

**Minutes  
Council on Postsecondary Education  
September 23, 2016**

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The Council on Postsecondary Education met Friday, September 23, 2016, at 9:00 a.m., ET, at Eastern Kentucky University in Richmond, Kentucky. Chair Glenn Denton presided.

WELCOME	Mr. Denton called the meeting to order and welcomed everyone.
ROLL CALL	The following members were present: Ronald C. Beal, Benjamin Brandstetter, Glenn D. Denton, Maryanne H. Elliott, Joe E. Ellis, Dan Flanagan, Lucas V. Mentzer, Pam Miller, Joseph Papalia, Vidya Ravichandran, Robert H. Staat, Sebastian Torres, Carol Wright, and Sherrill Zimmerman. Donna Moore and Commissioner Stephen Pruitt did not attend.
OATH OF OFFICE	Jean Chenault Logue, Madison County Chief Circuit Judge, administered the oath of office to new members Ronald C. Beal, Benjamin Brandstetter, Lucas V. Mentzer, Joseph Papalia, Vidya Ravichandran, and Carol Wright.
APPROVAL OF MINUTES	The minutes of the June 2, 2016, and June 3, 2016, meetings were approved as distributed.
CPE PRESIDENT'S REPORT TO THE COUNCIL	A written report from President King was provided in the agenda book. Highlights included an update on the closing of ITT colleges, the continuing activities of Kentucky Rising, the presentation to the Interim Joint Committee on Appropriations and Revenue on September 20, the Campus Safety Summit occurring at the same time as the Council meeting at Eastern Kentucky University, and the release of two CPE reports: the final accountability report for the 2011-15 statewide strategic agenda and the Fall Enrollment Report that tracked trends from 2011 to 2015.
COMMISSIONER OF EDUCATION REPORT	Commissioner Stephen Pruitt was not available to attend the September 23 meeting. His written report was included in the agenda book.
KENTUCKY SCIENCE & TECHNOLOGY CORPORATION: THE IMPORTANCE OF EMBRACING BIG IDEAS	The Kentucky Science and Technology Corporation (KSTC) is a private, nonprofit corporation committed to the advancement of science, technology and innovative economic development. KSTC develops and manages creative initiatives in education, economic competitiveness and scientific research. Since education reform, CPE has contracted with KSTC to manage several funds and programs, including the Kentucky Science and Engineering Foundation and

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EPSCoR (Experimental Program to Stimulate Competitive Research), and partners with KCTC to promote the growth of STEM education for students in all grade levels.

Kris W. Kimel, president of KSTC, provided an update on the organization's activities and highlighted the importance of Kentucky and our postsecondary institutions embracing big ideas. Following his presentation, which included video segments of current projects occurring in space, he answered questions regarding KSTC's involvement with the space program at Morehead State University, as well as other projects.

**OATH OF OFFICE**

Jean Chenault Logue, Madison County Chief Circuit Judge, administered the oath of office to new member, Sebastian Torres, who arrived to the meeting late.

**2017 CPE MEETING  
CALENDAR**

CPE staff proposed the Council meeting dates for the 2017 calendar year: Feb. 2-3, Apr. 6-7, Jun. 15-16, Sept. 11-12, and Nov. 2-3. All dates were acceptable, with the exception of the Apr. 6-7 dates, due to the conflict it would present with spring break holidays in the K-12 school system.

**MOTION:** Mr. Beal moved that the Council approve the proposed 2017 meeting dates for Feb 2-3, Jun. 15-16, Sept. 11-12, and Nov. 2-3, and that Council staff propose an alternative April meeting date for approval at the next meeting. Ms. Zimmerman seconded the motion.

**VOTE:** The motion passed unanimously.

**KENTUCKY PUBLIC  
POSTSECONDARY  
EDUCATION POLICY  
ON DIVERSITY, EQUITY,  
AND INCLUSION**

Mr. Travis Powell, CPE's general counsel, presented to the Council the Kentucky Public Postsecondary Education Policy on Diversity, Equity, and Inclusion. The updated policy replaces the version approved in the fall of 2010, and was the result of over 18 months of collaboration between the Committee on Equal Opportunities, Council members, CPE staff, EEO representatives, and chief academic officers. Additional input was provided by campus presidents, campus legal counsels, legislators, and the Governor's office.

