

MINUTES
Council on Postsecondary Education
March 21, 2005

The Council on Postsecondary Education met March 21, 2005, at 10 a.m. at the Council offices in Frankfort, Kentucky. Peggy Bertelsman chaired the meeting.

**OATH OF
OFFICE**

Franklin County District Judge Guy Hart administered the oath of office to the four new Council members – Phyllis Maclin, Alois Moore, Kevin Canafax, and Dan Flanagan. The members were confirmed by the General Assembly during the 2005 legislative session.

ROLL CALL

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

**APPROVAL
OF MINUTES**

The minutes of the January 31 Council meeting were approved as distributed. The minutes of the March 2 Executive Committee meeting were included in the agenda book for information.

**CIVIC
ENGAGEMENT &
SERVICE
LEARNING IN
KENTUCKY**

The focus on reform item addressed civic engagement and service learning in Kentucky in answer to Question 4, "Are we preparing Kentuckians for life and work?" CPE President Tom Layzell said that one of the most important goals of reform is to produce college graduates who are prepared to be productive citizens and apply their knowledge in service to their communities.

George Mehaffy, vice president of the American Association of State Colleges and Universities (AASCU), presented information on the American Democracy Project. The goal of the ADP is to produce graduates who understand and are committed to engaging in meaningful actions as citizens in a democracy. The ADP is a multi-campus initiative that seeks to create an intellectual and experiential understanding of civic engagement for undergraduates enrolled at institutions that are members of AASCU. Kentucky institutions participating are Eastern Kentucky University, Kentucky State University, Morehead State University, Murray State University, Northern Kentucky University, and Western Kentucky University. Douglas Robinson with NKU and Beverly McCormick with Morehead State University discussed projects underway in Kentucky.

NKU President Jim Votruba said that the Kentucky Campus

Compact, headquartered at Northern Kentucky University, is a statewide coalition of Kentucky college and university presidents and their institutions, both public and private, dedicated to promoting the civic purposes of postsecondary education. KYCC members are committed to integrating service learning as a valued component of effective teaching and learning, meeting institutional civic responsibilities to help address the needs of the Commonwealth, and fostering the development of relevant collaborative partnerships between and among campuses.

2004-05
STRATEGIC
PLANNING

RECOMMENDATION: The staff recommends that the Council endorse the new public agenda for Kentucky's postsecondary and adult education system covering the period 2005-2010, request the institutions to develop campus action plans in accordance with the guidelines and timetable, and direct the staff to bring back to the Council for final approval in July: (1) final edits to the public agenda; (2) campus action plans for each of the public institutions, the independent sector, and the Council; and (3) an accountability framework and key indicators for tracking systemwide and institutional progress toward the advancement of the new public agenda and House Bill 1 goals.

Sue Hodges Moore, Council Executive Vice President, said that the new public agenda reflects what was learned from an analysis which began in early 2004 of demographic, economic, and education data from 1997 to the present. It also incorporates the comments from concerned, engaged citizens all over the state. At the heart of this agenda are the new five questions that emphasize the importance of maintaining affordable, high-quality postsecondary opportunities leading to more certificates and degrees, better jobs, and productive, meaningful lives. Several individuals, including the Executive Committee at its March 2 meeting, felt that more emphasis needed to be put on the impact of postsecondary education on the quality of individual lives in Kentucky. The language of two of the questions has been changed to reflect this. These new five questions will guide the work of the entire adult and postsecondary education system from 2005-2010:

1. Are more Kentuckians ready for postsecondary education?
2. Is Kentucky postsecondary education affordable for its citizens?
3. Do more Kentuckians have certificates and degrees?
4. Are college graduates prepared for life and work in Kentucky?
5. Are Kentucky's people, communities, and economy benefiting?

