

AGENDA
Council on Postsecondary Education
February 11, 2004
2 p.m. (ET)
Meeting Room A, CPE Offices, Frankfort, KY

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MINUTES
Council on Postsecondary Education
November 3, 2003

The Council on Postsecondary Education met November 3, 2003, at 9:30 a.m. on the downtown campus of the Jefferson Community and Technical Colleges in Louisville, Kentucky. Chair Barger presided.

- WELCOME** Tony Newberry, president of the Jefferson Community and Technical Colleges, welcomed the Council. He said that the Jefferson Community and Technical College District comprises five campuses, including three in Jefferson County plus campuses in Carrollton and Shelbyville, enrolling more than 13,000 students. There also are programs at five corrections facilities in the region, articulation agreements for offering dual credit to high school students, and training operations in businesses and industries in the community.
- ROLL CALL** The following members were present: Walter Baker, Steve Barger, Peggy Bertelsman, Bart Darrell, J. P. Davis, Richard Freed, Ronald Greenberg, Susan Guess, John Hall, Esther Jansing, Joan Taylor, Lois Combs Weinberg, and Charles Whitehead. Norma Adams, Charlie Owen, and Gene Wilhoit did not attend.
- APPROVAL OF MINUTES** The minutes of the September 22 meeting were approved as distributed.
- CAMPUS TOURS** Mr. Layzell said that earlier in the day the Council members participated in a tour of the Ahrens Adult Learning Center and the historic Seminary Building on the Jefferson Community College campus. He thanked the staffs at the two sites for arranging the tours and providing valuable information about both facilities.
- FOCUS ON REFORM: SEAMLESS TRANSITIONS** The meeting began with a focus on reform. Dr. Newberry, Julie Scoskie (director of Jefferson County Public Schools Adult Education), and David Howarth (University of Louisville associate provost) described the model programs developed to share resources and promote the successful transition of students from adult education programs to college and from lower- to upper-division college work. They discussed examples of partnerships and collaborations among the three entities aimed at raising the educational attainment levels of all people in the community and building a responsive workforce development system for the region.
- 2004-06 OPERATING & CAPITAL BUDGET** **RECOMMENDATION:** The staff recommends that the Council approve the 2004-06 operating and capital budget recommendation which totals \$1,094,154,419 for 2004-05 and \$1,207,267,421 for 2005-06 in recurring funding for the universities, the Kentucky Community and Technical College System, Lexington Community College, the Strategic Investment and Incentive Trust Funds, and the Council on Postsecondary Education, including the KYVU and KYVL, adult education, and pass-through programs, and, in addition, \$61 million in non-recurring funding for the Endowment Match Program.
- Sandy Woodley, the Council's vice president for finance, called attention to the booklet entitled "2004-06 Budget Recommendation." This was an update to the materials mailed prior to the meeting.

The recommendation reflects an operating and capital budget totaling \$2.3 billion that will help support postsecondary education reform. The budget provides funding increases to the public universities, the Kentucky Community and Technical College System, and Lexington Community College to help pay for the over 42,000 additional students enrolled. The funding request represents an increase of nearly \$65.8 million for 2004-05 and \$113 million for 2005-06. It also provides funding to expand Kentucky's adult education programs. The budget will keep higher education affordable for Kentucky families, strengthen Kentucky's workforce, provide adult basic education opportunities to one in four Kentuckians who lack a high school credential, and maintain momentum in the development of the state's knowledge economy.

The budget recommendation includes five priorities:

- 1) Continue to support the universities and the Kentucky Community and Technical College System through adjustments to benchmark funding.
- 2) Continue to support the trust funds, including adult education and literacy, technology initiatives, science and technology programs, enhancing programs of national prominence, regional stewardship initiatives, and support for enrollment growth and productivity.
- 3) Address the need to renovate existing space on campuses, provide new space for research, and accommodate the additional students in the system (including capital expenditures for a \$15 million pool for capital renewal, maintenance, and repairs; \$34.7 million in debt service for renovation, replacement, infrastructure, and new construction; and a special appropriation of \$569,100 to assist Kentucky State University to renovate Young Hall Dormitory).
- 4) Continue the endowment match program, commonly known as Bucks for Brains, including \$1 million for an endowment match program for the Kentucky Community and Technical College System that will concentrate on creating jobs for Kentuckians.
- 5) \$16.9 million in 2004-05 and \$18.3 million in 2005-06 to support the operations of the Council, the Kentucky Virtual University and the Kentucky Virtual Library, and pass-through programs.

The recommendation also includes strong support for Kentucky's need-based student financial aid programs – the College Access Program and the Kentucky Tuition Grant Program. The Council does not administer CAP and KTG, but these programs were identified as among its highest priorities.

The Council members asked the staff to revise the 2004-06 Regional Stewardship Program Guidelines to include the involvement of the P-16 councils and the independent institutions.

MOTION: Mr. Freed moved that the recommendation be approved. Ms. Jansing

seconded the motion.

Mr. Greenberg raised a question about how the order of the funding priorities was determined. Mr. Layzell said that the staff worked with the institutions to develop the priorities.

Mr. Greenberg said that continuation of the endowment match program is essential to the future economic success of the state and felt that this should be a higher priority than institutional space needs.

President Lee Todd discussed the need for competitive research space.

President Gary Ransdell said that no capital projects were funded in the last legislative session and the institutions are dealing with tremendous deferred maintenance inventories and deteriorating campuses. He added that space is needed due to the significant enrollment growth over the past few years. He complimented the Council staff for putting forth a budget recommendation that is equitable, recognizes performance, and begins to address inequities in the system.

AMENDMENT TO MOTION: Mr. Greenberg amended the motion to reverse the order of priority 3 and priority 4. Mr. Freed seconded the motion.

Ms. Bertelsman asked if the institutions include in their own internal budgets funds for maintenance and renovation. She said that there seems to always be a huge list of projects for maintenance and renovation and it is her feeling that the institutions should share in this responsibility.

Dr. Ransdell said that some funds are included in the institutional budgets but that the institutions' first priority is support of unfunded enrollment growth.

Mr. Greenberg said that the objective is not to change the funding. He said the public policy issue is whether the Council will take a position to attract greater intellectual capital.

VOTE ON AMENDMENT: The motion failed.

VOTE ON ORIGINAL MOTION: The motion passed with Mr. Greenberg voting no.

2004-06 FUNDING DISTRIBUTION POLICY

RECOMMENDATION: The staff recommends that the Council approve the Funding Distribution Policy as a companion to the *Points of Consensus* for the 2004-06 biennium. These principles advise the legislature in establishing priorities for institutional base funding in cases where funding reductions are necessary or when increases are less than the Council's budget recommendation.

Mr. Layzell said that the Council staff will consult with the institutions to consider several options regarding possible principles that may be used to guide the Governor and legislature in the allocation of less than full funding of the total budget recommendation. The staff will bring this information to the November 17 Executive Committee meeting.

MOTION: Mr. Whitehead made a motion to approve the recommendation. Ms. Weinberg seconded the motion.

VOTE: The motion passed.

KEY INDICATORS
OF PROGRESS

RECOMMENDATION: The staff recommends that the Council approve 19 key indicators and goals for 14 of them. The staff also recommends that the Council direct the staff to continue its work with the institutions and other agencies to establish a 20th indicator and propose goals for all remaining indicators at the February 2004 Council meeting.

Council staff member Christina Whitfield said that over the past several months the staff has worked with the institutions and other reform partners to revise the 41 key indicators of progress established in March 2001. This review process was intended to see what was working and what was not, to reduce the number of indicators, to further align the indicators with national accountability initiatives, and to establish new goals based on

updated baseline measurements. Ms. Whitfield reviewed the revised indicators and goals.

MOTION: Ms. Guess moved that the recommendation be approved. Mr. Darrell seconded the motion.

VOTE: The motion passed.

KSU MISSION
STATEMENT

RECOMMENDATION: The staff recommends that the Council approve the mission statement for Kentucky State University as a working draft to be finalized in early 2004.

Mr. Layzell said that since the KSU board of regents expects to select a president by the first of the year and since the mission statements of all postsecondary institutions, including KSU, will be reviewed as part of the Council's plan of work for 2003-04, this mission statement will be modified over the coming months.

MOTION: Ms. Weinberg moved that the recommendation be approved. Mr. Whitehead seconded the motion.

VOTE: The motion passed.

ANNUAL
ACCOUNT-
ABILITY
REPORT

Mr. Layzell reported that the Council staff is working on the annual accountability report for 2002-03 that is due to the Governor, the Legislative Research Commission, the General Assembly, and the Strategic Committee on Postsecondary Education December 1. Significant format changes have been made to respond to concerns raised by the Program Review and Investigations Committee in its July report. Previous year reports focused on the statewide public agenda; this year's report will include additional information about institutional progress toward the six goals of House Bill 1.

JOINT MEETING
WITH PROVOSTS

Information was included in the agenda book about the annual joint meeting of the provosts of the public and independent colleges. Among the topics discussed were new initiatives to offer more opportunities for public and independent institutions to work together and increase the effectiveness of their academic programs.

KENTUCKY/
WEST VIRGINIA
RECIPROCITY
AGREEMENT

RECOMMENDATION: The staff recommends that the Council approve the technical changes to the reciprocity agreement between Kentucky and West Virginia.

MOTION: Mr. Baker moved that the recommendation be approved. Mr. Freed seconded the motion.

VOTE: The motion passed.

CEO REPORT

A report on the activities of the Committee on Equal Opportunities was included in the agenda book.

Mr. Whitehead said that recurring funding for EEO programs is included in the Council's budget recommendation. He said failure to support these current programs would result in the loss of funding for 12 new Governor's Minority Student College Preparation Programs and 11 Ph.D. students presently enrolled at UK and UofL in the SREB Compact for Faculty Diversity.

Mr. Whitehead said that the CEO has requested that the U.S. Office for Civil Rights staff be invited to attend a CEO meeting or a CPE meeting to discuss Kentucky's status regarding the partnership agreement. Sherron Jackson of the Council staff said that Kentucky ended its partnership agreement December 31, 2002. The OCR was to provide a response with regard to Kentucky's status by March 31, 2003, but no response has been received. The Council staff has received requests for additional information and an explanation from the OCR staff that technically Kentucky is the first state to qualify to be removed from under the partnership agreement. The OCR staff anticipates that Kentucky should receive official notification by the end of November.

DLAC UPDATE

A report on the activities of the Distance Learning Advisory Committee was included in the agenda book. Mr. Layzell noted that the committee is considering expanding its role to focus on all forms of distance education provided by Kentucky's postsecondary institutions and agencies. DLAC created a strategic planning team to draft an eLearning Strategic Plan for Kentucky for presentation to DLAC in spring 2004.

CAPITAL
PROJECTS

RECOMMENDATION: The staff recommends that the Council approve the request of the University of Kentucky to complete the design of a basketball practice facility to be located on the main campus with \$2,500,000 of private funds.

Mr. Jackson said that the money would pay for the completion of the design of the practice facility. The project itself, which is estimated to cost \$25-\$28 million, will be placed in the request for authorization by the General Assembly in the 2004 legislative session. The facility will be connected to Memorial Coliseum.

Mr. Baker expressed concern about the need for and the cost of the facility. President Todd said that the project also will include renovation of existing office space and will provide improved facilities for sports such as volleyball and gymnastics. The project will alleviate scheduling problems at Memorial

Coliseum and will provide amenities similar to other NCAA basketball facilities around the country.

MOTION: Mr. Whitehead moved that the recommendation be approved. Ms. Weinberg seconded the motion.

VOTE: The motion passed with Mr. Baker voting no.

RECOMMENDATION: The staff recommends that the Council approve the request of the University of Kentucky to construct a multi-purpose facility with \$4,000,000 of private funds. The facility will be an addition to the Nutter Field House and will support the university's athletic program.

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

VOTE: The motion passed.

RECOMMENDATION: The staff recommends that the Council approve the request of the University of Louisville to renovate Threlkeld Hall on the main campus with \$500,000 of private (\$300,000) and agency (\$200,000) funds.

This project involves the renovation of 3,500 square feet of Threlkeld Hall to house a university honors program. The project will create a need for \$13,000 in operations and maintenance costs from the state General Fund. The institution may request funds for operations and maintenance in the future.

MOTION: Mr. Greenberg moved that the recommendation be approved. Mr. Whitehead seconded the motion.

VOTE: The motion passed.

NEW PROGRAMS

RECOMMENDATION: The staff recommends that the Council approve the associate of applied science in hotel/motel and restaurant management (CIP 52.0902) proposed by Western Kentucky University.

MOTION: Mr. Baker moved that the recommendation be approved. Mr. Darrell seconded the motion.

VOTE: The motion passed.

KNOWLEDGE ECONOMY ANNUAL REPORT

The Council is required by statute to submit a knowledge economy annual report to the Kentucky Innovation Commission, the Governor, and the General Assembly. An executive summary of the report was included in the agenda book. The full report is available on the Council's web site.

COUNCIL STAFF

Mr. Layzell announced that Jennifer Marsh is leaving the Council staff at the end of December to join the staff of the Brown Cancer Center at the University of Louisville.

TEACHER QUALITY SUMMIT

Information was included in the agenda book about the Teacher Quality Summit held in October at ECU. The conference focused on improving coordination between postsecondary programs and the professional development needs of local

school districts.

**GAMING
TECHNOLOGY**

Also in October, Kentucky representatives participated in a games design and simulation conference held at Shawnee State University with representatives from Kentucky, Ohio, and West Virginia. The purpose of the conference was to gather key learners to lay the foundation for a shared vision among business, academia, and government regarding the development of an industry cluster in the tri-state area and the development of cooperative academic programs to support this industry. The discussion included what needs to be done to foster interstate cooperation, interinstitutional cooperation, and what sources of funding might be available to support the development of a regional economic cluster. The group plans to hold another conference in April 2004 with an even larger attendance by interested parties from the three states.

