

MINUTES
Council on Postsecondary Education
May 22, 2006

The Council on Postsecondary Education met May 22, 2006, at 10 a.m. at the Council offices in Frankfort, Kentucky. Chair Greenberg presided.

OATH OF OFFICE

Thomas D. Wingate, Franklin County District Judge, administered the oath of office to Jim Skaggs.

ROLL CALL

The following members attended: Walter Baker, Peggy Bertelsman, Dan Flanagan, Ron Greenberg, John Hall, Phyllis Maclin, Jim Skaggs, Joan Taylor, John Turner, and Mark Wattier. Kevin Canafax, Alois Moore, Ryan Quarles, and Gene Wilhoit did not attend.

Mr. Greenberg recognized Senator Ken Winters. Senator Winters and Representative Frank Rasche attended the Budget and Finance Policy Group meeting earlier in the day. Stan Cave, the Governor's chief of staff, joined the CPE study session the previous day.

Council President Tom Layzell introduced Sarah Hawker, the Council's new vice president for Kentucky Adult Education. Dr. Hawker came to the Council from Illinois where she held a similar position with the Illinois Community College Board.

APPROVAL OF MINUTES

The minutes of the April meeting were approved as distributed.

DATA POLICY

RECOMMENDATION: The staff recommends that the Council approve the data policy.

At the March 2005 meeting, the Council approved a data access policy that detailed the procedures to follow in protecting and sharing confidential information from the Council's comprehensive database. On July 11, 2005, the Council received a copy of a letter written to Western Kentucky University by the Office of Family Compliance in the U.S. Department of Education. That letter questioned some of the provisions of the data access policy. Dr. Layzell said this revision of the policy will bring the Council into compliance with the federal law and is the final step that needs to be taken before the Council can proceed with the collection of end-of-term grades.

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

VOTE: The motion passed.

LEGISLATIVE SUMMARY

A report of the nonbudget actions related to postsecondary education resulting from the 2006 legislative session was included in the agenda book.

2006-08 BUDGET

A summary of the enacted 2006-08 budget was included in the agenda book. The major components follow:

Council agency budget:

- Adult Education received an increase of \$1 million in 2007 and an additional \$2 million in 2008.
- The enacted budget added funding for the following statewide initiatives:
 - Contract Spaces
 - College Level Learning Assessment
 - College Access Initiative
 - Academic Innovation & Collaborative Grants
 - P-16 Engineering Pipeline
 - Collaborative Public Health Initiative
 - Faculty Development
 - Interlibrary Loan Services (KYVL)
 - Kentucky Postsecondary Education Network (KPEN)
 - KYVU/VL Databases
 - Minority Student College Preparation Program
 - SREB Minority Doctoral Scholars Program
 - Principal Leadership Institute

Institutional funding:

- Base funding increases to the institutions of \$88 million over the biennium (\$20 million in 2007 and \$68 million in 2008)
- Performance funding of \$1 million in 2008
- Regional stewardship funding (comprehensive institutions) of \$1.2 million in 2007 and an additional \$2.4 million in 2008
- Research support for UK and UofL of \$1.5 million in 2007 and an additional \$1.5 million in 2008
- Workforce development/transfer funding for KCTCS of \$300,000 in 2007 and an additional \$900,000 in 2008

Capital budget:

1. Total State Bond Authority and Debt Service
 - The enacted budget provided \$480 million in state bonds compared to \$507.1 million as recommended by the Council.
 - The enacted budget provided \$22.5 million for debt service (23 projects, combination ½ year and full year debt service) compared to \$55.6 million recommended by the Council (full-year debt service for 22 projects).

2. Projects recommended by the Council

- Nine of the 22 projects recommended by the Council are not in the enacted budget (HB 380).
- Ten of the 23 projects included in the enacted budget (HB 380) were not recommended by the Council.

The Governor vetoed \$108 million of state bond projects/pools and \$204 million of agency bond projects. The Governor also vetoed language specifying the distribution of regional stewardship program funds among institutions. Funding for the program was not vetoed.

BUDGET & FINANCE
POLICY GROUP REPORT

Mr. Flanagan reported that the Budget and Finance Policy Group met earlier in the day and the discussion centered on the funding policy development. The members of the Strategic Committee on Postsecondary Education, chairs of the legislative Education Committees, and the university presidents had been invited to attend to participate in the discussion. Senator Ken Winters, Representative Frank Rasche, NKU President Jim Votruba, and Brian Crall with the Education Cabinet made remarks at the meeting. Mr. Flanagan said that the funding policy development process is in its early stages and comments and suggestions, especially from the university presidents, are encouraged.

