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- Attendance in person: Ben Brandstetter, OJ Oleka, and Robert Staat.
- Attendance by teleconference: Kim Halbauer (joined at 9:30 a.m.), Grant Minix, Carol Wright, and Sherrill Zimmerman.
- Did not attend: Brandon Wilson.
- Council members attended as guest: Richard Nelson.
- Heather Faesy, CPE's senior associate for Board Relations, served as recorder of the meeting minutes.

#### **APPROVAL OF THE MINUTES**

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The minutes of the following minutes were approved as distributed: June 14, 2019, August 12, 2019, and September 10, 2019.

The minutes of the October 2, 2019 meeting were approved with the following amendment:

- Add “after listening to the audio recording” to the end of the statement, “Heather Faesy, CPE's senior associate for Board Relations, served as recorder of the meeting minutes.”

#### **2020-22 BUDGET RECOMMENDATION**

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Staff presented four potential components of the 2020-22 Biennial Budget Recommendation:

- 1) Institutional Operating Funds
- 2) Capital Investment

- 3) Trust Funds
- 4) CPE Agency Budget

Each component was discussed and voted upon separately.

## **1) INSTITUTIONAL OPERATING FUNDS**

The primary way that Kentucky finances its public postsecondary system and supports the teaching, research, and public service missions of individual colleges and universities is by appropriating state General Fund for institutional operations. These funds, along with tuition and fee revenue, support education and general (E&G) expenditures on campus, including faculty and staff salaries, fringe benefits, student financial aid, utilities, building maintenance, libraries, student support services, and numerous other operating expenses. When available, these funds also finance strategic initiatives that support attainment of the state's student success goals and objectives of the Council's 2016-2021 Strategic Agenda for Postsecondary Education.

The request was detailed in the agenda materials and included the following funding request:

Funding Category	Fiscal Year 2020-21	Fiscal Year 2021-22
Beginning Base <sup>1</sup> (2019-20 total General Fund)	\$862,900,800	\$862,900,800
Base Adjustments:		
Debt Service (UK only)	(\$2,545,500)	(\$2,545,500)
Campus Stop Loss Contributions	(14,997,800)	(14,997,800)
Performance Fund Transfers	14,997,800	14,997,800
Revised Net Base (net of debt service)	\$860,355,300	\$860,355,300
Additional Budget Requests:		
Performance Funding	\$52,492,400	\$74,989,100
KSU Land Grant Match	497,400	497,400
Total Additional Requests	\$52,989,800	\$75,486,500
<b>Total Operating Funds Request</b>	<b>\$913,345,100</b>	<b>\$935,841,800</b>

<sup>1</sup> Includes regular appropriation and Postsecondary Education Performance Fund distribution.

The request also includes the following recommendations and endorsements:

- Recommendation that the Governor and General Assembly line-item mandated program funding amounts in the 2020-2022 Budget of the Commonwealth to ensure proper functioning of the performance funding models.
- Recommendation that the Governor and General Assembly take action to maintain a stop loss provision in fiscal 2021-22, limiting the reduction in funding to any institution to two percent (2%) of that institution's formula base amount.
- Endorsement of the state student financial aid funding recommendation outlined in the budget request from the Kentucky Higher Education Assistance Authority (KHEAA). Special consideration should be given to ensuring financial aid supporting Kentucky's lower and moderate income students is the state's highest priority.

Committee members discussed the resolution from the Board of Student Body Presidents, which stated they support the Council's proposal to focus on funding performance-funding and stop-loss provision.

MOTION: Mr. Oleka moved the Committee recommend approval of the 2020-22 request for institutional operating funds as presented to the full Council at its October 31, 2019 meeting. Mr. Minix seconded the motion.

VOTE: The motion passed.

## **2) CAPITAL INVESTMENT**

The capital investment request addresses asset preservation, new construction, and information technology needs of Kentucky's public postsecondary institutions for the 2020-22 biennium. It identifies the most pressing campus needs for asset preservation and renovation of existing facilities (to be funded through a combination of state General Fund supported bonds and institutional resources) and new and expanded space and information technology and equipment (to be funded with institutional resources).

The request was detailed in the agenda materials and included the following funding request:

Funding Component	Fiscal 2020-21	Fiscal 2021-22	Biennial Total
Additional Budget Requests for:			
Capital Construction			
Asset Preservation Bond			
Funds	\$200,000,000	\$200,000,000	\$400,000,000
-- Debt Service	8,239,000	24,717,000	32,956,000
New Construction	\$0	\$0	\$0
Information Technology and Equipment	\$0	\$0	\$0

The request includes the following recommendations and authorizations:

- Recommendation that any General Fund debt supported bond funds appropriated for postsecondary institution asset preservation projects in the 2020-22 biennium be matched fifty cents on the dollar with institutional funds
- Recommendation of authorizing the following intuitionally-funded capital projects:
  - New and expanded space: \$699,810,000 in agency, federal, private, and other fund source authority
  - Information Technology - \$296,114,000 in agency, federal, private, and other fund source authority
  - Agency Bonds - \$1,129,979,500 in agency bonds to finance capital projects
  - Life safety, major maintenance, equipment acquisitions, infrastructure repair and upgrades, and new construction - \$6,263,007,845 in agency, federal, private, and other fund source authority.
  - Energy Efficiency - Authorization for nine projects (one at each institution) to improve energy efficiency in campus buildings, including energy equipment acquisitions, infrastructure repair, and upgrades. These projects would be funded using third-party financing available through the Finance and Administration Cabinet, private contractors, or other non-state funds.

The request also includes the following endorsements:

- Inasmuch as the identification of specific projects in a variety of areas of postsecondary institution operations cannot be ascertained with absolute certainty at this time, amounts are appropriated and authorized for specific projects which are not individually identified in this act in the following areas:

EKU, KCTCS, KSU, MoSU, MuSU, NKU, UK, UofL, and WKU asset preservation, renovation, major maintenance, infrastructure, and HVAC and roofing systems.

- Any specific project exceeding \$1,000,000 or any major item of equipment exceeding \$200,000 that is initiated shall be reported by the institution to the Council on Postsecondary Education, the Secretary of the Finance and Administration Cabinet, and the Capital Projects and Bond Oversight Committee no later than 30 days after the specific project or equipment item is initiated and funded. The report shall identify the need for, and provide a brief description of, each project or equipment item pursuant to KRS Chapter 45.

Dr. Payne stated that a statement was erroneously omitted regarding the procedure of the unmatched asset preservation funds and would be included when presented to the Council for approval at the October 31, 2019.

MOTION: Ms. Zimmerman moved the Committee recommend approval of the 2020-22 request for capital investment as presented to the full Council at its October 31, 2019 meeting. Ms. Wright seconded the motion.

VOTE: The motion passed.

### **3) TRUST FUNDS**

Council staff did not present a recommendation for trust funds for the 2020-22 Biennial Budget Recommendation.

Committee members discussed a funding request for the endowment match program, Bucks 4 Brains. While some are supportive of submitting a request for funds, several members were more in favor of postponing that request for the next biennium and letting the universities sustain the programs without additional funding at this time. Proponents of the program stated the program accelerates the growth of the programs and allows for better and faster results and provides for a national presence as a state that supports research excellence. Mr. Minix reminded the Committee that the BSBP resolution did not endorse the request for Bucks 4 Brains.

MOTION: Ms. Halbauer moved the Committee not include a funding request for the endowment match program, Bucks 4 Brains. Ms. Wright seconded the motion.

VOTE: The motion passed 5-2 in a roll call vote. Those who voted in favor: Mr. Brandstetter, Ms. Halbauer, Mr. Minix, Mr. Oleka, and Ms. Wright. Those who voted against: Dr. Staat and Ms. Zimmerman.

Council members also discussed a funding request for KCTCS Nursing Program Expansion. While there was no doubt that an expansion of the nursing program is needed, several members of the Committee felt they did not have enough information to make a recommendation at this time. Additionally, there were concerns that the program wouldn't be sustainable without further investment. Proponents of the request stated that nursing programs at the universities are already at capacity and an expansion of the KCTCS program would address many workforce issues in high demand areas. Ms. Halbauer stated she would like to see the program as a statewide initiative that includes all public institutions and not just the two-year colleges.

MOTION: Dr. Staat moved the Committee include a funding request for the KCTCS Nursing Program Expansion. Ms. Zimmerman seconded the motion.

VOTE: The motion did not pass 2-5 in a roll call vote. Those who voted in favor: Dr. Staat and Ms. Zimmerman. Those who voted against: Mr. Brandstetter, Ms. Halbauer, Mr. Minix, Mr. Oleka, and Ms. Wright.

#### **4) CPE AGENCY BUDGET**

The 2020-22 General Fund agency budget request was detailed in the agenda materials and included the following funding request components:

- Increases in General Fund appropriations of \$148,900 in 2020-21 and \$241,200 in 2021-22 to fund the Council's defined calculations.
- Increases in General Fund appropriations of \$273,200 in 2020-21 and \$289,200 in 2021-22 to fund Contract Spaces cost increases, maintain 164 veterinary spaces and 44 optometry spaces, and to fund increases in Kentucky's SREB membership dues.
- Additional appropriations of \$100,000 in fiscal 2020-21 to support two SREB doctoral scholar's students at the University of Kentucky and two at the University of Louisville in the first year of the upcoming biennium, and recommends \$200,000 in fiscal year 2021-22 to support two additional doctoral scholar's students at each institution in the second year of the biennium.
- Tobacco Settlement Fund appropriations of \$6,686,500 in 2020-21 and \$6,686,500 in 2021-22 for cancer research at the University of Kentucky and the University of Louisville.
- Restricted funds appropriations of \$4,973,300 in fiscal year 2020-21 and \$4,973,300 in fiscal year 2021-22.

- Annual, total appropriations of \$4,000,000 in fiscal year 2020-21 and \$4,000,000 in fiscal year 2021-22 to enable federal fund expenditures related to the GEAR UP program.

MOTION: Mr. Minix moved the Committee recommend approval of the 2020-22 agency budget request as presented to the full Council at its October 31, 2019 meeting. Mr. Oleka seconded the motion.

VOTE: The motion passed.

#### **KENTUCKY-WEST VIRGINIA RECIPROCITY AGREEMENT**

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Staff presented the tuition reciprocity agreement between Kentucky and West Virginia for the 2019-21 fiscal years. The West Virginia agreement has two-year term, and the proposed 2019-21 renewal has no substantive changes.

MOTION: Dr. Staat moved the Committee recommend approval of the 2019-21 Kentucky-West Virginia Reciprocity Agreement as presented to the full Council at its October 31, 2019 meeting. Ms. Wright seconded the motion.

VOTE: The motion passed.

#### **OTHER BUSINESS**

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Committee Chair Brandstetter asked staff to poll the members for the next meeting and for it to occur in November or early December.

#### **ADJOURNMENT**

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The Finance Committee adjourned at 10:55 a.m., ET.

**MINUTES REVIEWED AND APPROVED BY THE FINANCE COMMITTEE:** \_\_\_\_\_

**TITLE:** 2020-22 Postsecondary Education Budget Recommendation  
Institutional Operating Funds Request

**RECOMMENDATION:** The Finance Committee reviewed and approved this item on October 16, 2019 and recommends the Council approve the Institutional Operating Funds Request.

**PRESENTERS:** Ben Brandstetter, Finance Committee Chair  
Bill Payne, Vice President for Finance and Administration, CPE

### SUPPORTING INFORMATION

The primary way that Kentucky finances its public postsecondary system and supports the teaching, research, and public service missions of individual colleges and universities is by appropriating state General Fund for institutional operations. These funds, along with tuition and fee revenue, support education and general (E&G) expenditures on campus, including faculty and staff salaries, fringe benefits, student financial aid, utilities, building maintenance, libraries, student support services, and numerous other operating expenses. When available, these funds also finance strategic initiatives that support attainment of the state's student success goals and objectives of the Council's *2016-2021 Strategic Agenda for Postsecondary Education*.

- *The Finance Committee recommends total General Fund appropriations of \$913,345,100 in fiscal year 2020-21 and \$935,841,800 in fiscal year 2021-22 to support public postsecondary institution operations.*

As can be seen in Table 1, the recommended total General Fund appropriations represent increases of \$52,989,800 in 2020-21 and \$75,486,500 in 2021-22, or 6.2% and 8.8% increases, respectively, compared to the revised net General Fund base. Major components of the operating funds request include the beginning base, base adjustments, and additional appropriations for performance funding and KSU's land grant match. Each of these components is described in more detail below.

**Table 1: Components of 2020-22 Operating Funds Request**

Funding Category	Fiscal Year 2020-21	Fiscal Year 2021-22
Beginning Base <sup>1</sup> (2019-20 total General Fund)	\$862,900,800	\$862,900,800
Base Adjustments:		
Debt Service (UK only)	(\$2,545,500)	(\$2,545,500)
Campus Stop Loss Contributions	(14,997,800)	(14,997,800)
Performance Fund Transfers	<u>14,997,800</u>	<u>14,997,800</u>
Revised Net Base (net of debt service)	\$860,355,300	\$860,355,300
Additional Budget Requests:		
Performance Funding	\$52,492,400	\$74,989,100
KSU Land Grant Match	<u>497,400</u>	<u>497,400</u>
Total Additional Requests	\$52,989,800	\$75,486,500
<b>Total Operating Funds Request</b>	<b>\$913,345,100</b>	<b>\$935,841,800</b>

<sup>1</sup> Includes regular appropriation and Postsecondary Education Performance Fund distribution.

See Attachment A for a detailed breakdown of the institutional operating funds request by institution.

### **Beginning Base (2019-20 Total General Fund)**

In most budget years, a postsecondary institution's beginning base is simply the enacted General Fund appropriation in the second year of the prior biennium (or in the event of a mid-year budget cut in the second year, the revised appropriation). For the upcoming 2020-22 biennium, an additional calculation was required to determine the beginning base for each institution, due to the distribution among postsecondary institutions of \$38,665,800 from the Postsecondary Education Performance Fund.

In the enacted 2018-20 Budget of the Commonwealth (HB 200), the General Assembly transferred \$7,665,800 from campus operating budgets to the Postsecondary Education Performance Fund (PEPF) in fiscal year 2019-20, and it appropriated an additional \$31,000,000 to the fund that same year. These funds were distributed among the institutions using an outcomes-based formula specified in KRS 164.092. As can be seen in Table 2 below, each institution's fiscal year 2019-20 total General Fund is the sum of its 2019-20 regular appropriation and its distribution from the PEPF. CPE staff concurs with Office of State Budget Director staff that the fiscal 2019-20 total General Fund is the beginning base for the upcoming biennium.

**Table 2: Calculated Beginning Base by Institution**

Institution	A FY20 Regular Appropriation	B Performance Distribution	(A + B) FY20 Total General Fund
University of Kentucky	\$249,109,400	\$14,492,500	\$263,601,900
University of Louisville	123,290,400	3,343,300	126,633,700
Eastern Kentucky University	60,175,200	3,578,400	63,753,600
Kentucky State University	25,259,100	0	25,259,100
Morehead State University	38,466,800	0	38,466,800
Murray State University	44,581,400	0	44,581,400
Northern Kentucky University	47,974,500	4,325,500	52,300,000
Western Kentucky University	69,344,200	4,379,100	73,723,300
KCTCS	166,034,000	8,547,000	174,581,000
<b>System Total</b>	<b>\$824,235,000</b>	<b>\$38,665,800</b>	<b>\$862,900,800</b>

Figures displayed in the FY20 Regular Appropriation column above represent direct appropriations to each institution in fiscal year 2019-20 and were obtained from the *2018-2020 Budget of the Commonwealth* (HB 200). Figures shown in the Performance Distribution column were calculated using the statutorily required performance funding model (KRS 164.092) and were submitted to the Governor and Office of State Budget Director on April 1, 2019.

- *It is anticipated that earned performance funds, or \$38,665,800 in Postsecondary Education Performance Funds distributed among Kentucky's public postsecondary institutions in fiscal year 2019-20, will become recurring to the General Fund base of each institution that earned a share of those funds (as shown in Table 2 above).*

In 2016, a guiding principle during development of both the university and two-year college funding models was that the distribution of operating funds among institutions should be closely aligned with student success outcomes produced. This aim can only be achieved if earned performance funds become recurring to the institutions that are producing the additional outcomes. Because the Commonwealth of Kentucky operates on a two-year budget cycle, there is only one opportunity every two years, in the second year of each biennium, for policymakers to make earned funds recurring. Allowing earned funds to become recurring is necessary for proper functioning of the funding models. Moving the distribution of state General Fund appropriations among institutions toward true equilibrium, also known as providing like funding for like activities, cannot be accomplished otherwise.

## Mandated Programs

The Council defines mandated programs as research or public service activities that have an external legal mandate—through statute, resolution, budget bill language, or executive order—and receive appropriations greater than \$450,000 per program at the research universities, greater than \$200,000 per program at the comprehensive universities, and greater than \$200,000 per program at KCTCS institutions. Programs must also meet additional criteria to achieve mandated program status, including that the program or activity is not integral to the “instructional” mission of the institution, is relatively unique among institutions, is “program-funded” or line-itemed in appropriations bills, could be operated by an agency or organization other than a college or university, and is funded primarily with state General Fund appropriations.

Most mandated programs receive the lion’s share of funding they need to conduct research or support service activities through direct General Fund appropriations to postsecondary institutions. Program funds are typically imbedded in an institution’s regular appropriation and the amount supporting a given mandated program is not always specified in budget bill language. This was the case during the 2018-20 budget development process, when the Executive Budget reduced or eliminated funding for many mandated programs and the Enacted Budget restored funding for some of the programs, but there was a lack of clarity in bill language regarding programs restored and funding amounts.

In previous biennia, the dearth of information regarding mandated program funding levels was not an issue, but with passage of Kentucky’s Performance Funding Statute (KRS 164.092) the lack of specificity has become problematic. This is because the first step in applying the new performance funding models is to deduct mandated program funding from each institution’s regular appropriation. Going forward, to ensure proper functioning of the performance funding models, budget bill language should identify the amount of mandated program funding included in each institution’s appropriation.

- *The Finance Committee recommends that the Governor and General Assembly line-item mandated program funding amounts in the 2020-2022 Budget of the Commonwealth to ensure proper functioning of the performance funding models.*

Attachment B contains a list of mandated programs and funding amounts that was used by CPE staff in the 2019-20 iteration of the performance funding models. The programs on that list met the Council’s definition and qualifying criteria for being designated mandated programs. Both the program list and funding amounts have been reviewed and agreed upon by postsecondary institution presidents and chief budget officers.

Those same stakeholders, along with CPE senior staff, unanimously support including line items in the 2020-22 budget bill for mandated programs.

## **Base Adjustments**

Base adjustments are technical in nature and typically relate to changes in existing state obligations for postsecondary education, such as increases or decreases over time in General Fund supported debt service that is located at the institutions. For the upcoming 2020-22 biennium, CPE staff and Office of State Budget Director officials agree that appropriations for University of Kentucky debt-service payments, campus stop loss contributions, and performance fund transfers represent necessary and appropriate base adjustments.

### Debt Service

Prior to 1998, when General Fund debt supported bonds were issued to finance the construction of public postsecondary facilities, the resulting liability was accounted for at the institutional level and the General Assembly provided funding for debt service, which was included in campus base budgets and line-itemed in appropriations bills. Over time, as new debt was issued and mature debt retired, changes in debt service obligations occurred making periodic adjustments to the base necessary to reflect these changes. Following passage of the *Kentucky Postsecondary Education Improvement Act of 1997* (HB 1), debt service for newer postsecondary projects (i.e., those constructed after 1997) has typically been located in the Finance and Administration Cabinet's budget.

In the enacted *2018-2020 Budget of the Commonwealth* (HB 200), the University of Kentucky received \$40.0 million in General Fund debt supported bond funds for a *University of Kentucky HealthCare Disparities Initiative* capital project, \$20.0 million each year of the biennium. Included in the university's \$250,224,300 General Fund appropriation in fiscal 2018-19 was a half year's debt service or \$848,500 to support the \$20.0 million in new bonds issued in the first year of the biennium; and included in the university's \$249,109,400 General Fund appropriation in fiscal year 2019-20 was \$2,545,500 representing a full year's debt service to support the bonds issued in the first year and a half year's debt service to support the additional \$20.0 million in new bonds issued in the second year.

- *It is anticipated that \$2,545,500 included in the University of Kentucky's General Fund appropriation in fiscal year 2019-20 to support new bonds for a University of Kentucky HealthCare Disparities Initiative capital project will be transferred to the Finance and Administration Cabinet in accordance with common practice since passage of HB 1.*

### Campus Stop Loss Contributions

Kentucky's Performance Funding Statute (KRS 164.092) calls for a gradual, three-year phase in of both university and two-year college sector funding models. Beginning in fiscal year 2018-19, a hold harmless provision, which prevented the transfer of any state General Fund appropriations among institutions, was applied. As a result of the hold harmless provision, no funds were transferred from any institution's fiscal 2018-19 regular appropriation to the Postsecondary Education Performance Fund (PEPF) in the enacted 2018-20 budget.

In fiscal year 2019-20, a 1.0% stop-loss provision was implemented in accordance with subsection (9)(a)2. of the statute, which required the funding formulas for both sectors to include a "stop-loss provision for fiscal year 2019-20 limiting the reduction in funding to any institution to one percent (1%) of that institution's formula base amount" (KRS 164.092). This was operationalized in the 2018-2020 budget bill by reducing each institution's fiscal year 2019-20 regular appropriation by an amount equal to one percent of its 2017-18 adjusted net General Fund and transferring the resulting \$7,665,800 total to the PEPF.

For the upcoming biennium, subsection (9)(a)3. of the statute stipulates that the funding formulas for both university and two-year college sectors shall include a "stop-loss provision for fiscal year 2020-2021 limiting the reduction in funding to any institution to two percent (2%) of that institution's formula base amount" (KRS 164.092). CPE staff believes this requirement will be addressed in the 2020-2022 budget bill in the same manner as the 1.0% stop loss was handled last biennium; namely, by reducing each institution's fiscal year 2020-21 regular appropriation by two percent of its 2019-20 adjusted net General Fund and transferring the resulting \$14,997,800 total to the PEPF (see Attachment C for details of the fiscal 2020-21 stop loss calculation).

- *It is anticipated that the statutorily required two percent (2%) stop loss provision in fiscal year 2020-21 will be operationalized in the 2020-22 budget bill by reducing each institution's 2020-21 regular appropriation by 2.0% of its 2019-20 adjusted net General Fund appropriation (as calculated in Attachment C and shown in Table 3).*

Subsection (9)(b) of KRS 164.092 reads that "[f]or fiscal year 2021-2022 and thereafter, hold-harmless and stop-loss provisions shall not be included in the funding formulas except by enactment of the General Assembly." The clear meaning of this subsection is that, unless action is taken by the legislature in construction of the 2020-2022 Budget of

*the Commonwealth* through bill language and appropriation amounts, all hold harmless and stop loss provisions will sunset in the second year of the upcoming biennium.

The impact of losing these provisions would be immediate and severe for Kentucky's two smallest universities, Kentucky State University and Morehead State University. For example, in the 2019-20 iteration of the university performance funding model, Kentucky State University's hold harmless allocation was \$6,867,800 or 36.9% of its adjusted net General Fund appropriation in fiscal year 2019-20 and Morehead State University's hold harmless amount was \$2,814,900 or 7.9% of its adjusted net General Fund that same year. Absent an infusion of new operating funds for the institutions—appropriated to the PEPF and distributed using the funding models—and barring any unanticipated large gains in performance at these institutions, it is estimated that KSU would lose more than a third of its funding that is available for educating students and MoSU would lose almost 8.0% of its similar funding.

**Table 3: 2020-22 Stop Loss Contributions by Institution**

Institution	Fiscal Year 2020-21	Fiscal Year 2021-22
University of Kentucky	(\$3,633,500)	(\$3,633,500)
University of Louisville	(2,518,800)	(2,518,800)
Eastern Kentucky University	(1,233,600)	(1,233,600)
Kentucky State University	(372,200)	(372,200)
Morehead State University	(712,900)	(712,900)
Murray State University	(827,600)	(827,600)
Northern Kentucky University	(1,019,500)	(1,019,500)
Western Kentucky University	(1,364,500)	(1,364,500)
KCTCS	(3,315,200)	(3,315,200)

It was not the intention of Postsecondary Education Working Group (PEWG) members for Kentucky institutions to have to contend with fiscal cliffs like the ones facing KSU and MoSU. In fact, in a *Goal and Guiding Principles* document produced by a Funding Strategy Steering Committee of the working group, committee members agreed to a set of principles to guide funding model development, which included an imperative for the distribution mechanism to be "Reasonably Stable" and "not permit large annual shifts in funding to occur" (*Report of the Postsecondary Education Working Group to the Governor and Interim Joint Committee on Education*, Appendix B, December 2016).

In their final report to the Governor and Interim Joint Committee on Education, working group members did not recommend that hold harmless and stop loss provisions should

sunset after the three-year phase-in period. In fact, there was discussion in work group meetings regarding whether or not to establish a perpetual stop loss provision, but members decided the issue could be addressed three years down the road, when the working group was scheduled to reconvene.

In summary, unless the General Assembly takes action during the 2020 budget session to extend the stop loss provision in fiscal 2021-22, KSU, MoSU, and potentially other institutions could lose more than 2.0% of their adjusted net General Fund. For this reason, there is unanimous support among campus presidents, chief budget officers, and CPE senior staff for the Governor and General Assembly to take action and extend the stop loss provision.

- *The Finance Committee recommends that the Governor and General Assembly take action to maintain a stop loss provision in fiscal 2021-22, limiting the reduction in funding to any institution to two percent (2%) of that institution's formula base amount (as shown in Table 3 above).*

The above recommendation to keep a two percent (2%) stop loss provision in place for fiscal year 2021-22 does not represent a change in either the university or two-year college sector performance funding models.

#### Performance Fund Transfers

As described in the Campus Stop Loss Contributions section above, CPE staff is anticipating that each institution's fiscal year 2020-21 regular appropriation will be reduced by an amount equal to 2.0% of its fiscal year 2019-20 adjusted net General Fund appropriation to satisfy a statutorily required two percent (2%) stop loss provision (KRS 164.092) and is recommending that the Governor and General Assembly take action to maintain the two percent (2%) stop loss provision in fiscal year 2021-22. If authorized, these requests would result in an aggregate reduction in postsecondary institution regular General Fund appropriations of \$14,997,800 each year of the biennium, as shown in Table 3 above.

- *The Finance Committee recommends that \$14,997,800 in fiscal year 2020-21 stop loss contribution funds and \$14,997,800 in fiscal year 2021-22 stop loss contribution funds be transferred from the institutions to the Postsecondary Education Performance Fund in the 2020-2022 Budget of the Commonwealth.*

## **Additional Budget Requests**

Over the past five months, CPE staff has engaged in a collaborative process involving multiple meetings with multiple stakeholders to identify funding components and request amounts to include in the Council's 2020-22 biennial budget recommendation that address the most pressing resource needs of Kentucky's public postsecondary system and provide the highest and best return on the state's investment. Following numerous discussions between and among Council members, campus presidents, chief budget officers, CPE senior staff, and student groups, there is consensus that the highest priorities for the 2020-22 biennium are additional appropriations for performance funding and General Fund debt supported bond funds for asset preservation.

As can be seen in Table 4 below, CPE staff recommends that the Council's institutional operating funds request include new funding for two components: performance funding and KSU's land grant match. The performance funding request is well aligned with the state's student success goals and with the objectives and strategies specified in the Council's *2016-2021 Strategic Agenda for Postsecondary Education*. The request for KSU's land-grant funding is a federal matching requirement. Additional information about both of these funding components is provided below.

**Table 4: Components of 2020-22 Additional Budget Requests**

Funding Component	Fiscal Year 2020-21	Fiscal Year 2021-22
Additional Budget Requests:		
Performance Funding	\$52,492,400	\$74,989,100
KSU Land Grant Match	497,400	497,400
Total Additional Requests	\$52,989,800	\$75,486,500

### Performance Funding

On March 21, 2017, Kentucky's Postsecondary Education Performance Funding Bill (SB 153), which had passed both the House and Senate with no changes, was signed into law by the Governor. The newly created statute (KRS 164.092) represented the culmination of a six-month effort by a working group of campus presidents, the Council president, and the Governor and legislative leaders (or their representatives), to develop both university and two-year college funding models for distributing state General Fund appropriations for postsecondary institution operations.

Now in their third year of operation, the university and KCTCS funding models have been used to distribute among the public postsecondary institutions \$42.9 million in fiscal year 2017-18, \$31.0 million in 2018-19, and \$38.7 million in 2019-20 appropriated to a Postsecondary Education Performance Fund (PEPF) established in the *2016-18 Budget of the Commonwealth* (HB 303). In terms of process, the General Assembly appropriated funds to the PEPF in each of those years, CPE and KCTCS staffs ran the funding models and certified resulting distributions to the State Budget Director by April 1 each year, and distributions were effected through the quarterly allotment process.

A major impetus for adoption of the performance funding models was to provide financial incentives for institutions and students to accelerate progress toward attainment of the state's student success goals, including Kentucky's big goal of increasing educational attainment of working age adults to 60% by the year 2030. Several years ago, the number of degrees and credentials produced by Kentucky postsecondary institutions was growing by about 1.7% per year, which was not sufficient for the state to achieve its 60 X 30 goal. Over the past two years, following adoption of the performance funding models, degrees and credentials grew at an average rate of about 4.0% per year, putting Kentucky back on track to achieve its attainment goal.

- *The Finance Committee recommends appropriations of \$52,492,400 in 2020-21 and \$74,989,100 in 2021-22 for performance funding to provide incentives for postsecondary institutions to increase student success and course completion outcomes and accelerate progress toward the state's 60 X 30 attainment goal.*

If the requested appropriations are authorized, it is anticipated that the funds will be placed in the Postsecondary Education Performance Fund pending application of the funding models by CPE and KCTCS staffs and certification to Office of State Budget Director officials of the resulting distribution of funds among institutions by April 1, 2020 and April 1, 2021.

As described above, additional appropriations for institutional operations are important to provide resources necessary for postsecondary institutions and students to continue making progress toward the state's student success goals. CPE staff and campus officials do not believe that the rates of growth in degree and credential production seen over the past two years are sustainable without an infusion of new funding. State reinvestment in postsecondary education is also important to help maintain affordability for Kentucky citizens.

Over the past decade, reductions in state support and mandated increases in employer-paid pension contributions have strained campus budgets and placed upward pressure on tuition and fees. Despite Council adopted tuition and fee ceilings, published resident undergraduate tuition and fees have increased by 55% since 2009. Additional funding for campus operations is necessary to relieve stress on institutional budgets and maintain affordability and access for Kentucky residents.

### KSU Land Grant Match

Kentucky State University is an 1890 Land-Grant Institution. As such, it is eligible to receive federal grant funds appropriated by Congress each year to support land-grant program research and service activities. These federal funds must be matched dollar-for-dollar by the state, from non-federal sources, to ensure that KSU will continue to receive its full allotment of federal grant funds. Meeting the land-grant matching requirement is an obligation of the state, not Kentucky State University. Other sources of federal funds and tuition and fee revenue cannot be used to meet the match.

For 2019-20, KSU will receive \$7,148,800 (rounded) in United States Department of Agriculture (USDA) administered federal grants to support its land-grant program. That same year, based on records maintained by Council staff and used in the 2019-20 iteration of the university performance funding model, KSU \$6,651,400 in General Fund appropriations in its base to meet the matching requirement, resulting in a funding gap of \$497,400.

- *The Finance Committee recommends appropriations of \$497,400 in fiscal year 2020-21 and \$497,400 in fiscal year 2021-22 to provide a sufficient amount of recurring state General Fund to meet the federal matching requirement for Kentucky State University's land-grant program.*
- *In addition, because KSU's land-grant program is under-matched in fiscal year 2019-20, the Finance Committee recommends a current year appropriation of \$497,400 to complete the state's matching obligation in fiscal year 2019-20.*

If the requested funds are authorized, it is recommended that they be appropriated directly to Kentucky State University as part of the University's regular General Fund appropriation. Since KSU's land-grant program meets the Council's qualifying criteria and has been designated as a mandated program, these funds would not run through the university performance funding model. These funds will be used to help sustain the effectiveness and impact of outreach, service, and applied research at KSU's land-grant program.