**RECOGNITION OF
WALTER BAKER**

Mr. Barger congratulated Mr. Baker on being the recipient of the 2003 Vic Hellard Jr. Award. The award, presented annually by the Kentucky Long-Term Policy Research Center board of directors, recognizes an individual for his or her contributions to the future well-being of the Commonwealth. Mr. Baker will receive the award at the center's 10th annual conference in Louisville November 18.

COUNCIL STAFF

Resolutions were offered for two long-time employees leaving the Council – Barbara Cook and Linda Jacobs.

MOTION: Mr. Darrell moved that the resolutions be accepted. Mr. Freed seconded the motion.

VOTE: The motion passed.

NEXT MEETING

The next meeting is February 11. In addition to the Council meeting, a joint meeting will be held with the Kentucky Board of Education.

Mr. Barger thanked Jefferson Community College and Ahrens Adult Learning Center for hosting the Council.

ADJOURNMENT

The meeting adjourned at 11:55 a.m.

Thomas D. Layzell
President

Phyllis L. Bailey
Associate, Executive Relations

MINUTES
Council on Postsecondary Education
Executive Committee
November 17, 2003

The Executive Committee of the Council on Postsecondary Education met November 17, 2003, at 2 p.m. at the Hyatt Regency in Louisville, Kentucky. Chair Barger presided.

ROLL CALL

The following committee members were present: Steve Barger, Peggy Bertelsman, Bart Darrell, Ron Greenberg, and Joan Taylor. Other Council members present: Walter Baker, Richard Freed, and Esther Jansing.

**APPROVAL OF
MINUTES**

The minutes of the September 21, 2003, Executive Committee meeting were approved as distributed.

**FY 2002-03
AGENCY AUDIT**

RECOMMENDATION: The staff recommends that the Executive Committee on behalf of the Council accept the FY 2002-03 agency audit and report back to the Executive Committee on actions taken to resolve management comments contained in the audit report.

Allen Norvell with Potter & Company reviewed the audit report and stated that there were no references of noncompliance found. Management letters were provided on the general audit and on travel procedures and requirements. The committee members asked the Council staff to provide an annual report on the pass-through programs.

The executive committee had asked Potter & Company for a cost estimate for a management audit on the business controls in place, or that should be in place, related to the transfer of the adult education and literacy programs. Mr. Norvell provided the committee with a proposal costing an additional \$8,000. The committee members will review the proposal and will decide if this review should occur at the present time or can be reported as part of next year's audit of the Council (which will include adult education activities).

MOTION: Ms. Bertelsman moved that the audit report be accepted. Mr. Greenberg seconded the motion.

VOTE: The motion passed.

**CAPITAL
PROJECT – KCTCS**

RECOMMENDATION: The staff recommends that the Executive Committee on behalf of the Council approve the request of the Kentucky Community and Technical College System to construct a vehicle and pedestrian connection between the Somerset Community College campus and the Technical College campus with \$1,200,000 in federal funds (Federal Highway Administration Transportation and Community System Preservation Grant).

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

VOTE: The motion passed.

CAPITAL
PROJECT –
KSU

RECOMMENDATION: The staff recommends that the Executive Committee on behalf of the Council approve the request of Kentucky State University to purchase a Satellite Uplink Mobile Unit with \$900,000 of federal funds (U.S. Department of Agriculture).

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

VOTE: The motion passed.

2004-06
REGIONAL
STEWARDSHIP
PROGRAM
GUIDELINES

At the November 2003 CPE meeting, the staff was asked to revise the 2004-06 Regional Stewardship Program Guidelines to include the involvement of the P-16 councils and the independent institutions. The revised guidelines were distributed.

2004-06 TOTAL
BUDGET
FUNDING
DISTRIBUTION
POLICY

The Council adopted the 2004-06 Total Budget Funding Distribution Policy at the November 3 CPE meeting. Mr. Layzell said that the staff is consulting with the institutions to consider several options regarding possible principles that may be used to guide the Governor and legislature in the allocation of less than full funding of the total budget recommendation. The presidents will discuss the draft principles at their December 8 meeting.

The executive committee expressed an interest in being involved as the total budget funding distribution principles are being developed. The staff will send the guidelines to the Council members prior to the December 8 discussion and will provide an update after that meeting.

The meeting adjourned at 3:15 p.m.

Thomas D. Layzell
President

Phyllis L. Bailey
Associate, Executive Relations

Council on Postsecondary Education
February 11, 2004

2004-06 Budget Update FY 2004 Budget Reductions

As a result of a current year budget shortfall as well as major structural budget problems in FY 2005, the Governor implemented a budget reduction order for 2004 and additional budget cuts for postsecondary education to be included in his FY 2004-06 budget recommendation that will be presented to the General Assembly January 27, 2004. \$6.4 million (\$1.6 million recurring General Funds and \$4.8 million nonrecurring non-General Funds) was cut from the Council on Postsecondary Education's budget including agency operations and trust fund programs and \$64 million (\$23 million recurring General Funds and \$41 million nonrecurring funds) was cut from the institutional budgets.

Institutional Reductions

December 18, 2003, the State Budget Director requested that the Council staff develop a budget reduction plan for the postsecondary education system based on General Fund appropriation reductions of 2.5 percent in FY 2004. January 5, 2004, Governor Fletcher issued General Fund Budget Reduction Order 04-01 implementing a 2.5 percent reduction in the General Fund operating budgets and various fund transfers.

The reduction calculations for the institutions were based on the Funding Distribution Policy (Institutional Base Funding), approved by the Council at the November 3, 2003, Council meeting. Attachment A details the methodology used to distribute the reductions among the institutions. The overall aggregate reduction was 2.5 percent, but the effective percentage reduction for each institution varied because of several factors in the Funding Distribution Policy such as (1) recapture of the FY 2003 increase (\$18.8 million), (2) reductions in mandated programs (\$1.8 million), and (3) across the board reductions (\$2.6 million). As a result, some institutions have an effective reduction greater than 2.5 percent and some less than 2.5 percent. At the January 7, 2004, presidents meeting, the presidents discussed the Governor's budget reduction order and its implementation.

Subsequently, the State Budget Director indicated a need for a nonrecurring reduction of \$45 million dollars for FY 2004 for the institutions, in addition to the \$23 million recurring reduction. Discussions with the Governor, Secretary Fox, and State Budget Director Cowgill Friday, January 16, produced an agreement that the nonrecurring reduction could be reduced from \$45 million to \$41 million. The Office of the State Budget Director deducted one-half of the UK hospital expenditures from the restricted funds base to arrive at the \$41 million figure.

The administration asked the Council staff to determine each institution's reduction and gave the institutions the flexibility to internally allocate the reductions among restricted or General Funds on a nonrecurring basis for FY 2004.

Attachment B details the methodology used to distribute the reductions. In summary, since the ratio of restricted funds (\$1.6 billion) to General Funds (\$895 million) is roughly 65 percent to 35 percent, the presidents agreed to distribute the allocations on that basis. \$26.6 million (or 65 percent) was distributed based on each institution's percent share of the total restricted funds base and \$14.3 million (or 35 percent) was distributed based on the Funding Distribution Policy approved by the Council in November 2003. All institutions except UK and UofL plan to take their reduction from their restricted funds. UK (and LCC) will take the total reduction from General Funds, and UofL plans to split its reduction between restricted and General Funds.

CPE Agency Reductions

The Council staff also was required to prepare a budget reduction plan for agency programs including: agency operations, KYVU/KYVL, adult education, pass-through programs, strategic investment and incentive trust funds, and funding incentive programs. The total reduction in Council agency funds is \$6,499,400. Attachment C details the following reductions:

- 1) Nonrecurring reduction in restricted fund balances in various strategic investment and incentive trust funds of \$4,832,000.
- 2) Recurring General Fund reduction of 2.5 percent of the regular General Fund appropriation of \$1,667,400.

The Governor and his staff will develop the 2004-06 executive budget recommendation that will be presented to the General Assembly January 27, 2004. In November 2003, the Council adopted a 2004-06 funding recommendation reflecting the success of the first six years of postsecondary education reform and the need to maintain Kentucky's reform momentum. The Council's budget recommendation, among other things, sought increases to the bases of the institutions to help pay for the over 42,000 additional students on Kentucky's campuses and provide the institutions with the resources they need to help their students be successful and graduate. Also, requested funds would expand adult education programs for Kentuckians who need more education and better work skills, help the colleges and universities absorb the tens of thousands of Kentuckians who need postsecondary education but are not yet on campus, build an even better workforce, and construct the economic infrastructure necessary for Kentucky to compete in a knowledge economy driven by ideas and technological advances.

The Governor's budget recommendation for postsecondary education will be provided at the Council meeting.

Staff preparation by Sandra Woodley, Sherron Jackson, and Jonathan Pruitt

\$41 Million Non-Recurring Budget Reduction Calculations for FY 2004

Institutions	FY 04 Revised Net Appropriation (less \$23 million recurring cut)	Restricted Funds Calculation: % of Total 26,650,000			Funding Distribution Methodology (FDM) 14,350,000			Total Nonrecurring Reductions FY 04
		FY 04 Restricted Funds	% of Total	Restricted Funds Reduction	Mandated Programs 1.6% cut	Benchmark Equity Reduction	Total FDM Reductions	
EKU	\$ 67,736,000	\$ 81,413,000	5.0%	\$ 1,322,300		\$ 416,000	\$ 1,093,400	\$ 2,415,700
KCTCS	173,981,800	189,945,000	11.6%	3,085,100		1,040,600	2,780,400	5,865,500
KSU	20,034,600	14,176,500	0.9%	230,300	\$ 43,400	139,700	356,300	586,600
MoSU	40,146,700	53,548,600	3.3%	869,700		230,100	631,600	1,501,300
MuSU	48,294,600	52,743,700	3.2%	856,700	37,200	279,300	776,200	1,632,900
NKU	40,094,000	84,713,600	5.2%	1,375,900		174,800	575,700	1,951,600
UK*	287,692,100	736,590,800	44.9%	11,963,900	1,160,600	1,446,000	4,759,300	16,723,200
LCC	8,321,800	17,050,600	1.0%	276,900		18,900	102,100	379,000
UofL	143,427,500	325,006,800	19.8%	5,278,800	\$ 19,300	842,100	2,283,700	7,562,500
WKU	\$ 65,697,000	\$ 85,598,400	5.2%	\$ 1,390,300		\$ 334,400	\$ 991,400	\$ 2,381,700
Total	\$ 895,426,100	\$ 1,640,787,000	100.0%	\$ 26,649,900	\$ 1,260,500	\$ 4,921,900	\$ 14,350,100	\$ 41,000,000

Note: 65% (or \$26.6 million) of the reduction was calculated based pro-rata on Restricted Funds & 35% (or \$14.3 million) of the reduction was calculated based on the Funding Distribution Methodology approved by the Council in November 2003. 65%/35% is the ratio of Restricted Funds to General Funds.

* One half of the UK hospital was deducted from their restricted fund base for the pro-rata calculation (actual restricted fund base is \$900 million).

**Council on Postsecondary Education
2003-04 Budget Reductions**

Attachment C

01/05/04

Programs	Allocations	General Fund (Recurring) Reductions	Non-Gen. Fund (Nonrecurring) Reductions	Total Percent Reduction
<u>Recurring Reductions</u>				
Agency Operations, KYVU/KYVL & Adult Education Operations				
2003-04 Appropriations from the General Fund	11,018,200	546,900	0	5.0%
Pass-Through Programs				
Contract Spaces	2,712,500	0	0	0.0%
Metroversity Consortium	60,600	1,800	0	3.0%
Professional Education Prep. Program	438,600	21,900	0	5.0%
Telecommunication Consortium (ETV)	188,300	5,600	0	3.0%
Minority Student College Prep. Program	231,700	7,000	0	3.0%
State Autism Training Center	229,300	11,500	0	5.0%
Kentucky Rural Development Center	735,000	36,800	0	5.0%
Early Reading Incentive Grant	4,116,000	102,900	0	2.5%
SREB Doctoral Scholars Program	68,000	0	0	0.0%
KY Postsecondary Ed. Network	1,615,000	48,500	0	3.0%
Early Math Testing	100,000	50,000	0	50.0%
P-16 Local Councils	100,000	50,000	0	50.0%
Total Pass-Through Programs	10,595,000	336,000	0	3.2%
Strategic Investment and Incentive Funding Programs				
Technology Initiative Trust Fund				
2003-04 Appropriations from the General Fund	500,000	16,000	0	3.2%
Adult Education & Literacy Funding Program				
2003-04 Appropriations from the General Fund	19,513,800	487,800	0	2.5%
Science and Technology Funding Program				
2003-04 Appropriations from the General Fund	8,771,600	280,700		3.2%
Sub-total	28,785,400	784,500	0	2.7%
Total General Funds (recurring funds)	50,398,600	1,667,400	0	3.3%
<u>Non-Recurring Reductions</u>				
Agency Operations				
2002-03 restricted fund carry-forward	305,300	0	113,100	37.0%
KYVU/KYVL				
2002-03 restricted fund carry-forward	1,275,800	0	133,000	10.4%
Strategic Investment and Incentive Funding Programs				
Technology Initiative Trust Fund				
Accumulated interest earnings through 11/30/03	669,842	0	132,900	19.8%
Adult Education & Literacy Funding Program				
Principal balance from the trust fund (restricted fund carry-forward)	7,794,160	0	2,801,400	35.9%
Science and Technology Funding Program				
Principal balance from the Sci & Tech trust fund	224,527		224,500	100.0%
Uncommitted Trust Fund interest earnings through 11/30/03 (excluding Technology TF and Student Financial Aid TF)	1,939,255	0	1,427,100	73.6%
Sub-total	10,627,784	0	4,585,900	43.2%
Total Non-General Funds (non-recurring funds)	12,208,884	0	4,832,000	39.6%
Total Reductions -- All Funds -- \$6,499,400	62,607,484	1,667,400	4,832,000	10.4%

Council on Postsecondary Education
February 11, 2004

Funding Distribution Principles

The purpose of this policy is to provide general advice to the Governor and the Legislature regarding how an increase in funding should be allocated among the components of the Council's 2004-06 biennial budget recommendation if full funding is not available.