Mr. Greenberg said that during the next six months the policy groups will be discussing policy issues that will lead to the development of the funding policy.

KENTUCKY HIGH
SCHOOL FEEDBACK
REPORT

Dr. Jim Applegate of the Council staff discussed the 2002 Kentucky High School Feedback Report. The biennial report uses college enrollment data to help educators assess the preparation levels of high school graduates who took the ACT for postsecondary work. The goal of the report is to provide information to continue improving college-going rates and student success in college. Designed in partnership with the Kentucky Department of Education and produced by ACT, Inc., the report includes 15,343 spring 2002 graduates who took the ACT and enrolled in a Kentucky public university, two-year college, or a participating independent institution in fall 2002. The report does not include the performance of high school graduates who did not take the ACT, enrolled in an out-of-state college, or enrolled in a non-participating Kentucky postsecondary institution. Only two independent institutions – Alice Lloyd College and Pikeville College – participated in the report. The Council hopes to increase participation with the 2004 report, scheduled for release later this year.

COMMISSIONER OF
EDUCATION REPORT

A report about the activities of the Kentucky Board of Education was distributed.

TUITION AND FEE

RECOMMENDATION: The staff recommends that the Council approve

PROPOSAL - MuSU

2006-07 tuition rates for Murray State University.

The annual rates for full-time, resident undergraduates will increase from \$4,428 to \$4,998, an increase of \$570, which is \$4 less than the maximum parameter of \$5,002. Nonresident rates will be \$13,566, 2.71 times the rate charged to residents. This rate meets the Council's parameter that requires nonresident rates be at least 1.75 times the resident rate. Revenue from tuition and fees is projected to increase from \$60.1 million to \$68.1 million or \$8 million from 2006 to 2007.

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

VOTE: The motion passed.

2006-07 TUITION
& FEE CHANGES

A summary of the 2006-07 tuition and fee changes for all institutions was included in the agenda book. Tuition for full-time resident undergraduates will increase by an average of \$573 at four-year institutions and \$11 per credit hour at KCTCS.

MAY GRADUATES

Dr. Layzell reported that Kentucky's public postsecondary institutions had the largest graduating class this spring in its postsecondary education history. Nearly 24,000 students earned a degree, certificate, or diploma in spring 2006. This represents a 19.9 percent increase over spring 2005 with more than 8,000 students completing a bachelor's degree, a 12 percent increase in the number of bachelor's degrees awarded over last spring. Since 2001, the total number of degrees and credentials conferred by the public institutions during spring commencements has climbed 68 percent. More than half of all degrees are awarded in the spring.

QUALITY &
ACCOUNTABILITY
POLICY GROUP REPORT

Mr. Wattier said that the Quality and Accountability Policy Group discussed the trust fund guidelines, the data policy, and issues pertaining to developmental education. The policy group expects to review the Kentucky Virtual University strategic plan in July.

STATE-LEVEL
ACCOUNTABILITY FOR
STUDENT LEARNING

Information was provided on state-level accountability for student learning. The National Survey of Student Engagement 2005 Benchmark Summary Report provides aggregated results from each Kentucky university's NSSE Benchmark Report. The report measures students' perceptions of their engagement in level of academic challenge, active and collaborative learning, student-faculty interaction, enriching educational experiences, and supportive campus environment. The Council uses the NSSE survey results as one of its institutional key indicators to measure progress in student learning. In Kentucky, the NSSE survey is administered every two years to freshman and senior students at each public four-year university. KCTCS will begin administering the Community College Survey of Student Engagement this

year. Six KCTCS districts will administer the survey this spring and all remaining districts will have participated by summer 2007. The Council will host the 2006 Kentucky Conference on Student Engagement May 23-24 in Lexington to discuss how to use NSSE survey results to improve student success.

CEO REPORT

A report on activities of the Committee on Equal Opportunities was included in the agenda book. Mr. Baker said that a vendor to conduct the statewide diversity study should be selected by July.

TRUST FUND GUIDELINES

RECOMMENDATION: The staff recommends that the Council approve the research support, regional stewardship, and workforce development/transfer program guidelines.