## **Endorsements**

### **Need-Based Aid Programs**

An urgent priority in the Council's 2016-2021 *Strategic Agenda for Postsecondary Education* is to ensure that postsecondary education is accessible to all Kentucky residents and that students have the support and resources they need to pursue a college degree or credential. This priority is operationalized in the objectives and strategies of the *Strategic Agenda* related to expanding financial access to college and maintaining affordability by advocating for sufficient state operating and financial aid support and moderating tuition and fee increases. Research has shown that states and postsecondary institutions can promote student success by reducing financial barriers to college access and completion.

Although the Council is not statutorily required to make a request for student financial aid programs, the alignment of financial aid policies with higher education funding and tuition and fee policies is critical to the attainment of the state's student success goals and *Strategic Agenda* objectives and strategies.

- *The Council supports and endorses the state student financial aid funding recommendation outlined in the budget request from the Kentucky Higher Education Assistance Authority (KHEAA). Special consideration should be given to ensuring financial aid supporting Kentucky's lower and moderate income students is the state's highest priority.*

Council on Postsecondary Education  
2020-22 Biennial Budget Recommendation  
Request for Institutional Operating Funds

Purple Card

ATTACHMENT A  
October 16, 2019

<u>Current Year Base:</u>	UK	UofL	EKU	KSU	MoSU	MuSU	NKU	WKU	KCTCS	PEPF	Total
2019-20 Regular Appropriation	\$249,109,400	\$123,290,400	\$60,175,200	\$25,259,100	\$38,466,800	\$44,581,400	\$47,974,500	\$69,344,200	\$166,034,000	\$38,665,800	\$862,900,800
Plus: 2019-20 Performance Distribution	<u>14,492,500</u>	<u>3,343,300</u>	<u>3,578,400</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,325,500</u>	<u>4,379,100</u>	<u>8,547,000</u>	<u>(38,665,800)</u>	<u>0</u>
→ 2019-20 Total General Fund	\$263,601,900	\$126,633,700	\$63,753,600	\$25,259,100	\$38,466,800	\$44,581,400	\$52,300,000	\$73,723,300	\$174,581,000	\$0	\$862,900,800
Minus: Debt Service Mandated Programs	(2,545,500)	0	0	0	(6,651,400)	(2,822,400)	(3,200,000)	(1,323,900)	(5,497,700)	(8,819,400)	-- NA -- -- NA --
2019-20 Adjusted Net General Fund	\$181,673,900	\$125,938,500	\$61,681,700	\$18,607,700	\$35,644,400	\$41,381,400	\$50,976,100	\$68,225,600	\$165,761,600	\$0	\$749,890,900
<u>First-Year Operating Request:</u>											
→ 2019-20 Total General Fund	\$263,601,900	\$126,633,700	\$63,753,600	\$25,259,100	\$38,466,800	\$44,581,400	\$52,300,000	\$73,723,300	\$174,581,000	\$0	\$862,900,800
Minus: Base Adjustments											
Debt Service <sup>(1)</sup>	(2,545,500)	0	0	0	0	0	0	0	0	-- NA --	(2,545,500)
2020-21 Performance Contribution @2% <sup>(2)</sup>	(3,633,500)	(2,518,800)	(1,233,600)	(372,200)	(712,900)	(827,600)	(1,019,500)	(1,364,500)	(3,315,200)	14,997,800	0
Plus: Additional Budget Requests											
Performance Funding	0	0	0	0	0	0	0	0	0	52,492,400	52,492,400
KSU Land Grant Match	0	0	0	497,400	0	0	0	0	0	-- NA --	497,400
2020-21 Requested General Fund	\$257,422,900	\$124,114,900	\$62,520,000	\$25,384,300	\$37,753,900	\$43,753,800	\$51,280,500	\$72,358,800	\$171,265,800	\$67,490,200	\$913,345,100
Dollar Change from Base Year <sup>(3)</sup>	(\$6,179,000)	(\$2,518,800)	(\$1,233,600)	\$125,200	(\$712,900)	(\$827,600)	(\$1,019,500)	(\$1,364,500)	(\$3,315,200)	\$67,490,200	\$50,444,300
Percent Change from Base Year <sup>(3)</sup>	-2.3%	-2.0%	-1.9%	0.5%	-1.9%	-1.9%	-1.9%	-1.9%	-1.9%	-- NA --	5.8%
<u>Second-Year Operating Request:</u>											
→ 2019-20 Total General Fund	\$263,601,900	\$126,633,700	\$63,753,600	\$25,259,100	\$38,466,800	\$44,581,400	\$52,300,000	\$73,723,300	\$174,581,000	\$0	\$862,900,800
Minus: Base Adjustments											
Debt Service <sup>(1)</sup>	(2,545,500)	0	0	0	0	0	0	0	0	-- NA --	(2,545,500)
2021-22 Performance Contribution @2% <sup>(4)</sup>	(3,633,500)	(2,518,800)	(1,233,600)	(372,200)	(712,900)	(827,600)	(1,019,500)	(1,364,500)	(3,315,200)	14,997,800	0
Plus: Additional Budget Requests											
Performance Funding	0	0	0	0	0	0	0	0	0	74,989,100	74,989,100
KSU Land Grant Match	0	0	0	497,400	0	0	0	0	0	-- NA --	497,400
2021-22 Requested General Fund	\$257,422,900	\$124,114,900	\$62,520,000	\$25,384,300	\$37,753,900	\$43,753,800	\$51,280,500	\$72,358,800	\$171,265,800	\$89,986,900	\$935,841,800
Dollar Change from Base Year <sup>(3)</sup>	(\$6,179,000)	(\$2,518,800)	(\$1,233,600)	\$125,200	(\$712,900)	(\$827,600)	(\$1,019,500)	(\$1,364,500)	(\$3,315,200)	\$89,986,900	\$72,941,000
Percent Change from Base Year <sup>(3)</sup>	-2.3%	-2.0%	-1.9%	0.5%	-1.9%	-1.9%	-1.9%	-1.9%	-1.9%	-- NA --	8.5%

<sup>(1)</sup> It is assumed that \$2,545,500 in debt service for a UK *HealthCare Disparities Initiative* capital project that was in the university's total appropriation in fiscal year 2019-20 will be transferred to the Finance Cabinet beginning in 2020-21.

<sup>(2)</sup> Section (9)(a) of KRS 164.092 requires the performance funding formula to include a stop-loss provision for fiscal year 2020-2021, limiting the reduction in funding to any institution to 2.0% of that institution's formula base amount. Per the statute, an amount equal to 2.0% of each institution's 2019-20 adjusted net General Fund appropriation has been deducted from that institution's beginning base in 2020-21 and placed in the Postsecondary Education Performance Fund.

<sup>(3)</sup> Dollar and percent change figures for the postsecondary institutions do not reflect distribution of any funds from the Postsecondary Education Performance Fund (PEPF). The funding model will be run in April each year of the upcoming biennium to determine the distribution of any available performance funds.

<sup>(4)</sup> Subsection (9)(b) of KRS 164.092 stipulates that "[f]or fiscal year 2021-2022 and thereafter, hold-harmless and stop-loss provisions shall not be included in the funding formulas except by enactment of the General Assembly." There is consensus among Kentucky public postsecondary institution presidents and CBOs that the Council's 2020-22 biennial budget request should include a recommendation that the Governor and General Assembly take action, in construction of the 2020-2022 *Budget of the Commonwealth* through bill language and appropriation amounts, to provide a 2.0% stop loss in the second year of the biennium. This request does not in any way represent a change in the funding models.

Council on Postsecondary Education  
 2020-22 Biennial Budget Recommendation  
 Mandated Program Appropriations by Institution  
 Fiscal Year 2019-20

ATTACHMENT B  
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Institution	2019-20 Mandated Program Funding
University of Kentucky	
Hospital Direct Support	0
Agriculture Cooperative Extension	31,275,300
Agriculture Experiment Station	29,479,600
Agriculture Public Service	1,800,000
Livestock Disease Diagnostic Lab	4,034,200
Kentucky Geological Survey	4,076,300
University Press	0
Center on Aging	2,040,500
Center for Entrepreneurship	600,000
Rural Health Care	450,200
Center on Cancer Prevention	450,200
Center for Applied Energy Research	5,176,200
Subtotal	79,382,500
University of Louisville	
Rural Health Care	695,200
Eastern Kentucky University	
Community Operations Board	0
Model Laboratory School	2,071,900
Subtotal	2,071,900
Kentucky State University	
Land Grant Program	6,651,400
Morehead State University	
Craft Academy	2,822,400
Kentucky Folk Art Center	0
Subtotal	2,822,400
Murray State University	
Breathitt Veterinary Center	3,200,000
Northern Kentucky University	
Kentucky Center for Mathematics	1,323,900

Council on Postsecondary Education  
2020-22 Biennial Budget Recommendation  
Mandated Program Appropriations by Institution  
Fiscal Year 2019-20

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Institution	2019-20 Mandated Program Funding
Western Kentucky University	
Gatton Academy	4,747,700
Kentucky Mesonet	750,000
Subtotal	5,497,700
<b>University Total</b>	<b>101,645,000</b>
KCTCS	
Fire Commission	1,869,900
KBEMS	1,799,700
Kentucky Coal Academy	0
Kentucky Wins/Trains	4,149,800
Adult Agriculture	1,000,000
Subtotal	8,819,400
<b>System Total</b>	<b>110,464,400</b>

Council on Postsecondary Education  
2020-22 Biennial Budget Recommendation  
Treatment of Mandated Programs

- There is consensus among postsecondary institution presidents and CBOs that the mandated program appropriations shown above, which were used in the 2019-20 iteration of the performance funding model, represent the appropriate beginning base for such programs in the 2020-22 budget development process and that funding for each mandated program should be line-itemed in budget bill language going forward.

Council on Postsecondary Education  
 2020-22 Biennial Budget Recommendation  
 Performance Fund Contributions by Sector and Institution  
 Fiscal Year 2020-21

ATTACHMENT C  
 October 16, 2019

Institution	A 2019-20 Total Appropriation <sup>1</sup>	B Adjustments to General Fund	C 2019-20 Mandated Program Funding <sup>3</sup>	D Adjusted Net General Fund	(A - B - C) (D x -.02)
University of Kentucky	\$263,601,900	(\$2,545,500) <sup>2</sup>	(\$79,382,500)	\$181,673,900	(\$3,633,500)
University of Louisville	126,633,700	0	(695,200)	125,938,500	(2,518,800)
Eastern Kentucky University	63,753,600	0	(2,071,900)	61,681,700	(1,233,600)
Kentucky State University	25,259,100	0	(6,651,400)	18,607,700	(372,200)
Morehead State University	38,466,800	0	(2,822,400)	35,644,400	(712,900)
Murray State University	44,581,400	0	(3,200,000)	41,381,400	(827,600)
Northern Kentucky University	52,300,000	0	(1,323,900)	50,976,100	(1,019,500)
Western Kentucky University	<u>73,723,300</u>	<u>0</u>	<u>(5,497,700)</u>	<u>68,225,600</u>	<u>(1,364,500)</u>
Subtotal	\$688,319,800	(\$2,545,500)	(\$101,645,000)	\$584,129,300	(\$11,682,600)
KCTCS	<u>174,581,000</u>		<u>(8,819,400)</u>	<u>165,761,600</u>	<u>(3,315,200)</u>
Total	\$862,900,800		(\$110,464,400)	\$749,890,900	(\$14,997,800)

Total 2020-21 Performance Fund Contribution: \$14,997,800

<sup>1</sup> Sum of fiscal year 2019-20 General Fund appropriation for each institution as enacted (i.e., regular appropriation) and each institution's distribution from \$38.7 million appropriated to the Postsecondary Education Performance Fund in fiscal 2019-20.

<sup>2</sup> Debt service for UK HealthCare Disparities Initiative capital project in fiscal year 2019-20. It is assumed this debt service will be transferred to the Finance Cabinet in 2020-21.

<sup>3</sup> Mandated program funding amounts used in the 2019-20 iteration of the performance funding model.

**TITLE:** 2020-22 Postsecondary Education Budget Recommendation  
Capital Investment Request

**RECOMMENDATION:** The Finance Committee reviewed and approved this item on October 16, 2019 and recommends the Council approve the Capital Investment Request.

**PRESENTERS:** Ben Brandstetter, Finance Committee Chair  
Bill Payne, Vice President for Finance and Administration, CPE  
Shaun McKiernan, Director of Finance and Budget, CPE

## SUPPORTING INFORMATION

The following details CPE staff's budget recommendation to address asset preservation, new construction, and information technology needs of Kentucky's public postsecondary institutions for the 2020-22 biennium. It identifies the most pressing campus needs for asset preservation and renovation of existing facilities (to be funded through a combination of state General Fund supported bonds and institutional resources) and new and expanded space and information technology and equipment (to be funded with institutional resources).

### Historical Information

In 2005, the Council and postsecondary institutions contracted with Vanderweil Facilities Advisors, Inc. (VFA), Paulien & Associates, and NCHEMS to conduct a comprehensive review and assessment of Kentucky's public college and university facilities. Evaluators took more than a year and examined over 700 education and general (E&G) facilities located on college campuses across the system and, in early 2007, concluded that Kentucky's facilities inventory was in relatively poor condition compared to industry standards.

Most buildings at that time were over 30 years old and their condition and utility was consistent with their age. Additionally, HVAC, plumbing, and electrical systems in many buildings had far exceeded their useful life expectancies and many buildings no longer adequately supported the academic programming for which they were originally intended.

Overall, evaluators identified an accumulation of about \$6.1 billion in asset preservation needs for the postsecondary system projected to come due by 2018 (*Facility Condition Assessment & Space Study*, VFA, 2007).

In light of their findings, VFA consultants made several recommendations that, if adhered to, would help Kentucky establish and maintain high-quality learning and research environments:

- Kentucky should begin investing in its postsecondary facilities at a level sufficient to address the sizable capital needs identified in the study and sustain that increased level of investment over a long-term time horizon.
- Given the backlog of deferred maintenance needs, capital appropriations should reflect relatively greater investment in asset preservation and renovation.
- Kentucky should adopt a more balanced approach, investing in asset preservation and new construction at nearly equal levels.

The VFA study findings formed the basis for several subsequent capital investment recommendations approved by the Council. These requests included a multi-biennium approach to address the large needs identified by VFA for asset preservation and new construction, as well as, the use of pools for each campus to fund asset preservation and new construction projects.

Beginning in 2008-10, the Council recommended a pool of funding for each institution using an agreed upon formula that took into account various factors, including differences in deferred maintenance needs, FTE student enrollment, extramural research expenditures, and total public funds across campuses. This approach was adopted to achieve a more equitable distribution of capital funds among institutions.

The use of pools also would provide institutions greater flexibility to address multiple, smaller, but potentially more critical, capital projects. Individual projects would be approved by the Council and authorized by the General Assembly, but institutions would have the flexibility to choose which projects would be funded from their respective asset preservation and new construction pools. Each biennium since 2008-10, the Capital Planning Advisory Board, which is comprised of representatives from all three branches of state government, has endorsed this approach prior to the Council's budget submission.

## Recent Funding Levels

As part of its 2014-16 biennial budget request, the Council recommended an appropriation of \$600.0 million for capital construction projects at the public colleges and universities. This was characterized as the “first installment” of a larger, three biennia (six year) \$1.8 billion capital investment plan. In the 2014-16 biennium, the General Assembly, through the state budget (HB 235) and HB 298 in the 2015 session, provided \$607.8 million in capital projects for the postsecondary institutions. Thirty nine percent of the appropriations (\$240.1 million) funded asset preservation projects and 61 percent (\$367.8 million) funded new and expanded space projects. While funding was provided for individual projects, and not the pools of funding that CPE recommended, the total level of funding was substantial, exceeding the CPE request, and the portion of funding for asset preservation (39 percent) was significant, although less than the 53 percent recommended by CPE.

In 2016-18, the Council recommended the “second installment” of its three biennia, capital investment plan, or \$600.0 million for asset preservation and new construction, but received no state funding for capital projects that biennium. In 2018-20, the Council recommended \$600.0 million for asset preservation, but received no state funding.

## **2020-22 Capital Construction Recommendation**

Based on VFA Study findings (February 2007; updated in 2013), staff recommends that the Council continue to pursue a multi-biennia capital investment strategy that envisions a long-term partnership between the state, postsecondary institutions, and students and families. Sustained investment over an extended time horizon is necessary to address what has become an overwhelming and urgent need for renovation and renewal of existing postsecondary facilities and to protect these valuable state owned assets.

- Staff recommends an appropriation of \$8,239,000 in 2020-21 and \$24,717,000, recurring at \$32,956,000 in subsequent years, to pay annual debt service on a \$400.0 million bond issue to finance asset preservation and renovation projects at the postsecondary institutions during the upcoming biennium.*

While investment in new construction and information technology and equipment are important needs for the postsecondary institutions, due to the magnitude of accumulated renovation and renewal needs, staff recommends that the 2020-22 request for capital construction focus exclusively on asset preservation projects (see Table 1).

**Table 1: 2020-22 Capital Investment Request**

Funding Component	Fiscal 2020-21	Fiscal 2021-22	Biennial Total
Additional Budget Requests for:			
Capital Construction			
Asset Preservation Bond Funds	\$200,000,000	\$200,000,000	\$400,000,000
-- Debt Service	8,239,000	24,717,000	32,956,000
New Construction	\$0	\$0	\$0
Information Technology and Equipment	\$0	\$0	\$0

If the requested Capital Investment funding is authorized, \$400.0 million in state General Fund supported bond funds would be allocated among the postsecondary institutions using an agreed upon allocation method. Specifically, CPE senior staff and a majority of campus presidents and chief budget officers (CBOs) agreed that one percent (1%) of the total bond funds (or \$4,000,000) would be distributed to each university as a base level of funding, and two percent (2%) of the total bond funds would be distributed to the Kentucky Community and Technical College System (or \$8,000,000). The remaining funds (\$360,000,000) would be distributed based on each institution's share of total asset preservation need, identified in the 2013 update to the VFA Study (see Table 2).

Should any institution be unable to match their allocation of asset preservation pool funds, those unmatched funds will be distributed to institutions that are able to provide matched funds. Council staff and the Finance Committee are developing the related policy.

In keeping with the notion of a long-term partnership among state government, postsecondary institutions, and students and families to address renovation and renewal needs, staff recommends that any bonds funds appropriated for asset preservation be matched fifty cents on the dollar with college and university resources. It is estimated that the combined \$600.0 million total, state appropriations plus institutional matching funds, will address about one-tenth of total asset preservation needs at the campuses.

- *Staff recommends that any General Fund debt supported bond funds appropriated for postsecondary institution asset preservation projects in the 2020-22 biennium be matched fifty cents on the dollar with institutional funds.*

Staff further recommends that any appropriations for asset preservation in the upcoming biennium be distributed to postsecondary institutions in funding pools. Each campus provided a list of priority asset preservation and renovation projects that can be funded from their respective pool. A list of eligible projects can be found in Attachment C-1.

For 2020-22, CPE staff is recommending a similar approach to funding asset preservation as was submitted in 2018-20, though this is a more aggressive approach to funding asset preservation than was put forth in prior biennia. Prior to 2018-20, the Council recommended that the state simultaneously fund new construction and asset preservation on each campus. A combination of factors, including a growing inventory of aging facilities, infrastructure and systems needing renovation and renewal, increasing construction costs, and minimal state investment in asset preservation since 2007, has resulted in aggregate asset preservation need that is estimated to exceed \$6.0 billion.

**Table 2: Allocation of Requested Asset Preservation Funds**

Institution	Base Funding Amount	2013 VFA Study Renovation and Renewal Need	Percent Share	Allocation Based on VFA Study	General Fund Debt Supported State Bonds
UK	\$4,000,000	\$2,242,371,690	36.8%	\$132,628,100	\$136,628,100
UofL	4,000,000	1,032,082,314	17.0%	61,043,900	65,043,900
EKU	4,000,000	438,941,880	7.2%	25,961,800	29,961,800
KSU	4,000,000	113,775,480	1.9%	6,729,400	10,729,400
MoSU	4,000,000	321,567,480	5.3%	19,019,500	23,019,500
MuSU	4,000,000	347,559,030	5.7%	20,556,900	24,556,900
NKU	4,000,000	294,015,940	4.8%	17,390,000	21,390,000
WKU	4,000,000	537,724,980	8.8%	31,804,500	35,804,500
KCTCS	8,000,000	758,556,630	12.5%	44,865,900	52,865,900
Totals	\$40,000,000	\$6,086,595,424	100.0%	\$360,000,000	\$400,000,000

If the requested debt service for asset preservation projects is authorized, it would be housed temporarily in the Physical Facilities Trust Fund. The list of eligible E&G asset preservation projects can be found in Attachment C-1.

### **Institutionally Funded Capital Projects**

Staff recommends that the Council approve institutionally funded capital projects that further the goals of *The Postsecondary Education Improvement Act of 1997* (HB 1) and objectives and strategies of the Council's *2016-21 Strategic Agenda for Postsecondary Education*. While this proposal requests state funds for asset preservation only, the state budget office has allowed the institutions to submit their projects using the fund

source that they used in the capital planning system. The state budget office is fully aware of CPE's position in this matter.

Staff recommends that the Council support projects in the following categories:

- *Authorization of \$699,810,000 in agency, federal, private, and other fund source authority to address new and expanded space on postsecondary campuses during the upcoming biennium. This authorization level represents the total of all possible agency, federal, private, and other fund source financed new and expanded space projects that might be undertaken by the campuses during the biennium. These projects can be found in Attachment C-2.*
- *Authorization of \$296,114,000 in agency, federal, private, and other fund source authority for information technology needs on postsecondary campuses during the upcoming biennium. This authorization level represents the total of all possible agency, federal, private, and other fund source financed projects that might be undertaken by the campuses during the biennium. A list of these projects can be found in Attachment C-3.*
- *Authorization of \$1,129,979,500 in agency bonds to finance capital projects on postsecondary campuses during the upcoming biennium. This authorization level represents the total of all possible agency bond funded projects that might be undertaken by the campuses during the biennium. A list of these projects can be found in Attachment C-4.*
- *Authorization of \$6,263,007,845 in agency, federal, private, and other fund source authority to address life safety, major maintenance, equipment acquisitions, infrastructure repair and upgrades, and new construction on postsecondary campuses during the upcoming biennium. This authorization level represents the total of all possible agency, federal, private, and other fund source financed projects that might be undertaken by the campuses during the biennium. These projects can be found in Attachment C-5.*
- *Authorization for nine projects (one at each institution) to improve energy efficiency in campus buildings, including energy equipment acquisitions, infrastructure repair, and upgrades. These projects would be funded using third-party financing available through the Finance and Administration Cabinet, private contractors, or other non-state funds. These projects are listed in C-6.*

## Budget Language Endorsements

Staff recommends that the Council endorse the following language for inclusion in the 2020-22 Budget of the Commonwealth:

- *Inasmuch as the identification of specific projects in a variety of areas of postsecondary institution operations cannot be ascertained with absolute certainty at this time, amounts are appropriated and authorized for specific projects which are not individually identified in this act in the following areas: EKU, KCTCS, KSU, MoSU, MuSU, NKU, UK, UofL, and WKU asset preservation, renovation, major maintenance, infrastructure, and HVAC and roofing systems.*
- *Any specific project exceeding \$1,000,000 or any major item of equipment exceeding \$200,000 that is initiated shall be reported by the institution to the Council on Postsecondary Education, the Secretary of the Finance and Administration Cabinet, and the Capital Projects and Bond Oversight Committee no later than 30 days after the specific project or equipment item is initiated and funded. The report shall identify the need for, and provide a brief description of, each project or equipment item pursuant to KRS Chapter 45.*

**Capital Projects Recommendations**  
**Asset Preservation and Major Renovation (eligible for General Fund support)**  
**2020-2022**

Attachment C1  
November 2019

Institution/ Project Title	Project Scope	General Fund	Restricted/ Institution Funds	Other Funds	Federal Funds	Agency Bonds
<b>Eastern Kentucky University</b>						
1 EKU-Capital Asset Renewal Match Pool	\$ 35,000,000	\$ 35,000,000				
2 EKU-Renovate & Upgrade Heat Plant	14,000,000	7,000,000	7,000,000			
3 EKU-Renovate Mechanical Systems Pool 2020-2022	20,000,000	10,000,000	10,000,000			
4 EKU-Renovate Memorial-Roark Building	40,000,000	40,000,000				
5 EKU-Renovate Wallace Building	35,000,000	35,000,000				
6 EKU-Revovate Whalen Complex	24,500,000	22,500,000		2,000,000		
Total - EKU	\$ 168,500,000	\$ 149,500,000	\$ 17,000,000	\$ 2,000,000	\$ -	\$ -
<b>Kentucky State University</b>						
1 KSU-Renovation & Renewal E&G Projects Pool 2020	9,500,000	9,400,000	100,000			
2 KSU-Renovate Academic & Student Success Center	29,604,000	29,604,000				
Total - KSU	\$ 39,104,000	\$ 39,004,000	\$ 100,000	\$ -	\$ -	\$ -
<b>Morehead State University</b>						
1 MoSU-Renovate Combs Classroom Building	\$ 30,733,000	\$ 30,733,000				
2 MoSU-Renovate Third Street Eats	2,982,000	2,982,000				
3 MoSU Replace Electrical Switchgear B	1,891,000	1,891,000				
4 MoSU-Capital Renewal & Maintenance Pool - E&G	7,600,000	7,600,000				
5 MoSU-Water Plant Sediment Basin	1,921,000	1,921,000				
6 MoSU-Upgrade Campus Fire & Security Systems	2,729,000	2,729,000				
7 MoSU-Repair Camden-Carroll Library Façade	10,000,000	10,000,000				
8 MoSU-Capital Renewal & Maintenance Pool - Univ. Farm	1,235,000	1,235,000				
9 MoSU-Comply with ADA -E&G	3,921,000	3,921,000				
10 MoSU-Renovate Button Auditorium	18,129,000	18,129,000				
11 MoSU-Renovate Howell-McDowell Building	4,139,000	4,139,000				
12 MoSU-Renovate Jayne Stadium	39,761,000	39,761,000				
13 MoSU-Renovate Lappin Hall	7,975,000	7,975,000				
Total - MoSU	\$ 133,016,000	\$ 133,016,000	\$ -	\$ -	\$ -	\$ -
<b>Murray State University</b>						
1 MuSU-Capital Renewal & Building Modernization	\$ 36,835,350	\$ 24,556,900			\$ 12,278,450	
Subtotal - MuSU	\$ 36,835,350	\$ 24,556,900	\$ -	\$ -	\$ -	\$ 12,278,450

**Capital Projects Recommendations**  
**Asset Preservation and Major Renovation (eligible for General Fund support)**  
**2020-2022**

Attachment C1  
November 2019

Institution/ Project Title	Project Scope	Restricted/ Institution Funds					Federal Funds	Agency Bonds
		General Fund	Other Funds	Federal Funds	Agency Bonds			
<b>Northern Kentucky University</b>								
1 NKU-Renew/Renovate Fine Arts Center, Phase II	\$ 50,000,000	\$ 45,000,000				\$ 5,000,000		
2 NKU-Renovate/Expand Business Academic Building	41,000,000	33,000,000				8,000,000		
3 NKU-Renew/Renovate Nunn Hall	30,000,000	25,000,000				5,000,000		
4 NKU-Replace Underground Utility Infrastructure	6,700,000	6,700,000						
5 NKU-Renew/Renovate Steely Library	41,000,000	41,000,000						
6 NKU-Renew E&G Building Systems Projects Pool	20,000,000	20,000,000						
7 NKU-Renovate/Construct Campbell Hall	18,000,000	9,000,000				9,000,000		
Subtotal - NKU	\$ 206,700,000	\$ 179,700,000	\$ -	\$ 27,000,000	\$ -	\$ -	\$ -	\$ -
<b>Western Kentucky University</b>								
1 WKU-Renovate Grise Hall	\$ 32,200,000	\$ 32,200,000						
2 WKU-Demolish Tate Page Hall/Improve Site	6,000,000	6,000,000						
3 WKU-Replace Underground Infrastructure	25,000,000	25,000,000						
4 WKU-Demolish Garrett Conference Center/Improve Site	7,000,000	7,000,000						
5 WKU-Renovate Raymond Cravens Library	40,300,000	40,300,000						
6 WKU-Renovate Ogden College of Science & Engineering Facility	75,800,000	75,800,000						
7 WKU-Renovate Potter College Arts & Letters Facilities	96,400,000	96,400,000						
8 WKU-Renovate Academic Complex	27,500,000	27,500,000						
9 WKU-Improve Life Safety Pool/Academic Buildings	27,500,000	27,500,000						
10 WKU-Repair/Replace Roof at Ctr Research & Development	5,100,000	5,100,000						
11 WKU-Capital Renewal Pool 2020-2022	10,000,000	10,000,000						
12 WKU-Renovate Kentucky Building	17,500,000	17,500,000						
13 WKU-Renovate Central Heat Plant	5,100,000	5,100,000						
14 WKU-Renovate Jones Jagers Interior	1,000,000	1,000,000						
Subtotal - WKU	\$ 376,400,000	\$ 376,400,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>University of Kentucky</b>								
1 UK-Facilities Renewal and Modernization	\$ 250,000,000	\$ 125,000,000					\$ 125,000,000	
2 UK-Improve Funkhouser Building	92,000,000	92,000,000						
3 UK-Improve Taylor Education Building	40,000,000	40,000,000						
4 UK- Acquire/Improve Elevator Systems	10,000,000	10,000,000						
5 UK-Improve Anderson Tower	6,000,000	6,000,000						
6 UK-Improve Barnhart Building	40,000,000	40,000,000						

**Capital Projects Recommendations**  
**Asset Preservation and Major Renovation (eligible for General Fund support)**  
**2020-2022**

Attachment C1  
November 2019

Institution/ Project Title	Project Scope	General Fund	Restricted/ Institution Funds	Other Funds	Federal Funds	Agency Bonds
7 UK-Improve Building Electrical Systems	10,000,000	10,000,000				
8 UK-Improve Building Mechanical Systems	35,000,000	35,000,000				
9 UK-Improve Buildings Shell Systems	40,000,000	40,000,000				
10 UK-Improve Carnahan House	8,000,000	8,000,000				
11 UK-Improve Civil/Site Infrastructure	50,000,000	50,000,000				
12 UK-Improve Electrical Infrastructure	28,000,000	28,000,000				
13 UK-Improve Fume Hood Systems	10,000,000	10,000,000				
14 UK-Improve Library Facility	20,000,000	20,000,000				
15 UK-Improve McVey Hall	35,000,000	35,000,000				
16 UK-Improve Mechanical Infrastructure	26,000,000	26,000,000				
17 UK-Improve Memorial Hall	13,000,000	13,000,000				
18 UK-Improve Moloney Building	17,000,000	17,000,000				
19 UK-Improve Pence Hall	20,000,000	20,000,000				
20 UK-Improve Peterson Service Building	14,000,000	14,000,000				
21 UK-Improve Reynolds Building 1	35,000,000	35,000,000				
22 UK-Improve Sanders Brown Building	35,000,000	35,000,000				
23 UK-Improve Scovell Hall	45,000,000	45,000,000				
24 UK-Improve Sturgill Development Building	4,000,000	4,000,000				
25 UK-Improve W.T. Young Facility	5,000,000	5,000,000				
26 UK-Renovate Improve Campus Core Quadrangle Facilities	65,000,000	65,000,000				
27 UK-Renovate Improve Chem/Physics Building Phase 3	65,000,000	65,000,000				
28 UK-Renovate Improve Dickey Hall	20,000,000	20,000,000				
29 UK-Renovate Improve Frazee Hall	11,000,000	11,000,000				
30 UK-Renovate Improve King Library	5,000,000	5,000,000				
31 UK-Renovate Improve Mineral Industries Building	6,000,000	6,000,000				
32 UK-Renovate Improve Multi-Disciplinary Science Building	10,000,000	10,000,000				
33 UK-Renovate Improve Nursing Building	2,000,000	2,000,000				
34 UK-Repair/Upgrade/Expand Central Plants	112,000,000	112,000,000				
<b>Subtotal - UK</b>	\$ 1,184,000,000	\$ 1,059,000,000	\$ -	\$ -	\$ -	\$ 125,000,000

**University of Louisville**

1 UL-Upgrade STEM Instruction Building	\$ 50,000,000	\$ 50,000,000		
2 UL-Capital Renewal Replace & Upgrade Pool	100,000,000	50,000,000		50,000,000
3 UL-Upgrade Regional Biocontainment Lab Pressurization	10,869,000		10,869,000	