Action: The staff recommends that the Council approve the Funding Distribution Principles contained in Attachment A.

The Funding Distribution Principles (see Attachment A) follow the budget priorities established by the Council at its November 3, 2003, meeting. These principles would be used in the event funding becomes available for postsecondary and adult education in the 2004-06 biennium. The Funding Distribution Methodology (FDM) approved by the Council in November, which has been used to distribute recent cuts to the institutions in the Governor's December 2003 reduction order, applies only to institutional base budgets. These Funding Distribution Principles, if approved, would apply to increases regarding the entire postsecondary and adult education budget.

Staff preparation by Sandra Woodley

Council on Postsecondary Education
Funding Distribution Principles

Purpose and Background

The purpose of these guidelines is to provide some general advice to the Governor and the Legislature regarding how funds should be allocated among the components of the Council on Postsecondary Education's 2004-06 biennial budget recommendation (Attachment B) should full funding not be available.

The following are the budget priorities established by the Council at its November 3, 2003, meeting:

- Priority 1—Institutional funding
- Priority 2—Incentive Trust Funds (General Fund recurring)
- Priority 3—Capital: Physical Facilities Trust Fund
- Priority 4—Endowment Match Program (General Fund non-recurring)
- Priority 5—CPE and Pass-through

General Principles

1. Available funds should be distributed in a manner that generally reflects the priorities established by the Council at its November 3, 2003, meeting.
2. At lower levels of funding, institutional base funding (Priority 1—base adjustments and benchmark funding) should receive a greater proportion of the funds than that reflected in the original Council request.
 - a. In FY 2004-05, at funding levels up to \$20 million, 100 percent of the funds should be allocated to Priority 1 and to KSU Young Hall, with base adjustments funded first. Available dollars beyond \$20 million should be allocated in a manner that is generally consistent with the Council's five priorities.
 - b. In FY 2005-06, at funding levels up to \$20 million, 100 percent of the funds should be allocated to Priority 1 and to KSU Young Hall (if applicable), with base adjustments funded first. Available dollars beyond \$20 million should be allocated in a manner that is generally consistent with the Council's five priorities.

All funds distributed to the institutions for base funding should be allocated based on the Funding Distribution Methodology (FDM) approved November 3, 2003, by the Council (Attachment B).

3. Funds available after base funding allocations have been determined should be distributed in a manner that generally reflects the Council's priorities listed above, the pro rata distribution of the originally recommended levels over the biennium, and the following guidelines:
 - a. The percentage of the appropriation to be allocated to Priority 2 (Incentive Trust Funds) should be allocated using the pro rata distribution among trust funds in the Council's original request, except that at lower levels of funding, preference should be given to current programs within existing trust funds (e.g., Adult Education, Science and Technology) and the Enrollment Growth and Productivity Trust Fund.
 - b. Preference within the Physical Facilities Trust Fund should be given to debt service for the Capital Renewal & Maintenance Program.
 - c. When distributing available funds among requested items in Priority 5 (Council and Pass-through), "defined calculations" and "growth" (as defined in the 2004-06 Branch Budget Request Guidelines) should be considered the highest priorities, followed by institutional special initiatives.
4. Since the Council is requesting non-recurring funds for the Endowment Match Program, Priority 4 should be addressed separately from the rest of the Council's request.

COMMONWEALTH OF KENTUCKY POSTSECONDARY EDUCATION
2004-06 FUNDING RECOMMENDATION - STATE GENERAL FUND APPROPRIATIONS

Attachment B
 REVISED 10/31/2003

PRIORITIES		FY 2004-05			FY 2005-06	
		FY 2003-04	Council Recommendation	Dollar Increase	Council Recommendation	Dollar Increase
Postsecondary Education Institutions - 3 Biennia Phase-In - 10 Percent Cap - 2 Percent Floor						
	Eastern Kentucky University	\$ 73,515,900	\$ 77,804,568	\$ 4,288,668	\$ 82,498,356	\$ 4,693,787
	Kentucky Community & Technical College System	189,097,700	199,404,191	10,306,491	209,048,237	9,644,046
	Kentucky State University	22,631,500	24,701,321	2,069,821	23,590,729	(1,110,592) *
	Morehead State University	42,738,200	45,882,170	3,143,970	48,625,333	2,743,163
	Murray State University	51,472,900	54,887,016	3,414,116	57,891,610	3,004,594
	Northern Kentucky University	47,092,700	52,237,725	5,145,025	56,200,865	3,963,140
	University of Kentucky	299,074,500	311,564,091	12,489,591	320,536,678	8,972,588
	Lexington Community College	9,444,700	10,322,000	877,300	11,196,900	874,900
	University of Louisville	174,950,000	186,128,706	11,178,706	195,544,437	9,415,731
	Western Kentucky University	72,040,100	80,095,531	8,055,431	87,362,576	7,267,045
	Special Initiatives Funding Program	-	213,300	213,300	2,926,600	2,713,300
1	Total Postsecondary Education Institutions	\$ 982,058,200	\$ 1,043,240,619	\$ 61,182,419	\$ 1,095,422,321	\$ 52,181,702
Council on Postsecondary Education						
	Agency Operations	\$ 5,422,200	\$ 5,765,100	\$ 342,900	\$ 6,256,900	\$ 491,800
	Adult Education Operations	1,983,400	2,154,300	170,900	2,287,300	133,000
	KYVU/VL Operations	3,612,600	3,862,600	250,000	3,862,600	-
5	Total CPE Operations	\$ 11,018,200	\$ 11,782,000	\$ 763,800	\$ 12,406,800	\$ 624,800
	Pass-Through Programs	\$ 4,864,000	\$ 5,085,300	\$ 221,300 (1)	\$ 5,906,800	\$ 821,500 (2)
	Total Pass-Through	\$ 4,864,000	\$ 5,085,300	\$ 221,300	\$ 5,906,800	\$ 821,500
Regional University Excellence Trust Fund--Regional Stewardship Initiative						
					6,000,000	6,000,000
Research Challenge Trust Fund---Programs of National Prominence						
					6,000,000	6,000,000
2	Technology Initiative Trust Fund					
	Network Infrastructure (Includes KPEN)	\$ 2,065,000	\$ 2,065,000	\$ -	\$ 3,415,000	\$ 1,350,000
	Faculty Development	50,000	50,000	-	100,000	50,000
	Total Technology Initiative Trust Fund	\$ 2,115,000	\$ 2,115,000	\$ -	\$ 3,515,000	\$ 1,400,000 (3)
	Adult Education and Literacy Funding Program	\$ 19,552,300	\$ 20,590,800	\$ 1,038,500	\$ 20,590,800	\$ -
	Total Science and Technology Funding Program	\$ 8,771,600	\$ 10,771,600	\$ 2,000,000 (4)	\$ 10,771,600	\$ -
	Enrollment Growth and Productivity Funding Program	\$ -	\$ -	\$ -	\$ 10,000,000	\$ 10,000,000
3	Physical Facilities Trust Fund					
	Capital Renewal & Maintenance (debt service)	\$ -	\$ -	\$ -	\$ 1,431,000	\$ 1,431,000
	Renovation, Replacement, Infrastructure & New Construction (debt service)	-	-	-	34,654,000	34,654,000
	KSU - Young Hall - one-half debt service (OCR)	-	569,100	569,100	569,100	-
	Total Physical Facilities Trust Fund	\$ -	\$ 569,100	\$ 569,100	\$ 36,654,100	\$ 36,085,000
	Total Strategic Investment and Incentive Trust Funds (recurring funds)	\$ 30,438,900	\$ 34,046,500	\$ 3,607,600	\$ 93,531,500	\$ 59,485,000
	Total Postsecondary Education (Recurring General Funds)	\$ 1,028,379,300	\$ 1,094,154,419	\$ 65,775,119	\$ 1,207,267,421	\$ 113,113,002
	Annual Percent Increase			6.4%		10.3%

* KSU's funding decreases in the FY 2005-06 due to reduced debt service needed (debt retirement).

1 Reflects increase for contract spaces.

2 Includes increases for contract spaces (\$367,600), SREB Doctoral Scholars Program (\$188,400), Minority Student College Prep Program (\$105,500), Early Math Testing Program (\$100,000), and P-16 Councils (\$100,000).

COMMONWEALTH OF KENTUCKY POSTSECONDARY EDUCATION
2004-06 FUNDING RECOMMENDATION - STATE GENERAL FUND APPROPRIATIONS

Attachment B
 REVISED 10/31/2003

PRIORITIES	<u>FY 2003-04</u>	<u>FY 2004-05</u>		<u>FY 2005-06</u>	
		<u>Council</u>	<u>Dollar</u>	<u>Council</u>	<u>Dollar</u>
		<u>Recommendation</u>	<u>Increase</u>	<u>Recommendation</u>	<u>Increase</u>
3 Funds for the expansion network contract and faculty development.					
4 Funding for the statewide engineering programs and rural innovation program.					

COMMONWEALTH OF KENTUCKY POSTSECONDARY EDUCATION
2004-06 FUNDING RECOMMENDATION - STATE GENERAL FUND APPROPRIATIONS

Attachment B
 REVISED 10/31/2003

PRIORITIES		<u>FY 2003-04</u>	<u>FY 2004-05</u>		<u>FY 2005-06</u>	
			<u>Council Recommendation</u>	<u>Dollar Increase</u>	<u>Council Recommendation</u>	<u>Dollar Increase</u>
<u>Programs Funded Through Non-recurring Funds</u>						
Strategic Investment and Incentive Funding Program						
	Research Challenge Trust Fund					
	Endowment Match Program	\$ 9,871,000 (5)	\$ -	\$ -	\$ 50,000,000	\$ 50,000,000
	Total Research Challenge Trust Fund	\$ 9,871,000	\$ -	\$ -	\$ 50,000,000	\$ 50,000,000
	Regional University Excellence Trust Fund					
4	Endowment Match Program	\$ 1,975,000 (5)	\$ -	\$ -	\$ 10,000,000	\$ 10,000,000
	Total Regional University Excellence Trust Fund	\$ 1,975,000	\$ -	\$ -	\$ 10,000,000	\$ 10,000,000
	Workforce Development Trust Fund					
	Endowment Match Program	\$ -	\$ -	\$ -	\$ 1,000,000	\$ 1,000,000
	Total Workforce Development Trust Fund	\$ -	\$ -	\$ -	\$ 1,000,000	\$ 1,000,000

Programs Funded Through Other Fund Sources

	Lung Cancer/Ovarian Cancer Research [Tobacco Settlement Funds]	\$ 5,455,000	\$ 5,681,200	\$ 226,200	\$ 5,736,200	\$ 55,000
*	KHEAA-Need-Based Financial Aid Programs (CAP & KTG) [Lottery Proceeds]	\$ 65,720,600	\$ 66,600,000	\$ 879,400	\$ 79,915,000	\$ 13,315,000
	Student Financial Aid and Advancement Trust Fund-KEES [Lottery Proceeds]	\$ 64,320,000	\$ 66,600,000	\$ 2,280,000	\$ 65,385,000	\$ (1,215,000)
	Off Campus Teaching Center - Trover Clinic Foundation [Coal Severance Tax]	\$ 1,000,000	\$ 1,050,000	\$ 50,000	\$ 1,102,500	\$ 52,500

5 This is debt service to fund total project scope (\$100 million for Research Challenge and \$20 million for Regional Universities Excellence)--2005-06 request is General Fund non-recurring increase instead of debt service request for bonds.

* The Council considers student financial aid to be a high priority; especially KHEAA need-based aid and, even though KHEAA's funding request is not part of CPE's budget recommendation responsibilities, funding for need-based aid is a priority for the Council.

Council on Postsecondary Education
February 11, 2004

2002-03 Accountability Report

In December 2003, the Council submitted its annual accountability report to the Office of the Governor, the Legislative Research Commission, the Strategic Committee on Postsecondary Education, and the General Assembly, as directed by KRS 164.020(3). The purpose of the report is to inform policy makers and the public of systemwide and institutional progress toward achieving the goals of the *Postsecondary Education Improvement Act of 1997* (HB 1).

The format of the report was revised substantially to respond to the recommendations of the Program Review and Investigation Committee adopted July 10, 2003. Most notably, the accountability report is organized around the six goals of HB 1, with separate chapters detailing progress made by UK, UofL, the comprehensive universities, and KCTCS. A comprehensive update on the Council's key indicators of progress, as well as system and institutional profiles, is provided in the report appendix.

The report was mailed to Council members in January. The full report is available on the Council's Web site at http://www.cpe.state.ky.us/facts/facts_status_reports.asp.

A status report on adult education and postsecondary reform will be presented to the Strategic Committee on Postsecondary Education at its February 5 meeting.

Staff preparation by Melissa McGinley

Key Indicators of Progress: Revised Indicators and Goals

Action: The staff recommends that the Council approve goals for five indicators under questions 3 and 4, and revised goals for two indicators under questions 2 and 5, as presented in Attachment 1.

