



Kentucky CPE Trusteeship Conference

The AI Frontier: Governance in the Age of Intelligence

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**Should AI be standard practice for
every professor, every student?**

This session won't tell you which side is right

Some trustees believe their institution is moving too fast on AI. Some believe it's moving too slowly. Both positions are reasonable. This session gives you a framework for making that judgment, not a predetermined answer.

WHAT THIS SESSION COVERS

1

Where adoption and workforce demand actually stand

2

Real examples, from outright restriction to a two-lane middle path

3

The governance mechanisms and open risks trustees should know

4

A practical toolkit of questions to bring back to your own board

Together, this is intended to provide some considerations for the decisions ahead.

Laying the foundation - five outcomes every AI decision should serve

What is a university optimizing for?

Learning integrity

Degrees certify skills that were developed, not just outputs that were produced.

Workforce readiness

Graduates are prepared for the labor market they are entering.

Fair access

Outcomes do not depend on who could afford the better tool.

Institutional trust

Policies are consistent and defensible, not decided ad hoc, course by course.

Financial sustainability

What gets adopted has to be affordable to run, not just to pilot.

This is already happening in Kentucky

The Commonwealth's own governing board has already started answering the questions this session raises.

Kentucky's own AI task force

CPE's Task Force on AI, Higher Education, and the Workforce is charged with setting a 3–5 year AI strategy for the Commonwealth's public universities.

Kentucky Council on Postsecondary Education, 2026

The task force's first verdict

In September 2026, the task force ranked AI literacy as the state's top priority for higher education, proficiency across every discipline, not just computer science.

Kentucky Kernel, September 2026

The task force's own message to institutions: don't treat this as a computer-science issue. AI proficiency should span every discipline.

Kentucky Task Force on AI, Higher Education, and the Workforce, September 2026

Where are we today by the numbers...

“Use” isn’t defined consistently across these surveys. The consistent finding is the gap between adoption and policy, not a precise usage rate.



Sources: A 2026 guide to AI governance for college trustees. | A 2025 higher-education technology landscape study.

The workforce isn't waiting for consensus

These figures span far more than technology roles: healthcare, law, marketing, government, manufacturing.

This isn't just IT-department news. It's a curriculum-and-workforce-alignment question for every board.

Sources: A 2026 labor-market analytics report | A 2026 employer survey on AI adoption | A 2026 labor-market analytics report

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51%

of AI-related job postings now sit outside IT, in healthcare, finance, marketing, and HR
2026 labor-market analytics report



57%

of employers say they've raised baseline productivity expectations, assuming AI assistance
2026 employer survey on AI adoption



28%

higher salaries for job postings that require at least one AI skill, about \$18,000 more per year
2026 labor-market analytics report



WHAT DOES IT ALL MEAN?



STUDENTS ARRIVE AI FLUENT

Incoming students already use AI daily. Institutions that don't address this fall behind student expectations from day one.



EMPLOYERS EXPECT AI SKILLS

Nearly every sector now expects graduates to understand and apply AI tools. A diploma without AI fluency is increasingly a gap.



INACTION HAS REAL COSTS

Without policy and pedagogy, AI use in classrooms is already happening informally - with inconsistent quality and integrity risks.

Sometimes the right governance answer is no

The other half of the story: institutions choosing to restrict or ban AI use, deliberately and by faculty consensus.

A large research university's general-education core

Beginning fall 2026, all general-education core courses are taught “analog,” banning AI use by students and instructors, based on faculty consensus that these foundational sequences are best taught without it.

Campus and higher-ed press reporting, 2026

Several law schools

Multiple law schools have restricted AI and device use in parts of their curriculum to protect skills like oral argument and sustained reasoning, even while acknowledging graduates will need AI fluency in practice.

Higher-ed press reporting, 2026

65% of course policies prohibit AI for reasoning and problem-solving tasks, while only 17–20% restrict it for editing or coding. Evidence of granular judgment, not blanket rejection.

Source: a 2026 study of course syllabi, reported in the higher-ed press

So perhaps the two-lane model addresses the false choice

A widely adopted two-lane assessment framework separates work by what it's meant to prove, not by blanket policy.

Closed lane

- Time-limited
- In-person, closed-book, or supervised formats
- No AI LLM permitted

Open lane

- AI use is expected and disclosed, perhaps even required
- Measures student's ability to question, assess and correct, and take responsibility for machine output
- Grading shifts to judgment, synthesis, and how AI was used

Neither lane is the “correct” one, in many classes you may use both.

Start where the stakes are lowest and the volume highest

Consistency across sections matters more than any single policy choice.

