

**Minutes**  
Council on Postsecondary Education  
June 22, 2018

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The Council on Postsecondary Education met Friday, June 22, 2018, at 9:00 a.m., ET, at the Council offices in Frankfort, Kentucky. Chair Sherrill Zimmerman presided.

**WELCOME AND  
ROLL CALL**

Chair Zimmerman called the meeting to order and welcomed everyone.

The following members attended in person: Ron Beal, Ben Brandstetter, Kim Halbauer, Lori Harper, Donna Moore, Shawn Reynolds, Robert H. Staat, Sebastian Torres, Sherrill Zimmerman, and Interim KDE Commissioner Wayne Lewis. The following member attended by teleconference: Kristi Nelson. The following members did not attend: Joe Ellis, Lucas Mentzer, Vidya Ravichandran, and Carol Wright.

**APPROVAL OF  
MINUTES**

The minutes of the April 26-27, 2018 meetings were approved as distributed.

**OPENING REMARKS**

Wayne Lewis, interim commissioner for the Kentucky Department of Education, addressed the Council and provided an update on the work being completed on revising the high school graduation requirements. A draft framework for the revised high school requirements was presented to the Kentucky Board of Education during its June 6 meeting. The draft graduation requirements suggest that all students must demonstrate their ability to read and do basic math prior to graduation. The draft requirements also suggest that students demonstrate readiness for postsecondary education or entry to a career. A first reading of the revised requirements regulation will be held during the August meeting of the Kentucky Board of Education.

**ANNUAL BRIEFING  
FROM THE  
ASSOCIATION OF  
INDEPENDENT  
KENTUCKY  
COLLEGES &  
UNIVERSITIES  
(AIKCU)**

Pursuant to KRS 164.020(13), the Association of Independent Kentucky Colleges and Universities (AIKCU) is required by statute to make an annual report to the Council on Postsecondary Education. Mr. Gary Cox, AIKCU's president, and Mr. Mason Dyer, AIKCU's vice president for external relations and information, provided an update to the Council focusing on the significant and changing role that Kentucky's private, nonprofit colleges and universities have played in Kentucky since the landmark higher education reform of 1997. The written report provided to the Council focused on growing enrollment, the importance of

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statewide student financial aid, degrees awarded, and the overarching challenges facing small, private colleges both in Kentucky and nationally.

Following their report, Mr. Cox described a unique effort being undertaken by a majority of the AIKCU institutions: the Optimizing Academic Balance (OAB) study. The study, funded by a major grant from the James Graham Brown Foundation, is provides campus leaders with the information to make decisions about how to most effectively allocate scarce resources. OAB maps the costs associated with each academic program, then compares those costs with the revenue produced. To date, ten AIKCU members have completed the OAB process through phase two of the four-year project. It has already identified more than \$10 million in potential efficiency gains.

Dr. Michael Carter, president of Campbellsville University, spoke to the Council on how the study has impacted their operations on campus and their future decisions.

#### 2018-19 TUITION AND MANDATORY FEE RECOMMENDATIONS

Mr. Bill Payne, CPE's vice president for finance and administration, and Mr. Shaun McKiernan, CPE's senior associate for finance and administration, presented the 2018-19 Tuition and Mandatory Fee Recommendations for the public four-year universities and KCTCS. Each of the recommendations complied with the rates adopted by the Council at its April 27, 2018 meeting. Those rates were:

#### For Universities

- Maximum base rate increase for resident undergraduate students of no more than 6.0% over two years, and no more than 4.0% in any one year.
- Market competitive rates for graduate and online courses.

#### For KCTCS

- Maximum increase for resident students of no more than \$12.<sup>00</sup> per credit hour over two years, and no more than \$8.<sup>00</sup> per credit hour in any one year.

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The following 2018-19 tuition and mandatory fees were proposed for approval:

Institution	Current 2017-18 Tuition and Fees	Proposed 2018-19 Tuition and Fees	Dollar Change	Percent Change
UK	\$11,772	\$12,070	\$298	2.5%
UofL	11,068	11,460	392	3.5%
EKU	8,996	8,996	0	0.0%
KSU	8,184	8,500	316	3.9%
MoSU	8,818	8,818	0	0.0%
MuSU	8,820	9,084	264	3.0%
NKU	9,360	9,648	288	3.1%
WKU	\$10,002	\$10,402	\$400	4.0%
KCTCS				
Per Credit Hour	\$162.00	\$169.00	\$7.00	4.3%
30 Credit Hours	\$4,860	\$5,070	\$210	4.3%

Prices shown above are base rates. They do not include special use fees at some universities or an agency bond fee at KCTCS.