**Capital Projects Recommendations**  
**Asset Preservation and Major Renovation (eligible for General Fund support)**  
**2020-2022**

Attachment C1  
November 2019

Institution/ Project Title	Project Scope	Restricted/ Institution Funds						Other Funds	Federal Funds	Agency Bonds
		General Fund								
4 UL-Renovate Vivarium Facilities	75,000,000						75,000,000			
5 UL-Replacement - Building HVAC	25,000,000						25,000,000			
Subtotal - UofL	\$ 260,869,000	\$ 100,000,000	\$ 110,869,000	\$				-	\$	- \$ 50,000,000
<b>Kentucky Community and Technical College System</b>										
1 KCTCS-College Safety & Security Pool	\$ 16,000,000	\$ 16,000,000								
2 KCTCS-Capital Renewal & Deferred Maintenance Pool	30,000,000		30,000,000							
3 KCTCS-Renovate Occupational Tech Bldg - Etown CTC	24,800,000		16,800,000					8,000,000		
4 KCTCS-Renovate Main Campus Bldgs - Southcentral (Add'l)	5,000,000		5,000,000							
5 KCTCS-Renovate Hartford Building - Jefferson CTC	31,100,000		31,100,000							
6 KCTCS-Renovate Pineville Campus - Southeast KY CTC	3,000,000		3,000,000							
7 KCTCS-Renovate/Construct Admin Bldg - Maysville CTC	15,500,000		15,500,000							
8 KCTCS-Renovate Main Bldg Phase II - Ashland CTC	34,000,000		34,000,000							
9 KCTCS-Renovate Collegewide Facilities - Big Sandy CTC	10,000,000		10,000,000							
10 KCTCS-Renovate Auditorium Building - Hopkinsville CC	3,700,000		3,700,000							
11 KCTCS-Renovate Tech Campus - Madisonville CC	3,400,000		3,400,000							
12 KCTCS-Relocate Student Center - Henderson CC	3,900,000		3,900,000							
13 KCTCS-Renovate Instructional Space - Gateway CTC	13,400,000		6,400,000		7,000,000					
14 KCTCS-Rnovate Main Campus - West KY CTC	7,000,000		7,000,000							
15 KCTCS-Replace HVAC System Phase 1 - Owensboro CTC	4,100,000		4,100,000							
16 KCTCS-Upgrade HVAC Equip & Controls - Hazard CTC	3,600,000		3,600,000							
17 KCTCS-Renovate Academic Building - Hopkinsville CC	14,300,000		14,300,000							
18 KCTCS-Renovate Science Labs - Jefferson CTC	7,300,000		7,300,000							
19 KCTCS-Renovate/Purchase Allied Health - Hazard CTC	15,800,000		13,450,000		2,350,000					
20 KCTCS-Procure Postsecondary Ed Cntr Ph 2 - Maysville CTC	6,900,000		6,900,000							
21 KCTCS-Renovate Learning Resource Center - Ashland CTC	6,700,000		6,700,000							
Subtotal - KCTCS	\$ 259,500,000	\$ 242,150,000	\$ 9,350,000	\$ 8,000,000	\$			-	\$	-
<b>System Total</b>	<b>\$ 2,664,924,350</b>	<b>\$ 2,303,326,900</b>	<b>\$ 137,319,000</b>	<b>\$ 37,000,000</b>	<b>\$</b>			-	<b>\$ 187,278,450</b>	

**Capital Projects Recommendations**  
**New and Expanded Space**  
**2020-2022**

Attachment C2  
November 2019

Institution/Institution Priority / Project Title	Project Scope	General Fund	Restricted/ Institution Funds	Other Funds
<b>Eastern Kentucky University</b>				
1 EKU-Construct Model Laboratory School	\$ 60,000,000	\$ 60,000,000		
2 EKU-Comprehensive Aviation Expansion	15,000,000	15,000,000		
3 EKU-Construct Academic Complex	94,000,000	94,000,000		
Total - EKU	\$ 169,000,000	\$ 169,000,000	\$ -	\$ -
<b>Kentucky State University</b>				
1 KSU-Construct Health Science Center	\$ 18,406,000	\$ 18,406,000		
2 KSU-Construct Business & Technology Center	42,717,000	42,717,000		
3 KSU-Expand Campus Communications Infrastructure	2,407,000	2,407,000		
Total - KSU	\$ 63,530,000	\$ 63,530,000	\$ -	\$ -
<b>Morehead State University</b>				
1 MoSU-Construct Science & Engineering Building	\$ 98,000,000	\$ 98,000,000		
2 MoSU-Construct Center for Excellence in Education	52,380,000	52,380,000		
Total - MoSU	\$ 150,380,000	\$ 150,380,000	\$ -	\$ -
<b>Murray State University</b>				
No Projects Requested	\$ -			
Subtotal - MuSU	\$ -	\$ -	\$ -	\$ -
<b>Northern Kentucky University</b>				
NKU-Expand Herrmann Science Center	\$ 94,500,000	\$ 94,500,000		
Subtotal - NKU	\$ 94,500,000	\$ 94,500,000	\$ -	\$ -
<b>Western Kentucky University</b>				
1 WKU-Construct New Gordon Ford College of Business	\$ 65,100,000	\$ 65,100,000		
2 WKU-Construct Tertiary Data Center	1,500,000	1,500,000		
Subtotal - WKU	\$ 66,600,000	\$ 66,600,000	\$ -	\$ -

**Capital Projects Recommendations**  
**New and Expanded Space**  
**2020-2022**

Attachment C2  
November 2019

Institution/Institution Priority / Project Title	Project Scope	General Fund	Restricted/ Institution Funds	Other Funds
<b>University of Kentucky</b>				
1 UK-Improve Whalen Bidg & Bay Facility (Ky Adv Mfg)	\$ 5,000,000	\$ 5,000,000	\$	-
2 UK-Acquire/Renovate Clinical Research Facility (Aging)	8,000,000	8,000,000		
Subtotal - UK	\$ 13,000,000	\$ 13,000,000	\$ -	\$ -
<b>University of Louisville</b>				
No Projects Requested	\$ -			
Subtotal - UofL	\$ -	\$ -	\$ -	\$ -
<b>Kentucky Community and Technical College System</b>				
1 KCTCS-Construct Advanced Ed. Bldg - Somerset CC North	\$ 29,500,000	\$ 29,500,000		
2 KCTCS-Construct Student/Classroom - Bluegrass CTC Newtown	30,000,000	30,000,000		
3 KCTCS-Construct Transportation Training Ctr - Ashland CTC	5,000,000	5,000,000		
4 KCTCS-Construct Muhlenberg Campus Ph 2 - Madisonville CC	13,900,000	13,900,000		
5 KCTCS-Construct Allied Health Building - Henderson CC	18,600,000	18,600,000		
6 KCTCS-Construct Tec Ed Bldg - Somerser cc, Laurel North	24,900,000	24,900,000		
7 KCTCS-Construct Student Learning Center - Hopkinsville CC	20,900,000	20,900,000		
Subtotal - KCTCS	\$ 142,800,000	\$ 142,800,000	\$ -	\$ -
<b>System Total</b>	<b>\$ 699,810,000</b>	<b>\$ 699,810,000</b>	<b>\$ -</b>	<b>\$ -</b>

**Capital Projects Recommendations**  
**Information Technology Initiatives and Equipment Projects (eligible for General Fund support)**  
**2020-2022**

Attachment C3  
November 2019

Institution/ Project Title	Project Scope	General Fund	Agency Bonds	Rest/Other Funds	Federal Funds
<b>Eastern Kentucky University</b>					
1 EKU-Lease - Aviation					
2 EKU-Academic Computing Pool	8,000,000				8,000,000
3 EKU-Administrative Computing Pool	6,500,000				6,500,000
4 EKU-Campus Data Network Pool	13,000,000				13,000,000
5 EKU-Chemistry and Translational Research Pool	1,025,000				1,025,000
6 EKU-Scientific & Research Equipment Pool	7,400,000				7,400,000
Subtotal - EKU	\$ 35,925,000	\$ -	\$ -	\$ 35,925,000	\$ -
<b>Kentucky State University</b>					
1 KSU-Upgrade Information Tech Infrastructure 2018	\$ 12,263,000	\$ 12,263,000			
2 KSU-Replace Enterprise Resource Planning System	5,000,000	5,000,000			-
Subtotal - KSU	\$ 17,263,000	\$ 17,263,000	\$ -	\$ -	\$ -
<b>Morehead State University</b>					
MoSU-Enhance Network/Infrastructure Resources - Add'l	\$ 3,150,000	\$ 3,150,000			
MoSU-Enhance Library Automation Resources	1,573,000	1,573,000			
MoSU-Upgrade Instruction PCs/LANS/Peripherals	4,088,000	4,088,000			
Subtotal - MoSU	\$ 8,811,000	\$ 8,811,000	\$ -	\$ -	\$ -
<b>Murray State University</b>					
1 MuSU-Replace Campus Communication Infrastructure (fiber ring)	\$ 4,640,000	\$ 4,640,000			
2 MuSU-Agriculture Instructional Lab & Technology Equipment	800,000				800,000
3 MuSU-Broadcasting Education Lab Equipment	225,000				225,000
Subtotal - MuSU	\$ 5,665,000	\$ 4,640,000	\$ -	\$ 1,025,000	\$ -
<b>Northern Kentucky University</b>					
1 NKU-Enhance/Upgrade Cyber Security System Reauth.	\$ 1,950,000	\$ 1,950,000			
2 NKU-Upgrade Admin Systems	6,000,000	6,000,000			
3 NKU-Upgrade Instructional Technology	4,700,000	4,700,000			
4 NKU-Next Generation Digital Campus	3,300,000	3,300,000			
5 NKU-Scientific/Technology Equipment Pool	6,000,000	6,000,000			
Subtotal - NKU	\$ 21,950,000	\$ 21,950,000	\$ -	\$ -	\$ -
<b>Western Kentucky University</b>					
1 WKU-Upgrade IT Infrastructure	\$ 6,000,000	\$ 6,000,000			
Subtotal - WKU	\$ 6,000,000	\$ 6,000,000	\$ -	\$ -	\$ -

**Capital Projects Recommendations**  
**Information Technology Initiatives and Equipment Projects (eligible for General Fund support)**  
**2020-2022**

Attachment C3  
November 2019

Institution/ Project Title	Project Scope	General Fund	Agency Bonds	Rest/Other Funds	Federal Funds
<b>University of Kentucky</b>					
1 UK-Acquire Transportation Buses	\$ 3,000,000			\$ 3,000,000	
2 UK-Improve Enterprising Networking 1	5,000,000			5,000,000	
3 UK-Improve Enterprise Networking 2	5,000,000			5,000,000	
4 UK-Lease/Purchase Campus Call-Center System	5,000,000			5,000,000	
5 UK-Lease/Purchase Campus Infrastructure	10,000,000			10,000,000	
6 UK-Lease/Purchase Campus IT System	10,000,000			10,000,000	
7 UK-Lease/Purchase High Performance Computer	7,000,000			7,000,000	
8 UK-Lease/Purchase Network Security	5,000,000			5,000,000	
9 UK-Lease/Purchase Voice Infrastructure	3,000,000			3,000,000	
10 UK-Improve Campus Infrastructure	4,000,000			4,000,000	
11 UK-Research Equipment Replacement	30,000,000			30,000,000	
12 UK-Purchase/Construct CO2 Capture Process Plant	40,000,000				40,000,000
13 UK-Upgrade/Expand Campus Security Platform	10,000,000			10,000,000	
Subtotal - UK	\$ 137,000,000	\$ -	\$ -	\$ 97,000,000	\$ 40,000,000
<b>University of Louisville</b>					
1 UL-Purchase Networking System	\$ 8,000,000			\$ 8,000,000	
2 UL-Next Generation/ERP Support System	20,000,000			20,000,000	
3 UL-Purchase Research Computing Infrastructure	7,000,000			7,000,000	
4 UL-Purchase Content Management System	4,000,000			4,000,000	
5 UL-Purchase Fiber Infrastructure	3,500,000			3,500,000	
6 UL-Purchase Security and Firewall Infrastructure	3,000,000			3,000,000	
7 UL-Purchase Computer Processing System & Storage	3,500,000			3,500,000	
8 UL-Purchase Identity Management	2,000,000			2,000,000	
Subtotal - UofL	\$ 51,000,000	\$ -	\$ -	\$ 51,000,000	\$ -
<b>Kentucky Community and Technical College System</b>					
1 KCTCS-Information Technology Pool	\$ 9,500,000	\$ 9,500,000			
Subtotal - KCTCS	\$ 9,500,000	\$ 9,500,000	\$ -	\$ -	\$ -
<b>Total Institutions</b>	<b>\$ 293,114,000</b>	<b>\$ 68,164,000</b>	<b>\$ -</b>	<b>\$ 184,950,000</b>	<b>\$ 40,000,000</b>
<b>Council on Postsecondary Education</b>					
1 CPE-College to Career Pathways Portal	\$ 2,000,000	\$ 2,000,000			
2 CPE-Upgrade KY Reg Optical Network Infrastructure	1,000,000	1,000,000			
Subtotal - CPE	\$ 3,000,000	\$ 3,000,000	\$ -	\$ -	\$ -
<b>System Total</b>	<b>\$ 296,114,000</b>	<b>\$ 71,164,000</b>	<b>\$ -</b>	<b>\$ 184,950,000</b>	<b>\$ 40,000,000</b>

Institution/ Project Title	Project Scope	Agency Bonds	Institution or Other Funds	Revenue Stream For Debt Service	Anticipated Board Action	Status of Existing Fee	Est. Date to Issue Debt
<b>Eastern Kentucky University</b>							
1 EKU-Upgrade/Improve Athletics Facilities/Fields Pool	\$ 37,000,000	\$ 25,000,000	\$ 12,000,000	TBD			
2 EKU-Improve Campus Pedestrian, Parking and Transport	\$ 30,000,000	\$ 30,000,000		TBD	N/A	N/A	
Subtotal - EKU	\$ 67,000,000	\$ 55,000,000	\$ 12,000,000				
<b>Kentucky State University</b>							
No projects requested	\$ -	\$ -	\$ -				
Subtotal - KSU	\$ -	\$ -	\$ -				
<b>Morehead State University</b>							
1 MoSU-Capital Renewal & Maintenance Pool - Aux	\$ 4,539,000	\$ 4,539,000	\$ -	TBD			
2 MoSU-Comply with ADA - Auxiliary	2,034,000	2,034,000		TBD			
3 MoSU-Construct New Residence Hall	37,956,000	37,956,000		TBD			
4 MoSU-Construct New Volleyball Facility - Phase II	2,380,000	2,380,000		TBD			
5 MoSU-Renovate Alumni Tower Ground Floor	3,812,000	3,812,000		TBD			
6 MoSU-Renovate Cartmell Residence Hall	15,188,000	15,188,000		TBD			
7 MoSU-Replace Exterior Precast Panels at Nunn Hall	3,148,000	3,148,000		TBD			
8 MoSU-Replace Turf at Jacobs Field (football)	1,102,000	1,102,000		TBD			
Subtotal - MoSU	\$ 70,159,000	\$ 70,159,000	\$ -				
<b>Murray State University</b>							
1 MuSU-Capital Renewal & Building Modernization (pool match)	\$ 12,278,450	\$ 12,278,450		Asset Preservation funds	TBD	Approved CPE/Univ Bd	July 2020
2 MuSU-Renovate Residence Hall or Replace	16,740,000	16,740,000		Housing Fees	TBD	Fees are in place now	Fall 2020
3 MuSU-Renovate Residence Hall Electrical System	4,180,000	4,180,000		Housing Fees	TBD	Fees are in place now	Fall 2020
4 MuSU-Renovate Residence Hall HVAC System	3,503,000	3,503,000		Housing Fees	TBD	Fees are in place now	Fall 2020
5 MuSU-Renovate Residence Hall Interior	1,601,000	1,601,000		Housing Fees	TBD	Fees are in place now	Fall 2020
6 MuSU-Replace Residence Hall Domestic Water Piping	1,143,000	1,143,000		Housing Fees	TBD	Fees are in place now	Fall 2020
Subtotal - MuSU	\$ 39,445,450	\$ 39,445,450	\$ -				
<b>Northern Kentucky University</b>							
1 NKU-Renovate/Construct New Residence Halls	\$ 40,000,000	\$ 40,000,000		TBD			
2 NKU-Reconstruct West Side Parking Reauth	14,000,000	7,000,000	7,000,000	TBD			
3 NKU-Acquire Land/Master Plan 2010-2012 Reauth.	25,500,000	17,500,000	8,000,000	TBD			
Subtotal - NKU	\$ 79,500,000	\$ 64,500,000	\$ 15,000,000				
<b>Western Kentucky University</b>							
WKU-Construct Parking Structure IV No Projects Requested	\$ 25,000,000	\$ 25,000,000	\$ -				
Subtotal - WKU	\$ 25,000,000	\$ 25,000,000	\$ -				
<b>University of Kentucky</b>							
1 UK-Facilities Renewal & Modernization	\$ 250,000,000	\$ 125,000,000	\$ 125,000,000	TBD	TBD	TBD	TBD
2 UK-Construct Housing	50,000,000	50,000,000		TBD	TBD	TBD	TBD
3 UK-Acquire/Renovate Housing	75,000,000	40,000,000	35,000,000	TBD	TBD	TBD	TBD
4 UK-Renovate/Improve Housing	50,000,000	50,000,000		TBD	TBD	TBD	TBD
5 UKH-Renovate/Upgrade Healthcare Facilities	100,000,000	100,000,000		TBD	TBD	TBD	TBD
Subtotal - UK	\$ 525,000,000	\$ 365,000,000	\$ 160,000,000				
<b>University of Louisville</b>							
1 UL-Capital Renewal Replace & Upgrade Pool	\$ 100,000,000	\$ 50,000,000	\$ 50,000,000	TBD	TBD	TBD	TBD
2 UL-Demolish & Replace Miller Resident Hall	70,600,000	70,600,000		TBD	TBD	TBD	TBD
3 UL-Demolish and Replace Threlkeld Resident Hall	33,275,000	33,275,000		TBD	TBD	TBD	TBD
4 UL-Construct College of Business Building	120,000,000	40,000,000	80,000,000	TBD	TBD	TBD	TBD
Subtotal - UofL	\$ 323,875,000	\$ 193,875,000	\$ 130,000,000				
<b>System Total</b>	\$ 1,129,979,450	\$ 812,979,450	\$ 317,000,000				

**Capital Projects Recommendations  
Restricted Agency, Federal, and Other Funds and Capital Leases  
2020-2022**

Attachment C5  
November 2019

Institution/ Project Title	Project Scope	General Fund	Institution Funds	Other Funds	Federal Funds
<b>Eastern Kentucky University</b>					
1 EKU-Campus Infrastructure Upgrade	\$ 35,000,000	\$ -	\$ -	\$ 35,000,000	\$ -
2 EKU-Aviation Acquisition Pool	5,000,000		5,000,000		
3 EKU-Commonwealth Hall Partial Repurposing & Renovation	6,000,000		6,000,000		
4 EKU-Construct Alumni & Welcome Center	13,000,000			13,000,000	
5 EKU-Construct Early Childhood Center	4,200,000		4,200,000		
6 EKU-Construct Regional Health Facility	15,000,000				15,000,000
7 EKU-Construct Student Health Center	2,705,000			2,705,000	
8 EKU-Demolish Building Pool	40,000,000			40,000,000	
9 EKU-Guaranteed Energy Savings Performance Contracts	25,000,000			25,000,000	
10 EKU-Innovation and Commercialization Pool	15,000,000		5,000,000	10,000,000	
11 EKU-Miscellaneous Maintenance Pool 2020-2022	20,000,000		20,000,000		
12 EKU-Natural Areas Improvement Pool	825,000		825,000		
13 EKU-Property Acquisition Pool	6,000,000		3,000,000	3,000,000	
14 EKU-Repair/Replace Infrastructure/Bldg System Pool	20,000,000		20,000,000		
15 EKU-Replace & Renovate Student Housing	50,000,000			50,000,000	
16 EKU-Steam Line Upgrades	10,000,000			10,000,000	
17 EKU-Upgrade & Improve Residence Halls	10,000,000		10,000,000		
18 EKU-Upgrade & Improve Athletics Facilities	24,000,000		12,000,000	12,000,000	
19 EKU-Madison County Land Lease	-				
20 EKU-Madison County Student Housing Lease	-				
21 EKU-New Housing Space Lease	-				
22 EKU-Multi-Property Multi-Use Lease #1	-				
23 EKU-Multi-Property Multi-Use Lease #2	-				
Subtotal - EKU	\$ 301,730,000	\$ -	\$ 86,025,000	\$ 200,705,000	\$ 15,000,000
<b>Kentucky State University</b>					
1 KSU-Acquire Land/Campus Master Plan 2020	\$ 2,088,000	\$ -	\$ 1,088,000	\$ -	\$ 1,000,000
2 KSU-Construct New Residence Hall	55,562,000			55,562,000	
3 KSU-Lease Franklin County	-				
Subtotal - KSU	\$ 57,650,000	\$ -	\$ 1,088,000	\$ 55,562,000	\$ 1,000,000
<b>Morehead State University</b>					
1 MoSU-Acquire Land Related to Master Plan	\$ 4,000,000	\$ 4,000,000			
Subtotal - MoSU	\$ 4,000,000	\$ 4,000,000	\$ -	\$ -	\$ -
<b>Murray State University</b>					
1 MuSU-Repairs of Biology Building	\$ 4,000,000		\$ 4,000,000		
2 MuSU-Construct Residential Housing	66,000,000			66,000,000	
3 MuSU-Construct/Renovate Alternative Dining Facility (1-3)	12,000,000			12,000,000	
4 MuSU-Renovate Residence Hall or Replace	16,740,000			16,740,000	
5 MuSU-Renovate Residence Hall Electrical System	4,180,000			4,180,000	
6 MuSU-Renovate Residence Hall HVAC Systems	3,503,000			3,503,000	

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Institution/ Project Title	Project Scope	General Fund	Institution Funds	Other Funds	Federal Funds
7 MuSU-Renovate Residence Hall Interior	1,601,000			1,601,000	
8 MuSU-Replace Residence Hall Domestic Water Piping	1,143,000			1,143,000	
9 MuSU-Install CFSB Center Generator	1,541,000		1,541,000		
10 MuSU-Renovate Winslow Cafeteria	4,673,000		4,673,000		
11 MuSU-Acquire Agriculture Research Farm Land	1,200,000		600,000	600,000	
12 MuSU-Replace CFSB Center Seating	3,500,000			3,500,000	
13 MuSU-Acquire Property for Masterplan	4,000,000		4,000,000		
<b>Subtotal - MuSU</b>	<b>\$ 124,081,000</b>	<b>\$ -</b>	<b>\$ 14,814,000</b>	<b>\$ 109,267,000</b>	<b>\$ -</b>
<b>Northern Kentucky University</b>					
1 NKU-Renovate Brown Building (Reauth)	\$ 4,500,000		\$ 3,000,000	\$ 1,500,000	
2 NKU-Renovate/Expand Baseball Field Add'l Reauth	6,700,000	-		6,700,000	-
3 NKU-Renovate/Expand Civic Center Building	8,000,000			8,000,000	
4 NKU-Replace Event Center Technology	4,000,000			4,000,000	
5 NKU-Enhance Student Union	4,500,000		1,500,000	3,000,000	
6 NKU-Expand/Renovate Soccer Stadium	3,500,000			3,500,000	
7 NKU- Contract Research/Innovation Building Reauth	30,000,000			30,000,000	
8 NKU-Academic Space Lease	-		-		
9 NKU- Lease - Office Space	-		-		
<b>Subtotal - NKU</b>	<b>\$ 61,200,000</b>	<b>\$ -</b>	<b>\$ 4,500,000</b>	<b>\$ 56,700,000</b>	<b>\$ -</b>
<b>Western Kentucky University</b>					
1 WKU-Acquire FF&E Diddle Arena	3,000,000			3,000,000	
2 WKU-Acquire FF&E Equipment Pool 2020-2022	3,000,000		3,000,000		
3 WKU-Add Club Seating Diddle Arena	3,000,000			3,000,000	
4 WKU-Construct Baseball Grandstand	4,500,000			4,500,000	
5 WKU-Construct Football Pressbox	5,200,000			5,200,000	
6 WKU-Construct Indoor Athletic Training Facility	20,000,000			20,000,000	
7 WKU-Construct South Plaza	3,600,000			3,600,000	
8 WKU-Demolish Foundation Building/Improve Site	3,000,000			3,000,000	
9 WKU-Energy Saving Performance Contracting	10,000,000			10,000,000	
10 WKU-Expand Track & Field Facilities	4,700,000			4,700,000	
11 WKU-Purchase Property for Campus Expansion 2020-2022	3,000,000		3,000,000		
12 WKU-Purchase Property/Parking & Street Improve 2020-2022	3,000,000		3,000,000		
13 WKU-Remove & Replace Student Housing @ Farm	1,500,000			1,500,000	
14 WKU-Renovate & Improve Softball Complex	3,500,000			3,500,000	
15 WKU-Renovate & Expand Clinical Education Complex	8,000,000			8,000,000	
16 WKU-Renovate & Expand Innovation Campus (CRD)	80,000,000			80,000,000	
17 WKU-Renovate CRD Phase I	6,000,000		6,000,000		
18 WKU-Renovate Police Department	2,000,000		2,000,000		
19 WKU-Renovate South Campus	5,000,000		5,000,000		
20 WKU-Renovate State/Normal Street Properties	1,500,000		1,500,000		
21 WKU-Renovate Tate Page Hall	1,200,000		1,200,000		
<b>Subtotal - WKU</b>	<b>\$ 174,700,000</b>	<b>\$ -</b>	<b>\$ 24,700,000</b>	<b>\$ 150,000,000</b>	<b>\$ -</b>

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Institution/ Project Title	Project Scope	General Fund	Institution Funds	Other Funds	Federal Funds
<b>University of Kentucky</b>					
1 UK-Acquire Land	\$ 50,000,000	\$ 50,000,000			
2 UK-Acquire/Improve Administrative Facility	10,000,000	10,000,000			
3 UK-Acquire Information Technology Systems	2,000,000		2,000,000		
4 UK-Acquire/Improve Golf Facility	6,000,000		6,000,000		
5 UK-Acquire Equipment & Furnishings Pool	5,000,000		5,000,000		
6 UK-ADA Compliance Pool	5,000,000		5,000,000		
7 UK-Construct Childcare Center Facility	10,000,000		10,000,000		
8 UK-Construct College of Medicine Building	200,000,000		200,000,000		
9 UK-Construct Cross Country Trail	3,000,000			3,000,000	
10 UK-Construct Digital Village Building #3	70,000,000			70,000,000	
11 UK-Construct Digital Village Building #3	70,000,000		70,000,000		
12 UK-Construct Engineering Center Building	110,000,000		110,000,000		
13 UK-Construct Equine Campus, Phase 2	11,000,000		11,000,000		
14 UK-Construct Facilities Shops & Storage Facility	27,000,000		27,000,000		
15 UK-Construct Indoor Track	20,000,000			20,000,000	
16 UK-Construct Indoor Track	20,000,000		20,000,000		
17 UK-Construct Library Depository Facility	20,000,000		20,000,000		
18 UK-Construct Library/Knowledge Center	237,000,000		237,000,000		
19 UK-Construct Metal Arts/Digital Media Building	10,000,000		10,000,000		
20 UK-Construct N. Farm Agricultural Research Facility	2,000,000		2,000,000		
21 UK-Construct New Alumni Center	38,000,000			38,000,000	
22 UK-Construct Office Park at Coldstream	65,000,000			65,000,000	
23 UK-Construct Police Headquarters	27,000,000		27,000,000		
24 UK-Construct Research/Incubator Facility	20,000,000		20,000,000		
25 UK-Construct Retail/Parking Facility 1	75,000,000			75,000,000	
26 UK-Construct Retail/Parking Facility 2	75,000,000			75,000,000	
27 UK-Construct Student Housing (RA)	150,000,000		50,000,000	100,000,000	
28 UK-Construct Teaching Pavilion	28,000,000		28,000,000		
29 UK-Construct Tennis Facility	30,000,000		15,000,000	15,000,000	
30 UK-Construct/Fit-Up Retail Space	5,000,000			5,000,000	
31 UK-Construct/Fit-Up Retail Space	10,000,000		10,000,000		
32 UK-Construct/Improve Athletics Facility	5,000,000			5,000,000	
33 UK-Construct/Improve Athletics Playing Fields 1	3,000,000			3,000,000	
34 UK-Construct/Improve Athletics Playing Fields 2	3,000,000			3,000,000	
35 UK-Construct/Improve Campus Recreation Field 1	5,000,000		5,000,000		
36 UK-Construct/Improve Campus Recreation Field 2	5,000,000		5,000,000		
37 UK-Construct/Improve Campus Recreation Field 3	5,000,000		5,000,000		
38 UK-Construct/Improve Facilities Office Building	55,000,000		55,000,000		
39 UK-Construct/Improve Greek Housing	72,000,000		36,000,000	36,000,000	
40 UK-Construct/Improve Parking I	30,000,000		30,000,000		
41 UK-Construct/Improve Parking II	30,000,000		30,000,000		

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Institution/ Project Title	Project Scope	General Fund	Institution Funds	Other Funds	Federal Funds
42 UK-Construct/Improve Recreation Quad 1	15,000,000		15,000,000		
43 UK-Construct/Relocate Data Center	50,000,000		50,000,000		
44 UK-Construct/Improve Gymnastic Practice Facility	10,000,000			10,000,000	
45 UK-Decommission Facilities	30,000,000		30,000,000		
46 UK-Expand KGS Well Sample & Core Repository	6,000,000		6,000,000		
47 UK-Improve Patterson Hall	12,000,000		12,000,000		
48 UK-Expand/Improve Barnhart Building	40,000,000			40,000,000	
49 UK-Expand/Improve Cooper House	4,000,000		4,000,000		
50 UK-Expand/Improve Johnson Center	30,000,000		30,000,000		
51 UK-Expand/Improve Kastle Hall	43,000,000		43,000,000		
52 UK-Expand/Improve LTS Facility	20,000,000		20,000,000		
53 UK-Guaranteed Energy Performance Contract - General	1,000,000		1,000,000		
54 UK-Improve Academic Facility 1	16,000,000		16,000,000		
55 UK-Improve Academic/Administrative Space 1	10,000,000		10,000,000		
56 UK-Improve Academic/Administrative Space 2	10,000,000		10,000,000		
57 UK-Improve Academic/Administrative Space 3	10,000,000		10,000,000		
58 UK-Improve Academic/Administrative Space 4	10,000,000		10,000,000		
59 UK-Improve Athletics Facility 1	10,000,000			10,000,000	
60 UK-Improve Athletics Facility 2	10,000,000			10,000,000	
61 UK-Improve Athletics Facility 3	6,000,000			6,000,000	
62 UK-Improve Athletics Facility 4	5,000,000			5,000,000	
63 UK-Improve Athletics Facility 5	5,000,000			5,000,000	
64 UK-Improve Baseball Facility Phase II	5,000,000			5,000,000	
65 UK-Improve CAER Facilities	75,000,000		75,000,000		
66 UK-Improve Campus Infrastructure	5,000,000		5,000,000		
67 UK-Improve Campus Parking & Transportation System	150,000,000		150,000,000		
68 UK-Improve Dentistry Facility	25,000,000		25,000,000		
69 UK-Improve DLAR Facilities	10,000,000		10,000,000		
70 UK-Improve Jacobs Science Building	32,000,000		32,000,000		
71 UK-Improve Joe Craft Center	5,000,000			5,000,000	
72 UK-Improve Joe Craft Football Practice Facility	2,000,000			2,000,000	
73 UK-Improve Kroger Field Stadium	7,000,000			7,000,000	
74 UK-Improve Lancaster Aquatic Center 1	12,000,000			12,000,000	
75 UK-Improve Lancaster Aquatic Center 2	8,000,000			8,000,000	
76 UK-Improve Life Safety	15,000,000		15,000,000		
77 UK-Improve McVey Hall	35,000,000		35,000,000		
78 UK-Improve Mechanical Infrastructure	26,000,000		26,000,000		
79 UK-Improve Med Center Library	12,000,000		12,000,000		
80 UK-Improve Medical Plaza	5,000,000		5,000,000		
81 UK-Improve Memorial Coliseum	65,000,000			65,000,000	
82 UK-Improve Memorial Hall	13,000,000		13,000,000		
83 UK-Improve Nutter Field House	2,000,000			2,000,000	
84 UK-Improve Nutter Training Facility	5,000,000			5,000,000	