Where to focus first

Gateway and gen-ed courses: highest enrollment, most sections, most instructors

Courses already graded on standardized rubrics

Departments willing to pilot and report back

Why consistency beats ad hoc

Students take the same gateway course from a dozen different instructors

Inconsistent rules across sections read as arbitrary, not principled

A shared starting policy gives every instructor the same baseline to adapt

Faculty support is the piece institutions are still figuring out

Early approaches are promising but unproven at scale.

What institutions are trying

- Stipends for faculty who redesign a course or assessment around AI
- Town halls that treat instructors' failed AI experiments as useful data, not embarrassments
- Ambassador's appointed, professors who have demonstrated a deep understanding and success integrating into their own curriculum assist others who may be struggling
- Change management, putting formal programs in place to provide trainings, suggestions, and showcase the successes

What's still unproven

- Whether stipend-funded redesigns hold up once the funding ends
- Whether town-hall candor changes practice broadly, or stays confined to early adopters

Access to AI is not evenly distributed among students

Premium AI tools, faster devices, and reliable connectivity all shape who benefits most: a digital divide that predates AI but that AI is now widening.

Unequal access

Students who can afford premium AI subscriptions get materially better outputs than those using free tiers

Device & connectivity gap

Older devices and slower connections limit which tools students can even run

One response

A campus-wide credentialing program that gives every student the same baseline AI tools and training, regardless of ability to pay

Fair access is a design choice, not a side effect.

Four risks remain genuinely open

None of these has a settled answer. They belong on the agenda, not in the appendix.

Cost & sustainability

Whether AI licensing is a recurring budget line or a one-time pilot is unresolved on most campuses.

Faculty labor

Redesigning courses and assessments around AI is largely unfunded extra work for instructors.

Vendor dependency & privacy

Deeper reliance on ed-tech vendors, underscored by a recent high-profile data breach.

Cognitive skill loss

Open debate over whether offloading reasoning to AI erodes the skills assessments are meant to build.

Fold these into the existing risk register rather than treating AI as a separate category.

A repeatable test, not just a checklist

Run this on any AI decision, not just the ones in this session. The five outcomes from earlier are the yardstick.

1

Name the decision

What specifically is being proposed, and by whom?

2

Score it against the five outcomes

Which outcomes does it touch, and how much?

3

Score doing nothing, too

Inaction is a decision too, and it can put an outcome at risk.

4

Assign an owner and a date

Anything below green gets a name and a date.

RECOMMENDED SCORING RUBRIC

Score	Meaning	Recommended action
Green	Outcome is protected or strengthened	Proceed at committee or administrative level
Amber	Outcome is uncertain, needs more evidence or safeguards	Proceed with conditions; set a revisit date
Red	Outcome is threatened without mitigation	Pause and escalate to the full board before proceeding

Trustee toolkit: questions to start with

Bring these back to your own board. They work as a first-pass diagnostic on any campus.

Policy & oversight

Do we have a written AI use policy, and who owns it?

Institutional trust

Faculty support

What resources exist for instructors redesigning courses around AI?

Learning integrity

Student access

Are we creating a two-tier experience based on who can afford premium tools?

Fair access

Academic integrity

Do our integrity policies distinguish disclosed AI use from misconduct?

Learning integrity

Curriculum & workforce alignment

Are we tracking how employer expectations for AI fluency are shifting by field?

Programs that lag the labor market lose relevance fastest.

Workforce readiness

Funding & sustainability

Is AI spending a line item with an owner, or scattered pilot budgets?

Ad hoc pilots rarely survive the budget cycle that funded them.

Financial sustainability

Risk & fiduciary duty

Have we reviewed vendor contracts for data privacy and dependency risk?

A recent ed-tech data breach is a reminder that vendor contracts carry real exposure.

Institutional trust

Financial sustainability

One question to leave you with...

If a student uses AI to draft an argument, then edits it into their own words, is that their work?

References

The sources behind this session's data and examples. Slide content was generalized for delivery; full citations are provided here for reference.

KENTUCKY CONTEXT (SLIDE 5)

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ADOPTION & LANDSCAPE DATA (SLIDE 6)

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WORKFORCE DATA (SLIDE 7)

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INSTITUTIONAL EXAMPLES (SLIDE 9)

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Inside Higher Ed. (2026). Reporting on AI restrictions in higher education, including law school curricula.

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ASSESSMENT FRAMEWORKS (SLIDE 10)

Bridgeman, A., & Liu, D. (2024–2025). Sydney Assessment Framework. University of Sydney.

University of Auckland. (2026). Adoption of the two-lane assessment model.

RISK EXAMPLES (SLIDE 14)

Reporting on the 2026 Instructure (Canvas) data breach, widely covered in higher-education and cybersecurity press.



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