Dr. Moore called attention to the pages of the public agenda that describe two possible futures that await Kentuckians in 2020. One describes how the lives of Kentuckians will improve if this

public agenda moves forward; the other articulates the consequences to the Commonwealth if does not. According to an analysis of U. S. Census projections, Kentucky will need nearly 800,000 working-age adults with a bachelor's degree or higher to match the projected national average in 2020; in 2000 Kentucky had only 402,000. Over the next 15 years, the number of Kentuckians aged 25-64 with at least a four-year degree needs to nearly double.

The Council staff is working with the institutions to develop campus action plans. Each plan will include the institution's House Bill 1 goal, mission parameters, priority initiatives and activities over the period 2005-2010 that respond to each of the five questions, indicators that the Council will use to monitor the institution's contribution to the advancement of the public agenda and pertinent House Bill 1 goals, and the final set of benchmark institutions to be approved by the Council at its May 2005 meeting. Action plans also are being developed for the independent sector and the Council. The action plans will be approved along with the final version of the public agenda at the July CPE meeting.

Dr. Layzell said that the report recently released by the National Commission on Accountability in Higher Education, "Accountability for Better Results, A National Imperative for Higher Education," cited Kentucky twice as a model of an accountability system and for the five questions of reform.

MOTION: Dr. Freed moved that the recommendation be approved. Ms. Guess seconded the motion.

Dr. Freed asked that a representative of the Coalition of Senate and Faculty Leadership (COSFL) be included in the development of the campus action plans and the key indicators of progress toward reform.

Dr. Layzell said that the institutional leadership should include all campus groups, including the faculty, in the development of the individual campus action plans.

Ms. Jansing said that in order for the public agenda to be achieved the postsecondary institutions and the Council members must communicate this throughout Kentucky.

VOTE: The motion passed.

Dr. Moore thanked the Council staff involved in the development of the public agenda, especially Melissa McGinley who made major contributions to the writing of the document.

Dr. Votruba also commended the Council staff for producing an excellent document.

2004-06 BUDGET

A summary of the 2004-06 budget passed by the 2005 General Assembly was distributed. The budget provides \$1,011,108,900 in 2004-05 and \$1,106,065,300 in 2005-06 in state general funds for postsecondary education – a 10.2 percent increase for the biennium. Some of the funding highlights for postsecondary education:

- An approximate \$81 million increase to base operating funds of the public postsecondary institutions over the biennium – an increase of approximately 9 percent for the institutions.
- Dedicated revenue of \$4.3 million from a one-cent surtax on cigarettes to be evenly divided between the University of Kentucky's Markey Cancer Center and the University of Louisville's Brown Cancer Center.
- A \$500,000 nonrecurring appropriation in 2004-05 for an oral history program at the University of Kentucky.
- An increase of \$2.5 million in 2005-06 for the Adult Education and Literacy Trust Fund to restore past budget reductions.
- \$18.5 million in 2005-06 for the Physical Facilities Trust Fund in debt service for capital projects.

Dr. Layzell said that the postsecondary education community is extremely grateful for the funding received in the 2004-06 budget. He added that continued financial support from the 2006-08 legislative session is very important to keep the momentum of postsecondary reform moving forward to meet the goals of the new public agenda. Dr. Layzell said that the institutions are reexamining announced tuition increases in light of the funding received in the 2004-06 budget.

COMPREHENSIVE FUNDING MODEL REVIEW UPDATE

Dr. Layzell said that, as part of the comprehensive funding model review, the Council staff has run the statistical model for selection of the benchmarks based on criteria approved by the Council at the January meeting. The Council staff and the campuses are reviewing the output produced by the model. The Council will consider the final lists of benchmark institutions at the May meeting.

LEGISLATIVE UPDATE

A preliminary report on significant actions taken during the 2005 legislative session related to postsecondary education and the Council was distributed for information. A final report will be prepared after the General Assembly adjourns later in the month.

LCC TRANSFER

UK President Lee Todd and KCTCS President Michael McCall gave the Council an update on the transfer of Lexington Community College governance and oversight from the University of Kentucky to the Kentucky Community and Technical College System. This action was a result of House

Joint Resolution 214 passed in the 2004 session of the Kentucky General Assembly. House Bill 239 passed in the 2005 legislative session codified the transfer of authority of LCC to KCTCS.