The Council approved 19 revised key indicators and goals for 14 indicators at its November 2003 meeting. Consideration of goals for five productivity measures (retention, transfer, graduation rates, degree production, and degree production in priority areas) was postponed to allow the Council staff and the institutions to analyze fall 2003 results and national comparisons for these measurements. The proposed goals for the five remaining indicators are presented in Attachment 1. Also included for Council consideration are revised goals for graduate enrollment and research and development, presented at institutional request. For each of these indicators, the tables in Attachment 1 include baseline data, progress to date, and proposed goals for 2004, 2005, and 2006.

The Council staff worked with institutional representatives and national accountability authorities to develop the goals included here. The Council staff began work on the productivity measures in late November. In consultation with state and national researchers, the Council staff distributed goal setting parameters and updated baseline information for the degrees conferred indicators in early December; updated baseline data for the remaining indicators was distributed as it became available. The Council of Chief Academic Officers met on January 9, 2004, to discuss goals for these important measures. Institutions submitted their proposed goals on February 2; staff members from the Council and the institutions have worked over the past several weeks to reach a consensus on the current proposal.

Highlights include:

- 2B, Number of graduate/first-professional students: Eastern Kentucky University requests approval for increased graduate enrollment goals based on actual fall 2003 enrollment.
- 3A, Retention rates of first-time freshmen: The Council staff and the institutions used the ACT profile of incoming students to inform the goal-setting process for retention rates. Retention was a focus of conversation at the February 5 Strategic Committee on Postsecondary Education (SCOPE) meeting; improved performance on retention will continue to be a priority for the Council and the institutions in the upcoming months. This indicator is included in the productivity pool of the Enrollment Growth and

Productivity Funding Program, a component of the Council's 2004-06 Biennial Budget Recommendation.

- 3B, Number of community and technical college transfers: For the past year, the Council staff and the institutions have worked to enhance existing transfer agreements and develop new transfer tools. The proposed transfer goals, which call for a 5 percent or greater per year increase at each institution, anticipate the effect these initiatives will have on transfer performance.
- 3D, Six-year graduation rates of bachelor's degree students: The Council staff worked with the institutions to develop goals that took in consideration the median graduation rate of each university's benchmark institutions. Institutions with graduation rates significantly lower than the median of their benchmarks were asked to establish more aggressive goals than institutions with graduation rates exceeding or approaching the benchmark median.
- 4C, Degrees conferred: Indicator 4C, part of the Enrollment Growth and Productivity Funding Program, monitors production of associate degrees at the two-year institutions and production of bachelor's degrees and above at the four-year institutions. Like retention, degree production has been a focus of recent legislative interest. The proposed goals call for a 5.8 percent systemwide increase in degrees conferred by 2006.
- 4D, Degrees conferred in priority areas: Over the past several months, the Council staff has worked with the institutions to identify a list of priority programs for use in the key indicators and other Council accountability initiatives (a list of the priority areas is attached). Priority programs include those related to the knowledge-based economy, engineering and related fields, foreign language, and high-demand teaching areas. The proposed goals call for an 8.5 percent systemwide increase in degrees conferred in the priority areas by 2006.
- 5A, Research and public service expenditures, three-year average (comprehensive universities): Western Kentucky University requests Council approval to change its goals for indicator 5A based on updated institutional calculations.

See Attachment 1 for detailed information by institution.

Staff preparation by Christina E. Whitfield

Kentucky Council on Postsecondary Education
 Key Indicators of Progress toward Postsecondary Reform
 Question 4: Are we preparing Kentuckians for Life and Work?

4D Degrees conferred in priority areas

Institution	Actual					Proposed Goals		
	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
Eastern Kentucky University	776	737	689	657	703	716	730	744
Kentucky State University	53	61	57	71	72	89	102	120
Morehead State University	315	293	305	306	289	300	309	318
Murray State University	702	750	740	763	806	815	830	845
Northern Kentucky University	353	320	284	344	334	343	363	394
University of Kentucky	2,396	2,312	2,290	2,280	2,173	2,200	2,250	2,350
University of Louisville	1,316	1,298	1,380	1,446	1,269	1,275	1,285	1,295
Western Kentucky University	766	609	628	653	711	787	819	851
Lexington Community College	188	215	212	194	250	260	270	280
KCTCS	986	953	1,106	1,074	1,214	1,235	1,255	1,285
Total	7,851	7,548	7,691	7,788	7,821	8,020	8,213	8,482

Source: CPE Comprehensive Data Base

Council on Postsecondary Education
February 11, 2004

Enrollment Growth and Productivity Program: Institutional Allocations/Achievement Gap Goals

At its November 2003 meeting, the Council approved a \$10 million budget recommendation for a new Enrollment Growth and Productivity Incentive Funding Program. The new program, if authorized by the General Assembly, will support enrollment growth and retention and encourage increased productivity and systemwide improvement at Kentucky's public postsecondary institutions.

The Council staff will present estimated institutional allocation pools for the program at the February 11 meeting. The allocations will be based on procedures outlined in the 2004-06 Enrollment Growth and Productivity Program Guidelines approved at the November 2003 meeting.

Achievement gap goals for the program also will be presented. Funds allocated to an achievement gap pool will be used to reward institutions for productivity gains (i.e., increases in retention or degrees conferred) in one of three institutionally selected student subpopulations (i.e., minority students, students from target counties, or underprepared students) during the first year of the biennium. The achievement gap measures selected by the institutions will not be part of the Key Indicators of Progress.

At the February 11 meeting, the Council staff will recommend performance goals for Key Indicators 3A, One-year Retention Rates of First-year Freshmen, and 4C, Degrees Conferred. These measures will be used to reward productivity gains through the Enrollment Growth and Productivity Program.

At the time of this mailing, the 2003 enrollment figures were not yet final. Once the final enrollment figures are available, institutional allocations can be made. The staff will provide information about institutional allocations and achievement gap goals to Council members in advance of the February 11 meeting.

Staff preparation by Sandra Woodley, Bill Payne, and Christina E. Whitfield

Council on Postsecondary Education
February 11, 2004

Legislative Update

An up-to-date list of bills that relate to postsecondary education will be distributed at the February 11 meeting. Council staff will be available for discussion.

Staff preparation by Bill Swinford

Council on Postsecondary Education
February 11, 2004

Kentucky Adult Education Strategic Agenda

Action: The staff recommends that the Council approve the attached Kentucky Adult Education Strategic Agenda.

In 2000, the Council on Postsecondary Education approved a Kentucky Adult Education 2000-04 strategic agenda, which included an action plan and four-year enrollment and performance goals. Recognizing the need to revisit the action plan and to set new goals to sustain momentum, Kentucky Adult Education embarked on a strategic planning process in December.

KYAE sought input from Council members, adult education providers, state agencies, postsecondary institutions, professional development partners, CPE staff and KYAE staff who participated in a series of four strategic planning meetings late last year. Their valuable suggestions and recommendations helped shape the attached plan.

The revised strategic plan contains enrollment and performance goals for only one year, 2004-05, because the federal Workforce Investment Act has not yet been reauthorized by Congress, and the U.S. Department of Education is negotiating performance goals for only 2004-05, which is being considered a continuation year.

Staff preparation by Cheryl King and Janet Hoover

Kentucky Adult Education Strategic Agenda 2004-2005

Mission

To provide a responsive and innovative adult education system that enables students to achieve and prosper.

Core Values

Excellence

Kentucky Adult Education is committed to a quality adult education system that is accountable, efficient, and meets the needs of students.

Service

Kentucky Adult Education values and respects adult students and providers and delivers services in a courteous, timely, and productive manner.

Innovation

Kentucky Adult Education encourages creative ideas and strives for continuous improvement in all aspects of adult education.

Synergy

Kentucky Adult Education believes that by working together people can achieve more than individuals working separately.

Professionalism

Kentucky Adult Education supports knowledgeable and dedicated educators by encouraging professional growth and self improvement.

Vision

Kentucky Adult Education envisions a Commonwealth in which:

- Communities embrace lifelong learning and take responsibility for improving the educational attainment of all citizens.
- All citizens value education and engage in continuous learning to improve their quality of life and economic status.
- Adult educators are committed and qualified to meet the needs of a diverse learning community.
- Pathways to educational advancement are clear and achievable.
- Attainment of educational goals is valued and recognized.
- Educational goals are achieved efficiently through public and private partnerships.
- A responsive and innovative adult education system is available, accessible, affordable, accountable, and regarded as a national model.

In accomplishing this vision, Kentucky will be a Commonwealth in which:

- A culture of lifelong learning is valued in the family, community, and workplace.
- Individuals access a seamless pathway of education and employment throughout their lives.
- Individuals are prepared and knowledgeable to meet the changing demands of the economy.

Kentucky's Progress

The Adult Education Act of 2000 stated, "Adult illiteracy is a fundamental barrier to every major challenge facing Kentucky, including early childhood education, education reform, economic development, and improving the health and well being of Kentucky's families and communities."

The act provided the foundation for improving the educational status of adult Kentuckians who do not have a high school diploma, who function at low levels of literacy, or who want to learn the English language. The act also laid the groundwork for the remarkable progress that Kentucky Adult Education has achieved since 2000:

- Kentucky Adult Education is regarded as a model for adult education across the United States.
- Adult education enrollment more than doubled from 51,177 in 2000 to 109,880 in 2003. This enrollment exceeded the FY 2003 goal of 90,000 and the FY 2004 goal of 100,000.
- Workplace education enrollment climbed from 8,724 in 2000 to 43,050 in 2003.
- Generational illiteracy is addressed by involving parents and children in learning together. In FY 2003, nearly 4,000 families were enrolled in family literacy programs. Kentucky is one of only two states with family literacy programs in every county.
- Kentucky is one of only three states to receive federal Workforce Investment Act incentive funding for the three years it has been available. Incentive funding is based on meeting performance standards.

- The Kentucky Virtual Adult Education Web site (www.kyvae.org), the first of its kind in the nation, allows adults to learn anyplace, anytime, at their convenience. [The National Association of State Chief Information Officers](#) presented one of its eight national “[Innovative Use of Technology](#)” awards to the site in 2003.

Continuing the Call for Change

Despite Kentucky’s progress, illiteracy remains a significant public policy issue:

- Nearly one in five (19.2 percent) Kentuckians age 25 and older do not have a high school diploma or GED, compared to 15.9 percent nationally.
- Of 2.4 million working-age Kentuckians, 40 percent (nearly one million) function at the two lowest levels of literacy.
- Only 22 percent of Kentuckians have a bachelor’s degree, compared to 27 percent nationally.
- Kentucky’s per capita income is at 84 percent of the national average.
- Kentucky continues to rank 49th in the nation in high school completions and GEDs.

The Commonwealth of Kentucky cannot afford to leave the future of 40 percent of its adult population to fate. An investment in adult students today makes a vast difference tomorrow for people who improve their quality of life and earnings potential by improving their educational status. An investment in adult education is a benefit to the entire Commonwealth in terms of economic development and a higher standard of living resulting from an educated citizenry.

To sustain the momentum in enrollment and performance, Kentucky Adult Education proposes the following action plan and a statewide enrollment goal of 115,000 students, including enrollments in core services (adult basic education, workforce education, English as a Second Language, and GED preparation), family literacy, Workforce Alliance, and corrections education.

Adult Education Action Plan

Program Support

Core Services

Adult basic education, workforce education, English as a Second Language, and GED preparation make up core services, which are the cornerstone of Kentucky Adult Education. Funding for core services is distributed to eligible organizations in every Kentucky county through grants. The Adult Education Act of 2000 requires education to be targeted to communities with the greatest need; therefore, funding is based on the number of adults in each county functioning at low literacy levels.

Family Literacy

Family literacy programs are designed to break the intergenerational cycle of under-education by providing opportunities for parents and their children to learn together. The program provides parents with basic academic and employability skills, emphasizes parenting and life skills, ensures that children are provided age-appropriate educational instruction, and ensures developmentally appropriate experiences that require interaction between parents and children.

Corrections Education

Kentucky Adult Education funds corrections education for inmates in state correctional institutions and full-service local jails. In addition to GED preparation, instructional practices include strategies to help inmates acquire life and employability skills to become and remain self-sufficient after leaving prison.

System Support

Kentucky Virtual Adult Education

The Kentucky Virtual Adult Education Web site (www.kyvae.org) is the first of its kind in the nation. It provides adult students and instructors with anytime, anywhere access to curriculum, information, resources, and services in an easy-to-use, motivational format. Adults can study for the GED, enhance job skills, or improve their English as long as they have access to a computer, the Internet, and e-mail.

As a resource hub for adult educators, Kentucky Virtual Adult Education provides more than 40 indexing, abstracting, and full-text databases with more than 5,000 journals and magazines. Online professional development courses make it possible for adult educators to learn new skills without disrupting their service for students. Improved access, consistency, and efficiency are additional benefits of distance learning.

State Workforce Education

Workforce Education Program

The Workforce Education Program stimulates workforce-focused partnerships among local, regional, and state agencies. The program is guided by the Workforce Alliance, a collaborative committee representing Kentucky Adult Education, Council on Postsecondary Education, Department for Workforce Investment, Kentucky Community and Technical College System (KCTCS), and the Cabinet for Economic Development. The purpose of the Alliance is to provide a responsive, coordinated system with the ability to leverage new and existing resources to maximize the number of adults and employers served.

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¶ Along with instructor-led workshops, KYAE will offer hybrid courses that combine face-to-face training with online assignments. If instructors would rather participate in professional development online, a selection of courses is available through www.kyvae.org. KYAE will coordinate the new management system that will track educators' participation in professional development.¶

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Competency-based Instruction and Certifications

Contexted, online instruction through Kentucky Virtual Adult Education prepares students to take the ACT WorkKeys assessment. The attainment of a minimum score qualifies a student for the Kentucky Employability Certificate (KEC). The KEC is a standardized credential that validates reading, math, and locating information skills for specific occupations. Kentucky Adult Education programs also provide targeted instruction to certify adult students for the Kentucky Manufacturing Skills Standards assessment, which is administered by KCTCS.