In the new iteration of the policy, CPE builds on the strong foundation cultivated over the past 30 years and further integrates the new

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degree program approval process, the statewide diversity policy, and the Strategic Agenda for Postsecondary and Adult Education into one seamless framework upon which equal educational opportunity goals can be set; strategies to obtain these goals can be developed, adopted, and implemented; and institutional progress can be evaluated. It includes three focus areas synonymous with the focus areas set forth in the CPE's 2016-21 Strategic Agenda: Opportunity, Success, and Impact. Institutions will be required to develop plans that address the goals listed in those three areas, identify strategies for achieving those goals, and create plans for the assessment of strategy effectiveness. Institutions will report on their progress annually and will be evaluated both on quantitative and qualitative elements as outlined in the provided scoring rubrics. If institutions score at a level at or above the identified cut score in the policy, they will be eligible to offer new academic programs. Those scoring below the cut score will not be able to offer new programs, but they will be eligible to receive a waiver as approved by CEO and CPE, if certain criteria are met.

Upon approval by the Council, CPE staff will begin working with the institutions to develop their campus-based plans. In addition, CPE staff will initiate the regulation amendment process by filing the document with the Legislative Research Commission. The proposed revised administrative regulation will go through a public hearing and comment period and review by the Administrative Regulation Review Subcommittee and the Interim Joint Committee on Education.

Following his presentation, several questions were posed on the following topics: expected expenses to implement the policy, how effective the consequences of not meeting the requirements would be, how the policy focuses on staff and faculty diversity, who will oversee the implementation and follow-through of the policy, and what circumstances might impact a campus's inability to execute the requirements of the policy. Additionally, there were several members that praised the CEO and CPE staff for their dedication to the project and how they were able to incorporate a strong cultural competency component into the policy.

MOTION: Mr. Flanagan moved that the Council approve the Kentucky Public Postsecondary Education Policy for Diversity, Equity, and Inclusion, and the revised Kentucky Administrative Regulation 13 KAR 2:060 to implement the policy. The action

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would authorize staff to file the proposed administrative regulation amendment and the 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 of the amended regulation by the Administrative Regulation Review Subcommittee and the Interim Joint Committee on Education. Ms. Miller seconded the motion.

VOTE: The motion passed unanimously.

**13 KAR 4:010 STATE  
AUTHORIZATION  
RECIPROCITY  
AGREEMENT**

On April 8, 2016, Governor Bevin signed SB 140, which amends KRS 164.540 to allow the Council to enter into the State Authorization Reciprocity Agreement (SARA). The agreement establishes uniform national standards for interstate offerings of postsecondary distance education at the associate level and above, and authorizes postsecondary educational institutions meeting those standards located in member states or territories to provide distance education to residents of other member states. SARA also requires that a state identify a "portal" agency. Portal agencies are responsible for certifying institutions from their state to participate in SARA, processing complaints from non-resident students, and participating in SARA coordinating activities. SB 140 designates the Council as the portal agency. SB 140 also gives the Council the authority to promulgate administrative regulations in order to establish procedures for participation in SARA by Kentucky institutions.

Mr. Powell and Ms. Sarah Levy, CPE's director of postsecondary education licensure, presented to the Council the details of SARA membership and how that membership will differ from the current procedure institutions must follow to obtain licensure in Kentucky.

Benefits of SARA to institutions include the following:

- Participating institutions will not have to contact and work through multiple regulatory agencies in member states in order to provide distance education to residents of those states. (The regulatory landscape in each state is different.)
- This process is costly and requires significant staffing and resources.
- Members can more easily comply with state law and federal law.

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- SARA expands access for Kentucky students to online education offerings.

Drawbacks for joining SARA include:

- Kentucky loses state control over the approval of online programs, which may lessen academic quality.
- Students lose access to state-specific consumer protections.
- Institutions may see increased competition from out-of-state institutions. (Clinical space is often limited.)
- SARA does not ensure that an institution's program meets professional licensure requirements in member states.