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Institution/ Project Title	Project Scope	General Fund	Institution Funds	Other Funds	Federal Funds
85 UK-Improve Parking Garage 1	30,000,000		30,000,000		
86 UK-Improve Parking Garage 2	30,000,000		30,000,000		
87 UK-Improve Seaton Center	6,000,000		6,000,000		
88 UK-Improve Senior Center	2,000,000		2,000,000		
89 UK-Improve Soccer/Softball Facility	5,000,000			5,000,000	
90 UK-Improve Spindletop Hall Facilities	15,000,000		15,000,000		
91 UK-Improve Student Center Space 2	25,000,000		25,000,000		
92 UK-Improve Student Center Space 3	20,000,000		20,000,000		
93 UK-Improve University Storage Facility	12,000,000		12,000,000		
94 UK-Improve W.T. Young Facility	5,000,000		5,000,000		
95 UK-Improve Wildcat Coal Lodge	10,000,000			10,000,000	
96 UK-Improve Willard Medical Education Building	20,000,000		20,000,000		
97 UK-Relocate/Replace Greenhouses	3,000,000		3,000,000		
98 UK-Renovate Space for a Testing Center	5,000,000		5,000,000		
99 UK-Repair Emergency Infrastructure/Bldg Systems	25,000,000		25,000,000		
100 UK-Repair/Upgrade/Expand Central Plants	112,000,000		112,000,000		
101 UK-Upgrade Dining Facilities (RA)	20,000,000		10,000,000	10,000,000	
102 UK-Upgrade/Renovate/Expand Research Labs	50,000,000		50,000,000		
103 UKH-Acquire Data Center Hardware -UKHC	15,000,000		15,000,000		
104 UKH-Acquire/Improve/Clinical Administrative Facility 1	50,000,000		50,000,000		
105 UKH-Acquire/Improve Clinical Administrative Facility 2	25,000,000		25,000,000		
106 UKH-Acquire/Improve Elevator Systems UKHC	15,000,000		15,000,000		
107 UKH-Acquire Medical Facility 1	50,000,000		50,000,000		
108 UKH-Acquire Medical Facility 2	50,000,000		50,000,000		
109 UKH-Acquire Telemedicine/Virtual ICU	10,000,000		10,000,000		
110 UKH-Acquire/Upgrade IT System UKHC	10,000,000		10,000,000		
111 UKH-Construct Ambulatory Facility UKHC	50,000,000		50,000,000		
112 UKH-Construct Clinical/Administrative Facility 1	50,000,000		50,000,000		
113 UKH-Construct Clinical/Administrative Facility 2	30,000,000		30,000,000		
114 UKH-Construct Data Center UKHC	45,000,000		45,000,000		
115 UKH-Construct Hospice Facility UKHC	5,000,000		5,000,000		
116 UKH-Construct/Expand/Renovate Ambulatory Care UKHC	20,000,000		20,000,000		
117 UKH-Construct/Improve Clinical/Adm Facilities UKHC	15,000,000		15,000,000		
118 UKH-Implement Energy Performance Contracting	1,000,000		1,000,000		
119 UKH-Implement Land Use Plan UKHC	60,000,000		60,000,000		
120 UKH-Implement Patient Communication System UKHC	10,000,000		10,000,000		
121 UKH-Improve Building Systems-UKHC	50,000,000		50,000,000		
122 UKH-Improve Clinical/Ambulatory Services Facilities	50,000,000		50,000,000		
123 UKH-Improve Good Samaritan Hospital Facilities	25,000,000		25,000,000		
124 UKH-Improve Markey Cancer Center	20,000,000		20,000,000		
125 UKH-Improve Medical Facility 1	25,000,000		25,000,000		
126 UKH-Improve Medical Facility 2	25,000,000		25,000,000		
127 UKH-Improve Parking/Transportation Systems UKHC	75,000,000		75,000,000		

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128 UKH-Improve Parking/Transportation Systems UKHC	75,000,000			75,000,000	
129 UKH-Improve UKHC Facilities UK Chandler Hospital	310,000,000		310,000,000		
130 UKH-Renovate Nursing Units UKHC	7,000,000		7,000,000		
131 UKH-Replace UKHC IT Systems 1	320,000,000		320,000,000		
132 Fayette Co - Lease Space Off Campus #1	-				
133 Fayette Co - Lease Space Off Campus #3	-				
134 Fayette Co - Lease Space Off Campus #4	-				
135 Undetermined Co - Lease Space Off Campus #6	-				
136 Fayette Co - Lease Off Campus #7	-				
137 Fayette Co - Lease Off Campus #8	-				
138 Undetermined Co - Lease Off Campus #9	-				
139 Undetermined Co - Lease Off Campus #10	-				
140 Fayette Co - Lease Off Campus #11	-				
141 Fayette Co - Lease Off Campus #12	-				
142 Fayette Co - Lease Off Campus #13	-				
143 Undetermined Co - Lease Grant Projects #1	-				
144 Undetermined Co - Lease Grants Projects #2	-				
145 Undetermined Co - Lease Grants Projects #3	-				
146 Fayette Co - Lease Administrative Space	-				
147 Fayette Co - Lease - Off Campus Housing #1	-				
148 Fayette Co - Lease - Off Campus Housing #2	-				
149 Undetermined - Lease College of Medicine 3	-				
150 Undetermined - Lease College of Medicine 4	-				
151 Undetermined - Lease College of Medicine 5	-				
152 Fayette Co - Lease - Off Campus Athletics 1	-				
153 Fayette Co - Lease - Off Campus Athletics 2	-				
154 Undetermined Co - Lease Health Affairs Office	-				
155 Undetermined Co.- Lease Health Affairs Office #3	-				
156 Undetermined Co - Lease Health Affairs Office #5	-				
157 Undetermined Co - Lease Health Affairs Office #11	-				
158 Undetermined Co - Lease Health Affairs Office #12	-				
159 Undetermined Co - Lease Health Affairs Office #14	-				
160 Undetermined Co - Lease Health Affairs Office #15	-				
161 Undetermined Co - Lease UKHC Grant Projects #1	-				
162 Undetermined Co - Lease UKHC Grant Projects #2	-				
163 Undetermined Co - Lease UKHC Off-Campus Fac #1	-				
164 Undetermined Co - Lease UKHC Off-Campus Fac #4	-				
165 Undetermined Co - Lease UKHC Off-Campus Fac #6	-				
166 Undetermined Co - Lease UKHC Off-Campus Fac #7	-				
167 Undetermined Co - Lease UKHC Off-Campus Fac #8	-				
168 Undetermined Co - Lease UKHC Off-Campus Fac #9	-				
169 Undetermined Co - Lease UKHC Off-Campus Fac #10	-				
170 Undetermined Co - Lease UKHC Off-Campus Fac #11	-				

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171 Undetermined Co - Lease UKHC Off-Campus Fac #12	-				
172 Fayette Co - Lease - Off Campus #2 (RA)	-				
173 Fayette Co - Lease - Off Campus #5 (RA)	-				
174 Fayette Co - Lease Health Affairs Office #2 (RA)	-				
175 Fayette Co - Lease Health Affairs Office #4 (RA)	-				
176 Fayette Co - Lease Health Affairs Office #6 (RA)	-				
177 Fayette Co - Lease Health Affairs Office #7 (RA)	-				
178 Fayette Co - Lease Health Affairs Office #8 (RA)	-				
179 Fayette Co - Lease Health Affairs Office #9 (RA)	-				
180 Fayette Co - Lease Health Affairs Office #10 (RA)	-				
181 Fayette Co - Lease Health Affairs Office #13 (RA)	-				
182 Fayette Co - Lease Space Good Sam - Hospital (RA)	-				
183 Fayette Co - Lease UKHC Off-Campus Fac #2 (RA)	-				
184 Scott Co. - Lease UKHC Off-Campus Fac #3 (RA)	-				
185 Fayette Co - Lease UKHC Off-Campus Fac #5 (RA)	-				
186 Warren County - College of Medicine 1 (RA)	-				
187 Campbell County - College of Medicine 2 (RA)	-				
Subtotal - UK	\$ 4,379,000,000	\$ -	\$ 3,556,000,000	\$ 823,000,000	\$ -

**University of Louisville**

1 UL-Renovate School of Medicine Building 55A	\$ 42,000,000	\$ 42,000,000
2 UL-Renovate HSC Instructional & Student Services Space	20,000,000	20,000,000
3 UL-Upgrade Regional Biocontainment Lab Pressurization	10,869,000	10,869,000
4 UL-Renovate & Adaption Projects for Various Buildings	50,000,000	50,000,000
5 UL-Renovate New Vivarium in 55A Building	8,000,000	8,000,000
6 UL-Construct Public/Private Partnership Residence Hall	51,000,000	51,000,000
7 UL-Renovate & Expand J.B. Speed Building	18,700,000	18,700,000
8 UL-RenovateNatural Science Building	30,000,000	30,000,000
9 UL-Renovate Vivarium Facilities	75,000,000	75,000,000
10 UL-Construct Plant Based Pharmaceutical Research Facility	1,700,000	1,700,000
11 UL-Renovate Life Sciences Building Vivarium	3,471,000	3,471,000
12 UL-Renovate Chemistry Fume Hood Redesign, Ph II	9,750,000	9,750,000
13 UL-Renovate College of Business Classrooms	2,000,000	2,000,000
14 UL-Expand Auto Book Storage Retrievl System	4,900,000	4,900,000
15 UL-Implement Vivarium Equipment Pool	20,000,000	20,000,000
16 UL-Expand Jim Patterson Stadium	9,500,000	9,500,000
17 UL-Replace Electronic Video Boards	2,000,000	2,000,000
18 UL-Renovate Dental School Administrative Space	1,000,000	1,000,000
19 UL-Renovate Chemistry Teaching Labs/Auditorium	3,960,000	3,960,000
20 UL-Construct Multidisciplinary Engineering Bldg #1	65,000,000	65,000,000
21 UL-Construct Utility Infrastructure Upgrade	21,975,000	21,975,000
22 UL-Improve Housing Facilities Pool	10,000,000	10,000,000
23 UL-Renovate Parking Structures	3,600,000	3,600,000

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Institution/ Project Title	Project Scope	General Fund	Institution Funds	Other Funds	Federal Funds
24 UL-Renovate Resurface & Repair Parking Lot	2,500,000		2,500,000		
25 UL-Construct Belknap 3rd Street Improvements	2,180,000		2,180,000		
26 UL-Construct Belknap Stormwater Improvements	5,000,000		5,000,000		
27 UL-Construct Artificial Turf Field for Intramural	1,215,000		1,215,000		
28 UL-Renovate Flexner Way Mall	2,500,000		2,500,000		
29 UL-Renovate Belknap Physical Plant Building	2,000,000		2,000,000		
30 UL-Purchase Land	15,000,000		15,000,000		
31 UL-Renovate Ekstrom Library	57,200,000		57,200,000		
32 UL-Replacement - Building HVAC	25,000,000		25,000,000		
33 UL-Dormitory Acquisition	41,148,845		41,148,845		
34 UL-Renovation of K building - Nursing School	11,380,000		11,380,000		
35 UL-Renovate College of Education HVAC Upgrade	5,456,000		5,456,000		
36 UL-Improve/Replace Law School HVAC	6,715,000		6,715,000		
37 UL-Renovate Speed School Research Building	5,000,000		5,000,000		
38 UL-Construct Shelbyhurst Academic Bldg & Conf Center	50,596,000		50,596,000		
39 UL-Construct Belknap West Campus Parking Garage	34,229,000		34,229,000		
40 UL-Construct Belknap Century Corridor Improvement	1,250,000		1,250,000		
41 UL-Purchase Housing Facilities	75,000,000		75,000,000		
42 UL-Lease Housing Facilities	10,000,000		10,000,000		
43 UL-Public/Private Partnership	17,202,000			17,202,000	
44 UL-Renovate - Ville Grill	1,200,000		1,200,000		
45 UL-Construct Athletics Office Building	7,500,000			7,500,000	
46 UL-Construct Athletic Grounds Building	1,550,000			1,550,000	
47 UL-Install New Football Practice Field Lighting	2,000,000			2,000,000	
48 UL-Replace Artificial Turf Field III	1,250,000			1,250,000	
49 UL-Replace Artificial Turf Field IV	1,250,000			1,250,000	
50 UL-Expand Ulmer Softball Stadium/Const Indoor Fac	8,000,000			8,000,000	
51 UL-Construct Wright Natatorium	25,000,000			25,000,000	

**Capital Projects Recommendations  
Restricted Agency, Federal, and Other Funds and Capital Leases  
2020-2022**

Attachment C5  
November 2019

Institution/ Project Title	Project Scope	General Fund	Institution Funds	Other Funds	Federal Funds
52 UL-Expand Basketball/Lacrosse Practice Facility	10,000,000			10,000,000	
53 UL-Expand Marshall Center Complex	5,000,000			5,000,000	
54 UL-Renovate Cardinal Football Stadium	10,000,000			10,000,000	
55 UL-Renovate Cardinal Park	3,000,000			3,000,000	
56 UL-Renovate Bass Rudd Tennis Center	3,000,000			3,000,000	
57 UL-Renovate Garvin Brown Boathouse	27,000,000		25,000,000	2,000,000	
58 UL-Renovate Marshall Center	1,000,000			1,000,000	
59 UL-Expand and Renovate Wright Natatorium	10,000,000			10,000,000	
60 UL-Renovate Golf Club Shelby County	1,000,000			1,000,000	
61 UL-Renovate Lynn Soccer Stadium	1,000,000			1,000,000	
62 UL-Renovate Thornton's Academic Center	1,000,000			1,000,000	
63 UL-Renovate Trager Football Practice Facility	1,000,000			1,000,000	
64 UL-Renovate Patterson Baseball Stadium	1,000,000			1,000,000	
65 UL-Guaranteed Energy Savings Contract	10,000,000		10,000,000		
66 UL-Implement Capital Renewal for Athletic Venues	7,500,000			7,500,000	
67 UL-Implement Cardinal Stadium WiFi	4,000,000			4,000,000	
68 UL-Construct Practice Bubble	4,000,000			4,000,000	
69 UL-Indoor Facility	15,000,000			15,000,000	
70 UL-Renovation Cardinal Stadium Club Upgrades	2,000,000			2,000,000	
71 UL-Demolosh and Construct - Golf Maintenance/Chemical Bldg	2,000,000			2,000,000	
72 UL-Construct - Athletics Village	90,000,000			90,000,000	
73 UL-Replace Seats in Athletic Venues	7,000,000			7,000,000	
74 UL-Athletics Enhancement at new dorimitory	2,000,000			2,000,000	
Subtotal - UofL	\$ 1,100,246,845	\$ -	\$ 791,494,845	\$ 308,752,000	\$ -

**Kentucky Community and Technical College System**

1 KCTCS-Acquisition/Improve Parking Lots Jefferson CTC	5,000,000	5,000,000			
2 KCTCS-Construct Fire Commission System Office Building	7,500,000	7,500,000			
3 KCTCS-Construct /Procure Transportation Ctr- Elizabethtown	5,000,000	5,000,000			
4 KCTCS-Construct Technology Dr Campus - Ashland CTC	12,500,000		12,500,000		
5 KCTCS-Equipment Pool	5,000,000	5,000,000			
6 KCTCS-Property Acquisition Pool	5,000,000	5,000,000			
7 KCTCS-Renovate Newtown Campus North Bldgs - Blurgrass CTC	4,900,000	4,900,000			
8 KCTCS-Renovate Dental Hygiene - Big Sandy CTC (Mayo)	3,000,000		3,000,000		
9 KCTCS-Renovate Parking Lot & Sidewalks - West KY CTC	2,100,000	2,100,000			
10 KCTCS-Upgrade IT Infrastructure - Gateway CTC	1,500,000	1,500,000			
11 KCTCS-Upgrade Welding Shop - Big Sandy (Mayo)	1,500,000	1,500,000			
12 KCTCS-Renovate for Adv. Manufacturing & Construction Ctr - Hazard	4,900,000	1,000,000	3,900,000		
13 KCTCS-Renovate Industrial Education Bldg - Hazard CTC	2,500,000		2,500,000		
14 KCTCS-Lease Bullit County Campus - Jefferson CTC	-				
15 KCTCS-Lease Jefferson Education Center - Jefferson CTC	-				
16 KCTCS-Lease KCTCS System Office	-				
17 KCTCS-Lease Rowan County - Maysville CTC	-				
18 KCTCS-Lease Hardin County - Elizabethtown CTC	-				
Subtotal - KCTCS	\$ 60,400,000	\$ -	\$ 38,500,000	\$ 15,500,000	\$ 6,400,000

**Capital Projects Recommendations  
Restricted Agency, Federal, and Other Funds and Capital Leases  
2020-2022**

Attachment C5  
November 2019

Institution/ Project Title	Project Scope	General Fund	Institution Funds	Other Funds	Federal Funds
<b>Council on Postsecondary Education</b>					
1 CPE - Leased Space	\$ - \$ - \$ -				
<b>System Total</b>	<b>\$ 6,263,007,845</b>	<b>\$ 4,000,000</b>	<b>\$ 4,517,121,845</b>	<b>\$ 1,719,486,000</b>	<b>\$ 22,400,000</b>

**Capital Projects Recommendations  
Guaranteed Energy Savings/Performance Contracting Projects  
2020-22**

Attachment C6  
November 2019

<b>Institution and Project Title</b>	<b>Project Scope<sup>1</sup></b>
1 Eastern Kentucky University	N/A
2 Kentucky State University	N/A
3 Morehead State University	N/A
4 Murray State University	N/A
5 Northern Kentucky University	N/A
6 Western Kentucky University	N/A
7 University of Kentucky - Main Campus	N/A
8 University of Kentucky - Hospital	N/A
9 University of Louisville	N/A
10 Kentucky Community and Technical College System	N/A

**Note:**

<sup>1</sup> A project scope is not required for a project in this category.

**TITLE:** 2020-22 Postsecondary Education Budget Recommendation  
CPE Agency Budget Request

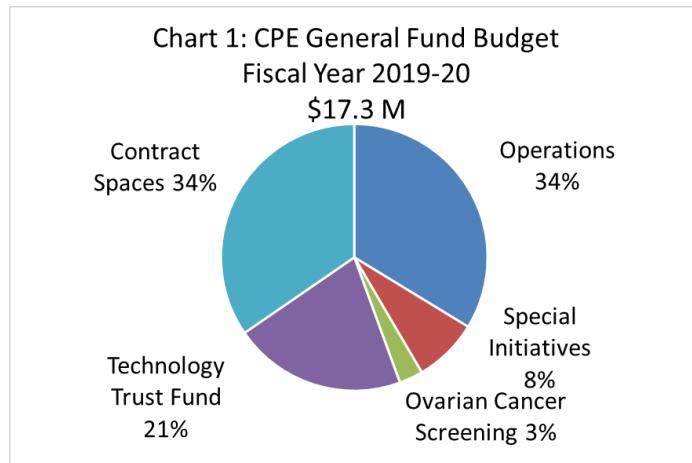
**RECOMMENDATION:** The Finance Committee reviewed and approved this item on October 16, 2019 and recommends the Council approve the CPE Agency Budget Request.

**PRESENTERS:** Ben Brandstetter, Finance Committee Chair  
Bill Payne, Vice President for Finance and Administration, CPE  
Shaun McKiernan, Director of Finance and Budget, CPE

## BUDGET OVERVIEW

The Council's General Fund agency budget can be broken down into five main categories: (1) agency operations; (2) special initiatives; (3) ovarian cancer screenings; (4) technology trust fund; and (5) contract spaces. Each of these components is described briefly below.

General Fund appropriations for agency operations support expenditures associated with the Council's higher education coordinating board role, including resources for policy leadership, strategic planning, regulation of the state's postsecondary education system, higher education finance policy analysis and development (including the biennial budget recommendation, performance funding, and tuition setting), administrative services, communications, academic affairs and program review, and information, research, and data analysis. About 34 percent of the Council's 2019-20 General Fund budget is allocated to agency staff and operating costs (see Chart 1).



The Council's budget for special initiatives, which in the past was often referred to as Teacher Quality and College and Career Readiness/Senate Bill 1 funds, supports staff, operating funds, and grants to the public postsecondary institutions to advance the Council's *2016-2021 Strategic Agenda for Postsecondary Education*. Special initiatives make up 8% of the Council's General Fund budget.

In prior biennia, a portion of the Council's Tobacco Funds were directed by the General Assembly to support ovarian cancer screenings. For 2018-20, the General Assembly made General Fund appropriations of \$500,000 for each year, or about 3% of CPE's 2019-20 General Fund budget, for ovarian cancer research.

The Contract Spaces program funds 164 Kentucky residents pursuing degrees in veterinary medicine at out of state institutions (Auburn and Tuskegee Universities) and 44 Kentucky residents pursuing degrees in optometry at the University of Pikeville, Southern College of Optometry (in Memphis), Indiana University, and the University of Alabama - Birmingham. As can be seen in Chart 1, in the current fiscal year, 34 percent of the agency's General Fund budget is allocated to student financial aid programs and assistance.

Three program areas use Technology Trust Fund General Fund dollars: technology support, the Kentucky Virtual Library (KYVL), and the Kentucky Postsecondary Education Network (KPEN). About 21 percent of the agency's total General Fund budget is allocated to the technology trust fund.

Kentucky Adult Education was moved from the Council's budget to the Education and Workforce Development Cabinet in 2018-19. Funding for Science and Technology, which primarily supported programs administered by the Kentucky Science and Technology Corporation, was moved to the Economic Development Cabinet.

## **2020-22 Agency Budget Request**

CPE staff has limited agency budget requests for the upcoming 2020-22 biennium. Staff recommends additional General Fund appropriations for personnel and operating cost increases (consistent with the state's budget instructions, or defined calculations), for the Contract Spaces program, and for the SREB doctoral scholars program. Every biennium, CPE asks for, and typically receives, additional funds to cover employee related and other mandated cost increases and tuition increases for the Contract Spaces program. For 2020-22, CPE is also proposing new funding to reinstate the SREB Doctoral Scholars Program, which provides support to underrepresented minority doctoral candidates. Kentucky participated in this program between 1994 and 2017.

### Defined Calculations

Every biennium, Office of State Budget Director staff instruct CPE staff to request cost increases associated with Kentucky Employee Retirement System (KERS) rate increases and employee salary cost-of-living adjustments.

- *Council staff recommends increases in General Fund appropriations of \$148,900 in 2020-21 and \$241,200 in 2021-22 to fund the Council's defined calculations.*

### Contract Spaces Program

The Contract Spaces program provides funding to pay the out-of-state tuition and fee differential, so that Kentucky residents can access veterinary medicine and optometry degree programs in other states at “in-state” tuition and fee rates. Generally, these degree programs are not offered at public institutions in Kentucky (the new optometry program at Pikeville University representing the exception).

The Council contracts with the Southern Regional Educational Board (SREB) to reserve veterinary medicine and optometry seats for Kentucky students. SREB sets aside seats in the veterinary medicine programs at Auburn University and Tuskegee University, and it reserves optometry seats at Southern College of Optometry in Memphis, TN, and the University of Alabama at Birmingham (UAB). The Council also contracts with Indiana University and the University of Pikeville for optometry seats.

CPE staff recommends that the Council’s 2020-22 budget request maintain funding for 164 veterinary medicine seats and 44 optometry seats and cover anticipated tuition and fee increases for these programs in academic years 2018-19 and 2019-20. Funding for the Contract Spaces program also pays Kentucky’s dues for SREB membership.

For 2020-21 and 2021-22, Kentucky has reached an agreement with Auburn and Tuskegee for a special rate of \$32,000 per veterinary student, instead of the respective \$34,500 and \$35,200 SREB rates. This is \$1,000 more than the rate charged by Auburn and Tuskegee for 2018-19 and 2019-20. For optometry students, the SREB rate is \$19,800 per student in 2020-21 and \$20,200 per student in 2021-22. CPE is assuming that 12 of the 44 optometry seats will go to Indiana University, which charges \$13,500 per seat. SREB has also increased annual dues. In 2020-21, SREB is planning to charge Kentucky \$211,600 in dues. In 2021-22, the dues will increase to \$214,800.

- *Council staff recommends increases in General Fund appropriations of \$273,200 in 2020-21 and \$289,200 in 2021-22 to fund Contract Spaces cost increases,*

*maintain 164 veterinary spaces and 44 optometry spaces, and to fund increases in Kentucky's SREB membership dues.*

### SREB Doctoral Scholars Program

After advocating for expansion of the Southern Regional Education Board (SREB) Doctoral Scholars Program for several biennia, cuts to CPE's agency budget resulted in funding for the program being eliminated in the 2018-20 biennium. Kentucky's participation in the SREB program began in 1994, or the second year of the board's existence. The program is intended to help underrepresented minority doctoral candidates complete a doctorate more quickly and to encourage them to join the ranks of the professoriate. The program provides opportunities for professional development, as well as encouragement and support for students to matriculate from their doctoral programs and to achieve their scholarly goals.

The SREB Doctoral Scholars Program costs \$25,000 per student, per year, and students are eligible for up to three years of financial support. Postsecondary institutions have the opportunity to participate in the program and sponsor additional opportunities and activities for students under certain circumstances. In previous biennia, the University of Kentucky and the University of Louisville have participated in Kentucky's Doctoral Scholars Program.

- *CPE staff recommends additional appropriations of \$100,000 in fiscal 2020-21 to support two SREB doctoral scholar's students at the University of Kentucky and two at the University of Louisville in the first year of the upcoming biennium, and recommends \$200,000 in fiscal year 2021-22 to support two additional doctoral scholar's students at each institution in the second year of the biennium.*

CPE staff's goal is to support a total of six SREB doctoral scholar's students at the University of Kentucky and six doctoral scholar's students at the University of Louisville. Recurring funding for the program will need to increase to \$300,000 in the 2022-24 biennium to support that level of participation.

If the requested funding is authorized and added to the agency's current General Fund base (i.e., \$17,296,300 in 2019-20), these increases will result in total General Fund appropriations of \$17,818,400 in fiscal year 2020-21 and \$18,026,700 in fiscal year 2021-22. Funding components and request amounts of the CPE agency budget request are shown in Table 1.

**Table 1: Components of 2020-22 Agency Budget Request**

Funding Component	Fiscal Year 2020-21	Fiscal Year 2021-22
Beginning Base (2019-20 General Fund)	\$17,296,300	\$17,296,300
Additional Budget Requests:		
Defined Calculations	\$148,900	\$241,200
Contract Spaces	273,200	289,200
SREB Doctoral Scholars	<u>100,000</u>	<u>200,000</u>
Total Requested Increases	\$522,100	\$730,400

## Other Fund Sources

Several programs administered by CPE receive funding from sources other than the state General Fund, including cancer research funded with tobacco settlement funds, the Cancer Research Match program and the licensure program funded with restricted funds, and GEARUP made possible with federal funds. As part of the biennial budget process, the Council must request spending authority to expend these funds. For each of these fund sources, CPE staff is requesting the current year (i.e., fiscal 2019-20) level of expenditure authority for each year of the upcoming biennium.

### Tobacco Settlement Funds

The 2000 General Assembly created the Lung Cancer Research Fund to support research at the University of Kentucky's Markey Cancer Center and the University of Louisville's Brown Cancer Center. Research conducted by these centers explore the causes, detection, and treatment of lung cancer. The program benefits Kentuckians through discovery of new cancer therapies, clinical trials, and an early detection program. In the *2018-20 Budget of the Commonwealth*, the General Assembly specified that these funds should support cancer research more generally and be allocated 50:50 between the University of Kentucky and the University of Louisville.

- *Council staff recommends Tobacco Settlement Fund appropriations of \$6,686,500 in 2020-21 and \$6,686,500 in 2021-22 for cancer research at the University of Kentucky and the University of Louisville.*

### Restricted Funds

Every biennium, a request for restricted-funds spending authority must be included in the Council's budget request. The Cancer Research Matching Fund is the largest program in CPE's agency budget that is financed with restricted funds. Funding for that

program is obtained through a one-cent-per-pack cigarette tax, and the proceeds are allocated and disbursed to UK and UofL to conduct lung cancer research.

The Council also receives restricted funds from the federal government through indirect cost recovery on federal grants and from licensure of non-public bachelor's and above degree granting institutions doing business in Kentucky.

Eight years ago, the Council began receiving licensure fees to support its statutory obligation to protect institutions and citizens against postsecondary institutions that might engage in fraudulent practices, unfair competition, or substandard educational programs (per KRS 164.947). These fees support onsite visits required by statute and provide resources for personnel and operating costs associated with increased volume and complexity of licensing colleges and degree programs in Kentucky.

- *Council staff recommends restricted funds appropriations of \$4,973,300 in fiscal year 2020-21 and \$4,973,300 in fiscal year 2021-22.*

#### Federal Funds

Federal Fund spending authority will be requested for GEAR UP (Gaining Early Awareness and Readiness for Undergraduate Programs) at the fiscal year 2019-20 level: \$4,000,000 in both 2020-21 and 2021-22. Federal funds are received and disbursed in accordance with the terms and conditions of the federal grants.

- *Council staff recommends annual, total appropriations of \$4,000,000 in fiscal year 2020-21 and \$4,000,000 in fiscal year 2021-22 to enable federal fund expenditures related to the GEAR UP program.*

**TITLE:** Nonresident Student Tuition Policy

**RECOMMENDATION:** The Finance Committee reviewed and approved this item on October 16, 2019 and recommends the full council approve the proposed revisions to the Nonresident Student Tuition Policy.

**PRESENTERS:** Ben Brandstetter, Finance Committee Chair  
Bill Payne, Vice President for Finance and Administration, CPE

### **SUMMARY INFORMATION**

The proposed revision would modify the existing policy by indexing the average net tuition and fee revenue generated from nonresident students to the published price of resident student tuition and fees, rather than to the direct costs of instruction and student services per nonresident student as currently required. If approved, this change would take effect in academic year 2019-20.

As can be seen in Attachment A, the revised policy requires that average net tuition and fee revenue per nonresident undergraduate student at each institution equal or exceed 130% of the resident undergraduate published tuition and fee price. This includes tuition and fee rate structures, price discounting and scholarship aid for out-of-state students.

In some instances, it may be beneficial to the state and to an institution to charge nonresident students, or otherwise provide price or scholarship discounts to nonresident students, in such a way that the average net tuition and fee revenue generated by nonresident students falls below the required 130% threshold. In such cases, an institution may seek an exception from the policy through a Memorandum of Understanding (MOU), provided they can demonstrate that no in-state students will be displaced as a result and that going below the threshold benefits their institution and the Commonwealth of Kentucky.

## **SUPPORTING INFORMATION**

At the February 22, 2019 Council meeting, members asked staff to conduct a policy review of nonresident student tuition and fee prices at Kentucky's public postsecondary institutions. At the April 25, 2019 Council meeting, staff presented its review, which contained information on past and present nonresident student pricing policies, identified the advantages and disadvantages of those approaches, and presented some options for nonresident student pricing policy going forward. Since that time, staff has discussed policy options with campus presidents and chief budget officers on several occasions and reached consensus on a proposed revision to the Council's current nonresident student tuition and fee policy.

### Background Information

During the early 2000's, the Council required only that published tuition and fee charges be higher for nonresidents than for Kentucky residents. Prior to the 2004-05 academic year, the Council adopted a nonresident rate floor of two-times the published in-state rate. This approach had two major problems. First, the approach did not consider the impact of institutional scholarships provided to nonresident students on the net price actually paid by such students. Institutions that chose to award scholarships to nonresident students were able to do so without those discounts being accounted for in the Council's tuition and fee policy. Second, several institutions routinely requested and received exceptions from the Council to charge lower tuition and fees for nonresident students in targeted geographic areas.

In April 2016, the Council approved a new tuition policy requiring that average net tuition and fee revenue (tuition and fee revenue net of any institutional scholarships) generated from nonresident students cover 100% of direct instruction and student services costs per nonresident student. This new policy eliminated the need for exceptions and was intended to level the playing field between institutions that provided scholarship discounts and those that provided price discounts for nonresident students. A main goal of the policy was to reduce state subsidies to out-of-state students and generate more tuition and fee revenue from nonresident students, which could help institutions maintain lower tuition charges for resident students. Unfortunately, staff has found that the calculations required to ensure compliance with the existing nonresident student tuition policy are data intensive and can be difficult to communicate and understand.