Professional Development

More than 900 full- and part-time educators benefit from high-quality, research-based professional development in adult learning, technology, family literacy, leadership, quality improvement, and English as a Second Language. Kentucky Adult Education offers blended courses that combine face-to-face training with online assignments as well as online courses via the Kentucky Virtual Adult Education Web site.

Kentucky Adult Education partners with the Collaborative Center for Literacy Development at the University of Kentucky to offer the Kentucky Adult Educators Literacy Institute, which is developing master reading instructors in every adult education program. A similar institute for mathematics instructors is planned for 2004-05. Other professional development partners include the Kentucky Virtual University; Kentucky Virtual Library; Kentucky Institute for Family Literacy, National Center for Family Literacy, Louisville; Adult Education Academy for Professional Development, Morehead State University; and Kentucky Association for Adult and Continuing Education.

Go Higher/P-16 Communities

The Go Higher/P-16 community initiative unites local educators, business, labor, government, libraries, and civic groups to raise the educational attainment levels in communities. Kentucky Adult Education funds communities to perform education needs assessments and develop strategic plans to improve the educational attainment level of adults, focusing on adults with limited literacy and workplace skills. The initiative assists community leaders in identifying gaps in educational achievement and developing strategies to close those gaps, including:

- Reducing barriers to adult learners' successful transition to college and the workplace.
- Aligning high school, college, and adult education programs with local workforce needs.
- Building workforce education programs responsive to the needs of current and prospective employers and employees.
- Coordinating existing educational programs and services for adults to maximize their effectiveness.

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¶
<#>Build and sustain effective standards-based system for professional development;¶

<#>Develop and retain highly motivated, well informed professional adult educators;¶

<#>Create and maintain a coordinated statewide professional development system;¶

<#>Support and ensure the use of technology for professional development and adult learning.¶

¶
As a result of Senate Bill 1, Kentucky's adult educators are served by a professional development partnership that is guided by goals set by the Council on Postsecondary Education. Always aiming toward results for adult learners, the Council, the Adult Education Academy for Professional Development, the Kentucky Adult Educators Literacy Institute, the Kentucky Institute for Family Literacy, and Kentucky Virtual University assume responsibility for facilitating the acquisition of knowledge, skills, and behaviors needed by program staff if adult learners are to be successful.¶

Deleted: Each partner is responsible for a clearly defined portion of this system, as follows.¶
¶

Accountability

Performance Measures

To measure the success of adult education and literacy programs, key indicators have been developed to address the Five Critical Questions:

- Critical Question 1. Are more Kentuckians participating in adult education programs?
 - ❑ Key indicator: The number of Kentuckians enrolled in adult education programs. The goal for 2004-05 is 115,000 students.
- Critical Question 2. Are more adult education students meeting their educational goals?
 - ❑ Key indicator: Demonstrated improvements in literacy skill levels in reading, writing and speaking the English language, numeracy, problem solving, English language acquisition, and other literacy skills.
 - ❑ Key indicator: Receipt of a secondary school diploma or its recognized equivalent.
(Quantified targets for these two indicators are under negotiation with the U.S. Department of Education, Office of Vocational and Adult Education.)
- Critical Question 3. Are more adult education students advancing on to postsecondary education?
 - ❑ Key indicator: Transition to postsecondary education. The goal for 2004-05 is 21.2 percent of GED completers enrolling in Kentucky colleges within two years.
 - ❑ Key indicator: Percentage of adult learners with a goal of advanced education or training who enter postsecondary education or training. (Quantified targets for this indicator are under negotiation with the U.S. Department of Education, Office of Vocational and Adult Education.)
- Critical Question 4: Are more adult education students prepared for employment and the changing workforce?
 - ❑ Key indicators: Participation in workforce training, unsubsidized employment, or career advancement. (Quantified targets for these indicators are under negotiation with the U.S. Department of Education, Office of Vocational and Adult Education.)

- Critical Question 5: Are Kentucky's communities and economy benefiting?
 - ❑ Key indicator: Increased earnings of Kentuckians who earn a GED (an increase of \$8,200 per year*).
 - ❑ Key indicator: Increased earnings of GED graduates who earn a postsecondary degree (an increase of \$4,400 per year for an associate degree and \$18,000 for a bachelor's degree*).
- *Source: U.S. Department of Labor, Bureau of Labor Statistics, 2003

Program Performance

Adult education programs must meet enrollment and performance goals as indicated in the following Kentucky Adult Education FY 2003 Final Performance Report. To qualify for performance incentive funding, which is based on a percentage of a county's base level of funding, local adult education programs must meet or exceed annual enrollment goals for core services (10.5 percent of target population in 2004-05) and family literacy (.5 percent of target population in 2004-05) and at least 50 percent of the key indicators of performance.

Programs not meeting enrollment and performance goals at acceptable levels will develop a Program Improvement Plan including timelines for achieving goals. This plan will be approved by Kentucky Adult Education. Failure to meet performance criteria may result in termination of contract.

Council on Postsecondary Education
February 11, 2004

P-16 Council Update

The state P-16 Council continues to consider ways to increase the level of preparation of high school and GED graduates for postsecondary education and the skilled workplace. The December 2003 meeting opened with an overview of the 2+2 Teacher Education Agreement (Attachment A). P-16 Council members reviewed the extensive national and state data on student achievement and achievement gaps presented at previous P-16 Council meetings and established priorities for action guided by the P-16 Council Vision Statement, statement of objectives, and accountability measures (Attachment B). Representatives of the local council network also reported on their initiatives.

At the December 16, 2003, meeting of the state P-16 Council, Dr. Carolyn O'Daniel of the Kentucky Community and Technical College System presented an overview of the statewide 2+2 Teacher Education Agreement, which was signed October 23, 2003, by the Council on Postsecondary Education, the Association of Independent Kentucky Colleges and Universities, and representatives of all of Kentucky's public postsecondary institutions and five of its independent institutions. The participating institutions have identified at least 60 hours of transferable credit from the KCTCS applied associate teaching degree toward a teacher preparation baccalaureate program. The program is designed to increase teacher recruitment, expand access to teacher preparation opportunities statewide, allow aspiring teachers to begin their preparation in high school through dual credit options, maximize credit transfer between two- and four-year institutions, and raise the number of classroom assistants and their level of preparation. It is hoped that this will serve as a model for other transfer agreements addressing workforce needs.

The P-16 Council reviewed research findings it has considered over the past four years pertaining to high school preparation, collegiate success, teacher quality, achievement gaps, and the impact of policy and good data on each (Attachment C). On the basis of this review, P-16 Council members, the staff of its partner agencies, and representatives of the statewide local/regional P-16 Council network identified the most pressing areas on which to focus staff and P-16 Council attention over the coming months. They tied these areas to the goals and objectives in the P-16 Vision Statement.

There was agreement that preparing high school students for postsecondary education and desirable work, and not for high school graduation alone, represented a necessary shift in focus. Kentucky's participation in the American Diploma Project has helped identify the knowledge and skills that high school graduates need to be ready for postsecondary education and the skilled workplace. The ADP is scheduled to release its benchmarks of college and workplace readiness in English language arts and mathematics with accompanying college and workplace applications February 10, 2004. The ADP also has highlighted the need to rethink the high school experience and link accountability measures of student performance to standards of

college-readiness and employer expectations. Preparing teachers to be able to meet these demands emerged as a priority. Gail Henson, P-16 Council chair, asked that the staff present a full report at the March P-16 Council meeting on teacher quality issues in Kentucky, including recruitment, alternative options for certification, alignment of professional development with local district needs, and distance learning options.

The meeting concluded with an update on local P-16 council activities. Gary Wiseman, chair of the Kentucky Local/Regional P-16 Council Network, reported on its recent meeting. Dr. Barbara Stonewater, executive director of the Northern Kentucky Council of Partners in Education, described their pilot project to use the Kentucky Department of Education's writing portfolio in their local college and university admissions and placement decisions.

Staff preparation by Dianne M. Bazell

Transfer Agreement

between

Campbellsville University

Bachelor of Science in Elementary Education

Cumberland College

Bachelor of Science in Elementary Education P-5

Eastern Kentucky University

Bachelor of Science in Elementary Education P-5

Bachelor of Science in Middle Grade Education (5-9)

Bachelor of Science in Special Education (Five Options)

Bachelor of Arts, Science, or Music: Secondary Education or All Grades

Kentucky State University

Bachelor of Arts in Elementary Education

Lindsey Wilson College

Bachelor of Arts in Elementary Education

Midway College

Bachelor of Arts in Elementary Education

Morehead State University

Bachelor of Arts in Early Elementary Education (P – 5)

Murray State University

Bachelor of Science in Elementary Education

Northern Kentucky University

Bachelor of Arts in Elementary Education

Spalding University

Bachelor of Science in Elementary Education

Bachelor of Science in Middle Grades Education

University of Kentucky

Bachelor of Arts in Elementary Education

University of Louisville

Bachelor of Science in Early Elementary Education

Western Kentucky University

Bachelor of Science in Elementary Education

and

Kentucky Community and Technical College System

Associate in Applied Science in Education

Teacher Preparation Option

There is a need for an increase in qualified teachers and teaching assistants in Kentucky that will be addressed through a cooperative transfer agreement between Kentucky's public and private senior postsecondary institutions and the Kentucky Community and Technical College System (KCTCS).

The *Kentucky Postsecondary Education Improvement Act of 1997* mandates a seamless system of postsecondary education that can only be achieved by promoting ease of transfer for learners between Kentucky institutions.

In order to promote the transfer of credits between KCTCS and Kentucky's colleges and universities and thereby increase educational opportunities for students, KCTCS and participating colleges and universities establish this transfer agreement for courses in the KCTCS AAS degree in Education leading to credit in the Baccalaureate Degree in Education. The agreement includes general education certification as well as teacher preparation courses applicable to the major.

This agreement recognizes that transfer of credit across programs is possible even when there are differences in program emphasis. Accordingly, this agreement reflects these philosophical and content differences by sometimes grouping courses that are covered more broadly at senior institutions and in-depth at KCTCS. The courses in these groups are not intended as individual course and credit equivalencies.

KCTCS and participating senior institutions agree to advise each other of changes in course requirements for any course listed in the agreement in order to ensure continued compatibility between the courses offered by the faculty at each institution.

KCTCS and participating senior institutions agree to renegotiate this agreement as necessary due to changes in course requirements at either institution.

KCTCS students must apply for admission to the senior institution of their choice and have official transcripts forwarded to the admissions office directly from a KCTCS college.

KCTCS students who transfer under the provisions of this agreement will need to complete the upper division courses from the senior institution as specified in the agreement in order to meet the requirements for the Bachelor's degree.

While program admission is not guaranteed in these programs, students who have completed the KCTCS AAS in Education, Teacher Preparation option will have a minimum of 60 credit hours accepted towards their Bachelors degree.

All institutions participating in this agreement will observe SACS and other discipline specific accreditation standards as well as CPE guidelines and rules. Both institutions agree to adhere to CPE requirements for reporting transfer information.

In the event that any one of the senior institutions determines that it will no longer offer the Bachelor's degrees included in this agreement, the senior institution will provide one-year notice of the termination of the degree program. Students enrolled in the program, either at KCTCS or the senior institution will be given a reasonable amount of time to complete degree requirements.

Brenda A. Priddy
Campbellsville University

John Lewis
Cumberland College

W. Kyle Cook
Eastern Kentucky University

Herman C. Wolfe
Kentucky State University

Rachelle M. Bruno
Northern Kentucky University

L. Randolph
Spalding University

Ann Cooney
Western Kentucky University

Larry A. Ennis
Lindsey Wilson College

Ken Peepay
Midway College

Dan H. Brasher Dean
Morehead State University

Russ Wace
Murray State University

Bob D. Felt
University of Louisville

Rosetta E. Sandidge
University of Kentucky

Carol D. ... for Keith Bird
Kentucky Community and
Technical College System

Supporting Agencies

J. ...
Council of Post-Secondary Education

Kimberly C. ...
Kentucky Department of
Education

Dr. ...
Education Professional Standards Board

...
Association of Independent
Kentucky Colleges and
Universities

P-16+ Vision/Mission

The Kentucky P-16 Council provides leadership for a seamless system of education, from early childhood through postsecondary, that will prepare all Kentuckians to be active participants in their communities and in a knowledge-based economy.

Action Agenda

The P-16 Council advises state policy makers on the preparation and professional development of educators, the alignment of competency standards, and the elimination of barriers impeding student transition from preschool through the educational system.

Goals and Objectives

The following goals provide a unifying vision uniting the education agenda of multiple agencies and boards across the state.

Goal #1: All educators shall be qualified and competent by 2006.

Objective #1: Every early childhood educator and caregiver shall be properly qualified and competent.

Objective #2: A qualified and properly credentialed person shall staff every professional position in Kentucky's public schools.

Objective #3: Every adult educator in Kentucky shall meet professional competency standards.

Objective #4: Every postsecondary instructor shall effectively teach students with diverse learning needs using various forms of instruction.

Goal #2: Curricula and competency standards shall be aligned from each level of the system to the next by 2006.

Objective #1: All children shall have the physical and mental foundation that will enable school success.

Objective #2: All elementary students shall be ready for middle school.

Objective #3: All middle school students shall be ready for high school.

Objective #4: All young adults shall have a high school diploma or a GED.