MOTION: Dr. Staat moved that the Council approve the 2018-19 tuition and mandatory fee rates as submitted for Eastern Kentucky University, Kentucky State University, Morehead State University, Murray State University, Northern Kentucky University, University of Kentucky, University of Louisville, Western Kentucky University, the Kentucky Community and Technical College System. Mr. Torres seconded the motion.

Mr. Torres wanted to reiterate his concern that continuing rate increases put a burden on students and may continue to affect declining enrollments at the campuses in the long-term.

VOTE: The motion passed unanimously.

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#### ASSET PRESERVATION FEE EXCEPTION REQUESTS

On February 2, 2018, the Council on Postsecondary Education approved a policy that allows institutions to request an exemption from a Council-approved tuition and fee rate ceiling for an asset preservation fee that meets certain policy provisions. According to the policy:

An asset preservation fee is a mandatory, flat-rate fee that has been approved by an institution's governing board, the revenue from which shall either be expended upon collection on asset preservation and renovation and fit-for-use capital projects, or used to pay debt service on agency bonds issued to finance such projects, that support the instructional mission of the institution.

The policy requires that a proposed fee and the project(s) it will support be approved by an institution's governing board, and that the fee's impact on total tuition and fee charges will be reasonable in the year in which the fee is imposed. According to Council policy, a fee that qualifies for an exemption and is approved by the Council shall not be in effect for a period longer than 25 years.

The Council on Postsecondary Education has discretion under the policy to determine whether or not a proposed fee is reasonable and may exempt the fee in its entirety or some portion thereof in the event that a phase-in period is deemed necessary.

#### Eastern Kentucky University

On June 11, 2018, Eastern Kentucky University submitted an Asset Preservation Fee request to the Council. Staff reviewed documentation for the proposed fee and asset preservation projects contained in their submission and found that the university's proposal meets the criteria of the Council's new Asset Preservation Fee Exception Policy.

- The amount of the proposed fee is \$10.<sup>00</sup> per-credit-hour and will be capped at \$300 annually for full-time students, effective fall semester 2018. The fee will not apply to dual-credit or on-line credit hours.
- In terms of impact, the proposed \$10.<sup>00</sup> per-credit-hour fee equates to a 3.3 percentage point increase above the 2017-18

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tuition and fee base rate for a full-time resident undergraduate student.

- All revenue generated from the proposed fee, estimated to be \$3,000,000 annually, will be used to pay for Education and General (E&G) asset preservation projects, which will be reported annually to the Council. The fee will terminate in 25 years (2043).

MOTION: Ms. Moore moved that the Council approve a \$10.<sup>00</sup> per-credit-hour Asset Preservation Fee as proposed by Eastern Kentucky University, to be implemented fall semester 2018. Mr. Reynolds seconded the motion.

In discussion, Mr. Torres remarked that as a former student at EKU, he stated that the repairs are desperately needed. Ms. Halbauer stated that she wanted to ensure transparency of the mandatory fee for any campus that adopts an Asset Preservation Fee Exception Request is upheld and was concerned that the establishment of an additional fee is confusing to students.

VOTE: The motion passed unanimously.

#### Morehead State University

On June 11, 2018, Morehead State University submitted an Asset Preservation Fee request to the Council. Staff has reviewed documentation for the proposed fee and asset preservation projects contained in their submission and finds that the university's proposal meets the criteria of the Council's new Asset Preservation Fee Exception Policy.

- The amount of the proposed fee will be \$5.<sup>00</sup> per-credit-hour and will be capped at 12 credit hours per academic term (\$60) for full-time students, effective fall semester 2018. The fee will not apply to dual-credit hours.
- In terms of impact, the proposed \$5.<sup>00</sup> per-credit-hour fee equates to a 1.4 percentage point increase above the 2017-18 tuition and fee base rate for a full-time resident undergraduate student.
- All revenue generated from the proposed fee, estimated to be \$775,000 annually, will be used to pay for Education and

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General (E&G) asset preservation projects, which will be reported annually to the Council. The fee will terminate in 25 years (2043).

MOTION: Dr. Staat moved that the Council approve a \$5.00 per-credit-hour Asset Preservation Fee as proposed by Morehead State University, to be implemented fall semester 2018. Mr. Reynolds seconded the motion.

VOTE: The motion passed unanimously.