SARA Fees paid by the institutions vary according to the institution's full-time enrollment levels.

- Under 2,500 → \$2,000
- 2,500-9,999 → \$4,000
- 10,000 or more → \$6,000

Additionally, institutions will pay an annual fee in the same amount plus \$1000 to CPE for administering the program. This fee is in addition to any licensure fees paid to CPE or the Commission on Proprietary Education.

If approved by the Council, CPE will file the new and emergency proposed administration regulations, 13 KAR 4:010 and 13 KAR 4:010E. CPE also will submit the formal application to SARA, which will be reviewed by SARA by October 27, 2016. If approved, the effective date of SARA membership would be December 1<sup>st</sup>, and CPE could begin accepting institutional applications.

Ms. Jennifer Smith and Ms. Beth Lavis of Western Kentucky University and Dr. Sue Ott Rowlands of Northern Kentucky University voiced to the Council the collective support of the Kentucky institutions to join SARA.

The Council then asked several questions regarding a number of concerns, including:

- how clinical placements might be affected;
- how membership will affect institutional costs, as well as CPE costs to administer;
- whether consumer protection will be severely impacted;
- the effects of added competition versus the savings of staff time and monetary resources; and
- how SARA might impact and/or improve the diversity of Kentucky's campuses.

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MOTION: Mr. Flanagan moved that the Council authorize CPE staff to submit an application for Kentucky to join the State Authorization Reciprocity Agreement and approve the new and emergency administrative regulations 13 KAR 4:010 and 13 KARA 4:010E. The action also authorizes staff to file the proposed administrative regulation and the 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 of the new regulation by the Administrative Regulation Review Subcommittee and the Interim Joint Committee on Education. Mr. Torres seconded the motion.

Mr. Flanagan then expressed his support for the action, stating that it had the unified support of all the Kentucky public universities, KCTCS, and AIKCU, and also was approved by both houses of the legislature and the Governor.

In a roll call vote, the motion passed unanimously.

COMMITTEE ON  
EQUAL  
OPPORTUNITIES  
REPORT

Dr. Rana Johnson, CPE's chief diversity officer, introduced to the Council two SREB doctoral scholars: Ashley Smith from the University of Kentucky and Tytianna Smith from the University of Louisville. Both scholars provided a brief overview of their positive experiences with the SREB program. When asked about their future plans, both of them stated that following graduation, they plan to stay in Kentucky and become faculty members.

ACTION: NEW  
ACADEMIC PROGRAMS

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 public postsecondary education institutions.

Dr. Jay Morgan, CPE's vice president for academic affairs, presented the staff recommendation that the Council approve the following new academic programs:

1. University of Kentucky: Master of Science in Research Methods in Education (CIP Code: 13.0603)

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2. University of Kentucky: Bachelor of Liberal Studies (CIP Code: 24.0101)
3. Northern Kentucky University: Bachelor of Music Education (CIP Code: 13.1312)

Council staff asked for clarification on student interest in the programs and what additional costs may be associated with their approval.

MOTION: Ms. Miller moved that the Council approve the new academic programs as presented. Mr. Torres seconded the motion.

VOTE: The motion passed unanimously.

**2016-17 AGENCY  
OPERATING BUDGET**

Mr. Shaun McKiernan, CPE's senior associate of budget and finance, presented the staff recommendation that the Council approve the 2016-17 CPE Agency Operating Budget. The enacted 2016-18 biennial budget (House Bill 303) contained a 4.5% cut for CPE in fiscal year 2016-17, which resulted in a 5% reduction in General Fund support for most categories of expenditures at CPE because budget language required that the funding level for Contract Spaces remain constant. While this cut is significant, most other state agencies were cut 9%. Some additional General Fund dollars (i.e., +\$234,300) were provided to CPE to offset retirement system cost increases. This most recent 4.5% cut comes on top of a 5% reduction in the last biennium (2014-16) and an 8.4% General Fund cut in 2012-14. Council staff proposed an FY 2016-17 total agency operating budget as follows: Agency Operations, \$7.2M; Licensure, \$0.3M; Kentucky Adult Education, \$29.2M, and Statewide Educational Programs and Services, \$40.2M. Included in the Technology and Academic Support section of the Statewide Educational Programs was the request to use the Revolving Loan Fund, if requests are made, to fund projects at postsecondary institutions. In 2015-16, \$600,000 was spent from this fund for Postsecondary Education Network upgrades. CPE plans to reimburse this fund over the next four years.