Objective #5: All high school graduates and GED graduates shall be ready for some postsecondary education and meaningful employment.

Objective #6: All adult Kentuckians shall be educated beyond high school.

Objective #7: All postsecondary students shall complete programs that prepare them for life and work in a 21st century knowledge-based economy.

Goal #3: Policy, financial, and aspirational barriers impeding student progress and transfer from pre-school through postsecondary shall be eliminated.

Objective #1: Early health impediments to learning shall be reduced.

Objective #2: Financial barriers shall be reduced.

Objective #3: Funding and personnel resources shall be shared among sectors.

Objective #4: Kentucky students shall have early awareness of career opportunities and preparation paths.

Statewide P-16 Council

Summary of Research Findings

High School Preparation

- The single greatest predictor of a high school student obtaining a baccalaureate degree is not grades, nor family income level, nor gender, nor ethnicity, but the intensity and rigor of the curriculum that the student undertakes in high school (a finding of Clifford Adelman in his 1999 report *Answers in the Toolbox: Academic Intensity, Attendance Patterns, and Bachelor's Degree Attainment*, both cited throughout and confirmed by research presented to the P-16 Council).
- The skills developed in a college preparatory curriculum include the skills required by vocational trades and other high skilled employment sectors (a finding supported by both the 1998 SREB study of vocational students and the research conducted by the American Diploma Project).
- Non-white and low-income students are more likely to be enrolled in non-college preparatory tracks.
- All students, across all demographic categories, who are enrolled in college preparatory curricula achieve at higher levels than their counterparts who are not enrolled in college preparatory curricula.
- More students are aspiring to college than are academically prepared to succeed in college, and students themselves are more likely to report that they expect to attend college than are the adults (parents, teachers, guidance counselors) with whom they interact.

Collegiate Success

- Students placed in remedial courses in college are less likely to persist and graduate than those who are not, and those placed in more than one remedial course are far less likely to succeed than those who do not need this degree of remediation.
- Postsecondary institutions vary in the degree of success with which they retain and graduate various subpopulations of students.
- Minority students and first-generation college goers are less likely to obtain a postsecondary degree in six years than other students.

Teacher Quality

- Schools with high levels of non-white students and those from low-income families are more likely to receive less experienced and less prepared teachers than schools with higher levels of white students and those from middle- to upper-income families.
- Teachers are more likely to return to teach near their school districts of origin than not.
- Active cooperation between district superintendents and postsecondary officials can lead to improvement in teacher quality.

Impact of Policy and Good Data

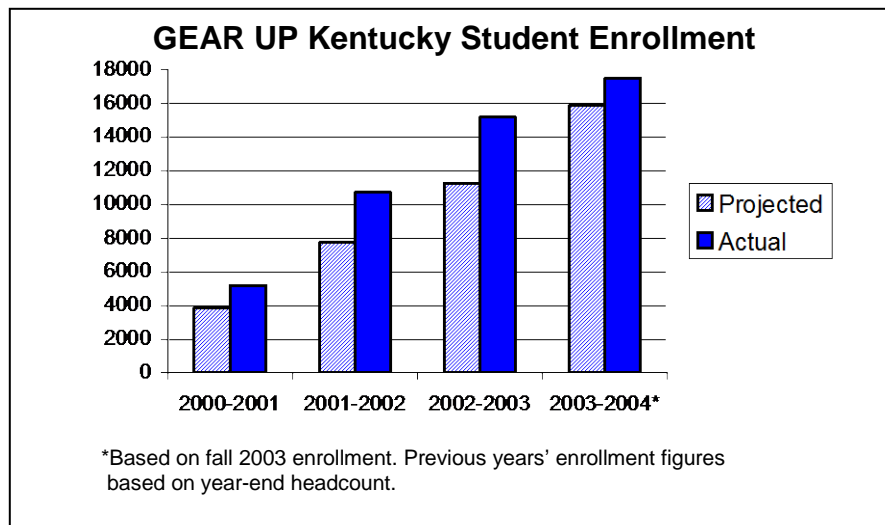
- School-level, district-level, and state-level policies make a difference both in raising the level of student achievement and in reducing achievement gaps among sub-populations.
- The effectiveness of policies cannot be monitored without accurate data. This includes monitoring the performance (including persistence and graduation rates) of individual students from grade school through college and the equity of funding and resource allocations.

GEAR UP Kentucky Progress Report

GEAR UP Kentucky is a partnership of schools, postsecondary education institutions, businesses, and non-profit organizations focused on increasing college participation by low-income students. The program is federally funded. The U. S. Department of Education awarded a five-year, \$10 million grant to the Kentucky Council on Postsecondary Education in September 2000. Partners pledged an equal amount of matching funds. The FY03 budget is \$2,388,348. A summary of the program that was recently published in The Lane Report as a part of GEAR UP's communication plan is provided separate from the agenda book.

Enrollment

The program began the fourth year of the grant in September 2003. A sixth year extension of funding is expected. It currently serves more than 17,000 students in grades seven through ten, adding a new cohort each year. GEAR UP targets low-income students and measures poverty by student eligibility for free or reduced-price lunch.



Student Profile 2003

- Total Enrollment 7th – 10th grades: 17,471
- 77% White, 19% Black, 1.6% Hispanic, 2.3% Other (estimate)
- 65.3% of participating students are eligible for free or reduced-price lunch (estimate)

In 2002, GEAR UP Kentucky made several structural changes, beginning with the transition from eight primary partners (postsecondary institutions) directing grant activities to four. The

change consolidated administration and allowed creation of one full-time staff to manage activities at each of the four coordinating institutions now assisting the Council with implementation of the project. The Council staff that administers the program statewide remains small—a project director and two support staff. The change has resulted in better management and implementation of programs across the state.

Progress Toward Objectives¹

A recent report by the Education Commission of the States, indicates that the chance for Kentucky low-income students to attend college is 18.1 percent, compared with a 38.9 percent chance for students overall in Kentucky.² Council goals include increasing the number of low-income Kentucky students enrolled in postsecondary education. GEAR UP is designed to help achieve that goal by leveraging partnerships to improve student performance. Schools are monitored for the completion of activities in five priority areas:

Awareness

The performance indicators for awareness assess student and parent knowledge of college costs, financial aid resources, and academic requirements for college admission. In 2002, the program did not meet its goal for awareness of classes needed in high school for college, although 67 percent of students surveyed reported that they are aware of the classes needed in high school for college (goal, 70 percent).

In 2002, students were even less aware of tuition and fees costs, although 52 percent were knowledgeable of the Kentucky Education Excellence Scholarship (KEES) program and over 60 percent of students were aware of grants and loans available to pay for college. As a result of the gaps indicated in 2002 in parent and student awareness of college requirements and college costs, GEAR UP staff has now put in place more specific criteria to guide schools in developing GEAR UP awareness activities. Spring 2003 survey data should reflect improvement based on these changes.

Rigor

The performance indicators for *rigor* are focused on improved performance on the Commonwealth Accountability Testing System (CATS) and the number of students in enriched educational experiences. The goals for the priority area rigor include reducing the percent of students at the novice level in mathematics, science, and writing and increasing the number of students taking algebra in middle school.

- Reduced Novice Performance

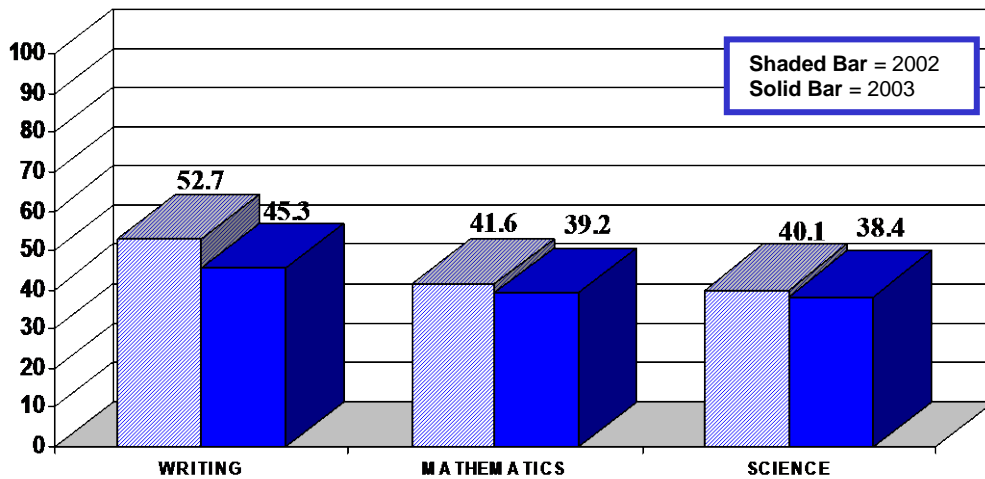
¹ Based on 2003 data unless otherwise indicated.

² Closing the Participation Gap: State Profiles (April 2003).

The graph below shows a comparison of the 2002 and 2003 data for GEAR UP students. The percent of students scoring at novice level decreased in each key academic area between 2002 and 2003. The most significant reduction was in writing, with a 7.4 percent decrease. Decreases in novice scores are consistent with those for state averages for all students during this period. Staff is working with the Kentucky Department of Education to analyze progress in GEAR UP schools compared to a cohort of similar low-income schools.

**Comparison: 2002 and 2003
NOVICE LEVEL Reduction by Key GEAR UP Subjects**

Percent of the GEAR UP Kentucky Student Population Scoring at Novice Level



- Enriched Instructional Experiences

GEAR UP supports development of courses and programs to provide an enriched experience for GEAR UP students. They target specific areas important to college preparation.

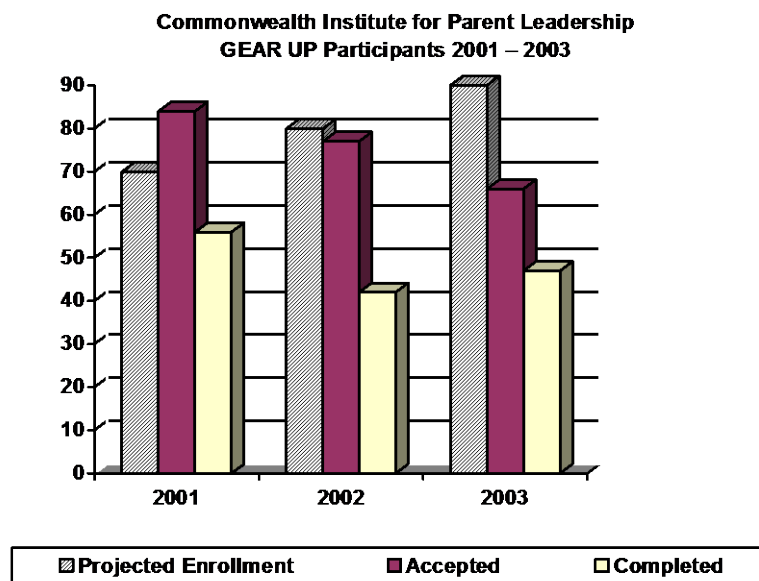
- *Ten percent of GEAR UP students take algebra in middle school* (goal, 12 percent). To meet and exceed this goal, GEAR UP supports students enrolled in the online algebra course available to middle school students through the Kentucky Virtual High School (KVHS).
- *College Awareness Summer Camps*. In 2003, 66 eighth grade students statewide were chosen to participate in a one-week academy at Eastern Kentucky University designed for GEAR UP. Students previewed the use of mathematical tools, tested blood and cell tissues, and were introduced to occupational therapy careers. Co-curricular activities, like *The Seven Habits of Effective Teens* and the *Challenge* course, also were introduced. The successful 2003 summer camp will be a model for future camps.
- *Entrepreneurship*. In 2001, GEAR UP Kentucky entered into a partnership with the National Foundation for Teaching Entrepreneurship (NFTE), a leader in entrepreneurship instruction and curriculum materials. More than 600 GEAR UP students learned how to start and run a business and write a business plan. Andrea Richardson, now a Bowling Green High School student, was one of 15 students across the nation named by NFTE as a *2003 Young Entrepreneur of the Year*.

- Alignment to Standards.* While there is no stated GEAR UP goal in this area, the GEAR UP staff analyzed data (CATS and *No Child Left Behind*) to steer decisions about funding instruction and curricula improvement activities. Based on performance on these assessments, schools selected additional instructional enrichment for students, professional development programs for teachers, and training to enhance improvement planning. In the 2002-03 school year, 11 schools received funds to assess their instruction and curriculum in mathematics and science and completed the *Program Improvement Reviews* (PIR). PIR is a diagnostic tool developed by the Appalachian Rural Systemic Initiative (ARSI) to assist schools in determining the rigor of their curricula, assessing the quality of instructional materials, textbook appropriateness, and the use of technology. The review is limited to mathematics and science subjects. Ten schools have now completed PIRs and are using the information in the improvement planning process.

Parent Engagement

The primary statewide strategy to address parent involvement in schools is a partnership with the Prichard Committee for Academic Excellence that enrolls GEAR UP parents in its Commonwealth Institute for Parent Leadership (CIPL). Since 2001, 227 parents have been accepted for leadership training. Of the 150 parents that completed CIPL, 51 have completed projects in schools. (This spring, the 2003 trainees will begin implementing projects in schools.)

CIPL has not met overall enrollment goals (see graph below). In addition, completion rates for parents in the program are a concern. To address these issues, a shorter, more concentrated pilot version of the CIPL has been developed that is better adapted to GEAR UP parents. If successful, the pilot will allow more parents to participate and complete the program in 2004 and motivate some to continue with the expanded CIPL program currently in place. Nevertheless, GEAR UP will need to fully reevaluate its parent engagement strategy.