#### Kentucky State University

On June 12, 2018, Kentucky State University submitted an Asset Preservation Fee request to the Council. Staff has reviewed documentation for the proposed fee and asset preservation projects contained in their submission and finds that the university's proposal meets the criteria of the Council's new Asset Preservation Fee Exception Policy.

- The amount of the proposed fee will be \$10.00 per-credit-hour and will be capped at 30 credit hours per academic year (\$300) for full-time students, effective fall semester 2018. The fee will not apply to dual-credit hours.
- In terms of impact, the proposed \$10.00 per-credit-hour fee equates to a 3.7 percentage point increase above the 2017-18 tuition and fee base rate for a full-time resident undergraduate student
- All revenue generated from the proposed fee, estimated to be \$340,000 annually, will be used to pay for Education and General (E&G) asset preservation projects, which will be reported annually to the Council. The fee will terminate in 25 years (2043).

MOTION: Ms. Halbauer moved that the Council approve a \$10.00 per-credit-hour Asset Preservation Fee as proposed by Kentucky State University, to be implemented fall semester 2018. Mr. Torres seconded the motion.

VOTE: The motion passed. Mr. Brandstetter abstained.

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#### 2018-19 AGENCY OPERATING BUDGET

Dr. Payne and Mr. McKiernan presented the proposed 2018-19 CPE Agency Operating Budget.

Council staff proposed a FY 2018-19 total agency operating budget of \$35.6 million as follows:

- Postsecondary Coordination – \$3.8M (11%)
- Data Collection/Analysis - \$1.2M (3%)
- Contract Administration - \$0.9M (3%)
- Contract Spaces - \$6.0M (17%)
- Technology & Academic Support - \$5.0M (14%)
- Ovarian Cancer Screenings - \$0.5M (1%)
- Adult Education Coordination - \$1.7M (5%)
- Adult Education Local Programs - \$16.6M (46%)

General Fund appropriations support 55 employees, down from 97 staff in 2007-08. Fourteen staff, down from 27 in fiscal 2007-08, work for Adult Education and are funded through the Agency Operations budget.

MOTION: Mr. Reynolds moved that the Council approve the 2018-19 CPE Agency Budget. Dr. Staat seconded the motion.

VOTE: The motion passed unanimously.

#### INTERIM CAPITAL PROJECT – KCTCS

Mr. McKiernan presented the staff recommendation that the Council approve a KCTCS request for Technical Campus Building B Roof Replacement at the Jefferson Community and Technical College, funded with \$2,000,000 of agency restricted funds. The project was approved by the KCTCS Board of Regents on June 15, 2018. This project will provide a new roof for the entirety of Building B on the Technical Campus of JCTC located at 727 West Chestnut Street in Louisville. Part of the roof is 25 years old, while another part of the roof is 43 years old. The roof has been leaking. This building houses the following programs: Welding, Automotive, Wood Working, Advanced Manufacturing, HVAC and Electricity. KCTCS officials have confirmed that funds for this project are in place and that funding this project will not jeopardize funding for existing programs.

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MOTION: Mr. Brandstetter moved that the Council approve KCTCS's request for Jefferson Community and Technical College's Technical Campus Building B Roof Replacement, funded with \$2,000,000 of agency restricted funds. Ms. Harper seconded the motion.

VOTE: The motion passed unanimously.

### UPDATE FROM KENTUCKY WORKFORCE INNOVATION BOARD (KWIB)

The 42-member Kentucky Workforce Innovation Board (KWIB) serves as an advisory board to the Governor on workforce training and development issues. The KWIB is charged with creating a statewide vision for workforce development and adopt a plan to move Kentucky forward through workforce training and development.

KWIB's strategic plan was adopted in February, 2018 – Kentucky Work Ready: An Urgent Call to Action. The plan was developed through an environmental scan of Kentucky's labor market data, over 100 interviews conducted with employers and workforce development leaders across the Commonwealth, and the completion of a day-long planning retreat. As a result, vision and desired impact is to “create a workforce development system that is value driven for employers, aligns education with industry demands, prepares Kentuckians for the future of work and drives economic development.”

Aaron Thompson, CPE's executive vice president and chief academic officer, serves as the postsecondary and adult education's representative on KWIB. Dr. Jay Box, president of KCTCS, is a member of the KWIB steering committee.

Melissa Aquilar, KWIB's executive director, provided the Council with more details on the strategic plan and the importance of postsecondary education in its implementation.