MOTION: Mr. Papalia moved that Council approve the 2016-17 CPE Agency Operating Budget as presented. Dr. Staat seconded the motion.

VOTE: The motion passed.

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2016-17 TUITION AND  
MANDATORY FEE  
UPDATE

On April 26, 2016, the Council approved resident undergraduate tuition and mandatory fee ceilings for academic year 2016-17 that were not to exceed a 5.0 percent increase for the research universities, a \$432 increase for the comprehensive universities, and a \$9 per-credit-hour increase for KCTCS. At that same meeting, the Council voted to allow the institutions to charge market competitive rates for graduate and online courses.

Tuition and mandatory fee rates were approved at the June 3<sup>rd</sup> Council meeting for Northern Kentucky University, Eastern Kentucky University, and Murray State University. Due to a compressed tuition-setting timeline, several institutions' boards were unable to approve their 2016-17 tuition and fee rates prior to the June 3<sup>rd</sup> Council meeting. Therefore, the Council directed the president of the Council to review and approve tuition and mandatory fee proposals submitted after June 3, 2016, provided the proposals complied with ceilings and parameters adopted by the Council at the April 26, 2016, meeting. The proposals were required to comply with Council ceilings after any rounding or compounding calculations.

Mr. McKiernan shared with the Council that CPE had received tuition and fee proposals from UK, UofL, KSU, MoSU, WKU, and KCTCS, and he confirmed that all proposed tuition and fee rates contained in those proposals complied with Council-approved ceilings and had been approved by each institution's governing board. Proposals from each of these institutions were approved by President King.

HB 15  
IMPLEMENTATION  
UPDATE

On April 27, 2016, Governor Matt Bevin signed HB 15, an act relating to the governance of postsecondary education institutions. The law, which went into effect on July 1, 2016, requires new institutional and CPE board members to complete an orientation and education program within their first year of appointment.

Since the passage of HB 15, the Council formed a work group comprised of CPE staff and council members, board liaisons from the public institutions, and the president of AIKCU. Ms. Lee Nimocks, Vice President for Policy, Planning and External Relations, presented the work of the group, which met four times and included input from Representative Derrick Graham, who authored HB 15.

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A draft of the implementation plan was presented to the HB 15 work group on September 13, 2016, and the final draft will be presented to the Council for adoption at its November 18, 2016, meeting.

**COMMITTEE  
APPOINTMENTS**

Chair Denton made the following committee appointments:

- Dr. Ellis to the Executive Committee, which reviews all agency budget and personnel matters, including an annual audit of the agency, evaluating the president, and performing other activities as assigned by the Council.
- Dr. Staat, Mr. Torres, Ms. Zimmerman, Mr. Brandstetter, and Ms. Wright to the Tuition Development Work Group, which will review the tuition-setting process, develop a tuition-setting timeline, and make recommendations regarding tuition and mandatory fee ceilings.

**RESOLUTIONS**

The Council adopted resolutions honoring Council members Dennis Jackson and Marcia Ridings for their dedication and service to the Council and the Commonwealth of Kentucky.

**REPORTS FROM  
INSTITUTIONS**

Reports from the institutions were provided in the agenda book.

**NEXT MEETING**

The next Council meeting is November 17-18, 2016, at Owensboro Community & Technical College in Owensboro, Kentucky.

**ADJOURNMENT**

The meeting adjourned at 2:20 p.m., ET.

  
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Robert L. King  
CPE President

  
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Heather M. Faesy  
Associate, Board Relations & Special  
Projects