Access (Financial Assistance)

In addition to ensuring that students are aware and prepared for college, GEAR UP works to make sure they can afford to attend. At the outset of the grant, Kentucky institutions pledged an estimated \$150,000 in scholarships for the first cohort of GEAR UP students eligible for college admission in 2006. In addition, GEAR UP works closely with KHEAA to conduct workshops and disseminate information on college costs and financial aid to students and parents. GEAR UP program coordinators are working with school staff to plan and conduct conferences and workshops designed for parents. In fall 2004, GEAR UP staff, working with Kentucky State University, will hold the first statewide college access expo for parents. These activities help parents and students with financial planning, including how to take full advantage of merit and need-based scholarship opportunities. GEAR UP also is a partner in the development of the new GoHigherKY Web portal coming online in the summer of 2004. GEAR UP students, parents, and counselors will use the site for career exploration, financial planning, scholarship searches, application for need-based aid, and college applications.

Support for Students at Risk

Studies show that students who are engaged in early assessments of college readiness skills go on to take college preparatory courses in high school, if they are provided with academic guidance and support. Sixty-five percent of schools provided a variety of mentoring programs—including pairing college students, community volunteers, teachers, and other school personnel as mentors for middle school students. In addition, 87 percent of schools provided tutoring programs focused on algebra, science, and language arts. In 2003, GEAR UP began working with the Kentucky Virtual University, Kentucky Virtual Library, and Kentucky Virtual High School to provide schools with a package of academic enrichment services for students and teachers. The offerings include Angel and PLATO individualized online instruction for students below and above grade level. Teachers can participate in professional development to improve their skills in preparing GEAR UP students for rigorous courses.

In 2003-04, GEAR UP Kentucky invited schools to participate in the Educational Planning and Assessment System (EPAS, a product of ACT) to supplement their academic planning process. Nearly 90 percent of the schools volunteered to use three components of EPAS: the EXPLORE and PLAN academic assessments and DISCOVER, a career assessment tool. These tools are used to identify student strengths and weaknesses and help schools align academic support with individual student needs.

Issues And Challenges

GEAR UP is required to establish partnerships to provide academic support, college admissions information, and early guidance about college while augmenting state reform efforts to change expectations and improve achievement for low-income students. The program is designed to help schools transition to a college-going culture. To achieve these goals GEAR UP must sustain the progress it has made and address several challenges. Meeting these challenges will better serve students and position Kentucky to successfully reapply for a continuing GEAR UP grant, should the program be reauthorized in 2005.

- Providing adequate resources in light of greater than expected numbers of students in the program. The good and bad news is that the number of students participating in GEAR UP is exceeding expectations. Finding ways to provide adequate support to schools to implement and sustain GEAR UP programs demands new strategies for program delivery (e.g., use of online resources and college-based summer programs).
- Developing stronger commitment and common understanding of program goals by all members of the GEAR UP partnerships. As a state grant, GEAR UP works with a variety of education and private sector partners. Each brings its own history and priorities to the effort. Integrating GEAR UP goals with long-standing programs and objectives (for example, the programs and goals of KERA in the P-12 system) requires ongoing work with program partners.
- Integrating individual school goals and GEAR UP objectives. Each of the schools has individual needs, programs, and goals tied to school improvement plans, state test scores, and the perspective of its school council. Not all of these are linked to, or in some cases consistent with, the goal of ensuring all GEAR UP students succeed in college. Integrating GEAR UP efforts with ongoing school programs remains a challenge.
- Sustaining partnerships over time. At some point the GEAR UP program will end. Strategies must be developed to ensure that programs developed to promote college going by low-income students (e.g., college expos, curriculum enrichments, and scholarship support) are sustained past the life of the grant. Making these a part of the normal business of schools and colleges requires commitment-building work that is especially challenging in difficult economic times.
- Streamlining reporting requirements. Nationally, GEAR UP requires more program and financial accountability data than most grant programs. State GEAR UP staff are working to streamline reporting requirements as much as possible to reduce time spent on paperwork and increase time devoted to programs and students.

A number of initiatives are being put in place to address these challenges. GEAR UP uses the information gathered from each performance report to reflect on results of the partnership, review program goals, and align or modify activities around specific school needs. To increase the effectiveness of partnerships, administration of the grant was reorganized to create a more systematic approach to communications among the key partners. Regular planning occurs around common activities between the program's area directors and the KDE staff. Also, KDE GEAR UP support staff now includes a larger cross section of offices. GEAR UP schools are articulating higher expectations for students. To advance that work, GEAR UP is working with the Collaborative for Teaching and Learning to promote standards for a college-going culture in each of its schools. These standards are embedded in the KDE standards and indicators for school improvement and help schools integrate college-going behaviors and activities that promote high achievement with state and school mandated activities.

Finally, to create sustained support for college going for low-income students, in January, the GEAR UP steering committee recommended the creation of an incentive program to help

support GEAR UP students in summer college preparation programs on college campuses. The program would be funded by donations from businesses.

In summary, GEAR UP Kentucky students are making academic progress. Numerous programs are now in place to accelerate progress and awareness and motivation for college. Developing the infrastructure and momentum for a statewide project of this magnitude takes time. All signs indicate the recent restructuring is working. The Council staff has conducted a comprehensive review of the program that will increase focus on successful initiatives, improve management practices, address the challenges outlined here, and position GEAR UP Kentucky to meet its goals.

Staff preparation by Yvonne Lovell

Fall 2003 Enrollment Report

Fall 2003 enrollments at all levels continue the substantial increases that began with reform in 1998.

Highlights include:

- A record high 229,061 students enrolled at public and independent postsecondary institutions in Kentucky. Public institutions alone enrolled 198,621 students.
- Western Kentucky University, Northern Kentucky University, Murray State University, and Eastern Kentucky University reported the largest first-time freshman classes to date. Additionally, over 14,000 high school students across the state enrolled in Kentucky's postsecondary education institutions in Fall 2003.
- Among the undergraduate students enrolled: 87 percent were Kentucky residents, 56 percent were female, 31 percent were 25 years of age or older, 8 percent were African American, and 35 percent enrolled part-time.

Enrollment growth since 1998:

- Since 1998, total postsecondary education enrollment increased by 44,215 students or 23.9 percent.
- Undergraduate enrollment increased 39,678.
- The KCTCS showed the largest increase with 26,494 more students. This is an increase of 58.2 percent since 1998.
- Among undergraduates, the percent of in-state students has remained relatively stable at 87 percent, female enrollment has decreased by 1.9 percent, enrollment of students 25 years or older has increased by 1.2 percent, African American student enrollment has increased by 0.2 percent, and part-time enrollment has increased by 5.9 percent since 1998.
- Graduate student enrollment growth, on a percentage basis, was significant in both the state-supported and independent institutions. Public institutions increased 16.3 percent, or 2,850 graduate students across institutions in a variety of academic programs. Independent institutions increased 67.2 percent, or 1,300 graduate students, with notable growth at Asbury College, Campbellsville University, Sullivan University, and Union College.

While national data is not yet available for comparison, nine State Higher Education Executive Organizations have reported fall 2003 enrollment figures. Each of these states reported an

increase in fall 2003 enrollment from the prior year with the highest increase reported in Georgia (6.0 percent) and the smallest increase in Connecticut (0.5 percent). Kentucky's total postsecondary enrollment increased 3.6 percent since last year.

The attached table provides enrollment information, including change statistics, for each public institution. More detailed enrollment information - including independent institution enrollments and summaries by demographic characteristics - will be available on the Council's Facts and Figures Web page.

Staff preparation by Sherri Noxel

**KENTUCKY POSTSECONDARY ENROLLMENT
FALL 2003**

	1998 ACTUAL	2002 ACTUAL	2003 ACTUAL	1-YR CHANGE		5-YR CHANGE	
				N	%	N	%
UNDERGRADUATE							
Eastern Kentucky University	13,480	13,053	13,567	514	3.9%	87	0.6%
Kentucky State University	2,205	2,107	2,138	31	1.5%	(67)	-3.0%
Morehead State University	6,743	7,712	7,929	217	2.8%	1,186	17.6%
Murray State University	7,349	8,088	8,385	297	3.7%	1,036	14.1%
Northern Kentucky University	10,643	12,164	12,223	59	0.5%	1,580	14.8%
University of Kentucky	17,157	17,878	18,190	312	1.7%	1,033	6.0%
University of Louisville	14,647	14,475	14,724	249	1.7%	77	0.5%
Western Kentucky University	12,713	15,234	15,798	564	3.7%	3,085	24.3%
Total Universities	84,937	90,711	92,954	2,243	2.5%	8,017	9.4%
Lexington Community College	6,118	8,270	8,672	402	4.9%	2,554	41.7%
KCTCS	45,529	67,812	72,023	4,211	6.2%	26,494	58.2%
Total Public	136,584	166,793	173,649	6,856	4.1%	37,065	27.1%
Independent Institutions	24,342	26,845	26,955	110	0.4%	2,613	10.7%
Total Undergraduate	160,926	193,638	200,604	6,966	3.6%	39,678	24.7%
GRADUATE							
Eastern Kentucky University	1,922	2,195	2,384	189	8.6%	462	24.0%
Kentucky State University	98	146	168	22	15.1%	70	71.4%
Morehead State University	1,520	1,678	1,580	(98)	-5.8%	60	3.9%
Murray State University	1,554	1,832	1,715	(117)	-6.4%	161	10.4%
Northern Kentucky University	764	1,107	1,196	89	8.0%	432	56.5%
University of Kentucky	5,142	5,767	5,881	114	2.0%	739	14.4%
University of Louisville	4,293	4,677	4,795	118	2.5%	502	11.7%
Western Kentucky University	2,169	2,584	2,593	9	0.3%	424	19.5%
Total Universities	17,462	19,986	20,312	326	1.6%	2,850	16.3%
Independent Institutions	1,934	2,809	3,234	425	15.1%	1,300	67.2%
Total Graduate	19,396	22,795	23,546	751	3.3%	4,150	21.4%
FIRST PROFESSIONAL							
Northern Kentucky University	392	472	526	54	11.4%	134	34.2%
University of Kentucky	1,410	1,388	1,408	20	1.4%	(2)	-0.1%
University of Louisville	1,269	1,281	1,306	25	2.0%	37	2.9%
Total Universities	3,071	3,141	3,240	99	3.2%	169	5.5%
Independent Institutions	120	244	251	7	2.9%	131	109.2%
Total First Professional	3,191	3,385	3,491	106	3.1%	300	9.4%
POST-GRADUATE^a							
University of Kentucky	685	708	781	73	10.3%	96	14.0%
University of Louisville	648	656	639	(17)	-2.6%	(9)	-1.4%
Total Universities	1,333	1,364	1,420	56	4.1%	87	6.5%
TOTAL HEADCOUNT							
Eastern Kentucky University	15,402	15,248	15,951	703	4.6%	549	3.6%
Kentucky State University	2,303	2,253	2,306	53	2.4%	3	0.1%
Morehead State University	8,263	9,390	9,509	119	1.3%	1,246	15.1%
Murray State University	8,903	9,920	10,100	180	1.8%	1,197	13.4%
Northern Kentucky University	11,799	13,743	13,945	202	1.5%	2,146	18.2%
University of Kentucky	24,394	25,741	26,260	519	2.0%	1,866	7.6%
University of Louisville	20,857	21,089	21,464	375	1.8%	607	2.9%
Western Kentucky University	14,882	17,818	18,391	573	3.2%	3,509	23.6%
Total Universities	106,803	115,202	117,926	2,724	2.4%	11,123	10.4%
Lexington Community College	6,118	8,270	8,672	402	4.9%	2,554	41.7%
KCTCS	45,529	67,812	72,023	4,211	6.2%	26,494	58.2%
Public	158,450	191,284	198,621	7,337	3.8%	40,171	25.4%
Independent Institutions	26,396	29,898	30,440	542	1.8%	4,044	15.3%
Total Enrollment	184,846	221,182	229,061	7,879	3.6%	44,215	23.9%

^aPost-graduate includes post-doctoral students and medical school residents and interns (house staff).

Council on Postsecondary Education
February 11, 2004

Progress Report on Key Indicators

Results from fall 2003 for five indicators under Questions 2 and 3 show the strong systemwide performance in enrollment and college going continues; more progress is needed in retention and transfer. (Note: The Council on Postsecondary Education approved revised goals for 2004-2006 for the majority of key indicators in November 2003 and will consider revised goals for the remaining indicators in February 2004. Information in this agenda item compares institutional and systemwide performance in Fall 2003 with goals established before November 2003.)

Highlights include:

Question 2: Are more students enrolling?

- 2A, Undergraduate enrollment: Undergraduate enrollment increased between 2002 and 2003 at every Kentucky public postsecondary institution and at the independent institutions. Statewide undergraduate enrollment increased 3.6 percent over the previous year, rising to 200,604. The systemwide enrollment goal for 2003 was 192,167. Nine institutions -- Eastern Kentucky University, the Kentucky Community and Technical College System, Lexington Community College, Morehead State University, Murray State University, Northern Kentucky University, University of Kentucky, University of Louisville, and Western Kentucky University – exceeded their enrollment goals for 2003.
- 2B, Graduate and first-professional enrollment: Systemwide, graduate and first-professional enrollment increased from 23,127 in 2002 to 23,552 in 2003 (a 1.8 percent increase), exceeding the Council's goal for 2003. Six universities reported increased graduate and first-professional enrollment: ECU, Kentucky State University, NKU, UK, UofL, and WKU. Each of the six exceeded their 2003 graduate and first-professional enrollment goals.
- 2D, College-going rates of GED completers within two years: The marked increase in the proportion of GED completers who enroll in postsecondary education within two years continued in 2003. The college-going rate rose from 17.8 percent in 2002 to 21.7 percent in 2003. This performance exceeds the goal established for 2002 (15 percent).