### RESOLUTIONS

The Council adopted resolutions honoring the following individuals for their dedication and service to the Council and the Commonwealth of Kentucky:

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- Gerald St. Amand, interim president of Northern Kentucky University
- Gregory Postel, interim president of the University of Louisville
- Robert L. King, president of the Council on Postsecondary Education

#### 13 KAR 2:020. GUIDELINES FOR ADMISSION TO STATE-SUPPORTED POSTSECONDARY INSTITUTIONS

Dr. Thompson and Mr. Travis Powell, CPE's general counsel, presented the staff proposed amendments to Kentucky's regulation 13 KAR 2:020, which sets guidelines for admission and course placement at public postsecondary institutions.

KRS 164.020(8) requires that the Council on Postsecondary Education set minimum admission standards for students who wish to enroll at public postsecondary education institutions. 13 KAR 2:020 fulfills this obligation and advises prospective students, local school districts, and public postsecondary institutions on the minimum requirements for admission and course placement to facilitate transition into postsecondary education.

The proposed amendment simplifies the current structure for minimum admission criteria and related course placement by focusing on core state-level policy objectives. It requires that traditional high school graduates admitted to a public university have a high school GPA of 2.5 on a 4.0 scale. Students with a 2.0 to 2.49 may enroll after signing a learning contract with the institution that specifies the advising, mentoring, tutoring and support services expectations for both the student and the institution, student learning goals and expectations, student participation requirements in a financial literacy program, the process by which student progress will be monitored, and the specified length of the learning contract.

The amendment also mandates the implementation of the corequisite model for students needing remediation in core content areas. A corequisite course is a credit-bearing course that includes enhanced academic supports, such as additional hours of instruction, tutoring, mentoring, or advising. Moving toward the corequisite model of remediation will assist students in progressing to a degree more quickly outside the traditional developmental

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model, which is often more costly and ineffective in progressing students toward degree completion.

MOTION: Mr. Brandstetter moved that the Council approve the proposed amendments to Kentucky's regulation 13 KAR 2:020. Ms. Moore seconded the motion.

In discussion, Dr. Thompson verified that most additional services would also be available to those with a GPA higher than 2.5.

VOTE: The motion passed unanimously.

COMMENTS ON  
13 KAR 3:060  
HIGH SCHOOL  
EQUIVILANCY  
DIPLOMA AWARDED  
FOR CREDIT HOUR  
COMPLETION AT  
KCTCS INSTITUTIONS

On April 27, 2018, the Council approved the filing of the following new Kentucky Administrative Regulation: 13 KAR 3:060. High School Equivalency Diploma Awarded for Credit Hour Completion at KCTCS Institutions.

It was filed with the Legislative Research Commission on May 14, 2018. Public comments can be submitted through June 30, 2018 and the hearing is scheduled for June 21, 2018 at 10:00 a.m.

As of the date of the Council meeting, there were no requests to be heard or comments made on the regulation. No action was taken by the Council.

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 the public postsecondary education institutions. At the meeting, Dr. Aaron Thompson presented five new academic programs for approval.

### Eastern Kentucky University

- Bachelor of Science in Digital Forensics and Cybersecurity (CIP 43.0116).

Dr. Deborah Whitehouse, EKU's Interim Senior Vice President for Academics and Provost, attended the meeting to answer questions from the Council.

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MOTION: Ms. Torres moved that the Council approve EKU's new academic program as presented. Mr. Beal seconded the motion.

VOTE: The motion passed unanimously.

### University of Kentucky

- Doctor of Philosophy in Forest and Natural Resource Science (CIP 03.0101)
- Master of Arts in Teaching Secondary STEM Education (CIP 13.1206)
- Master of Fine Arts in Curatorial Studies (CIP 50.1002)
- Master of Science in Urban and Environmental Design (CIP 04.0301)

The following individuals from UK were present to answer questions from the Council: Rob Jensen, Director of the School of Art and Visual Studies; Steven Price, Professor in the Department of Forestry; Rosetta Sandidge, Associate Dean, College of Education; and Brent Sturlaugson, Professor, School of Architecture.

MOTION: Dr. Staat moved that the Council approve UK's new academic programs as presented. Mr. Brandstetter seconded the motion.

VOTE: The motion passed unanimously.

### 2019 MEETING DATES

CPE staff proposed the Council meeting dates for the first half of the 2019 calendar year: Feb. 21-22, Apr. 25-26, and Jun. 27-28.

MOTION: Ms. Harper moved that the Council approve the proposed 2019 meeting dates as presented. Dr. Staat seconded the motion.

VOTE: The motion passed unanimously.