### Impetus for New Policy

Given the loss in state support for campus operations (21% in nominal dollars between 2007-08 and 2018-19), declining numbers of high school graduates (8% decrease

expected between 2013 and 2018), and the challenges of meeting increased costs related to pensions (70% increase in KERS costs anticipated in 2020-21, or the equivalent of a 9% funding cut to participating institutions on average), Council members asked staff to consider options for changing the nonresident tuition and fee policy to allow institutions greater flexibility in out-of-state student pricing. While most institutions charge out-of-state students two-times the in-state rate, some institutions have special rates for out-of-state students in targeted geographical areas. On average, Kentucky's out-of-state to in-state price multiple is 2.3:1, which is fifth lowest among the 16 SREB states. A 2017 State Higher Education Executive Officer (SHEEO) survey indicated that nonresident tuition was set as a percentage of tuition in six reporting states, while 21 states reported that nonresident tuition was determined at the discretion of the institutions.

## **Proposed Change in Tuition and Mandatory Fee Policy**

### **Nonresident Student Tuition Policy**

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The Council and the institutions believe that nonresident students should pay a larger share of their educational costs than do resident students. As such, published tuition and fee levels adopted for nonresident students shall be higher than the prices for resident students enrolled in comparable programs of study.

In addition, every institution shall manage its tuition and fee rate structures, price discounting, and scholarship aid for out-of-state students, such that **in any given year**, the average net tuition and fee revenue generated per nonresident **undergraduate student equals or exceeds 100% of direct instructional and student services costs per student 130% of the annual full-time tuition and fee charge assessed to resident undergraduate students (i.e., the published in-state sticker price)**. As part of the tuition and fee setting process, staff shall monitor and report annually to the Council regarding compliance with this requirement.

~~Given the substantial costs associated with health sciences professional programs, and to ensure comparability of policy data and analysis across institutions, direct costs and revenues for dentistry, medicine, and pharmacy students shall be excluded from calculations of policy assessment parameters for the research institutions.~~

The Council acknowledges that in some instances increasing nonresident student enrollment benefits both the Commonwealth and the institution. For this reason, exceptions to the 130% threshold may be requested through a Memorandum of Understanding (MOU) process and will be evaluated on a case by case basis by the Council. The main objective of the MOU process is to clearly delineate goals and strategies embedded in enrollment management plans that advance the unique missions of requesting institutions.

**TITLE:** Kentucky-West Virginia Reciprocity Agreement

**RECOMMENDATION:** The Finance Committee reviewed and approved this item on October 16, 2019 and recommends the Council approve the proposed tuition reciprocity agreement with West Virginia (valid July 1, 2019 through June 30, 2021).

**PRESENTERS:** Ben Brandstetter, Finance Committee Chair  
Shaun McKiernan, Director of Finance and Budget, CPE

### SUPPORTING INFORMATION

Tuition reciprocity agreements are arrangements between two or more states where the citizens of a defined region in one state can enroll at identified institutions (or in selected programs) in another state (and vice versa) for a reduced tuition charge. Under such agreements, eligible citizens may also receive special treatment for admission purposes.

In general, advantages of reciprocity agreements include:

- Broader educational access and opportunity for citizens in a region;
- Reduction in unnecessary duplication of academic programs; and
- Cost savings to a home state by utilizing academic programs in other states.

Currently, Kentucky has tuition reciprocity agreements with Ohio, Tennessee, and Indiana. The agreement with West Virginia (WV) expired on June 30, 2019. Staff has worked with WV officials and participating Kentucky institutions to renegotiate these agreements in compliance with policies adopted by the Council.

The previous agreement had a two-year term, and the proposed renewal has no changes. If approved, it will be valid for two additional years and expire on June 30, 2021. The agreement also contains provisions to make changes before the agreement's expiration with the consent of all parties.

The chart on the next page shows participating institutions and eligible counties.

### **Institutions and Eligible Counties\***

KY Institutions	Eligible WV Counties	
Ashland Community & Technical College	Cabell County	McDowell County
Big Sandy Community & Technical College	Mingo County	Wayne County

WV Institutions	Eligible KY Counties	
Mountwest Community & Technical College	Boyd County	Lawrence County
Southern West Virginia Community & Technical College	Martin County	Pike County

*\*All counties eligible for all institutions*

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In 2016, 53% of the FTE students who took advantage of the Kentucky-WV reciprocity agreements were from Kentucky.

	Headcount	FTE	Credit Hours
WV in Kentucky 2016	194	103	3,091
Kentucky in WV 2016	261	114	3,411

KY Residents as % of Total: **53%**

## TUITION RECIPROCITY AGREEMENT

**ASHLAND COMMUNITY AND TECHNICAL COLLEGE  
BIG SANDY COMMUNITY AND TECHNICAL COLLEGE  
AND**

**SOUTHERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE AND  
MARSHALL COMMUNITY AND TECHNICAL COLLEGE**

**2019-2021**

**Deleted: 2007-2013**  
**Deleted: 2013-2019**

### **I. Parties**

Under the provisions of Section 18-B-4-3 of the West Virginia Code, Section 164.020 (11) of the Kentucky Revised Statutes, and in compliance with rules and procedures of the West Virginia Council for Community and Technical College Education, the Kentucky Council on Postsecondary Education, the Kentucky Community and Technical College System, Ashland Community and Technical College, Big Sandy Community and Technical College, Marshall Community and Technical College, and Southern West Virginia Community and Technical College, the following agreement is entered into between the Kentucky Council on Postsecondary Education and the West Virginia Council for Community and Technical College Education, and between Ashland Community and Technical College and Big Sandy Community and Technical College of the Kentucky Community and Technical College System and Marshall Community and Technical College and Southern West Virginia Community and Technical College.

### **II. Purpose**

The purposes of this tuition reciprocity agreement are to (1) improve the lower division post high school educational advantages to residents of Boyd, Lawrence, Martin, and Pike Counties in Kentucky and Cabell, McDowell, Mingo, and Wayne Counties in West Virginia; (2) minimize the cost of such improvements for the taxpayers and legislative bodies of both states by cooperative planning and joint education efforts; and (3) promote the maximum use of existing educational facilities and address the problems of enrollment fluctuations and fiscal constraints at both institutions.

### **III. Period Covered By Agreement**

July 1, 2019 - June 30, 2021

**Deleted: 2007**  
**Deleted: 3**  
**Deleted: 2013**  
**Deleted: 19**  
**Deleted: 2007**  
**Deleted: 13**  
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### **IV. Terms**

The provisions of this agreement shall be effective beginning July 1, 2019, and expire on June 30, 2021, and will commence with any registration after the effective date. Students who are enrolled under the provisions of the agreement may continue to attend the selected colleges at the reciprocity rates for a period of two years subsequent to

termination of the agreement. The agreement shall be subject to review and revision on an annual basis.

**V. Eligible Students**

Ashland Community and Technical College and Big Sandy Community and Technical College agree to accept at the resident rate any resident of Cabell, McDowell, Mingo, or Wayne Counties of West Virginia wishing to enroll for whom space is available and who satisfies all regular in-state admission requirements of Ashland Community and Technical College and Big Sandy Community and Technical College.

Marshall Community and Technical College and Southern West Virginia Community and Technical College agree to accept at the resident rate any resident of Boyd, Lawrence, Martin, or Pike Counties of Kentucky wishing to enroll for whom space is available and who satisfies all regular in-state admissions requirements of Marshall Community and Technical College and Southern West Virginia Community and Technical College.

**VI. Termination Or Renewal Of Agreement**

This agreement shall be reviewed annually and may be considered for termination or modification for cause at the request of either participating institution, the West Virginia Council for Community and Technical College Education, or the Kentucky Council on Postsecondary Education.

Ashland Community and Technical College, Big Sandy Community and Technical College, Marshall Community and Technical College, and Southern West Virginia Community and Technical College agree to provide on an annual basis to the Kentucky Council on Postsecondary Education and the West Virginia Council for Community and Technical College Education reports on the enrollment and program implications of the agreement on forms prescribed for the purpose by these state agencies.

## **VII. Signatures**

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Aaron Thompson                      Date  
President, Kentucky Council on  
Postsecondary Education

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Jim L. Skidmore                      Date  
Chancellor, West Virginia Council  
for Community and Technical  
College Education

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Jay K. Box                              Date  
President, Kentucky  
Community & Technical  
College System

---

Bob Hayes                              Date  
Interim President, Marshall  
Community & Technical College

---

Larry Ferguson                              Date  
President, Ashland Community  
& Technical College

---

Joanne J. Tomblin                      Date  
President, Southern West Virginia  
Community & Technical College

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Sherry Zylka                              Date  
President, Big Sandy  
Community & Technical  
College

**TITLE:** Academic and Strategic Initiatives Committee Report

**PRESENTER:** Lori Harper, Chair of the Academic & Strategic Initiatives Committee

Committee Chair Harper will present the report of the Academic & Strategic Initiatives Committee. The draft minutes from the October 8, 2019 meeting have been included as reference.

The committee is recommending approval of one new academic program from Murray State University. The supporting documentation has been included in the agenda materials.

## MINUTES

### Council on Postsecondary Education

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Type: Academic & Strategic Initiatives Committee Meeting  
Date: October 8, 2019  
Time: 10:30 a.m.  
Location: Council on Postsecondary Education, Conference Room A

#### **CALL TO ORDER**

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The Academic & Strategic Initiatives (ASI) Committee met Tuesday, October 8, 2019, at 10:30 a.m., ET, at the CPE offices in Frankfort, Kentucky. Committee Chair Lori Harper presided.

#### **ATTENDENCE**

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Members who attended in person: OJ Oleka and Grant Minix.

Members who attended by teleconference: Lori Harper, Lucas Mentzer (joined at 10:45 a.m.) Vidya Ravichandran, and Sherrill Zimmerman.

Members who did not attend: Ben Brandstetter, Donna Moore, Robert Staat, and Brandon Wilson.

Heather Faesy, CPE's senior associate for Board Relations, listened to the recorded audio of the meeting and served as recorder of the meeting minutes.

#### **APPROVAL OF THE MINUTES**

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The minutes of the June 14, 2019 Academic and Strategic Initiatives Committee meeting were approved as distributed.

#### **PROPOSED NEW ACADEMIC PROGRAM FOR REVIEW & RECOMMENDATION**

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Presenter: Melissa Bell, Vice President for Academic Affairs and Student Success

KRS 164.020(15) empowers the Council on Postsecondary Education to define and approve the offering of all postsecondary education technical, associate,

baccalaureate, graduate, and professional degree, certificate, or diploma programs in the public postsecondary education institutions.

The ASI Committee has been delegated the responsibility of reviewing new programs and providing a formal recommendation to the full Council regarding approval.

### Murray State University

1) Master of Science: Cybersecurity Management

Program Contact: Dr. Robert Pervine, Associate Provost  
Marsha Ford, Program Director  
Victor Raj, Department Chair of Computer Science

The representatives answered several questions from the Council regarding the curriculum of the program and how it differs from the previous program, the role of the capstone program required for completion, how current case studies help the continuous development of the program, the types of positions graduates would be eligible for and how other courses offered by Murray State can accompany the program to strengthen employment prospects. Representatives stated that while an internship is not required for graduation, it is an available option and students are encouraged to participate. The program also provides a tract to a Master's of Business Administration. No additional faculty will be required for this program.

MOTION: Ms. Zimmerman moved the Committee recommend approval of the program to the Council for approval at its October 31, 2019 meeting. Mr. Mentzer seconded the motion.

VOTE: The motion passed.

## **2019 KENTUCKY POSTSECONDARY EDUCATION ROI REPORT AND CPE DATA PORTAL**

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Presenter: David Mahan, Associate Vice President of Data and Advanced Analytics

Dr. Mahan, presented highlights from an upcoming report that focuses on Kentucky postsecondary education's return on investment from both a student and state perspective. CPE staff anticipate the report being released in late October, and it follows the Kentucky high school graduating class of 2010 for 8 years and answers the following questions:

- Did they go to college?
- Did they graduate?
- How much aid did they receive?
- What were their out-of-pocket costs after financial aid?
- How much did they borrow?
- How much were they making compared to high school graduates?

Dr. Mahan also briefed the committee on CPE's new online data and information portal and CPE's growing number of publicly-available interactive data dashboards designed to help inform decision-making for policymakers, college faculty and staff, researchers and the general public. As of the meeting date, the data center includes the following interactive data tools:

- Academic Momentum: Effect of enrollment intensity on graduation rates
- Academic Program Inventory – Degrees and programs are available
- Degrees – Number, types and trends of degree attainment
- Diversity - Degrees, enrollment, retention and graduation rates.
- Dual Credit - Hours earned, locations and availability
- Enrollment - Fall headcount enrollment
- Enrollment and Graduate Counts by Major
- Financial Aid by Institution, Sector and State
- Graduation Rates - Two-, three-, four-, five- and six-year graduation rates
- Project Graduate - Enrollment, completions and degrees of students enrolled in the Project Graduate program
- Retention Rates - First to second year retention rates of first-time full-time freshmen

The following dashboards created by KYSTATS in partnership with CPE and other state agencies also are linked in the data portal:

- Employment - Employment outcomes of graduates
- High School Performance - Both individual high schools and their respective districts on numerous postsecondary metrics.
- Teacher Preparation - Teacher candidate demographics, progression and retention.
- Workforce Needs - Ties educational attainment to workforce outcomes, as well as shows Kentucky's future workforce needs.

Finally, Dr. Mahan discussed the research agenda for the next academic year:

- Return on Investment (Oct. 2019)
- Credential Production Report, Enrollment, Grad Rates (Nov. 2019)
- Dual Credit (Nov. 2019)
- County Profiles for Legislative Session (Nov. 2019)
- EMSI Analysis of Credential Production vs Workforce Demand (Jan. 2020)
  - KY Engineers, KY Nurses/Healthcare, 60x30 Attainment Goal
- KY Student Unmet Need Analysis (Feb. 2020)
- Planned Topics with Academic Affairs: Teacher Prep Pipeline, Co-requisite Model, Curricular Complexity Influence on Student Completion, and College Readiness Alignment with K-12

## UPDATES AND ANNOUNCEMENTS

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Council staff presented a number of updates and announcements on the following topics:

- 1) New Academic Program Review Process and Academic Program Approval Process: Dr. Melissa Bell, CPE's Vice President of Academic Affairs and Student Success discussed conversations with the campus Chief Academic Officers and potential policy changes that will be coming to the committee at a future meeting. She also discussed the new contract with Gray Associates and how the new process will enhance academic program review.
- 2) Annual Review: State Diversity, Equity and Inclusion Plans – Dr. Dawn Offutt, Director of Initiatives for Diversity, Equity & Inclusion, discussed the Diversity Plan timeline for the next eight months and reported the next annual update will be provided at the June 2020 Council meeting. Campuses also are reviewing their strategies and may be submitting revisions to the CEO for approval at their next meeting.
- 3) 2019 Higher EDquity Symposium: The symposium will be held on November 14, 2019 at the University of Kentucky's Gatton Student Center. It will feature keynote speakers, plenary and breakout sessions designed to help campus leaders produce culturally competent graduates and create communities of belonging and engagement. Attendees will leave the symposium equipped with practical strategies and resources to use upon returning to campus.
- 4) Degrees When Due Initiative: Lee Nimocks, CPE's Chief of Staff and Vice President for Strategy discussed the Degrees when Due Initiative. Fourteen

Kentucky public colleges and universities will participate in Degrees When Due, a national initiative of the Institute for Higher Education Policy (IHEP) to help students who have some college credits complete their degrees. CPE will facilitate the state's participation in the initiative and through it, campus liaisons will learn best practices and reengagement strategies for students who have stopped out of their studies. Degrees When Due will grant campuses access to a variety of resources to help more students complete their degrees and help institutions audit students' previously earned credits to determine the most efficient pathway to graduation.

Participating universities include Eastern Kentucky University, Kentucky State University, Morehead State University, Northern Kentucky University, University of Kentucky and University of Louisville. Kentucky's universities will use the program to expand Project Graduate, a degree completion program for adults with 80 or more credit hours.

KCTCS colleges participating include Big Sandy Community and Technical College, Bluegrass Community and Technical College, Gateway Community and Technical College, Hazard Community and Technical College, Hopkinsville Community and Technical College, Madisonville Community and Technical College, Maysville Community and Technical College and Southcentral KY Community and Technical College.

- 5) 2020 Adult Learner Conference: Melissa Young, CPE's Director of Grants and Special Projects discussed the activities around the Adult Learner grant that was awarded in the spring of 2019, CPE's work with the Graduate! Network and related initiatives, and the upcoming Adult Learner Conference to be held on February 6-7, 2020 at the Louisville Marriott East.

## **ADJOURNMENT**

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The ASI Committee meeting adjourned at 12:15 p.m., ET.

<b>MINUTES REVIEWED AND APPROVED BY THE ACADEMIC &amp; STRATEGIC INITIATIVES COMMITTEE:</b> _____
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**TITLE:** New Academic Programs

**RECOMMENDATION:** The Academic and Strategic Initiatives Committee reviewed and approved this item on October 8, 2019 and recommends the full Council accept the following proposed new academic program from Murray State University: Master of Science, Cybersecurity Management.

**PRESENTER:** Lori Harper, Chair of the Academic & Strategic Initiatives Committee  
Melissa Bell, Vice President of Academic Affairs, CPE

#### **SUPPORTING INFORMATION**

KRS 164.020 (15) empowers the Council on Postsecondary Education to define and approve the offering of all postsecondary education technical, associate, baccalaureate, graduate, and professional degree, certificate, or diploma programs in the public postsecondary education institutions. Council staff has reviewed the proposed programs and recommends approval by the board.

See attached the proposed program summary submitted by the institution, which provide an overview of the program, its current market demand, expected revenues and expenditures, and whether the program creates any unnecessary duplication.

## PROPOSED PROGRAM SUMMARY

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**Institution:** Murray State University

**Program Name:** Cybersecurity Management

**Degree Designation:** Master's

### **Program Description:**

The Cybersecurity Management Master of Science program is a 30-credit hour program that prepares students to enter or transition into cybersecurity leadership roles. The objective of the program is to provide students with the necessary skills to effectively develop, implement, and manage cybersecurity programs. Upon completion of the program, students will understand the business and technical aspects of cybersecurity and the ramifications of cybersecurity across all organizational units.

The Cybersecurity Management MS program includes topics such as risk management, governance, leadership skills, cybersecurity architectures and frameworks, mitigation, regulatory standards, audit and assessment, and information technology systems foundations principles. Examples of potential job titles are Information Security Officer, Cybersecurity Manager, Chief Information Security Officer, and Information Security Manager.

**CIP Code:** 11.1003

**Credit Hours:** 30

**Institutional Board Approval Date:**

**Implementation Date:** 1/1/2020

### **Student Demand**

*Please note the expected enrollment over the first five years of the program.*

Year 1	Year 2	Year 3	Year 4	Year 5
35	60	60	60	60

Since its inception in 1999, the Masters of Science in Telecommunications Systems Management (TSM-MS) program has experienced healthy student enrollment numbers and has conferred over 240 graduate degrees. However, from 2017 to 2018 the TSM-MS (CIP 11.0401) program student enrollment fell by 65%<sup>1</sup>.

With national cybersecurity education initiatives such as the National Security Agency Centers of Academic Excellence and National Institute of Standards and Technology National Initiative for Cybersecurity Education (NICE), students are more aware of and interested in cybersecurity careers. This interest is evident by the increase of student enrollment in cybersecurity programs. For example, in the State of Kentucky (at a private institution), graduate student enrollment in information assurance

programs (cybersecurity) CIP 11.1003 increased by 51.7%<sup>1</sup> from 2017 to 2018. No public institutions in Kentucky currently offer a graduate program in cybersecurity.

Therefore, due to low enrollment in the TSM-MS program and increased demand for cybersecurity programs, the TSM-MS program will be replaced with a Masters of Science in Cybersecurity Management CIP: 11.1003.

## **Market Demand**

*This is an open-ended response that will be used in CPE agenda items. Institutions should explain why this program is needed. Note if it replaces another program on campus. Remember that your audience is the CPE, not higher education administrators, faculty, or staff.*

The new Cybersecurity Management MS (CYS-MS) program is developed to provide students, regardless of their bachelor's program of study, a pathway to a cybersecurity career. With a projected global cybersecurity labor shortage of 2.93 million and a North America labor shortage of 500,000<sup>2</sup>, this program is designed to provide students with the cybersecurity technical and management skills to enter the cybersecurity workforce.

Information security is a business and human issue that requires more than technical skills to resolve. In a 2015 speech<sup>3</sup>, Dr. Willie E. May, the NIST director stated “cybersecurity is too important to be left to your IT department and operations group”. He emphasized the importance of corporate leadership’s role in managing information security. Information security requires problem solving, leadership, and management skills. According to the 2017 (ISC)<sup>2</sup> Global Information Security Workforce Study<sup>4</sup>, 33% of cybersecurity executives entered the cybersecurity workforce from a non-technical career path. The Cybersecurity Management MS program embraces this model by providing students, regardless of their undergraduate degree, with the technical foundation and management skills to transition into a cybersecurity career.

The CYS-MS program also offers a cybersecurity career path for students currently working in the information technology field but may not have formal cybersecurity training. The CYS-MS information security management courses combined with the experiential learning capstone course provide IT working professionals with the experience and knowledge to transition into a cybersecurity leadership role.

According to a Kentucky Academic Program inventory search, a master of science in cybersecurity (CPE code: 11.1003) is not offered at any Kentucky public university. MSU’s Cybersecurity Management MS program would be the first cybersecurity graduate program in Kentucky.

1. Kentucky Council on Postsecondary Education Data

<http://cpe.ky.gov/data/>

2. (ISC)<sup>2</sup> Cybersecurity Workforce Study, 2018.

<https://www.isc2.org/-/media/7CC1598DE430469195F81017658B15D0.ashx>

3. “Board Agenda: CYBER” Conference, Washington D.C. 2015

<https://www.nist.gov/speech-testimony/board-agenda-cyber-conference>

4. (ISC)<sup>2</sup> Cybersecurity Workforce Study, 2017.

<https://iamcybersafe.org/wp-content/uploads/2017/06/europe-gisws-report.pdf>

## **Employer Demand:**

*If the program is designed for students to enter the workforce immediately, please complete the following table.*

	Regional	Regional Growth Projections	State	State Growth Projections	National	National Growth Projections
Type of Job	Information Security Analyst					
Average Wage	\$69,870		\$83,890		\$98,350	
# of Openings	40	Not available	800	Not available	112,300	32%
Type of Job	Computer and Information Systems Manager					
Average Wage	\$81,340		\$119,470		\$142,530	
# of Openings	60	Not available	2,800	Not available	414,400	11%
Type of Job	Top/Chief Executive					
Average Wage	\$125,260		\$125,260		\$125,260	
# of Openings	180	Not available	180	Not available	180	6%

\*Average wage and growth projections are from the Bureau of Labor Statistics' Occupational Outlook Handbook.

[Georgetown University Center on Education and the Workforce](#)

[Bureau of Labor Statistics' Occupational Outlook Handbook](#)

[Kentucky Center for Statistics](#)

KY Chamber, "Kentucky's Workforce, Progress and Challenges," January 2018

<https://www.kychamber.com/sites/default/files/Kentucky%20Workforce%20Progress%20and%20Challenges%202018%20Final%20NEW.pdf>

Kentucky, Bridging the Talent Gap

Document - <https://www.bridgingthetalentgap.org/wp-content/uploads/2017/05/KY-Statewide.pdf>

Interactive website: <https://bridgingthetalentgap.org/dashboards/>

*Please indicate source of market demand information and timeframe for growth projections.*

## **Academic Demand**

*If this is not a program that is designed for students to enter the workforce immediately after graduation, please indicate the skills that graduates will attain, the types of graduate programs the graduates are most likely to attend, and the types of jobs graduates will eventually seek.*

**Not applicable.**

## **Unnecessary Duplication**

Include similar programs based on CIP codes as well as trend data on enrollment and degrees conferred for these programs. Institutions may list other programs that are similar but may be classified in a different CIP code.

**Similar Program 1:** No other similar programs offered at Kentucky public institutions.

**Institution:** \_\_\_\_\_ **Program Name:** \_\_\_\_\_

**Comparison of Objectives/Focus/Curriculum to Similar Programs:** *Explain the differences in curriculum, focus, and/or objectives. If the proposed program curriculum does not differ substantially from existing programs, then describe potential collaborations with other institutions.*

**Comparison of Student Populations:** *Describe how your target student population is different from those at other institutions and explain how your program reaches this new population (e.g. the proposed program is completely online while other programs are face-to-face or hybrid).*

**Access to Existing Programs:** *Explain how/why existing programs cannot reach your target population and/or provide evidence that existing programs do not have the capacity to meet current student demand (e.g. the number of students on enrollment waiting list).*

**Feedback from Other Institutions:** *Summarize the feedback from colleagues at institutions with similar programs.*

**Similar Program 2:**

**Institution:** \_\_\_\_\_ **Program Name:** \_\_\_\_\_

**Comparison of Objectives/Focus/Curriculum to Similar Programs:**

**Comparison of Student Populations:**

**Access to Existing Programs:**

**Feedback from Other Institutions:**

**Similar Program 3:**

**Institution:** \_\_\_\_\_ **Program Name:** \_\_\_\_\_

**Comparison of Objectives/Focus/Curriculum to Similar Programs:**

**Comparison of Student Populations:**

**Access to Existing Programs:**

**Feedback from Other Institutions:**

**Cost**

Please provide a summary of revenues and expenditures.

<b>Projected Revenue over Next Five Years</b>	\$5,570,200
<b>Projected Expenses over Next Five Years</b>	\$584,142.5
<b>Net Revenue over Next Five Years</b>	\$4,986,057.5

**Will additional faculty be needed?** No

*If yes, please explain how the institution will pay for these additional costs.*

**Will this program replace or enhance any existing programs(s) or tracks, concentrations, or specializations within an existing program?** Yes, this program will replace the MS in Telecommunications Systems Management

**Provide a budgetary rationale for creating this new program:** *This is an open-ended response that will be used in CPE agenda items. Institutions should explain how the program will be funded, what other programs will be affected, and why this program is considered both an efficient and effective use of funds.*

The Cybersecurity Management program will replace the existing master's program in Telecommunications Systems Management (TSM) in order to meet the changing demands of the industry. The program will rely on existing TSM faculty, facilities, and funding sources. Enrollment in the program is expected to reach capacity within two years, based on the growth of enrollment in similar programs at other institutions and the great need for cybersecurity professionals in the workforce.

**Rationale for Projected Revenue over the Next Five Years:**

Year 1: 15 online students (\$644 online/hr rate for 30 hours coursework) = \$289,800

15 on campus resident/regional students (\$544/hr rate for 30 hours coursework) = \$244,800

5 non-resident/international students (\$800/hr rate for 30 hours coursework) = \$120,000

Year 2: 30 online students (\$644 online/hr rate for 30 hours coursework) = \$579,600

15 on campus resident/regional students (\$544/hr rate for 30 hours coursework) = \$244,800

15 non-resident/international students (\$800/hr rate for 30 hours coursework) = \$360,000

Year 3: 30 online students (\$644 online/hr rate for 30 hours coursework) = \$579,600

15 on campus resident/regional students (\$544/hr rate for 30 hours coursework) = \$244,800

15 non-resident/international students (\$800/hr rate for 30 hours coursework) = \$360,000

Year 4: 30 online students (\$644 online/hr rate for 30 hours coursework) = \$579,600

15 on campus resident/regional students (\$544/hr rate for 30 hours coursework) = \$244,800

15 non-resident/international students (\$800/hr rate for 30 hours coursework) = \$360,000

Year 5: 30 online students (\$644 online/hr rate for 30 hours coursework) = \$579,600

15 on campus resident/regional students (\$544/hr rate for 30 hours coursework) = \$244,800

15 non-resident/international students (\$800/hr rate for 30 hours coursework) = \$360,000

Projected TOTAL revenue over next 5 years: \$5,570,200

**Rationale for Projected Expenses over Next Five Years:**

Graduate Program Director Stipend per year: \$2500 X 5 = \$10,000

Projected program marketing expenses: \$5,000 X 5 = \$25,000

Projected faculty salaries: 1.5 yearly FTEs / 4 faculty salaries X 5 = \$ 549,142.5

Projected TOTAL expenses over next 5 years: \$584,142.5

**TITLE:** Committee on Equal Opportunities Report

**PRESENTERS:** Robert Staat, Chair of the Committee on Equal Opportunities

Committee Chair Staat will present the report of the Committee on Equal Opportunities, which met on Monday, October 28, 2019. There are no related action items.

Upcoming Event

**Higher EDquity Matters - Nov. 14, 2019, 8 a.m. - 4:30 p.m.**

University of Kentucky Gatton Student Center

This year's theme, "Higher EDquity Matters," features keynote speakers, plenary and breakout session designed to discuss the importance of helping campus leaders produce culturally competent graduates by creating communities of belonging and engagement. Attendees will leave the symposium equipped with practical strategies and resources to use upon returning to campus.

Topics of interest on the agenda:

- The status of race and ethnicity in higher education in Kentucky.
- Emerging trends in equitable practices as they relate to higher education.
- Addressing concerns about issues of diversity, equity and inclusion on Kentucky's campuses.
- Peer networking opportunities.

Featured speakers:

- **Dr. Shaun Harper**, professor at the University of Southern California's Marshall School of Business and executive director of the Race and Equity Center.
- **Dr. Samuel Museus**, professor of education studies at the University of California San Diego and founding director of the National Institute for Transformation and Equity (NITE).
- **Dr. Aaron Thompson**, president of the Kentucky Council on Postsecondary Education.



**TITLE:** New Academic Program – University of Louisville

**RECOMMENDATION:** Staff recommends approval of the proposed new academic program from the University of Louisville: Master of Science, Couple and Family Therapy.\*

**PRESENTER:** Lori Harper, Chair of the Academic & Strategic Initiatives Committee  
Melissa Bell, Vice President of Academic Affairs, CPE

#### SUPPORTING INFORMATION

KRS 164.020 (15) empowers the Council on Postsecondary Education to define and approve the offering of all postsecondary education technical, associate, baccalaureate, graduate, and professional degree, certificate, or diploma programs in the public postsecondary education institutions. Council staff has reviewed the proposed programs and recommends approval by the board.

See attached the proposed program summary submitted by the institution, which provide an overview of the program, its current market demand, expected revenues and expenditures, and whether the program creates any unnecessary duplication.

*\* This program was not ready for review by the Academic & Strategic Initiatives Committee when it met on October 8, 2019.*

## PROPOSED PROGRAM SUMMARY

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**Institution:** University of Louisville

**Program Name:** Couple and Family Therapy

**Degree Designation:** Master of Science

### **Program Description:**

The purpose of the Masters Degree in Couple and Family Therapy (M.S. CFT) program within the Kent School of Social Work (Kent School) will be to develop professionals in couple/marriage and family therapy to work with couples, families, and other systems within their community contexts and through the lens of social justice. The Couple and Family Therapy program in the Kent School currently operates a specialization in Couple and Family Therapy (CFT) accredited by the Commission on Accreditation for Marriage and Family Therapy Education (COAMFTE). Marriage/couple and family therapy is a distinct discipline from social work with its own state licensure board, national professional organization, and national accrediting body. The M.S. in CFT degree program will be the only COAMFTE-accredited masters degree program in the nation housed in a school of social work.

**CIP Code:** 51.1505

**Credit Hours:** 59

**(Tentative) Institutional Board Approval Date:** 9/26/19

**Implementation Date:** 1/1/20

### **Student Demand**

*Please note the expected enrollment over the first five years of the program.*

Year 1	Year 2	Year 3	Year 4	Year 5
16	32	34	36	38

### **Market Demand**

*This is an open-ended response that will be used in CPE agenda items. Institutions should explain why this program is needed. Note if it replaces another program on campus. Remember that your audience is the CPE, not higher education administrators, faculty, or staff.*

According to the American Association of Marriage and Family Therapy (AAMFT), more than 6.1 million people annually are seen by a MFT. By 2022, the Bureau of Labor Statistics (BLS) predicts this occupation will grow by 30.6

percent – much faster than the average for all other occupations in the U.S. According to the Kentucky Center for Statistics, there are 397 job openings for marriage and family therapists, 1,851 openings for substance abuse and behavioral disorder counselors, and 3,275 openings for mental health counselors in the state of Kentucky. Employer demand information for marriage and family therapists specifically is not available for the Kentuckiana area. However, according to the Kentuckiana Works Local Workforce Area Occupation Outlook, there are 12 job openings per year for substance abuse and behavioral disorder counselors and 21 openings for mental health counselors in the Kentuckiana area.