The research support funding program seeks to promote economic development, create high-tech jobs, and raise the average standard of living of Kentucky residents through strategic investments in research faculty, infrastructure, and initiatives at UK and UofL. Campus administrators are expected to recruit and retain research active faculty, renovate laboratories and upgrade equipment, and engage in disciplinary and interdisciplinary research activities in areas of strategic benefit to the Commonwealth. The 2006-08 budget provided UK and UofL \$1.5 million in recurring funds in 2006-07 and an additional \$1.5 million of recurring funds in 2007-08 (for a total of \$3 million in year two).

MOTION: Ms. Bertelsman moved that the research support program guidelines be approved. Ms. Maclin seconded the motion.

VOTE: The motion passed.

The workforce development/transfer program seeks to encourage private support of public postsecondary workforce development and transfer initiatives, support degree completion and transfer of KCTCS students to Kentucky public and independent colleges, and bolster KCTCS workforce development and transfer programs in areas of strategic benefit to the Commonwealth. The 2006-08 budget provided KCTCS \$300,000 in nonrecurring funds in 2006-07 and \$1.2 million in recurring funds in 2007-08.

MOTION: Ms. Bertelsman moved that the workforce development/transfer program guidelines be approved. Mr. Flanagan seconded the motion.

VOTE: The motion passed.

The 2006-08 budget provided the comprehensive universities \$1.2 million in recurring funds in 2006-07 and an additional \$2.4 million in recurring funds in 2007-08 (for a total of \$3.6 million in year two) for the

regional stewardship funding program. This program seeks to promote regional and statewide economic development, livable communities, social inclusion, creative governance, and civic participation through public engagement activities initiated by comprehensive university faculty and staff. Campus administrators are expected to design and implement programs that align institutional priorities, resources, and infrastructure to support their missions as stewards of place, and to create partnerships and undertake engagement activities that address regional and state needs. Funding is provided in three areas: (1) infrastructure funds will support the development and maintenance of organizational structures, personnel, information systems, and community relationships necessary to sustain stewardship activities; (2) regional grant funds will support comprehensive university efforts to build intellectual capacity in targeted priority areas; and (3) stewardship initiative funds will support specific public engagement activities at the universities that improve economic prosperity, quality of life, and civic participation in the region or state. The stewardship initiative funds will be distributed to the comprehensive universities on a competitive basis based on responses to an annual request for proposals issued by the Council staff.

Based on discussions in the Quality and Accountability Policy Group, the Council staff was asked to modify the third component pertaining to the distribution of stewardship initiative pool funds so that greater emphasis is placed on the role of the regional advisory committees in the development and approval of strategic plans and proposals for stewardship funding.

MOTION: Mr. Wattier moved that the regional stewardship program guidelines be approved with the provision that the guidelines pertaining to the stewardship initiative funds be modified and held for future Council action. Ms. Bertelsman seconded the motion.

NKU President Jim Votruba said that Kentucky is the first state in the nation to pass regional stewardship guidelines and feels that this program should lead to many accomplishments. The program sets the basis for important relationships between the local community and the university in that the university must demonstrate progress in order to maintain program funding.

Ms. Bertelsman said that an assessment of statewide needs by county is needed to determine where the needs are greatest in the state. This assessment will determine the distribution of funds for the regional stewardship program.

VOTE: The motion passed.

STATEWIDE FACILITIES CONDITION ASSESSMENT

An update on the statewide facilities condition assessment was included in the agenda book. VFA, Inc., of Boston Massachusetts, was selected as the prime vendor to implement the study. A kickoff and demonstration

seminar for the institutions and other participants was held in May at Kentucky State University. The Council members will be kept informed of the progress of the study.

WORKFORCE,
ECONOMIC
DEVELOPMENT,
COMMERCIALIZATION
POLICY GROUP REPORT

Mr. Hall gave a report on the activities of the Workforce, Economic Development, and Commercialization Policy Group. The policy group asked that information be presented at an upcoming Council meeting on e³.ky.gov, an effort to develop a database of workforce skills available to Kentucky employers to encourage increased employment opportunities which leads to greater prosperity for the state.

COMMITTEE
APPOINTMENTS

Mr. Greenberg said that Ryan Quarles has been appointed to the Committee on Equal Opportunities. He said that there are vacancies on the P-16 Council and the Governance Board of the Lung Cancer Research Project.

ANNUAL EVALUATION
OF CPE PRESIDENT

Mr. Greenberg said that the President Evaluation Committee will finish its work in the coming weeks and will present a report at the July meeting.

ADJOURNMENT

The meeting adjourned at 10:55 a.m.

Thomas D. Layzell
President

Phyllis L. Bailey
Senior Associate, Executive Relations