President McCall said that a transitions committee composed of representatives of LCC, UK, and KCTCS has worked since 2004 and has completed the transfer of assets with the exception of the land and facilities. The students have retained their rights and privileges that were afforded to them from UK through June 30, 2006. The students then have an option to choose whether to continue these services. The LCC employers were transferred to KCTCS. In May 2004, the Southern Association of Colleges and Schools was informed of the legislative action and, as a result of that, in July 2004, SACS removed LCC from probation. Dr. James Kerley remained as president of LCC and assumed the duties of CEO of the Bluegrass District.

President Todd agreed that the transition has been smooth. He said that UK has continued to do the enrollment, billing, and collections for LCC, but KCTCS will assume those responsibilities beginning with the 2005-06 school year.

Mr. Owen asked President McCall if there is an adequate definition between the role of the community colleges and the comprehensive universities.

President McCall replied that there is no competition for students among the colleges. The creation of KCTCS has provided access and a choice for students to choose one place or the other. The establishment of the KCTCS higher education centers has created a synergy that enables the institutions to work closely together to ensure seamless transition from one institution to the other in cooperation with the institutions rather than competing for students. President McCall said that the Council will continue to monitor the role of the institutions through the upcoming review of mission parameters.

AFFORDABILITY AND WICHE STUDIES

Dr. Layzell said that the Council is engaged in two studies to examine affordability for students to attend postsecondary institutions. Kentucky was chosen to participate in a two-year project undertaken by the Western Interstate Commission on Higher Education (WICHE) to investigate how decision makers can best align tuition, financial aid, and state appropriations policies with the goal of improving access to college, especially for low-income students. As a fundamental component of Kentucky's participation in the WICHE project, the Council has contracted with JBL Associates, Inc., based in Bethesda, Maryland, to perform a comprehensive study of the affordability of Kentucky's postsecondary education system. An interim progress report will be presented to the Council in May with the final report in September.

Paul Lingenfelter, president of the State Higher Education Executive Officers, discussed the WICHE project. John Lee, president of JBL Associates, Inc., and Watson Scott Swail, president of the Educational Policy Institute, presented information about the affordability study.

**KYAE
ENROLLMENT
GOALS**

RECOMMENDATION: The staff recommends that the Council approve the 2005-06 Kentucky Adult Education enrollment goal of 125,000 students.

This statewide enrollment goal includes students enrolled in adult basic education, workforce education, English as a second language, GED preparation, family literacy, Workforce Alliance, and corrections education. In 2004, KYAE enrolled 120,051 students, exceeding the enrollment goal of 100,000. The current year enrollment goal is 115,000. Adult education providers were notified of the statewide enrollment goal and the county program goal of 11 percent of the target population for core services, including a family literacy goal of the higher of 0.5 percent or 20.

MOTION: Ms. Jansing moved that the recommendation be approved. Mr. Canafax seconded the motion.

VOTE: The motion passed.

**GED ELIGIBILITY
REQUIREMENTS
ADMIN REG**

RECOMMENDATION: The staff recommends that the Council approve the proposed amendment to the administrative regulation titled 785 KAR 1:120 *GED Eligibility Requirements*, and file the administrative regulation with the Legislative Research Commission.

The amended regulation contains these changes:

- Recognizes the GED Secondary Program and allows students in the program to take the GED.
- Establishes a 90-day waiting period for high school dropouts and requires local school districts to contact withdrawn students within three months to encourage reenrollment, an alternative program, or participation in the GED preparation program.
- Changes the agency name from the Department for Adult Education and Literacy to Kentucky Adult Education in conformance with the Governor's reorganization.

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

VOTE: The motion passed.

**COMMISSIONER
OF EDUCATION**

Commissioner of Education Gene Wilhoit reported on several initiatives of the Kentucky Department of Education, including

REPORT the review of Kentucky's writing program, the assessment of high school course offerings to improve student accountability, and the improvement of the assessment system.