Employment of marriage and family therapists is projected to grow 23 percent from 2016 to 2026 (Bureau of Labor Statistics, 2019), faster than the average for all other occupations. Growth is expected due to the increasing use of integrated care. Another major factor affecting growth is that following the passage of the Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act in 2008 and the establishment of governmental rules for implementing the act in 2013, health insurance in the country must now cover mental health counseling services. This might cause more people to request treatment that they could not previously afford. As a result, there will be a need for more therapists. The best prospects for employment are for rural areas of the United States, because of the small number of marriage and family therapists available for consultation. Employers will require the individual to have a license to practice marriage and family therapy in their state.

A major source of employment for marriage and family therapists is at outpatient care centers. As mental health professionals, therapists treat everyone from children and adolescents to adults and seniors battling depression, substance abuse, or serious mental illness. They perform clinical services like patient and family education, lead therapy sessions, assessments, case management, and acting as a liaison between patients and their physicians in addition to community health services providers. Therapists also coordinate patient discharge from inpatient programs to transition into outpatient settings.

MFT's also have careers in the legal and correctional systems, HMO's, the government and military, with an emphasis in the Department of Veterans Affairs (VA) facilities. MFT's also are called to work for churches and many religious settings. From medical centers and mental health centers, to state and county behavioral health departments, to Employee Assistance Programs (EAPs), nursing and residential care facilities, MFT's are needed to serve an important function in society's well-being.

One of the fastest growing fields for those with an MFT is at substance abuse & addiction treatment centers, providing education about addiction, and assisting clients pinpoint the contributing factors that lead to the abuse of alcohol, drugs,

food, gambling among other vices. Therapists develop treatment plans and help clients establish a solid support system of friends and family.

MFT's are also employed as school counselors at all levels of the school system dealing with troubled youths of many ages. They know that early intervention is the key to heading off major issues later in life. In addition, MFT's are hired to work at government, non-profit, and for-profit agencies that provide social services to children, youth, families, seniors, and communities. Sometimes, marriage and family therapists are hired to take on administration roles, such as supervising other school counselors and social service staff. Conducting individual, group, and family therapy sessions, MFT's may also split their time between private practice work, and providing counseling at other community locations, such as a social service agency.

According to the Bureau of Labor Statistics, the median annual salary for marriage and family therapists was \$49,170 in May 2016. The lowest 10 percent earned less than \$31,600, and the highest 10 percent earned more than \$81,960. The median annual salaries for marriage and family therapists in State government, excluding education and hospitals, was \$72,180, in outpatient care centers \$48,900, in offices of other health practitioners \$47,650, and averaged for those working at individual and family services \$44,560.

COAMFTE-accredited programs are required to publish on-line their job placement rates, defined as the percentage of graduates who informed the program that they sought and gained employment within 3 years of graduation utilizing skills they learned in the program. Campbellsville University received their accreditation in 2016, and thus do not yet have job placement rates. Of the other three COAMFTE-accredited programs in the state of Kentucky, University of Louisville and University of Kentucky have an average job placement rate of 100% for the last ten graduating cohorts. The average job placement rate for Louisville Presbyterian Theological Seminary is 95% for the last 8 years. This demonstrates very strong employer demand and job placement potential for graduates of COAMFTE-accredited programs in Louisville, and in Kentucky broadly.

### **Employer Demand:**

*If the program is designed for students to enter the workforce immediately, please complete the following table.*

**Table 1. Employer Demand**

	Regional <sup>1</sup>	State <sup>2</sup>	National <sup>3</sup>
<b>Marriage &amp; Family Therapist</b>			
Average Wage	\$16.88 per hour	\$40,313	\$50,090
# of Openings	Unavailable	397	9,700
<b>School Counselor</b>			
Average Wage	\$28.22 per hour	\$57,396	\$56,310
# of Openings	22 per year	4,160	36,700
<b>Substance Abuse &amp; Behavioral Disorder Counselor</b>			
Average Wage	\$16.43 per hour	\$39,594	\$44,630
# of Openings	12 per year	1,851	23,800
<b>Mental Health Counselor</b>			
Average Wage	\$19.48 per hour	\$44,880	\$44,630
# of Openings	21 per year	3,275	36,500
<b>Social Worker</b>			
Average Wage	\$26.01 per hour	\$55,634	\$63,140
# of Openings	9 per year	676	109,700
<b>Medical &amp; Public Health Social Worker</b>			
Average Wage	\$23.74 per hour	\$49,245	\$56,200
# of Openings	23 per year	2,248	35,400
<b>Mental Health and Substance Abuse Social Workers</b>			
Average Wage	\$21.62 per hour	\$38,612	\$44,840
# of Openings	14 per year	1,064	60,300
<b>Child, Family, and School Social Workers</b>			
Average Wage	\$19.25 per hour	\$39,270	\$46,270
# of Openings	52 per year	9,176	45,000

<sup>1</sup> Source: [Kentuckiana Works Local Workforce Area Occupation Outlook for 2014-2024](#)

Average wage for the regional data based on the 2015 mean hourly wage.

<sup>2</sup> Source: [Kentucky Center for Statistics 2016-2026 KY Occupation Outlook](#)

Average wage for the state data based on the 2017 mean annual wage.

<sup>3</sup> Source: [Bureau of Labor Statistics: Employment Projections for 2016-2026](#)

Average wage for the national data based on the 2018 median annual wage.

**Table 2: Emsi Labor Market Analytics Tool**  
**January 2017 to December 2018**

	<b>Regional (Kentucky, Ohio, Indiana, Tennessee)</b>	<b>State</b>	<b>National</b>
<b>Marriage &amp; Family Therapist (SOC 21-1013)</b>			
Average Wage	\$20.35/hr	\$14.91/hr	\$23.45/hr
# of Openings (Total Job Postings)	4,677	359	46,242
<b>School Counselor (SOC 21-1012)</b>			
Average Wage	\$25.15/hr	\$28.62/hr	\$26.64/hr
# of Openings (Total Job Postings)	27,157	4,118	350,581
<b>Substance Abuse &amp; Behavior Disorder Counselor (SOC 21-1018 - Substance Abuse, Behavioral Disorder, &amp; Mental Health Counselors)</b>			
Average Wage	\$19.69/hr	\$18.75/hr	\$28.82/hr
# of Openings (Total Job Postings)	87,160	8,496	609,214
<b>Mental Health Counselor (SOC 21-1018 - Substance Abuse, Behavioral Disorder, &amp; Mental Health Counselors)</b>			
Average Wage	19.69/hr	\$18.75/hr	\$20.82/hr
# of Openings (Total Job Postings)	87,160	8,496	609,214
<b>Social Worker (SOC 21-1020)</b>			
Average Wage	\$25.54/hr	\$19.30/hr	\$23.12/hr
# of Openings (Total Job Postings)	180,503	12,457	1.30M
<b>Medical &amp; Public Health Social Worker (SOC 21-1022 - Healthcare Social Workers)</b>			
Average Wage	\$25.36/hr	\$24.05/hr	\$26.38/hr
# of Openings (Total Job Postings)	27,055	2,428	322,179
<b>Mental Health &amp; Substance Abuse Social Worker (SOC 21-1023)</b>			
Average Wage	\$17.74/hr	\$16.49/hr	\$20.79/hr
# of Openings (Total Job Postings)	133,576	7,993	715,954
<b>Child, Family, &amp; School Abuse Social Worker (SOC 21-1021)</b>			
Average Wage	\$18.86/hr	\$18.63/hr	\$21.34/hr
# of Openings (Total Job Postings)	19,629	2,023	259,792

**Note:** Data for the Substance Abuse & Behavior Disorder Counselor and Mental Health Counselor use the same SOC code

### **Academic Demand**

*If this is not a program that is designed for students to enter the workforce immediately after graduation, please indicate the skills that graduates will attain, the types of graduate programs the graduates are most likely to attend, and the types of jobs graduates will eventually seek.*

Not Applicable

### **Unnecessary Duplication**

Include similar programs based on CIP codes as well as trend data on enrollment and degrees conferred for these programs. Institutions may list other programs that are similar but may be classified in a different CIP code.

No similar programs based on CIP codes.

### **Cost**

Please provide a summary of revenues and expenditures.

<b>Projected Revenue over Next Five Years</b>	\$ 3,933,197
<b>Projected Expenses over Next Five Years</b>	\$ 2,276,420

**Will additional faculty be needed?** Yes or No

*If yes, please explain how the institution will pay for these additional costs.*

The program will need 3 adjunct faculty in Years 1 and 2 to cover the 3 new course buyouts given to the Program Director (2 course buyouts) and Clinical Director (1 course buyout) to complete administrative duties. Starting in Year 3 when enrollment increases to 18 students, the program will require one additional faculty member, as COAMFTE-accreditation requires no more than 8 students be in a supervision group. This will reduce the need for new adjuncts in Year 3 to 1 adjunct, as the new full-time faculty member will be the instructor for the 2 new supervision group courses for foundation-level students and will teach 2 courses previously taught by the Program Director and Clinical Director. In Years 4 and 5, when the program will operate three supervision groups for both foundation- and advanced-year students, the number of new adjunct faculty needed will be 3, including 1 course previously taught by the Program Director and 2 advanced-year supervision group courses.

A full-time faculty member will be added in Year 3, when the projected enrollment increases to 18 students (from 16 students in Years 1-2), which will require the program to run three supervision groups each semester.

M.S.S.W. CFT concentration faculty salary expenses for four existing faculty members (25%) will be reallocated to the M.S. CFT program budget. The current M.S.S.W. CFT concentration faculty would teach in the M.S. CFT program rather than in the M.S.S.W. CFT concentration.

The M.S.S.W. CFT concentration Administrative Assistant salary expense (50% of total) will be reallocated to the M.S. CFT program budget.

Part-time instructors. Average salary for part-time faculty per course is approximately \$3,250. The new full-time faculty member mentioned above will reduce the need for part-time faculty in Year 3. However, in Years 4 & 5 two additional supervision courses will be needed to accommodate the Advanced Year students.

**Will this program replace or enhance any existing programs(s) or tracks, concentrations, or specializations within an existing program? If yes, please specify.**

The M.S. CFT program will replace the existing MSSW CFT concentration.

**Provide a budgetary rationale for creating this new program:** *This is an open-ended response that will be used in CPE agenda items. Institutions should explain how the program will be funded, what other programs will be affected, and why this program is considered both an efficient and effective use of funds.*

The M.S.S.W. program in the Kent School currently operates a concentration in Couple and Family Therapy (CFT) that is accredited by the Commission on Accreditation for Marriage and Family Therapy Education (COAMFTE). With the addition of just one 3-hour course, the Kent School could provide a COAMFTE-accredited Master of Science degree in CFT rather than just the concentration. In addition, students in the M.S. CFT program could choose to complete a dual degree program and also obtain their M.S.S.W. degree.

As the Couple and Family Therapy concentration is already available to students in the Masters in Social Work program, much of the infrastructure and personnel necessary to operate a M.S. in CFT program are already in place. The resources from the Kent School of Social Work currently utilized to operate the CFT concentration would be reallocated to operate the M.S. in CFT degree program. Faculty workloads would remain the same, with the exception of the Director of the M.S. CFT program, which would require 50% FTE for administrative duties (a shift from 25% FTE for the Director of the CFT concentration).

**TITLE:** Interim Capital Project Request from the University of Kentucky

**RECOMMENDATION:** Staff recommends that the Council approve the University of Kentucky's request for interim authorization of a capital project to expand dining space at the Gatton Student Center using \$999,950 in agency restricted funds and \$24,000,050 in private funds.

**PRESENTERS:** Bill Payne, Vice President for Finance and Administration, CPE  
Shaun McKiernan, Director of Finance and Budget, CPE

## SUPPORTING INFORMATION

University of Kentucky (UK) officials request authorization for an interim capital project to expand dining space at the Gatton Student Center to meet increased demand. The expansion will increase Champions Kitchen to accommodate 350 additional seats and will include additional shell space to accommodate growth as needed in the future.

Facility Info: The Gatton Student Center was originally constructed in 1938 and the Alumni Gym was built in 1924. Both were completely renovated, expanded, and combined in 2018. The facility is currently 378,000 square feet and includes space for student organizations, dining, bookstore, ballroom and entertainment venues, retail, student lounges, and administrative offices.

Funding Info: The total project scope is estimated at \$25,000,000. Most of the funding (\$24,000,050) will come from UK's foodservice provider, and the remaining funds (\$999,950) will come from institutional resources.

Oversight & Approval: UK personnel will oversee the design and implementation of the project, and it was approved by UK's Board of Trustees on October 18, 2019.

## APPROVAL PROCESS INFORMATION

House Bill 592 (2018) created a new provision in KRS 164A.575, which allows public postsecondary institutions to authorize capital projects not specifically listed in the state budget as long as the projects are funded with non-general fund appropriations, do not jeopardize funding for existing programs, and are reported by the institution to the Capital

Projects and Bond Oversight Committee. The pertinent section of KRS 164A.575 is provided below:

- (15) Notwithstanding KRS 45.760, the governing board may authorize a capital construction project or a major item of equipment even though it is not specifically listed in any branch budget bill, subject to the following conditions and procedures:
  - (a) The full cost shall be funded solely by non-general fund appropriations;
  - (b) Moneys specifically budgeted and appropriated by the General Assembly for another purpose shall not be allotted or re-allotted for expenditure on the project or major item of equipment. Moneys utilized shall not jeopardize any existing program and shall not require the use of any current general funds specifically dedicated to existing programs; and
  - (c) The institution's president, or designee, shall submit the project or major item of equipment to the Capital Projects and Bond Oversight Committee for review as provided by KRS 45.800.

The approval process for a capital project that exceeds \$1,000,000 is as follows:

- The project must be approved by an institution's board of trustees or regents;
- The project must be submitted to the Council on Postsecondary Education for review and action;
- If approved by the Council, projects at KCTCS and KSU are submitted to the Secretary of the Finance and Administration Cabinet for review and action, and subsequently submitted by the Secretary to the Capital Projects and Bond Oversight Committee for review;
- If approved by the Council, projects at EKU, MoSU, MuSU, NKU, UK, UofL, and WKU are submitted by the requesting institution to the Capital Projects and Bond Oversight Committee for review, and a copy is provided to the Finance and Administration Cabinet as information; and
- Following review and action by the appropriate agencies, the project may be initiated by the requesting institution.

Because this project was not previously approved by the Council and it was not authorized in the enacted 2018-20 budget (HB 200), Council approval is now required to authorize this project. UK will not be debt financing any portion of this project; therefore, provisions of KRS 45.763 do not apply.

## **NEXT STEPS**

Following Council action, staff will notify the president of UK, the Secretary of the Finance and Administration Cabinet, and the Capital Projects and Bond Oversight Committee of the Council's recommendation concerning this project.

# PR 1

Office of the President  
October 18, 2019

Members, Board of Trustees:

## EXPAND STUDENT CENTER (DINING) PROJECT

Recommendation: that the Board of Trustees approve the “Expand Student Center (Dining)” Capital Project.

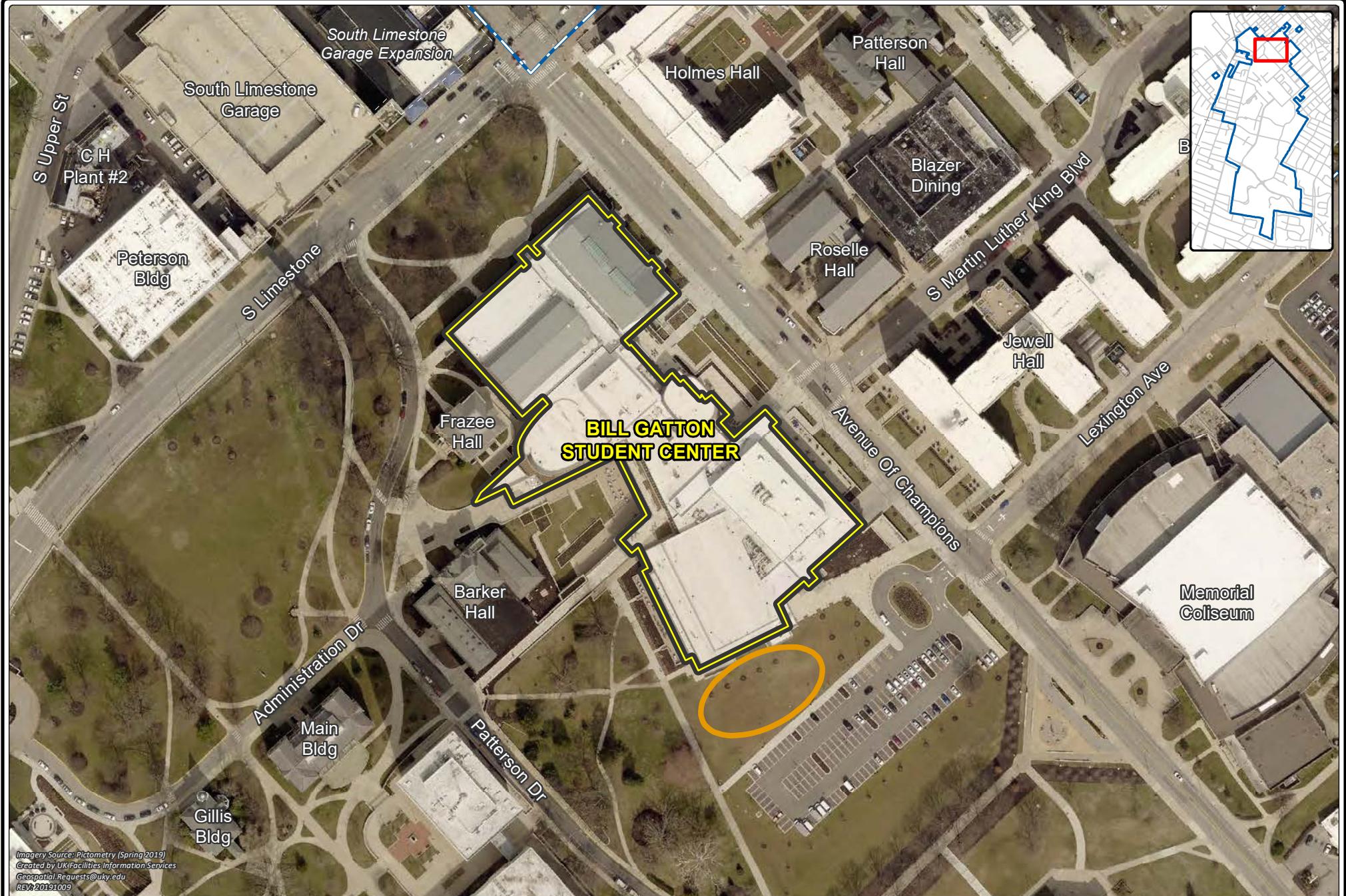
Background: The University's Gatton Student Center was originally constructed in 1938 and Alumni Gym was constructed in 1924. Both were completely renovated, expanded, and combined in 2018 to more than 378,000 square feet. The facility includes student organization spaces, student lounges, student support spaces, recreation, an atrium, residential and retail dining, a bookstore, ballroom facilities, entertainment venues, retail spaces, and administrative support offices. All are heavily used by the University and wider community seven days a week. The Gatton Student Center provides multiple student dining venues but is unable to meet increased demand due to high meal plan participation rates and projected continued student enrollment growth. A separate feasibility study was commissioned from Omni Architects to assess the possibility of expanding the current Champions Kitchen dining area toward the east in order to increase dining capacity by up to 350 seats. This study determined that it would be most cost effective to construct a second and third floor as part of this dining expansion to meet expanding and anticipated student support and other needs. It is expected that one or both of the additional floors will be shelled space at this time. The decision on fit-up will be based on available funding and determination of final design plans.

This recommendation requests approval for the design and construction of this greatly needed dining expansion. The full scope of the project is \$25,000,000, including design costs. The project is to be initially funded with \$999,950 of Agency Funds. Additional funding will be provided by the University's dining partner, as an amendment to the current Aramark contract. Pursuant to Kentucky Revised Statute §164A.575(15), no general fund appropriations will be required for completion of this project and it will be submitted to the Council on Postsecondary Education for approval and the Capital Projects and Bond Oversight Committee for interim legislative authorization. The Executive Vice President for Finance and Administration will provide regular updates to the Finance Committee during the Project.

Pursuant to Administrative Regulation 8:2, any capital project with an estimated cost of \$1,000,000 or more must be approved by the Board prior to initiation. The total cost of this project is not expected to exceed \$25,000,000.

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Action taken:     Approved     Disapproved     Other \_\_\_\_\_



**TITLE:** 60x30 Update: 2018-19 Degrees and Credentials

**PRESENTERS:** David Mahan, Associate Vice President, Data & Advanced Analytics  
Lee Nimocks, Chief of Staff and Vice President

### **SUPPORTING INFORMATION**

In 2016, the Council adopted the statewide strategic agenda, “Stronger by Degrees: A Plan to Create a More Educated and Prosperous Kentucky.” The agenda includes a set of key performance metrics, with 2020-21 targets for the state and institutions.

The overarching target is Kentucky’s 60x30 educational attainment goal, to increase educational attainment (certificate and above) of working-age adults to the national average, projected to be 60% in 2030. Currently 45% of Kentucky’s population has a postsecondary degree or certificate. The goal responds to mandates in the 1997 Postsecondary Education Improvement Act. The purpose is economic development to meet workforce demand for a more highly trained, highly educated population.

Dr. Mahan’s presentation will summarize the quantity of 2018-19 degrees and certificates conferred by Kentucky public and private institutions, assessing progress towards the attainment goal and other specific targets established in the statewide strategic agenda.

Council staff have also posted 2018-19 degree and certificate information to the interactive dashboard for CPE review. You can access it here:

<http://cpe.ky.gov/data/degrees.html>

# Degrees and certificates up 4.7%

Kentucky 2018-19 Degree and Certificate Production Highlights



## Total Degrees and Certificates

Duplicated counts, Kentucky public and AIKCU institutions

2017-18

72,936

↑4.7%

2018-19

76,380

## 60x30 Trajectory

A comparison of needed progress vs. actual.

	Needed	Actual	Goal Met
2016	1.7%	.31%	<input checked="" type="checkbox"/> No
2017	1.7%	4.26%	<input checked="" type="checkbox"/> Yes
2018	1.7%	2.79%	<input checked="" type="checkbox"/> Yes
2019	1.7%	3.31%	<input checked="" type="checkbox"/> Yes

## Undergraduate

Duplicated counts, Kentucky public and AIKCU institutions

### Total degrees and certificates

2017-18	60,722
2018-19	62,491

↑2.9%

### Degrees and certificates earned by URM students

2017-18	7,241
2018-19	7,724

↑6.7%

### Degrees in the area of education

2017-18	1,876
2018-19	1,779

↓5.2%

### Degrees and certificates in the area of STEM

2017-18	9,068
2018-19	9,095

↑0.3%

### Degrees and certificates in the area of health

2017-18	11,102
2018-19	11,896

↑7.2%

### Certificates and diplomas

2017-18	26,405
2018-19	28,023

↑6.1%

## Graduate

Duplicated counts, Kentucky public and AIKCU institutions

### Total degrees and certificates

2017-18	12,214
2018-19	13,889

↑13.7%

### Degrees and certificates earned by URM students

2017-18	1,219
2018-19	1,260

↑3.4%

### Degrees and certificates in the area of education

2017-18	3,457
2018-19	3,478

↑0.6%

### Degrees and certificates in the area of STEM

2017-18	1,916
2018-19	3,053

↑59.3%

### Degrees and certificates in the area of health

2017-18	2,144
2018-19	2,381

↑11.1%

*View more about Kentucky's degree production at  
<http://cpe.ky.gov/data/>.*



# 60x30 Update

## 2018-19 Degrees & Credentials

## Fall 2019 Preliminary Enrollment

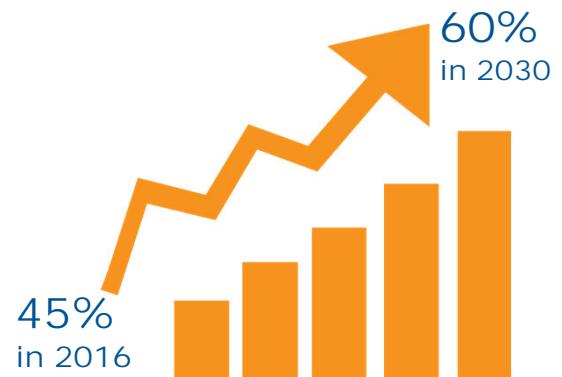
October 31, 2019



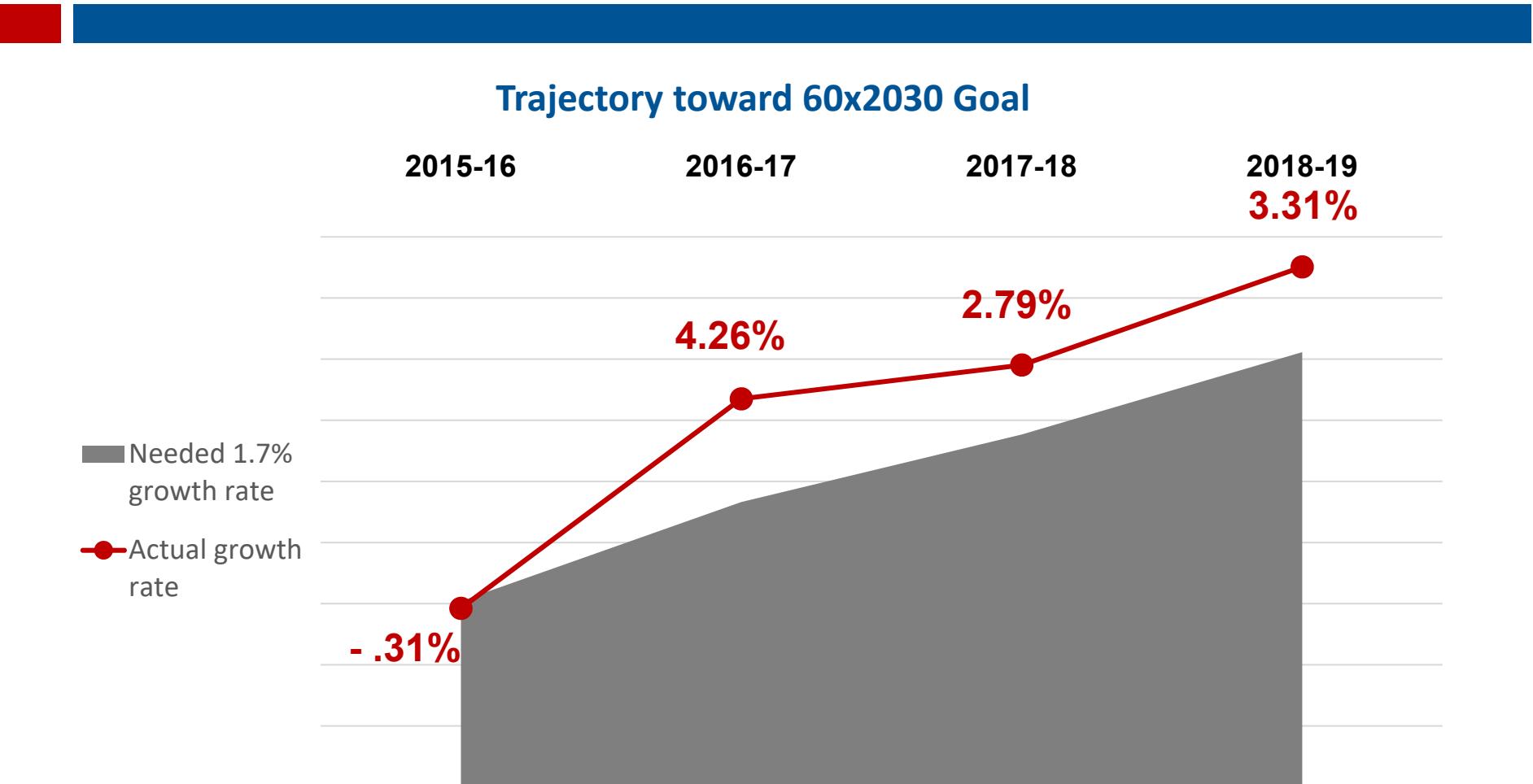
Kentucky Council on  
Postsecondary Education

# Kentucky's Big Goal

- To increase educational attainment (**certificate and above**) of working-age adults to the national average, projected to be 60% in 2030.
- Currently 45% of Kentucky's population has a postsecondary degree or certificate.
- Responds to mandates in the 1997 Postsecondary Education Improvement Act.
- Reflects economic development and workforce demand for a more highly trained, highly educated population.