### CPE PRESIDENT SEARCH COMMITTEE REPORT

At the April 27, 2018 meeting, Chair Sherrill Zimmerman appointed the CPE Presidential Search Committee to oversee the search process for a president of the Council on Postsecondary Education. The committee's duties include, but are not limited to, identifying

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and evaluating candidates and making a final recommendation to the full board for approval.

Since that time, the committee has met three times and finalized a contract with executive search firm, AGB Search, to conduct and coordinate the executive search.

Committee Chair, Ron Beal, briefed the Council on the work of the committee and search firm to-date, the approved timeline, and next steps in the process. He also asked the Council for advisement on the number of final candidates to bring forward to the full Council.

MOTION: Dr. Staat moved that the CPE President Search Committee interview semi-finalists and recommend up to three (3) finalists for interview and consideration by the full board. Ms. Moore seconded the motion.

VOTE: The motion passed unanimously.

Finally, chair Sherrill Zimmerman appointed Sebastian Torres to the Search Committee, to represent the students' interest.

### KENTUCKY SKILLS U 2018-19 AWARDS

Reecie Stagnolia, CPE's vice president for adult education, and Jacqueline Korengel, associate vice president, presented the recent work of Kentucky Skills U, the adult basic education unit of the Kentucky Council on Postsecondary Education,

On February 12, 2018, Kentucky Skills U issued a Request for Application (RFA) for service provider grants made available through General Fund appropriations and the Workforce Innovation Opportunity Act (WIOA), Title II, Adult Education and Family Literacy Act (AEFLA).

The deadline for submission was March 2, 2018, and applicants detailed how they would develop, implement, and improve adult education within the state. Applicants also had to demonstrate past performance and explain how they would implement a new position, the Career Navigator. The Career Navigator will focus on shepherding students through their educational and career advancement journey through:

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- Realistic goal-setting conversations, career exploration, and guidance throughout their adult education passage; and
- Guidance during the transition process to postsecondary education and training and/or workforce endeavors.

Emphasis in the scoring process was placed on: comprehensive, regionalized services; co-enrollment in integrated education and training models career pathways; full-time, dedicated leadership; and service commitments based on student demand needs.

#### CPE PRESIDENT'S REPORT TO THE COUNCIL

A written report from President King was provided in the agenda book. Ms. Lee Nimocks, CPE's vice president for policy, planning and external relations, and Dr. David Mahan, executive director for data, research and analysis, provided an update to the Council on the success of promotion and implementation of the 15 to Finish campaign since 2015. CPE staff anticipate releasing a policy brief in July of 2018 that highlights a 20 percentage point increase in overall graduation rates, and a higher correlation between completing 30 credit hours in the first year and degree completion.

#### COMMITTEE ON EQUAL OPPORTUNITIES REPORT

A written report on the activities of the January 22 and April 30 Committee on Equal Opportunities (CEO) meetings. Dr. Thompson introduced Dr. Dawn Offutt to the Council, who replaces Caroline Atkins as the staff contact for the CEO.

Mr. Powell also briefed the Council on the campuses mid-plan review of strategies implemented since their approval in 2016. The CEO will monitor that review and present any substantial changes to the full Council as necessary.

#### KENTUCKY COMMISSIONER ON EDUCATION REPORT

A written report from Interim Commissioner Lewis was provided in the agenda book.

#### REPORTS FROM INSTITUTIONS

Reports from the institutions were provided in the agenda book.

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### OTHER BUSINESS

KRS 63.080(2) provides a process for a board of trustees or regents for Kentucky's public universities and community college system to request the removal of one of its members for cause. In order to initiate this process, the board must notify the member and the Council on Postsecondary Education that the member should be removed for cause and specify the conduct warranting removal. The member shall then have seven (7) days to voluntarily resign or provide evidence to the Council that the member's conduct does not warrant removal. If the member does not resign, the Council shall investigate the member and the conduct alleged to support removal and make a nonbinding recommendation, in writing, to the Governor as to whether the members should be removed. The Governor shall then make the final determination, in writing, whether the member should be removed.

Mr. Powell briefed the Council that on June 18, 2018 the Council had received official notice that a member's board had unanimously adopted a resolution to remove them from the board. That person had not yet resigned, but had until June 25, 2018 to do so, otherwise CPE staff will proceed with the next steps of the process and will notify and consult the Council accordingly.

### ADJOURNMENT

The next Council meetings will be held September 20-21, 2018. The meeting adjourned at 12:50 p.m., ET.

  
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Robert L. King  
President

  
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Heather M. Faesy  
Associate, Board Relations & Special  
Projects