SEAMLESSNESS POLICY GROUP REPORT Ms. Bertelsman said that the Seamlessness Policy Group discussed key indicators for Questions 1 and 3, which will monitor the extent to which Kentuckians are prepared for postsecondary education, are participating and advancing seamlessly through the system, and are completing certificates and degrees. The policy group reviewed the results of an institutional and student survey of transfer barriers. The staff will provide information on which four-year institutions are currently offering classes on the two-year campuses and if these offerings affect the transfer to those four-year institutions. Currently the award system for the KEES programs is keyed to semester time, which is difficult for part-time students. The policy group will look at the implications if the funds are awarded on a course basis rather than a semester basis. The policy group also looked at results of a dual credit/dual enrollment study. The study showed that the vast majority of students are taking vocational/technical courses in their dual enrollment. This raises the question of whether these students are transferring to a KCTCS institution for additional postsecondary work or if the students are preparing themselves for the workforce upon graduation from high school.

RESIDENCY ADMIN REG RECOMMENDATION: The staff recommends that the Council approve the administrative regulation, 13 KAR 2:045 *Determination of residency status for admission and tuition assessment purposes.*

The amended regulation contains these changes:

- Reflects a statutory provision passed by the 2004 General Assembly that a person who graduates from a Kentucky high school and enrolls at a state-supported institution within two years shall be a Kentucky resident.
- Clarifies language to allow undocumented aliens who graduate from a Kentucky high school to qualify as a Kentucky resident.

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

VOTE: The motion passed.

KEY INDICATORS OF PROGRESS Updated results for the Council's indicators used to measure progress toward postsecondary education reform goals show that Kentucky continues to make progress toward reform goals but at a slower pace than in recent years.

- Undergraduate enrollment continued to increase at the

statewide level, rising 1 percent to 202,605 students in fall 2004. Enrollments increased at six of the public institutions (EKU, KSU, UK, UofL, WKU, and KCTCS) and at the independent institutions.

- Graduate and first-professional enrollment in 2004 did not meet the state's goal. Three institutions (NKU, UofL, and WKU) exceeded their goals for 2004. Murray State increased graduate enrollment from the prior year but not enough to meet its 2004 goal. Enrollment at four universities (EKU, KSU, MoSU, and UK) decreased, contributing to a state total that was 292 students short of the goal.
- The percentage of GED completers enrolling in postsecondary education within two years increased by one percentage point over the college-going rate of the previous GED cohort. The fiscal year 2002 cohort included a record high number of GED graduates (14,596) and by 2004 over 3,000 of these graduates had enrolled in Kentucky's postsecondary institutions, producing a 21 percent college-going rate.
- Between 2003 and 2004, the first-year student retention rate for the system rose from 68.3 percent to 69.1 percent. Retention rates increased at EKU, KSU, MuSU, UK, and KCTCS.
- The number of students transferring out of the two-year institutions met the state goal but the number of students transferring into the four-year public institutions did not. The number of students transferring from the KCTCS (now including Lexington Community College) to any Kentucky public or independent four-year institution rose to 3,239, an increase of 9.8 percent over 2003. The public universities enrolled 2,498 transfer students from the community and technical colleges in 2004, an increase of 5.4 percent over 2003. The number of transfers at KSU, MuSU, UofL, and WKU increased. EKU, MoSU, and NKU showed increases but not large enough to meet their goals. The number of students transferring to UK declined by nearly 10 percent.
- Six-year graduation rates of bachelor's degree students dropped from 45.3 percent in 2003 to 44.3 percent in 2004. MuSU, NKU, and WKU showed increases while the remaining five institutions reported declines in the baccalaureate graduation rate between 2003 and 2004.

Over the next several months, the Council staff will work with the institutions to develop recommendations for the new key indicators and goals that will support the 2005 public agenda.

CEO &
DLAC REPORTS

Reports on the activities of the Committee on Equal Opportunities and the Distance Learning Advisory Committee were included in the agenda book.