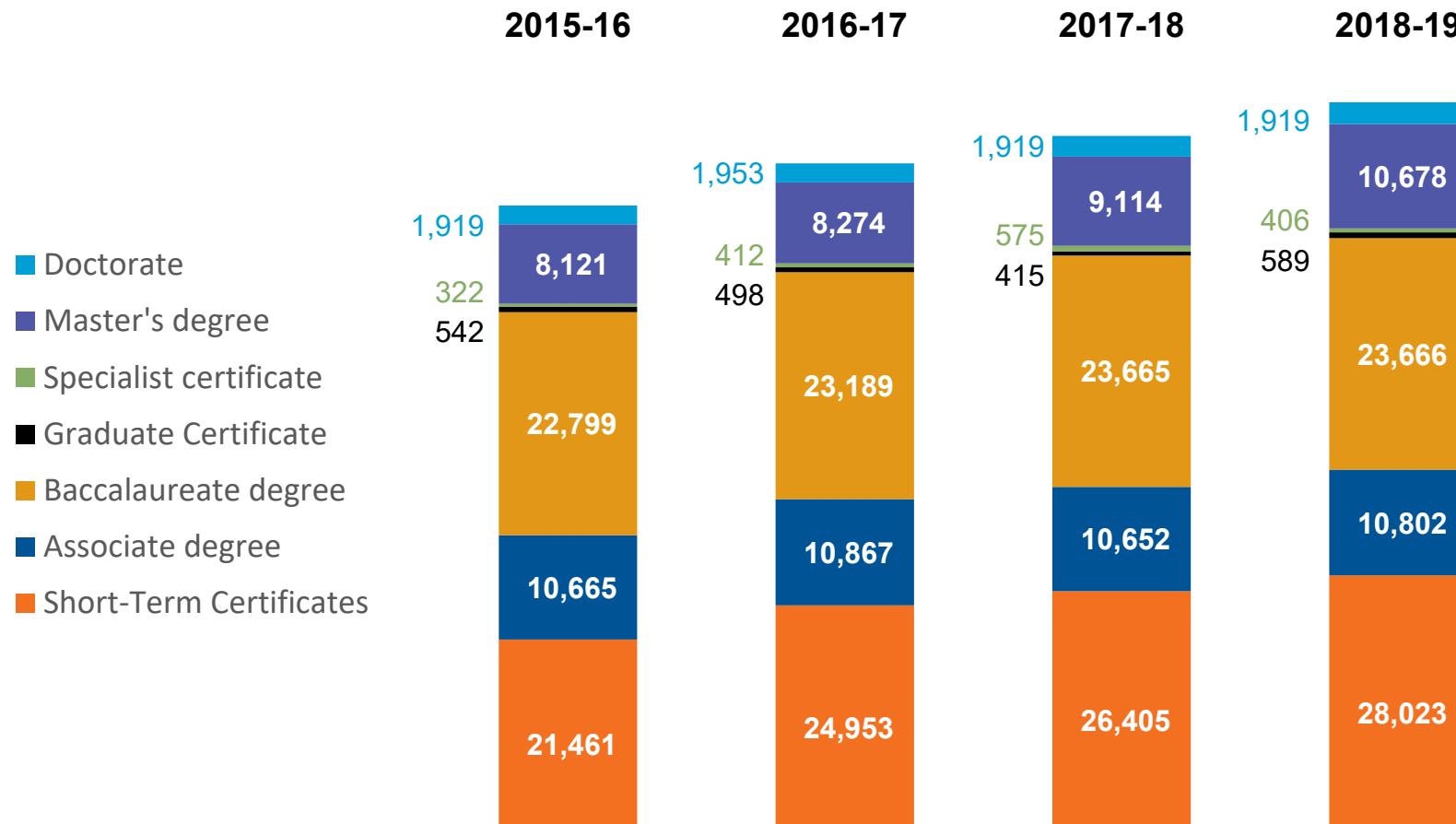


# Kentucky Surpasses Needed Progress



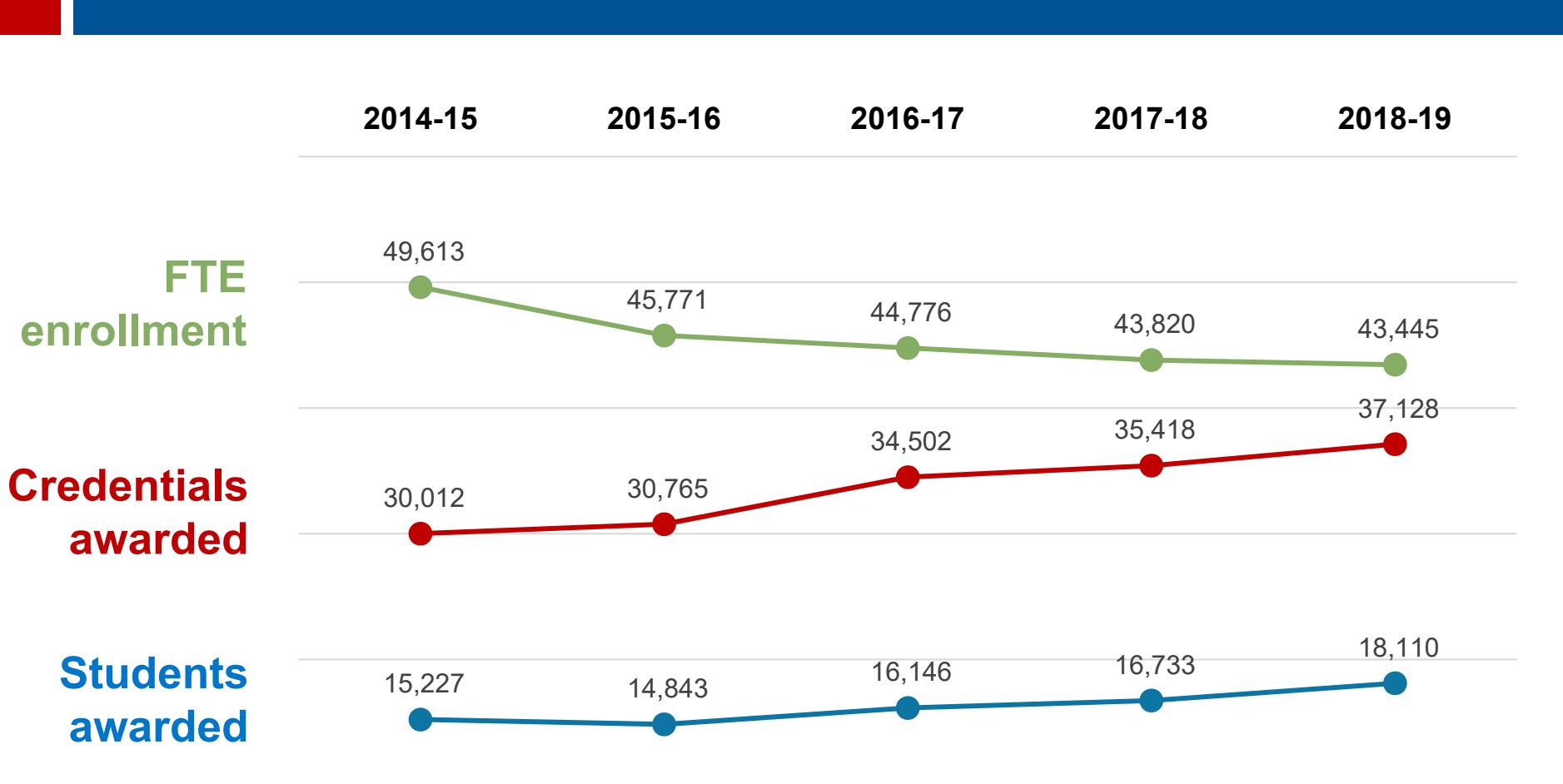
Source: Kentucky Postsecondary Education Data System (KPEDS).

# Overall Credential Growth



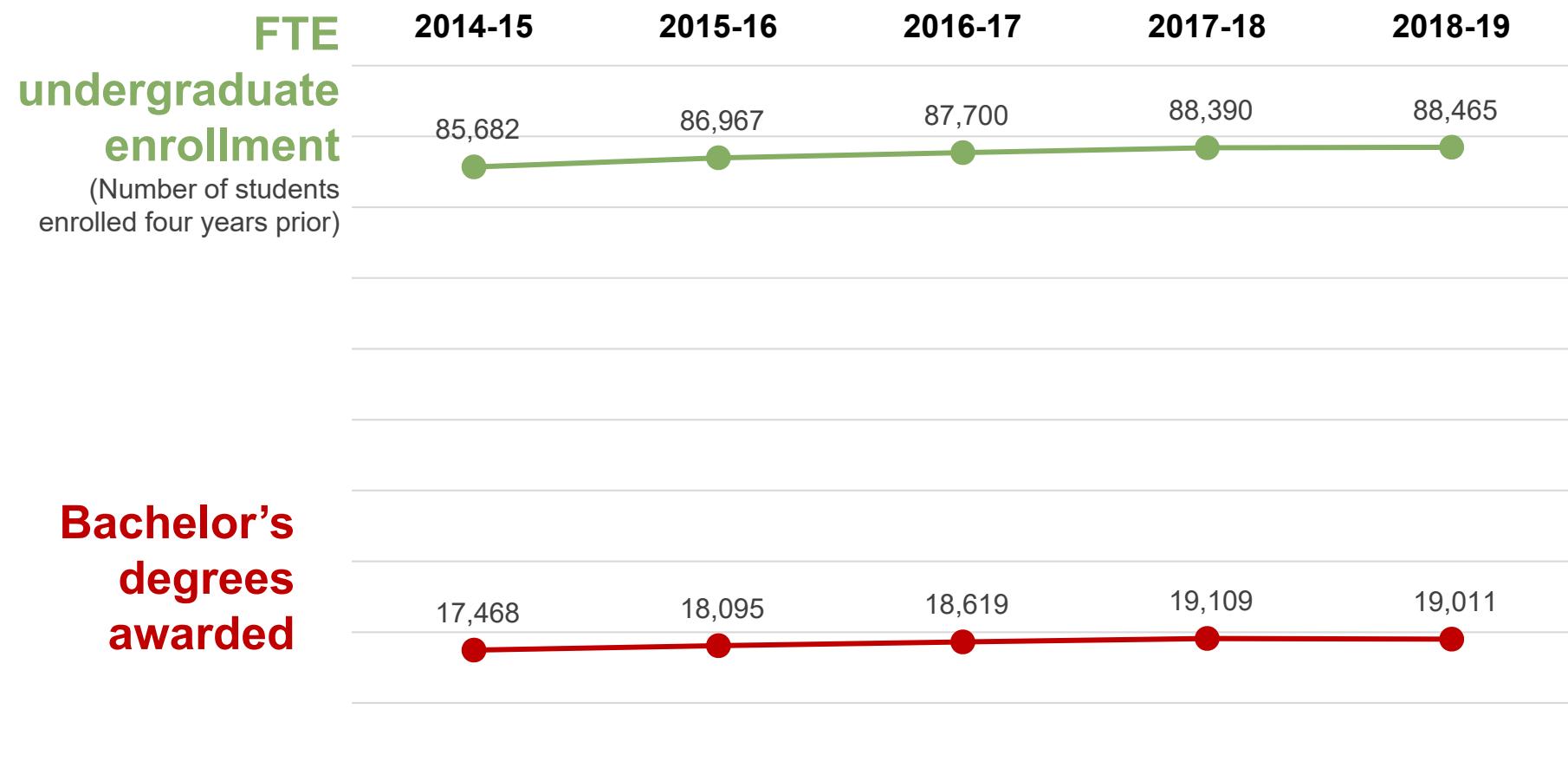
Source: Kentucky Postsecondary Education Data System (KPEDS).

# KCTCS Credentials Increase Despite Enrollment Decline



Source: Kentucky Postsecondary Education Data System (KPEDS).

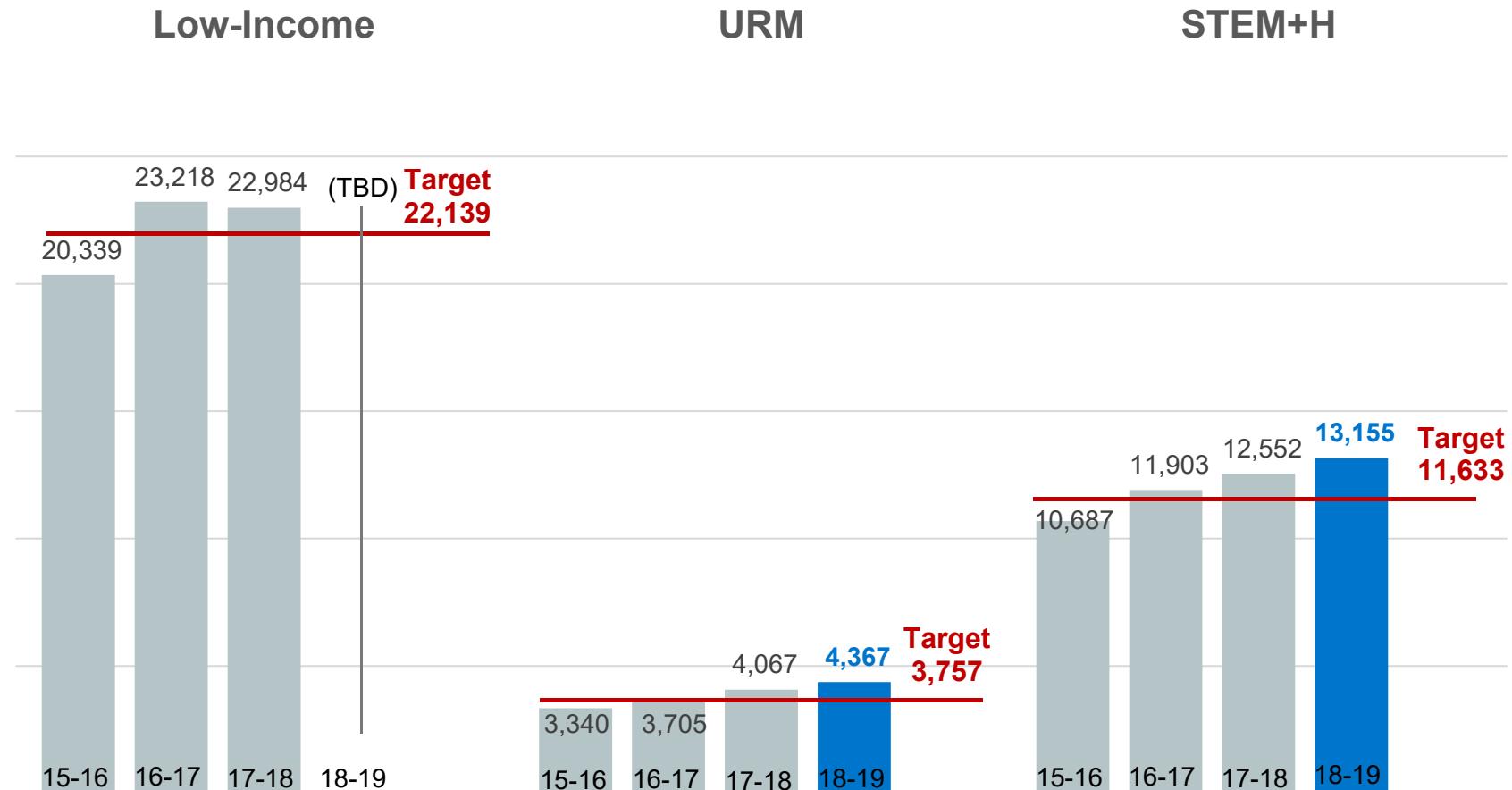
# Public Universities Bachelor's Degree Production & Enrollment – No Growth in 2018-19



Source: Kentucky Postsecondary Education Data System (KPEDS).

# KCTCS Progress on State Priorities

## Credentials by Low-Income, URM, STEM-H



Source: Kentucky Postsecondary Education Data System (KPEDS).

# Statewide Bachelor's Degrees (public & private)

## Progress on State Priorities

Bachelor's Degrees

URM Bachelor's Degrees

STEM+H Bachelor's Degrees

Target  
24,737

22,799 23,189 23,665 23,666

15-16 16-17 17-18 18-19

Target  
2,938

2,708 2,920 2,993 3,144

15-16 16-17 17-18 18-19

Target  
7,694

7,091 7,514 7,730 7,945

15-16 16-17 17-18 18-19



Source: Kentucky Postsecondary Education Data System (KPEDS).

# AIKCU Progress on State Priorities

Bachelor's Degrees

URM Bachelor's Degrees

STEM+H Bachelor's Degrees

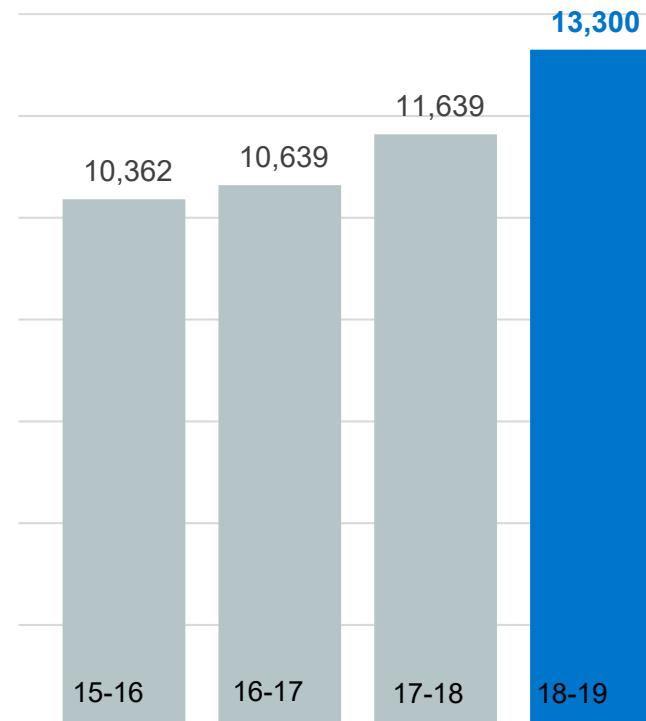


Source: Kentucky Postsecondary Education Data System (KPEDS).

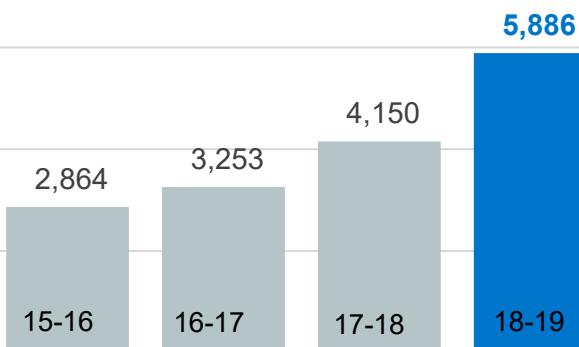
# Progress on Graduate/Professional Degrees



Public Universities



AIKCU



Source: Kentucky Postsecondary Education Data System (KPEDS).



## Questions?

[David.Mahan@ky.gov](mailto:David.Mahan@ky.gov)  
502-892-3102

[Lee.Nimocks@ky.gov](mailto:Lee.Nimocks@ky.gov)  
502-892-3047

## Data Dashboard Links

<http://cpe.ky.gov/data/degrees.html>

<http://cpe.ky.gov/data/enrollment.html>





# CPE REPORT

Eastern Kentucky University News for the Council on Postsecondary Education



## EKU HOSTS GEAR UP KENTUCKY LAUNCH EVENT

Hundreds of potential future Colonels converged on the Campus Beautiful on Sept. 25. for the official launch of the GEAR UP Kentucky program.

GEAR UP Kentucky is a seven-year grant program administered by the Council on Postsecondary Education (CPE) designed to increase the number of high school graduates receiving higher education. Students in 12 Kentucky counties will gain access to a GEAR UP college counselor, free summer camps on college campuses, and other resources.

"We knew we had to do a better job of helping students that may not even think they have the opportunity to be successful, who don't understand how," said Kentucky CPE President Dr. Aaron Thompson. Few people are as passionate about the program as Thompson, who was not only a first-generation college student when he graduated from EKU in 1979, but a first-generation high-school student.

"The power of GEAR UP is that we lead you through the college process," said Thompson. "We give you skills that give you the chance to advance."

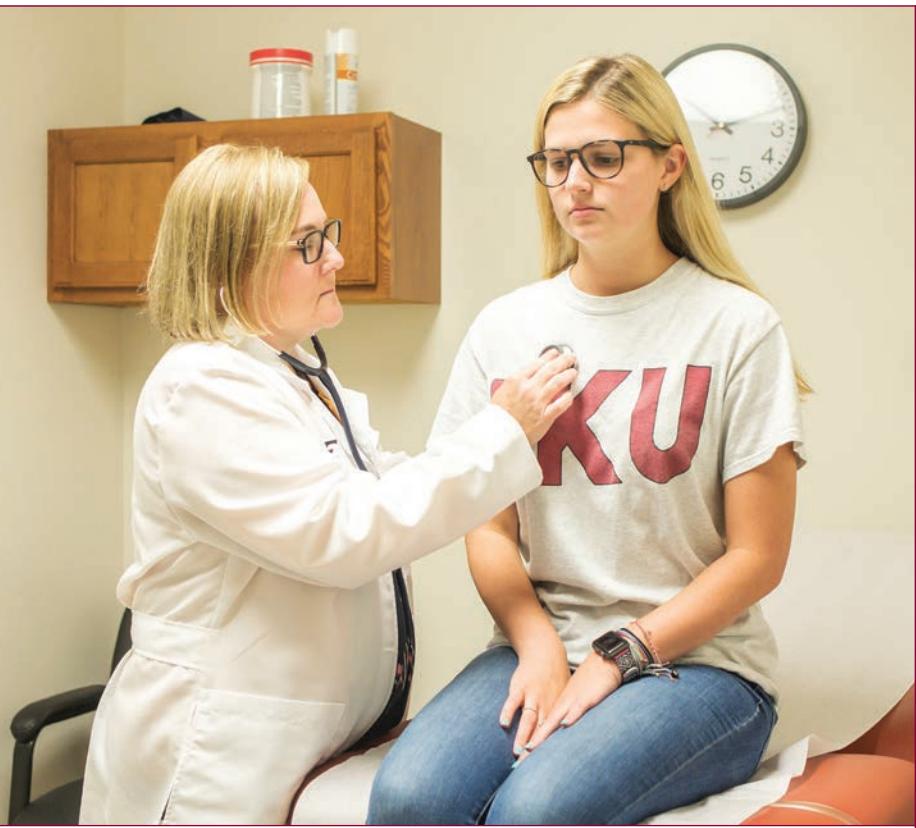
The event marked the Kentucky program's official launch, and the celebration of National GEAR UP Week. Seventh and twelfth graders from Bourbon County and Paris Independent schools filed into Brock Auditorium at 10 a.m. The students heard from Thompson, EKU President Dr. Michael T. Benson, and junior and GEAR UP Kentucky alum Alex Alonso-Ibarra. The EKU band, members of the National Pan-Hellenic Council and the Pi Lambda Chi Latina sorority performed.

"I don't believe that today's event could have gone any better, and that is a testament to the dedication of EKU staff and staff from Bourbon County and Paris Independent schools," said Missy Ross, director of operations and partnership for GEAR UP Kentucky. "For many of our students, today was their very first experience on a college campus – and it was a great one. Our students were given the opportunity today to visualize themselves as college students, and that's powerful."

Though only Bourbon county and Paris Independent school districts attended, GEAR UP also serves Bath, Bracken, Fleming, Marion, Mason, Mercer, Pendleton and Robertson counties, as well as Covington and Frankfort Independent school districts. The event was broadcast live on YouTube for those unable to attend.

EKU's partnership with GEAR UP serves to provide students a bridge to a successful college experience according to Heather Davis, assistant director of Academic Readiness at EKU. In fact, the office recently hired a graduate assistant to help students from GEAR UP schools adjust to EKU.

"I want to offer a partnership where the committed school staff and faculty can hand off their students to people that will care just as much as they do," said Davis. "I want them to know we value everything they have done to create a firm foundation, and we can't wait to take the baton and show these students they can be successful in college."



## EKU'S ONLINE RN-TO-BSN DEGREE PROGRAM RANKED 14TH NATIONALLY

A strong student-centered faculty and a nationwide network of clinical partners have helped Eastern Kentucky University's online RN-to-BSN degree program earn a national No. 14 ranking among 440 such programs from RegisteredNursing.org.

The University's nationally accredited, fully online, 29-credit-hour program is aimed at helping nurses with associate degrees achieve their educational and career goals by becoming baccalaureate prepared nurses. Credit is accepted for general education requirements based on an associate degree in nursing, NCLEX licensure and professional experience.

Earlier this year, EKU's online RN-to-BSN program was ranked first among schools in Kentucky, according to Registered Nursing. The program has also been ranked among the top 15 best value programs nationally by Value Colleges.

"We are so proud of our RN-to-BSN program at Eastern Kentucky University," said Cathy Edwards, DNP, MSN, RN, program coordinator. "We are fortunate to have the ability to work with our students through video conferencing, as well as virtual office hours. We are also fortunate to have excellent students, dedicated to furthering their education."

Students may choose from the traditional path, via which they will earn their BSN degree in approximately two years, or an accelerated path that allows them to graduate in 18 months. The program, based on convenient eight-week terms, does not require campus visits, or visits to testing centers.

"I believe students choose EKU because they want a quality education in an atmosphere where faculty care about the students and student success," said Rhoda James, MSN, RN, professor in the online RN-to-BSN program since its inception in 2014. "When taking this program online, we were cognizant of wanting to maintain stellar student support. This is visible throughout the program by the many layers of student support built into classes."

Student support includes access to lead faculty, faculty facilitators, instructional designers, the EKU IT help desk, writing assistance through the Noel Studio for Academic Creativity and librarian support through EKU Libraries. Online students also have dedicated, academic advisers who help them stay on track with their program progression.

For more information about the program, visit [go.EKU.edu/RegisteredNurse](http://go.EKU.edu/RegisteredNurse).

## EKU ALUM NAMED AN INVENTOR OF THE GPS

A global system that powers modern life was produced by decades of experimentation and hundreds of brilliant minds. One of those minds is an Eastern Kentucky University Colonel. Tom Logsdon, a 1959 graduate of EKU, was recently named one of 28 official inventors of the GPS by the U.S. Air Force.

Logsdon's fingerprints are all over the project that became GPS. As an engineer for Rockwell International, he determined the number of satellites required and the best altitude, inclination and spacing for the GPS satellite constellation. What many of the world's brightest minds struggled to figure out, Logsdon calculated in three days without any digital aid. "I am not opposed to computers," said Logsdon. "It's just faster, at times, to solve problems without them."

Logsdon and the other inventors were recently honored in a ceremony, during which they were presented with certificates. General John Thompson presented a speech, and the documentary "The Lonely Halls Meeting" premiered. The film detailed the invention of the GPS from its beginnings in 1973 to the present.

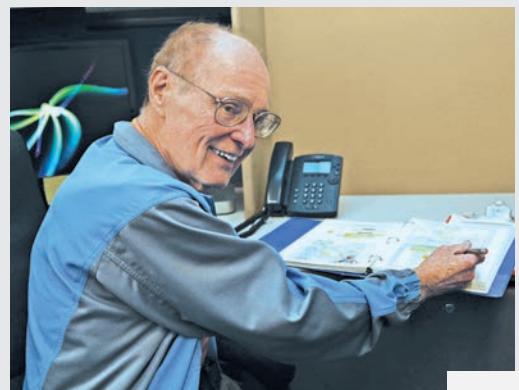
The Springfield, Kentucky, native began his studies at EKU as an art major, initially dreaming of being a cartoonist. However, by the end of his freshman year, he felt the pull toward math and physics.

"I just kind of stumbled into it," said Logsdon. "It was a lucky choice."

Indeed, it was — the launch of Sputnik less than two years before had created massive demand for scientists and mathematicians to help America win the space race. Logsdon graduated with 11 job offers.

At 81 years-old, Logsdon serves as an author, speaker, lecturer, short course instructor and expert witness. He currently lives in Seal Beach, California, and has authored 34 books. He has also traveled to 31 different countries on all seven continents.

Logsdon has taken 75 courses above his master's degree, both for credit and for personal satisfaction. He still studies Einstein's Theory of Relativity and reads 25 books a year. Even for a giant of the scientific community, the learning never ends: "It's been a lifetime of study."



# KCTCS GOOD NEWS REPORT

OCTOBER 2019

## KCTCS FIRST HIGHER ED SYSTEM IN THE NATION TO SIGN FUNDRAISING ETHICS PLEDGE



Fundraisers and presidents from all 16 colleges of the Kentucky Community and Technical College System (KCTCS) recently signed the Association of Fundraising Professionals (AFP) Code of Ethics pledge. They were joined by KCTCS President Jay K. Box and AFP President/CEO Mike Geiger along with KCTCS Vice President Benjamin Mohler and the development staff in Versailles.

"This occasion marks the first time that an entire college system has comprehensively addressed the issue of ethics and ethical fundraising by taking on the mantle and standards of the AFP Code of Ethics, the only enforceable ethical code in the entire global fundraising profession," said AFP President Mike Geiger

## KCTCS GOOD NEWS REPORT



along with KCTCS Vice President Benjamin Mohler and the development staff in Versailles.

"This occasion marks the first time that an entire college system has comprehensively addressed the issue of ethics and ethical fundraising by taking on the mantle and standards of the AFP Code of Ethics, the only enforceable ethical code in the entire global fundraising profession," said AFP President/CEO Mike Geiger. "The Kentucky Community and Technical College System has taken the leadership role not just among community colleges, not just in the state, but in the country—by abiding by the highest ethical standards in the fundraising profession. No other university or college or system has come close to what KCTCS is doing today."

According to Mohler, the signing is not to introduce these standards into the KCTCS culture, but rather to publicly and formally reflect the organizational and individual commitment to ethics.

"This reflects a commitment to the greater good that's deeply embedded in the DNA of KCTCS," Mohler said.

Throughout October, AFP and its partners will highlight the importance of ethical fundraising and provide new resources and tools for charities and fundraisers to demonstrate their commitment to the highest ethical standards.

AFP is the professional association of individuals and organizations that generate philanthropic support for a wide variety of charitable institutions. Founded in 1960, AFP advances philanthropy through its 31,000 members in more than 240 chapters throughout the world. AFP has inspired global change and supported efforts that have generated over \$1 trillion. AFP's individual and organizational members raise over \$115 billion annually.



**KENTUCKY**  
COMMUNITY & TECHNICAL  
**COLLEGE SYSTEM**



**KENTUCKY STATE  
UNIVERSITY**

Kentucky State University is the Commonwealth of Kentucky's most affordable public university and is now recognized as one of the best values among regional colleges in the South.

In the 2020 U.S. News & World Report rankings, Kentucky State University ranked second as one of the best value schools among regional colleges in the South.

According to the methodology used by U.S. News and World Report for the category, only schools ranked in the top half of their 2020 Best Colleges ranking categories were considered for the Best Value Schools list. Other factors included in determining the ranks were the ratio of quality to price, the percentage of all undergraduates receiving need-based grants and the average discount applied by the school.

Kentucky State ranked sixth among the top public schools among regional colleges in the South. Among regional colleges in the South, Kentucky State ranked 20th in campus ethnic diversity.

# GOOD NEWS

OCTOBER 2019

**KENTUCKY STATE  
UNIVERSITY**



**BY U.S. NEWS AND  
WORLD REPORT**

and Universities. Kentucky was also named one of the top four top public schools among regional colleges in the South.

According to the methodology, schools whose enrollment is made up of mostly just one ethnic group will not score highly using the ethnic diversity index because students are highly unlikely to encounter others from different ethnic backgrounds on campus.

In a new ranking, Kentucky State ranked 26th for top performers on social mobility among regional colleges in the South. The ranking is computed from the two ranking factors assessing graduation rates of Pell-awarded students.

Kentucky State also ranked 31st in the best regional colleges in the South category.

Kentucky State was ranked 35th among Historically Black Colleges



## KENTUCKY STATE UNIVERSITY ADDS MEN'S VOLLEYBALL



## KENTUCKY STATE UNIVERSITY PROFESSOR RECEIVES RARE EDUCATOR of the YEAR AWARD

A Kentucky State University professor recently received the rare honor of being named Educator of the Year by the Kentucky Communication Association (KCA).

Dr. David L. Shabazz, chair of the Division of Literature, Languages and Philosophy and associate professor, is one of only two recipients of the KCA's Educator of the Year in the organization's history. The first recipient was named in 2013.

"I was very surprised," Shabazz said. "I knew I had a chance for the excellence in teaching award, but this came as a total surprise. I'm an introvert, so I rarely tell my colleagues about my accomplishments. This time I did."

Shabazz has had an incredible year prior to this recognition. Shabazz completed his doctorate, presented at the World Journalism Education Congress (WJEC) in Paris, was approved for tenure/promotion and received awards from the Broadcast Education Association (BEA).

"I feel like my cup runneth over," Shabazz said. "I'm feeling a mixture of humbled, excited, and energized. All faculty and staff are service industry employees, which means we rarely hear 'thank you' or received accolades until much later."



**DR. DAVID L.  
SHABAZZ**

Shabazz said it's taken a lot of work to get to this point.

"I've worked an unforgiving schedule for the last three years," Shabazz said. "My internal constitutions are very strong, but it's always nice to get external validation. An award like this only makes me want to work that much harder."

Shabazz said the fact that the award is rarely given makes it that much sweeter.

"Being the first person to win this since 2013 is a great honor," Shabazz said. "Educator of the year is not an award routinely given out just because the category exists. That really makes me humbled to know my work stands out among the excellent communication professors throughout the Commonwealth."

Shabazz offered encouragement to others who are putting in hard work in their fields.

"There are many people who go the extra mile and don't get any recognition," Shabazz said. "I hope my success can inspire others who are on the grind trying to make things better. Keep grinding and it will be worth it."

## Fall 2019 enrollment information reflects significant increases in number of new freshmen, graduate and transfer students

Enrollment in several key categories reflect increases and continued positive momentum at Murray State University for the 2019-20 academic year.

Based on recent University data, this year's entering freshman class of 1,420 students indicates a significant increase of 7.7 percent, as of August 27, 2019, from the fall 2018 freshman class. By comparison, the fall 2018 freshman class was down nearly 9 percent from the previous year.

Murray State freshmen hail from 25 states and 15 countries. Sixty-three percent are from Kentucky and come from a total of 75 counties in the state.

The number of new graduate students and new transfer students also reflect major increases from the previous fall of 11.2 percent and 10.2 percent, respectively.



## Washington Monthly recognizes the University as 'Best Bang for the Buck'

Washington Monthly's 2019 College Rankings have highlighted Murray State University as a best value for students seeking a college degree.

Murray State led all Kentucky public higher education institutions in the publication's South region 'Best Bang for the Buck' rankings.

"We are committed to providing an impactful educational experience that positions our students well for professional and personal success following

graduation," said Murray State University President Dr. Bob Jackson. "This national recognition by Washington Monthly, which recognizes our institution as the best public university value in Kentucky, affirms that Murray State provides a competitive tuition regarded as one of America's best values, plentiful scholarship opportunities, as well as academic achievement scholarships that many of our students benefit from each year."

## Murray State University celebrates opening of Center for Autism Spectrum Disorders

The Murray State University Center for Autism Spectrum Disorders opened with a ribbon-cutting ceremony and reception Aug. 22 in Alexander Hall.