WORKFORCE/
ECONOMIC

Ms. Jansing reported on the work of the Workforce/Economic Development Policy Group. The group is continuing to learn

DEVELOPMENT
POLICY GROUP
REPORT

about the resources available in the state to help achieve the goals of HB 1. A presentation was heard from the Kentucky DataSeam Initiative, a not-for-profit program that brings together research, education, and business development organizations to help Kentucky become more competitive in a knowledge economy. An update was provided on Kentucky ExCeL (Excellence through Certification and Licensure), a collaborative project to develop a comprehensive database linking employers' current and emerging workforce needs with individuals holding certificates, licenses, and degrees in Kentucky. This search tool will help employers assess the available workforce and provide information for business planning and expansion. The database is expected to be completed and operational by June 30, 2005. Allyson Handley asked the policy group for input on the priorities for economic initiatives presented at the January 2005 meeting. The group discussed key indicators under consideration for Question 5, which will monitor the extent to which postsecondary education is benefiting Kentucky's people, its communities, and the state's economy. The policy group heard an update on the development of a partnership among Siegen (a company in Franklin, Kentucky), Western Kentucky University, Kentucky State University, and the University of Kentucky to establish a collaborative biotech program in shrimp production. The budget approved by the 2005 General Assembly included \$2.5 million in the Research Challenge Trust Fund for this project.

NEW
PROGRAMS

RECOMMENDATION: The staff recommends that the Council approve the Master's of Science in Community Counseling (CIP 51.1504) proposed by Northern Kentucky University.

MOTION: Ms. Guess moved that the program be approved. Ms. Moore seconded the motion.

Mr. Canafax asked NKU to work in cooperation with ECU and WKU since the institutions offer similar programs.

VOTE: The motion passed.

RECOMMENDATION: The staff recommends that the Council approve the Master's of Arts in Education/School Counseling (CIP 13.1101) proposed by Northern Kentucky University.

MOTION: Ms. Guess moved that the program be approved. Ms. Moore seconded the motion.

Gail Wells, NKU Provost, said that after the first year the program hopes to include courses offered by the Kentucky Virtual University.

VOTE: The motion passed.

ENDOWMENT
MATCH PROGRAM
APPLIED
RESEARCH
REQUESTS

RECOMMENDATION: The staff recommends that the Council delegate approval authority to the Executive Committee for applied research programs pursuant to new Endowment Match Program guidelines to accommodate timely distribution of funds.

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

VOTE: The motion passed.

DATA ACCESS
POLICY

RECOMMENDATION: The staff recommends that the Council approve the Data Access Policy.

Dr. Layzell said that the Council receives a significant amount of personally confidential student information from public and private institutions. In order to safeguard that information and to comply with federal law on the protection of information, the staff developed this policy in cooperation with the institutions. The policy outlines the rules that the Council staff will abide by in the collection of such data and recognizes the Council's responsibility to conform fully to the provisions of the Family Educational Rights and Privacy Act.

WKU President Gary Ransdell said that the document had not been circulated to the campuses prior to the mailing of the agenda book for this meeting. He said that it will be a number of weeks before FERPA can release a policy about these issues. He said that WKU will not release information until the institution has clearance from FERPA to do so. WKU's legal counsel has requested a ruling on the policy from the U. S. Department of Education.

Dennis Taulbee, legal counsel for the Council, said that the draft policy was circulated to the institutions' vice presidents for academic affairs and legal counsels and comments were received on each aspect of the policy. Changes were made as a result of the comments from the institutions. He said that there is not uniform agreement on all of the points but this policy is consistent with data policies of other states. The policy outlines the protections put in place if the Council decides to give student information to third parties (researchers). Mr. Taulbee said that this policy does not deal with the release of students' final grades - that issue has been held in abeyance until a ruling is received from the federal government.

MOTION: Ms. Jansing moved that the policy be approved. Ms. Maclin seconded the motion.

VOTE: The motion passed.