Led by Murray State University school psychology program director Dr. Sean Simons and College of Education and Human Services Assessment Clinic director Dr. Marty Dunham, this facility was designed to alleviate two simple, yet profound,

problems: providing timely, comprehensive and affordable diagnostic evaluations and treatment options for children of all ages who demonstrate at-risk symptoms for autism spectrum disorder and helping to support families.

Beginning this fall, the clinic will offer applied behavior analysis therapy out of Alexander Hall as space permits.

## University awarded \$1 million grant from National Science Foundation

Murray State University has been awarded a \$1 million grant from the National Science Foundation for a proposal led by the institution's ADVANCE leadership team to promote strategic equity initiatives for female faculty members within science, technology, engineering and mathematics (STEM) disciplines.

"We are very excited to continue our ADVANCE

work to support women faculty in STEM," said Dr. Maeve McCarthy, interim assistant dean of the Jesse D. Jones College of Science, Engineering and Technology. "It is a great honor for Murray State to be chosen by the National Science Foundation."



## Department of Computer Science and Information Systems wins Bauernfeind Cup

The Murray State University Department of Computer Science and Information Systems is this year's Bauernfeind Cup winner after having the most scholarly work published in the Arthur J. Bauernfeind College of Business between fall 2017 to fall 2018.

The department collectively published 29 peer-reviewed print journal articles, one book chapter and three peer-reviewed conference proceedings, and completed six presentations at peer-reviewed conferences. Topics included contemporary approaches of data mining, machine learning and advanced data analytics in accounting, finance and management.

"The Bauernfeind College of Business has six departments, and it was a close race," said assistant dean

Dr. Joy Humphreys. "The department did a great job to win the cup with their work from last year. The College of Business faculty as a whole produces some excellent research, all while being incredible teachers in their respective fields. Both teaching and research, along with service, are important tenets in maintaining Association to Advance Collegiate Schools of Business accreditation, a distinction that less than 5 percent of business schools worldwide have attained."



## Biology professor discovers new insect species with help from her five-year-old



A Murray State biology professor has named a new insect species after her daughter, who helped make the discovery while planting flowers in western Kentucky.

Dr. Laura Sullivan-Beckers teaches

zoology, ornithology and human anatomy classes to undergraduate students at Murray State. She's also mom to five-year-old Sylvie. During the summer of 2016, when Sylvie was two years old, the toddler uncovered a brand new insect species.

After working with her former Ph.D. advisor and working with a taxonomist in Washington, D.C., the discovery was confirmed and the new insect was named after Sylvie.

## Students study abroad in Japan thanks to Sekisui Scholarship

A pair of Murray State University students had the opportunity to study abroad in Japan this summer with the Kentucky Institute for International Studies (KIIS) Japan Program, thanks to a scholarship generously funded by Sekisui Specialty Chemicals.

This year's recipients were James West, a Japanese major and biology minor from Memphis, Tennessee, and Ray Friedland, a teaching English to speakers of other languages major (TESOL) and Japanese minor from

Louisville, Kentucky.

"I want to give my genuine thanks to everyone at Sekisui that enabled myself and Ray to receive the assistance we did to go on the KIIS program," West said. "KIIS was a once-in-a-lifetime experience that I was only able to participate in because of the kindness and generosity of Sekisui, and I will always appreciate every bit of the assistance that I was given."

## Murray State University participates in recent visit by Chairman of the House Agriculture Committee

Representatives from Murray State University participated in a recent visit by Congressman Collin Peterson, Chairman of the House Agriculture Committee. The visit, hosted by Kentucky Congressman James Comer, also included other regional and state agricultural and governmental leaders and consisted of several stops, including a tour of the new Fibonacci Hempwood operation and at the Murray State farm to have a listening session on hemp and see hemp research plots, dark tobacco, corn and soybeans.

"It was a great honor to host our

own Congressman Comer and House Agriculture Chairman Peterson on the campus of Murray State University for a listening session and a tour of our Hutson School of Agriculture Farm," said Dr. Tony Brannon, dean of the Murray State Hutson School of Agriculture. "It was a great opportunity to give the chairman an update on the reinvention of agricultural hemp as a grain, fiber and floral crop on our campus and in our region and state, and to update him on our ongoing student, faculty and associated partner research."

## 2019 DNP-FNP graduates earn 100 percent pass rate across nationally-recognized certification exams

Graduates of Murray State University's Doctor of Nursing Practice (DNP) to Family Nurse Practitioner (FNP) program saw a 100 percent pass rate across certification exams for the fourth straight year.

"We are very proud of the success of our students and graduates," said Dr. Katy Garth, interim graduate coordinator and FNP specialty coordinator of the School of Nursing and Health Professions. "It has

been very gratifying to watch the students grow professionally as they progress through the DNP to FNP program. We couldn't be happier about the certification pass rate, but also the success graduates have had professionally. We have graduates practicing in a wide variety of clinical settings, from western Kentucky to Washington State, and impacting the health and well-being of individuals and families."

## Significant increases in giving benefit students and University community

The Office of Development at Murray State University reports a significant increase in private giving over the last year. With new gifts and pledges from over 5,000 donors, more than \$9.1 million was raised from July 1, 2018 through June 30, 2019, reflecting a 133 percent increase from the previous fiscal year, in which \$3.9 million was raised.

"I'm regularly amazed at the tremendous generosity of our alumni and friends," said Murray State University President Dr. Bob Jackson. "This past year, we received the largest amount of donations since 2012 to support our students through scholarships, academic programs,

athletics and WKMS, among other areas. We are extremely grateful for the unwavering support of those who truly love and support the University."

"We have a great development team and the support of the entire campus for the work we do to enhance programs and support our students," said Tina Bernot, executive director of development. "Our donors are encouraged by the many positive changes happening at Murray State and want to be a part of the positive momentum on campus."



# GOLD RUSH

OCT. 2019

NORTHERN KENTUCKY UNIVERSITY

## GO FIGURE

### VICTORFEST DAY OF SERVICE

110

students, faculty & staff volunteers

330

hours of service

\$8,000

in economic impact through  
community service



### NKU UNVEILS UK COLLEGE OF MEDICINE-NORTHERN KENTUCKY CAMPUS

NKU, in partnership with the University of Kentucky and St. Elizabeth Healthcare, officially opened the new UK College of Medicine Northern Kentucky Campus with a ribbon cutting event. The new site welcomed an inaugural class of 35 medical students during a white coat ceremony in August.

The Northern Kentucky Campus is fully functioning and utilizes the same curriculum and assessments as the Lexington Campus. The new site touts 19,806 square feet and includes classrooms, five standardized patient rooms, a physical exam lab and six group study rooms. Third- and fourth-year medical students gather clinical experience at St. Elizabeth Healthcare.

"This is an historic day for NKU and for the region. We are proud to partner with UK and St. Elizabeth to establish a medical school in Northern Kentucky, that is designed to educate and keep physicians here," said NKU President Ashish Vaidya. "This project aligns well with NKU's academic focus on health and related fields to address critical issues facing the Northern Kentucky/Greater Cincinnati region through collaboration and innovation."

For students, the Northern Kentucky Campus offers smaller class sizes, the benefit of scholarships and the opportunity to live, work and learn in a dynamic region of the Commonwealth.

"The support from the University of Kentucky, Northern Kentucky University, and the generous scholarship from St. Elizabeth Healthcare have made this dream a reality for many in my class," said Allison Anstead, NKU graduate and class of 2023. "It has been an incredible experience to join the administrative staff and faculty here and to be a part of the inaugural class of the Northern Kentucky Campus."

**LEARN MORE:** <https://tinyurl.com/yyjm2uah>

## COLLEGE CORNER

The Haile/US Bank College of Business' undergraduate and graduate programs received multiple national rankings for providing an accessible online education.

Bachelor's Degree Center, a free online resource to help students find affordable degrees, ranked the undergraduate Business Administration program second in the country for affordability, accreditation and course offerings.

On the graduate side, College Consensus recognized NKU's Master of Business Administration program for its affordability, convenience and reputation. NKU ranks sixth nationally for both best online MBA program and best no-GMAT online MBA program.

**LEARN MORE:** <https://tinyurl.com/y35y9act>



## NKU AWARDED \$1.8 MILLION IN FEDERAL GRANTS TO ADDRESS THE OPIOID EPIDEMIC

NKU received \$1.8 million dollars from the U.S. Department of Health and Humans Services (HHS) to combat the opioid crisis. HHS' Health Resources and Services Administration awarded the funds to establish and expand access to integrated substance use disorder and mental health services. NKU, along with collaborators from across northern Kentucky, received more federal funding than any other university in the Commonwealth to support HHS's Five-Point Opioid Strategy. The university's Institute for Health Innovation (IHI) has spent the past year working in communities greatly impacted by the crisis. IHI is working in Owen County, which has one of the highest risk rates for drug overdoses in the region – combined with limited treatment facilities and barriers to accessing them.

The IHI received a HRSA grant in 2018 to establish the Owen County Collaborative Addiction Treatment Initiative, a consortium of community partners invested in addressing substance use disorder and healthcare gaps in the eight-county northern Kentucky region. This brings IHI's total amount of grant funding received to \$3.6 million since its initiation last summer. **READ MORE:** <https://tinyurl.com/24y5xoy>



The Horizon League announced its honor roll for the Spring 2019 semester, with 110 Northern Kentucky student-athletes earning distinction. Student athletes recorded a 3.39 grade point average this past semester. Coupled with an athletic department-record 3.47 GPA in the Fall 2018 semester, NKU posted a new high-water mark of a 3.43 average GPA for the 2018-19 academic year.

## BRIEFS

### NKU JOINS A NATIONAL COALITION FOR DEGREE COMPLETION

NKU partnered with the Institute for Higher Education Policy to join the second cohort of Degrees When Due, a national initiative helping students who have some college credits complete their degrees.

Degrees When Due shares best practices with the cohort to re-engaging students who have paused their studies. NKU's Adult Learner Programs and Services will benefit from this initiative to support students returning to achieve their degree, and the program will help reach more diverse learners.

#### LEARN MORE:

<https://tinyurl.com/yxeq8lp7>

### NKU RECEIVES GRANT TO PREVENT INTERPERSONAL VIOLENCE

Norse Violence Prevention Center (NVP) received a three-year grant from the Office on Violence Against Women providing expanded resources and staffing. With a larger space, NVP is expanding its prevention programs and increasing accessibility of advocacy services including a dedicated trauma-informed meeting space for student survivors. NVP dedicated to preventing and addressing interpersonal violence, including sexual assault, partner violence and stalking on NKU's campus.

#### LEARN MORE:

<https://tinyurl.com/y62a44ya>

## FACULTY FOCUS

### JESSICA HINDMAN: MILLI VIOLINI

Before her teaching career began at NKU, Dr. Jessica Hindman followed a love of music from the hills of Appalachia to the halls of Columbia University, found a passion for reporting in Egypt and then pretended to play violin for a while.

Dr. Hindman, who has taught creative writing at NKU since 2014, spent years trying to make sense of her experience as a fake violinist. She was finally able to get it all down on paper in her recently published memoir, "Sounds Like Titanic: A Memoir," which is receiving praise from outlets such as NPR, Goodreads, O: The Oprah Magazine and Vox.

**READ MORE:** <https://tinyurl.com/yxb4hxgl>

### NKU CONTINUES YOUNG WOMEN LEAD CONFERENCE

NKU's Institute for Talent Development and Gifted Studies invites high school girls across the region to be their own heroes at the Ninth Annual Young Women Lead (YWL) Conference on Oct. 31 and Nov. 1, 2019.

YWL empowers high school girls to find strengths and reach their full potential. The all-day conference focuses on Leadership, Education and Development (LEAD) and features interactive breakout sessions and keynote speakers. Registration for the conference is now open.

#### LEARN MORE:

<https://tinyurl.com/y6fgfnus>

### CYBERSECURITY PROGRAM RENEWS PROMINENT NSA

NKU's designation as a National Center of Academic Excellence in Cyber Defense Education (CAE-CDE) for the Bachelor of Science in Computer Information Technology, Cybersecurity Track has been renewed. The joint designation from the National Security Agency and the Department of Homeland Security recognizes the College of Informatics as a top-tier program in the nation. NKU became the first institution in Kentucky and the Greater Cincinnati region to receive the designation in 2015.

#### LEARN MORE:

<https://tinyurl.com/y568zb2j>

## ALUMNI NEWS



### CASTING LIGHT

When Anna Becker served as the editor of Northern Kentucky University's student newspaper, *The Northerner*, during her time in the university's journalism program, she learned skills that informed the news career she pursued a few short years later. "It was definitely my most memorable experience," she says. "That was really where I gained real-world experience."

After graduation, she moved south to Atlanta for a variety of positions at CNN's headquarters. Then, in 2013, Becker made her way back to Cincinnati to serve as an associate producer at news station WCPO, where she worked on such projects as the Emmy Award-winning comic-journalism piece, "Living in the Shadows," which tells the story of a family, helmed by an undocumented immigrant mother, and their trials and hard-won successes.

**LEARN MORE:** <https://tinyurl.com/y52tpkpr>

*A Message from the President Eli Capilouto*

**One man. One courageous step. Seventy years of a journey that is still unfolding and evolving.**

That is the story the University of Kentucky community is celebrating with particular reverence throughout this academic year.

It is the story of an institution intentionally striving to be a community of belonging, even while acknowledging that its evolution has not been a straight line of progress. It has been one of triumphs and trials, opportunities and obstacles.

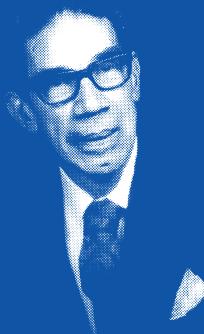
The journey began with one man, who took one step.

In 1949, five years before the Supreme Court declared that “separate but equal” was anything but, Lyman T. Johnson became the first African American to enroll at the University of Kentucky. It was, by all accounts, a wrenching path. But 30 years later, Johnson was awarded an honorary doctorate from UK.

“It’s remarkable,” he wrote, “that so much has changed in the space of thirty years – from the time I forced my way into the university on a court order to the day the university gave me an honorary degree.”

His story reflects Dr. Martin Luther King Jr.’s wisdom that “intelligence plus character—that is the goal of true education.”

Less than a decade later, Doris Y. Wilkinson graduated from the University, becoming one of the first three African American graduates



**70**  
**70 YEARS**  
OF INTEGRATION

from UK. She went on to earn graduate degrees from Case Western Reserve and Johns Hopkins University. She returned to UK as our first full-time African American female faculty member, becoming a prominent and inspirational figure in sociology. A woman of many “firsts” and accomplishments, Dr. Wilkinson flourished and triumphed in the face of adversity. In August, the University announced that it was awarding her an honorary doctorate of humane letters.

On the issue of race – and what we describe as our journey to create a community of belonging – 70 years of integration calls out to

us as a moment of honor; it also is a challenge that reminds us of how much we still must do.

We have made undeniable strides. But we know much remains to be done.

Moral and educational imperatives drive our fierce resolve to move forward. But we know, too, that the global economy these students will enter is increasingly diverse and interdependent. To compete and to succeed, they must be able to understand that world and embrace it. And, as Dr. King’s words reflect, they must develop the knowledge and build the character to traverse that world with a sense of empathy and purpose. Appreciating and creating relationships across our differences – the essence of grace – is core to learning and growing.

UK’s journey – like those of Lyman T. Johnson and Doris Y. Wilkinson – is one of forward progress in the face of continued challenges. Our history is shaped by stories of transformation and depictions of halting, hard-earned efforts that took years to find success.

Even as we acknowledge our imperfections – those roads we must still pave, the miles we must still travel and the promise we must keep – we will continue to work together with determination and compassion to fulfill our purpose as Kentucky’s university.

**IMAGINE WHAT'S  
*Wildly Possible***





## National Leaders and UK Launch HEALing Communities Study to Stem Tide of Opioid Deaths

Flanked by national leaders in the fight to reduce deaths from opioid use – including Senate Majority Leader Mitch McConnell and Health and Human Services Secretary Alex M. Azar – the University of Kentucky officially launched the HEALing (Helping End Addiction Long-term) Communities Study – Kentucky.

In April, UK – partnering with the Commonwealth of Kentucky – was one of four sites selected from across the country for the HEALing Communities Initiative. UK's grant from the National Institutes of Health totals \$87 million, the largest in its history, and is focused over the next three years on reducing opioid-related deaths by 40 percent in 16 counties across the Commonwealth.

The study is part of the NIH HEAL (Helping to End Addiction Long-term) Initiative, a bold, trans-agency effort to speed scientific solutions to stem the national opioid public health crisis. The goal is to develop evidence-based solutions to the opioid crisis and offer new hope for individuals, families and communities affected by this devastating disorder. More broadly, the idea is to see if solutions

in different communities across the state can be scaled up and replicated as part of a national approach to the challenge.

Sharon Walsh, director of UK's Center for Drug and Alcohol Research and the Principal Investigator on the study, said a great deal of work is already underway to help facilitate a successful launch of the grant in the 16 study sites. Significant milestones that have been completed or that will be undertaken in the next several months include:

UK researchers/staff already are in the field doing pilot work in several communities. About 20 UK researchers across six colleges are involved in the grant. The Kentucky grant is being done in partnership with the Kentucky Cabinet for Health and Family Services (CHFS) and the Justice and Public Safety Cabinet (JPSC). Secretaries Adam Meier and John Tilley, from the state's Health and Family Services Cabinets and Justice, respectively, attended the announcement.

Sixteen counties in Kentucky that are “highly affected communities” have been identified to be included in the randomized study. They include Fayette, Jessamine, Clark, Kenton, Campbell, Mason, Greenup, Carter, Boyd, Knox, Jefferson, Franklin, Boyle, Madison, Bourbon and Floyd counties. Overall, these rural and metropolitan counties had 764 opioid overdose deaths in 2017 with two-thirds of them involving fentanyl. They also represent about 40 percent of the state’s population of more than 4 million people.

## UK Receives INSIGHT Into Diversity 2019 Higher Education Excellence in Diversity Award



The University of Kentucky received the 2019 Higher Education Excellence in Diversity (HEED) Award from INSIGHT Into Diversity magazine, the oldest and largest diversity-focused publication in higher education. As a recipient of the annual HEED Award — a national honor recognizing U.S. colleges and universities that demonstrate an outstanding commitment to diversity and inclusion — UK will be featured in the November 2019 issue of INSIGHT Into Diversity magazine. This is the third year in a row that UK has been named as a HEED Award recipient.

This recognition is consistent with the university's focus on promoting sustainable transformation around inclusion and diversity. With programs in place like the Ambassadors for Inclusive Excellence under the MLK Center

and International Center, the Inclusive Health Summit within Inclusive Health Partnerships, and the Audre Lorde Living-Learning Program, a program facilitated through the Office of LGBTQ\* Resources, UK strives to be a place where everyone feels welcome and can succeed.

UK has earned several accolades for diversity and inclusion efforts in the last year, including a Forbes ranking for Best Employers for Diversity, recognition as a Diversity Champion by INSIGHT Into Diversity magazine and a “Best of the Best” Top 30 LGBTQ-friendly college recognition by Campus Pride.

These recognitions speak volumes about the dedication and hard work of faculty and staff across campus in their efforts to build and sustain a culture of inclusive excellence.



# THE PRESIDENT'S REPORT

ISSUE 105 | SEPTEMBER / OCTOBER 2019

Dear Friends,

We're well into the fall semester at the University of Louisville, and it's been so encouraging to see our students return to campus so full of energy, enthusiasm and a willingness to learn and serve our community. They truly are the reason that we do what we do each day, and I know that our faculty and staff feel renewed upon their arrival at the start of each term.

We have another outstanding freshman class. It is both large and diverse. The numbers really tell the story—about 17 percent African American and 6 percent Hispanic/Latino. I'm proud to say that 17 percent of the class are first-generation college students. We have representation from 38 states, and we have students from close to 100 countries and all 50 states in the entire student body.

The summer was a busy one at the university, and that activity has spilled over into the fall. One of the most exciting developments is taking shape within our health care enterprise. After much deliberation, UofL struck a deal to acquire the Louisville assets of KentuckyOne Health, including the struggling Jewish Hospital. This acquisition fueled considerable debate both at the university and in the community. In the end, we decided that we could not risk these facilities closing, costing the community hundreds of jobs and eliminating access to health care for some of our most vulnerable neighbors.

We owe a huge debt of gratitude to the governor and leaders in the House and Senate for promising a \$50 million loan that alleviates some of the risk to the university. Half of the loan will be forgivable if UofL meets certain performance metrics. Quite simply, we could not fully implement our plan for stabilizing these assets without the state loan. We also are extremely grateful to the Jewish Heritage Fund for Excellence and the Jewish Hospital and St. Mary's Healthcare Foundation for their financial support of this transaction, which will close Nov. 1.

Through the hard work of hundreds of faculty, staff, students, alumni and friends, the university was able to complete its 2019-2022 strategic plan, which was officially launched in September. I'm very pleased with the document, which will serve as the university's guidepost over the next three years. The plan stays true to our mantra of becoming an even greater place to learn, work and invest. It also never loses sight of our call to celebrate diversity, foster equity and strive for inclusion.

I can guarantee that this plan will not be placed on a shelf and forgotten. We will live this document, and there are specific metrics in place that will ensure that we are meeting the lofty expectations set for us by our students, parents, stakeholders and the greater community. We want to be held accountable. That's the only way we can grow and succeed.

We're expecting a big year at the University of Louisville. We have tremendous momentum. Each day, our students make us proud. We're conducting groundbreaking research, and we're active in the community, serving the less fortunate and helping to make our city a better place. People are taking notice and getting on board. We know the community needs the university, but we also need your ongoing support to get where we want to go. I thank you for all you do for UofL and look forward to seeing you on campus. Go Cards!

**Neeli Bendapudi**  
President, University of Louisville



The plan guides UofL's continued growth as a great place to learn, work and invest.

## UofL LAUNCHES STRATEGIC PLAN TO GUIDE IT THROUGH 2022

President Neeli Bendapudi officially unveiled UofL's 2019-2022 strategic plan this September, with launch events on the Belknap and Health Sciences Center campuses.

The document, which is the university's roadmap to becoming an even greater place to learn, work and invest, was developed after months of meetings, discussions and suggestions from more than 2,400 faculty, staff, students, alumni and friends.

More than 100 volunteers served on three committees that met from early 2019 through the summer to develop the goals, strategies, tactics and metrics that will guide the university over the next three years.

Woven throughout the plan are the university's goals to celebrate diversity, foster equity and strive for inclusion.

In order to become a greater place to learn, the plan calls for a focus on experiential learning, student mental health, increased access to financial aid

and financial aid resources and other steps. Specific metrics for measuring this objective include improving enrollment, retention, graduation and numbers of underrepresented and first-generation students.

Becoming a greater place to work, according to the plan, will mean focusing on personal growth and professional development opportunities. It also will be important to create a culture based on the Cardinal Principles: Community, Accountability, Respect, Diversity, Integrity, Nobility, Agility and Leadership.

In the plan, building a better place to invest will require a greater concentration on philanthropic efforts, bringing on more development officers, increasing business and industry partnerships and highlighting a handful of key areas that make UofL unique.

Read more about the strategic plan at [louisville.edu/strategic-plan](http://louisville.edu/strategic-plan).

## We're tops in Kentucky on Sierra Club's 'Cool Schools' list

The University of Louisville has notched another high-profile achievement for sustainability among higher education institutions in Kentucky.

The Sierra Club this week released its annual "Cool Schools" rankings of North American

colleges and universities, recognizing gains related to teaching, studying and acting for a more livable world.

At No. 84 on the list, UofL is the highest-ranked Kentucky institution.

## **UofL TO ACQUIRE KENTUCKYONE LOUISVILLE ASSETS**

In an initiative to prevent the closure of struggling Jewish Hospital and other vital medical facilities, UofL is on track to assume KentuckyOne Health's Louisville-area assets.

UofL will pay \$10 million to acquire the assets from KentuckyOne's parent company, CommonSpirit Health. As part of the agreement, CommonSpirit will forgive \$19.7 million in outstanding promissory notes from University Medical Center Inc. UofL will receive more than \$76 million of working capital in the form of accounts receivable and cash to meet future operating expenses.

"These medical facilities and the thousands of professionals who work there have for decades provided high quality medical care to patients throughout our community and beyond," UofL President Neeli Bendapudi said. "We are proud to protect that legacy and ensure it continues as we acquire and enhance these facilities."

To help secure the purchase, Gov. Matt Bevin and Economic Development Cabinet Secretary Vivek Sarin have pledged support for a \$50 million, 20-year loan, half of which will be forgiven if the university meets certain criteria in areas of employment or service to currently underserved areas of the community and commonwealth. Kentucky Senate President Robert Stivers and Speaker of the House David Osborne also supported the loan.

"UofL's acquisition of the KentuckyOne facilities will maintain more than 5,000 jobs in the

health care sector and ensure that our health care delivery system in Metro Louisville is preserved," Bevin said.

Bill Request 290 has been filed in the Kentucky General Assembly and will be taken up in the session beginning in January 2020.

The Jewish Heritage Fund for Excellence and the Jewish Hospital and St. Mary's Healthcare Foundation, also are contributing \$10 million and \$40 million, respectively.

Approved by the UofL Board of Trustees at its August meeting, the sale is expected to close Nov. 1. UofL will assume management of the facilities upon closing, pending regulatory approvals and the consent of the Catholic Church.

The purchase includes:

- Jewish Hospital
  - > Outpatient Center
  - > Shelbyville
- Jewish Medical Centers
  - > East
  - > Northeast
  - > South
  - > Southwest
- Rudd Heart and Lung Center
- Frazier Rehab Institute
- Sts. Mary & Elizabeth Hospital
- Our Lady of Peace hospital
- Physician groups affiliated with KentuckyOne



Deal preserves health care programs, services and jobs vital to UofL and the region



UofL upgraded remote technology at classroom space on the U.S. Army post

## **Fort Knox classrooms get significant upgrade**

UofL students serving our country at Fort Knox are our country's pride, and UofL has upgraded remote classroom space on the U.S. Army post to match the top-notch facilities available on the Belknap and Health Sciences Center campuses.

"We cannot say we value the students at Fort Knox and not give them the best," said UofL President Neeli Bendapudi as she officially opened the new space with a ribbon-cutting Sept. 19.

The latest technology installed there includes: eight wired MAC computers, sixteen Surface Pro laptops, a large screen display wired to hardware to support classroom presentations from students and faculty and a solstice hub to support up to 200-plus simultaneous log-ins by students/faculty for collaboration and presentations in the classroom.

The Fort Knox Center has awarded more than 600 degrees to soldiers, their family members and civilians since its founding in 1970.

## **EXERCISE PHYSIOLOGY PROGRAM RANKED NO. 1**

UofL's Exercise Physiology master's program has been named the top sports science master's degree in the nation.

The program won first place in a ranking of "50 Best Master's in Sports Science Degree Programs (Campus)" on Sports-Management-Degrees.com.

"Over the last few years, HSS has made a concerted effort to hire world-class faculty, invest in state-of-the-art equipment and build relationships across campus to enhance the student experience and develop future leaders in human performance," said Meg Hancock, associate professor of sport administration.

Students who complete the program often go on to careers as exercise professionals in the specific fields of strength and conditioning, fitness and corporate wellness, and clinical rehabilitation.



# AIKCU GOOD NEWS

The Association of Independent Kentucky Colleges & Universities

## News highlights

### Campbellsville University

recently hosted a stop on CPE President Aaron Thompson's listening tour.

### Kentucky Christian University

recently welcomed alumnus Dr. Terry Allcorn as its 6th president.

### Kentucky Wesleyan College

has named Dr. Thomas Mitzel as its 35th president. Dr. Mitzel will take office on Jan. 2.

### Fall Enrollment Highlights:

#### Georgetown College

welcomed its largest freshman class since 2011, **Kentucky**

**Wesleyan College** had its 5th consecutive year of enrollment growth, **Midway University**

celebrated its 4th year of record undergraduate enrollment; on-campus undergrad enrollment at

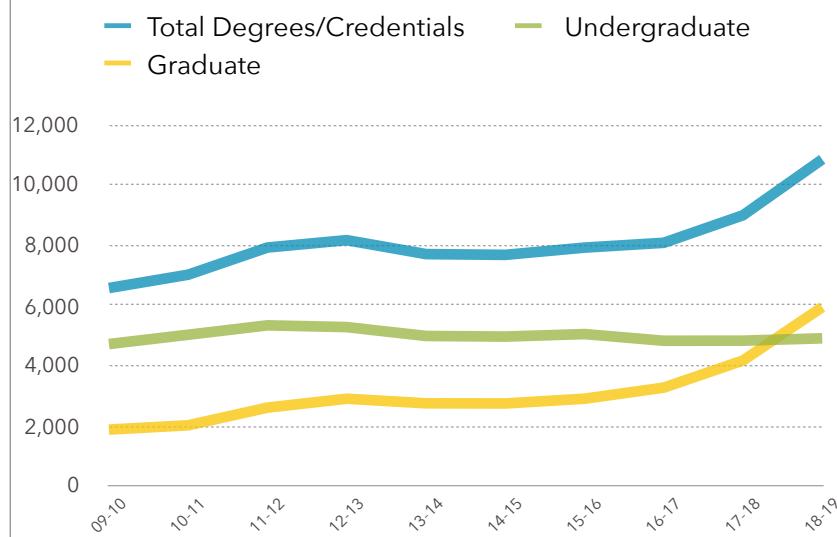
#### University of the

**Cumberlands** is up 33% this fall.

### Lindsey Wilson College

student body president Jakob Beckley has been appointed to represent AIKCU students on the Board of Student Body Presidents of Kentucky.

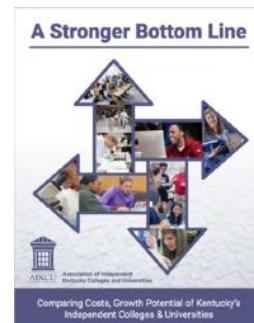
## AIKCU members award nearly 11,000 degrees and credentials in 2018-19



AIKCU degree production continued its upward trend in 2018-19, with **AIKCU members awarding 10,857 degrees and credentials**. This marked the first time that graduate degrees (5,947) exceeded undergraduate (4,910).

## AIKCU releases *A Stronger Bottom Line* report

AIKCU has released a new report, *A Stronger Bottom Line: Comparing Costs, Growth Potential of Kentucky's Independent Colleges* revealing findings from our three-year data analysis project to better understand the economics of academic programs (as discussed at the June CPE meeting). The report is available at [aikcu.org/bottomline](http://aikcu.org/bottomline).



Follow @aikcu on Twitter for the latest updates.

**TITLE:** Proposed Council Resolutions

**RECOMMENDATION:** CPE Chair Zimmerman will present the resolution for approval.

**SUPPORTING INFORMATION**

Periodically, the Council recognizes certain individuals for their support of and service to postsecondary education in Kentucky. At the meeting, resolutions for the following individuals will be proposed for approval by the Council:

- David Adkisson, President & CEO, Kentucky Chamber of Commerce



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A RESOLUTION HONORING AND COMMENDING

## David Adkisson

for his service to postsecondary education in the Commonwealth.

WHEREAS, David Adkisson has served as President and CEO of the Kentucky Chamber of Commerce, the largest business association in Kentucky, since 2005; and

WHEREAS, under Adkisson's leadership, the Chamber doubled in size, expanded its headquarters in Frankfort and placed a major emphasis on public policy, government relations and improving education; and

WHEREAS, in 2017, the Kentucky Chamber of Commerce was recognized as the State Chamber of the Year by the National Council of State Chambers; and

WHEREAS, Adkisson has long been a champion of education in Kentucky, serving as Chair of the Kentucky Advocates for Higher Education and most recently named chair of Georgetown College's board of trustees; establishing the Chamber's Business Education Roundtable; creating the Leadership Institute for School Principals; and being named a 2014 "Friend of Education" by the Kentucky School Boards Association; and

WHEREAS, as co-founder of Leadership Kentucky, Adkisson has prepared Kentucky's best and brightest to take an active leadership role in advancing the state for the common good; and

WHEREAS, he has been an unwavering advocate for the Council on Postsecondary Education in its quest to improve the state's educational attainment, economic competitiveness, and quality of life;

NOW, THEREFORE, BE IT RESOLVED, that the Council on Postsecondary Education does hereby adopt this resolution on October 31, 2019, thanking David Adkisson for his dedication and service, and wishing him the best in his future endeavors.

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Sherrill Zimmerman, Chair

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Aaron Thompson, Ph.D., President