2006-2012
CAPITAL
IMPROVEMENT
PLAN

The Council staff has begun development of a capital improvement plan, a snapshot of the agency's vision of its capital needs over the six-year period 2006-2012. Since this plan needs to be submitted to the Capital Planning Advisory Board by April 15, the staff plans to bring a recommendation for consideration by the Executive Committee at its April 12 meeting.

CPE PRESIDENT
ANNUAL
EVALUATION

Mr. Baker gave the report on the annual evaluation of the Council president. Interviews with the Governor, presidents, legislative leaders, the Council staff, and others interested in the operation of the Council resulted in a positive evaluation of President Layzell.

MOTION: On behalf of the President Evaluation Committee, Mr. Baker moved that President Layzell's present salary be increased by 5 percent effective immediately. Mr. Flanagan seconded the motion.

VOTE: The motion passed.

FUNDING
ADEQUACY
COMMITTEE

Ms. Bertelsman said that an organizational meeting of the Council's Funding Adequacy Committee will meet upon adjournment of the Council. The committee's charge is to develop a long-term financing strategy for Kentucky's system of postsecondary education.

NEXT MEETING

The next meeting of the Council is Sunday, May 22, at 12:30 p.m., at the Lexington Marriott Griffin Gate Resort. The meeting will be held in conjunction with the Institute for Effective Governance Spring Board Development Seminar and the annual Faculty Development Conference. Both conferences will take place Sunday and Monday, May 22 and 23.

The Council's Executive Committee will meet Tuesday, April 12, at 10 a.m. at the Council offices in Frankfort.

CONVERSATION
WITH GOVERNOR
FLETCHER

Ms. Bertelsman said that the Council enjoyed a dinner last evening hosted by Governor Ernie Fletcher and First Lady Glenna Fletcher at the Executive Mansion. The Council members came away energized from their discussion with the Governor. The Governor reminded the Council members of their charge to proceed energetically with their statutory responsibilities. Ms. Bertelsman said she feels the Council will be a more active, policymaking board in the coming months.

RECOGNITION OF
SERVICE

Ms. Bertelsman thanked Dr. Michael Nietzel for his contribution to Kentucky postsecondary education. Dr. Nietzel, Provost of the University of Kentucky, has been appointed president of Southwest Missouri State University.

ADJOURNMENT

The meeting adjourned at 12:50 p.m.

Thomas D. Layzell
President

Phyllis L. Bailey
Associate, Executive Relations

* * * * *

MARCH 20
CPE STUDY
SESSION

The Council held a study session Sunday, March 20, 2005, at the Council offices in Frankfort, Kentucky.

Members present: Walter Baker, Peggy Bertelsman, Kevin Canafax, Dan Flanagan, Richard Freed, Susan Guess, Esther Jansing, Phyllis Maclin, Alois Moore, Charlie Owen, Tony Stoepfel, Joan Taylor, and John Turner. Ron Greenberg, John Hall, and Gene Wilhoit did not attend.

The purpose of the study session was to discuss the annual evaluation of President Thomas D. Layzell. No action was taken.

* * * * *

APRIL 12 AND 21
CPE STUDY
SESSIONS

The Council held two study sessions April 12 and 21, 2005.

The April 12 study session began at 1:30 p.m. at the Council offices in Frankfort. The following Council members attended: Walter Baker, Peggy Bertelsman, Dan Flanagan, Ron Greenberg, Alois Moore, Tony Stoepfel, Joan Taylor, and John Turner.

The April 21 study session began at 12 noon at the Rudd Heart and Lung Building of the Jewish Hospital in Louisville. The following Council members attended: Ron Greenberg, Susan Guess, Esther Jansing, Phyllis Maclin, and Charlie Owen.

The Council members discussed key initiatives for 2005-06:

1. translational research, economic development, commercialization
2. budget policy
3. improved quality
4. role of board members
5. communication with legislators

The Council members will let staff know which initiative they wish to work on during the coming year.

No action was taken.