Question 3: Are more students advancing through the system?

- 3A, One-year retention rates of first-time freshmen: Kentucky's systemwide retention rate stayed flat at 68.3 percent. Retention rates rose at three institutions (EKU, KSU, and UofL) and fell at seven. UofL's increase was sufficient to exceed their 2003 goal. The retention rate at KCTCS decreased but remained above their 2003 goal.

- 3B, Number of community and technical college transfers: Indicator 3B incorporates two sets of goals. For the universities, this indicator measures the number of incoming transfer students from KCTCS and LCC. For KCTCS and LCC, indicator 3B measures the number of students who transfer to any Kentucky public university or independent institution. Systemwide, the number of students transferring to the public universities decreased from 2,409 in 2002 to 2,369 in 2003. The number of transfers increased at four universities: ECU, KSU, NKU, and UofL. Three universities exceeded their goals for 2003: KSU, UofL, and WKU. Transfers from both KCTCS and LCC increased, totaling 2,951 in 2003 compared to 2,877 in 2002. LCC exceeded its 2003 transfer goal.

The Council staff continues to work with the institutions to improve performance in retention and transfer. The Council's Regional University Excellence Trust Fund Action Agenda program supports institutional efforts to increase retention and other important measures. For an overview of programs by institution, see Attachment D of the 2002-03 Trust Fund Reports agenda item (page 79-37). Improving transfer continues to be the focus of significant activity. The Statewide Transfer Committee has met monthly since November 2003 and is working to revise the General Education Transfer Policy and develop a standard process for certifying transfer transcripts. During spring and summer 2004, a series of workshops will provide training for KCTCS staff to plan transfer online and promote transfer tools among faculty and students.

Detailed results for each indicator by institution are attached.

Staff preparation by Christina E. Whitfield

Kentucky Council on Postsecondary Education
 Key Indicators of Progress toward Postsecondary Reform
 Question 3: Are more students advancing through the system?

3B Number of Community and Technical College Transfers

Transfers from KCTCS and LCC

Institution	Actual						Goals
	1998	1999	2000	2001	2002	2003	2003
Eastern Kentucky University	470	468	461	408	392	472	475
Kentucky State University	17	12	9	19	17	21	17
Morehead State University	267	260	269	265	272	221	293
Murray State University	294	302	308	326	317	309	325
Northern Kentucky University	47	45	58	48	50	52	71
University of Kentucky	806	746	660	704	700	648	680
University of Louisville	466	421	293	326	342	350	339
Western Kentucky University	288	270	245	262	319	296	278
Total	2,655	2,524	2,303	2,358	2,409	2,369	2,478

Transfers to Any Kentucky Public University or Independent Institution

Institution	Actual						Goals
	1998	1999	2000	2001	2002	2003	2003
LCC	552	553	534	587	658	709	566
KCTCS	2,541	2,434	2,213	2,145	2,219	2,242	2,530
Total	3,093	2,987	2,747	2,732	2,877	2,951	3,096

Source: CPE Comprehensive Data Base
 Feb-04

Distance Learning Advisory Committee Update

The Distance Learning Advisory Committee began work on the statewide eLearning strategic plan at its January 7, 2004, meeting. The session featured a discussion of Kentucky eLearning goals, national eLearning trends, and emerging course redesign models. The discussion was led by Sally Johnstone, director of the Western Cooperative for Education Telecommunications, and Bruce Chaloux, director of the Southern Regional Education Board's Electronic Campus.

The eLearning strategic plan will describe the eLearning goals of all Kentucky's agencies involved in distance learning, their initiatives, and how these match with state needs. The eLearning steering team also will identify collaborative opportunities and describe the key eLearning issues and questions DLAC must address to realize state, agency, and institutional eLearning goals. The steering team also will review the membership composition and structure of DLAC in light of any changes to its advisory role.

To ensure broad input and comment, the eLearning steering team has established a writing team and four work groups (for eLearning policy, programs, support services, and infrastructure). Overall, more than 70 individuals from Kentucky's postsecondary education institutions and agencies are involved in the development process.

The plan, key issues and questions, and the DLAC structure recommendations will be completed in late March 2004 and reviewed at the April 5, 2004, DLAC meeting.

CEO Report

The following information focuses on The Kentucky Plan and Partnership Agreement actions and activities reported to the Committee on Equal Opportunities since its October 20 meeting. Included is information on the status of the implementation of the Baker & Hostetler report recommendations, the status of the partnership with the Office for Civil Rights, the biennial report on institutional implementation of The Kentucky Plan, the annual evaluation of statewide equal opportunity programs, and the 2004-06 funding recommendation for EEO programs.

Partnership Status: As of January 31, 2004, the Commonwealth had not received formal notice of its status regarding the partnership with the U.S. Department of Education's Office for Civil Rights. The OCR has requested additional information: a) fall 2003 student enrollment, b) UofL Pathways Program, c) specific duties of the UofL Vice Provost for Minority Affairs and the specific partnership agreement activities completed by the office since it has been operating, d) status of the KSU teacher education program, and e) status of the Council's recommendations on renovation of KSU's Hathaway Hall and Young Hall dormitories.

Committee Request: At its October 20 meeting, the CEO asked the Council staff to follow-up on its earlier request that a representative from the U.S. Department of Education's Office for Civil Rights be invited to attend a Council or CEO meeting to discuss the status of the Partnership Agreement.

Council President Tom Layzell agreed to extend an invitation to Ms. Wendella Fox of the OCR's Philadelphia office to attend an upcoming Council or CEO meeting to discuss the status of the Partnership Agreement.

Campus Visits: The CEO agreed to visit two campuses in spring 2004. A combined CEO meeting and campus visit is planned for April 19-20, 2004, at Western Kentucky University. The second campus to be visited will be identified and reported to the CEO at its February 16 meeting.

The KSU Comprehensive Assessment Implementation Oversight Committee:
A report from this committee is provided on page 63 of this agenda book.

Biennial Report on The Kentucky Plan: A report on the progress of institutions in implementing *The Kentucky Plan* between 1999-00 and 2001-02 was distributed to the institutions, Legislative Research Commission, Governor's Office, Office for Civil Rights, CEO, and the Council in December 2003.

Governor's Minority Student College Preparation Program: It will be reported to the Committee on Equal Opportunities that the FY 2003-04 General Fund appropriation for this program may receive a cut as part of the Governor's action to balance the FY 2003-04 enacted budget. The amount of the reduction may be approximately \$7,000 (or 3.0 percent) which is equal to the average cut applied to other pass-through programs housed at the Council.

SREB Compact for Faculty Development: The SREB program is a cooperative interstate venture that seeks to support and encourage minority students to pursue doctoral degrees. Its goal is to increase the number of minorities employed as college faculty and executives by increasing the available pool of minority candidates. As of December 2003, the program has served 511 students, with 253 currently matriculating, 191 completed degrees, and 12 stop-outs or withdrawals. The program retention rate is approximately 90 percent. Kentucky has served 44 students – 25 are currently matriculating, 17 have graduated, and two have stopped-out or transferred to other states. Kentucky's retention rate is 95 percent compared to the 90 percent rate of the SREB program and a national retention rate of approximately 50 percent. Seventeen of the 191 program graduates are employed in Kentucky.

There are currently nine students at UofL and 16 students at UK. Five Kentucky students are expected to complete their degree by summer 2004.

The Kentucky Plan Program Eligibility for Calendar-Year 2004: This information will be reported to the Committee on Equal Opportunities at its next meeting (see page 65).

The Committee on Equal Opportunities will meet Monday, February 16, 2004, in Meeting Room A at the Council offices.

Staff preparation by Sherron Jackson and Rana Johnson

Council on Postsecondary Education
February 11, 2004

KSU/CPE Oversight Committee Report

The KSU & CPE Comprehensive Assessment Implementation Oversight Committee reviewed the status of the implementation of the Baker & Hostetler report recommendations and established the dates of their next meeting. The committee concluded that the university and the Council is making satisfactory progress but suggested that time is of the essence if KSU is to realize its highest potential.

The committee met January 12 and reviewed the status of the implementation of recommendations from the 2003 Baker & Hostetler report. The committee's report will be presented to the CEO February 16 and to the KSU Board of Regents January 31. The committee was informed that the recommendations that impact the 2004-06 budget recommendations were included in the Council's recommendations to the Governor and General Assembly. KSU Interim President William Turner discussed the university's progress toward implementing the Baker & Hostetler report recommendations that focus primarily on the KSU operations.

The KSU Board of Regents scheduled campus and community interviews with the four presidential candidates. The Council chair and Council president were invited to participate. Members of the Council and the CEO also were invited to participate in the public receptions and meetings along with members of the general community. The candidates' itineraries were mailed to the Council and CEO members.

The committee will meet quarterly at the CPE offices. The committee's meeting agenda will be shared with members of the Council, the KSU board, and the CEO.

Staff preparation by Sherron Jackson and Rana Johnson

Council on Postsecondary Education
February 11, 2004

Kentucky Plan for Equal Opportunities 2004 Degree Program Eligibility

This assessment is an annual report card that describes institutional success in implementing strategies to achieve the objectives of The 1997-2002 Kentucky Plan for Equal Opportunities that promotes compliance with Title VI of the Civil Rights Act of 1964.

Fewer institutions qualify in calendar year 2004 for the most favorable category of eligibility (13 of 28 or 46.4 percent compared to 18 of 37 or 48.6 percent in 2003), based on the degree of success in enrolling, retaining, and hiring African Americans. More institutions qualify for waivers in calendar year 2004 to implement new degree programs.

In 2004, five universities, compared to six in 2003, are automatically eligible to add new degree programs; two universities received the quantitative waiver status, and one university received the qualitative waiver status. The KCTCS combined a majority of the community colleges with technical colleges to create eight districts (SACS approved). KCTCS will establish additional districts in 2004. Nine districts, community, and technical colleges qualified for the automatic status, while seven achieved the quantitative waiver status, and four are eligible for the qualitative waiver. The number of institutions falling into the qualitative least desirable category declined from 11 in 2003 to 5 in 2004.

No university showed progress on all eight of the plan's objectives. One university, the University of Louisville, showed progress on seven of eight plan objectives. Kentucky State University showed progress on five of its seven plan objectives. Among the universities, three improved their performance from the previous year, four saw a decline in their performance, and one was unchanged.

Among the KCTCS districts, community and technical colleges, and UK's Lexington Community College, nine are automatically eligible to implement new degree programs. The West Kentucky District showed progress on each of its four plan objectives. Maysville Community College made progress on one objective. Eleven districts, community, and technical colleges require a waiver to implement new degree programs. Among the 20 districts, community, and technical colleges, one improved its performance (Southeast District), twelve performed at the same level, while the performance of seven declined.

Staff preparation by Sherron Jackson and Rana Johnson

Revised: March 22, 2004

**INSTITUTIONAL DEGREE PROGRAM ELIGIBILITY
CALENDAR YEAR 2004**

The eligibility status of the institutions is determined through the application of the administrative regulation (13 KAR 2:060). The status of each institution:

Institution	Objectives Showing Continuous Progress	Total Objectives Evaluated	Degree Program Eligibility Status	
			2004	2003
Eastern Kentucky Univ.	6	8	<i>Automatic</i>	<i>Qualitative</i>
Kentucky State Univ.	5	7	<i>Automatic</i>	<i>Automatic</i>
Morehead State Univ.	2	8	<i>Qualitative</i>	<i>Automatic</i>
Murray State Univ.	6	8	<i>Automatic</i>	<i>Automatic</i>
Northern Kentucky Univ.	5	8	<i>Quantitative</i>	<i>Automatic</i>
Univ. of Kentucky	5	8	<i>Automatic</i>	<i>Automatic</i>
Univ. of Louisville	7	8	<i>Automatic</i>	<i>Quantitative</i>
Western Kentucky Univ.	5	8	<i>Quantitative</i>	<i>Automatic</i>

Notes:

Universities (except Kentucky State University) have 8 equal opportunity objectives. Kentucky State University has 7 objectives (the objective related to enrollment of graduate students does not apply to KSU).

Automatic eligibility equals continuous progress in at least 6 of 8 objectives. KSU is at least 5 of 7 objectives.

Quantitative waiver equals continuous progress in 5 of 8 objectives. New degree programs must be implemented under the waiver provisions during calendar year 2004. KSU is 4 of 7 objectives.

Qualitative waiver equals continuous progress in 4 or fewer of 8 objectives. New degree programs must be implemented under the waiver provisions during calendar year 2004. KSU is 3 or fewer of 7 objectives.

**INSTITUTIONAL DEGREE PROGRAM ELIGIBILITY
CALENDAR YEAR 2004**

The eligibility status of the institutions is determined through the application of the administrative regulation (13 KAR 2:060). The status of each institution:

Institution	Objectives Showing Continuous Progress	Total Objectives Evaluated	Degree Program Eligibility Status	
			2004	2003
Kentucky Community and Technical College System				
Ashland Community & Technical College	2	4	<i>Quantitative</i>	<i>N/A</i>
Big Sandy Community & Technical College	1	4	<i>Qualitative</i>	<i>N/A</i>
Bowling Green Technical College	1	4	<i>Not Eligible</i>	<i>Quantitative</i>
Central Kentucky Technical College	2	4	<i>Quantitative</i>	<i>Quantitative</i>
Elizabethtown Community College	3	4	<i>Automatic</i>	<i>Automatic</i>
Elizabethtown Technical College	2	4	<i>Quantitative</i>	<i>Qualitative</i>
Gateway Community & Technical College	2	4	<i>Quantitative</i>	<i>N/A</i>
Hazard Community & Technical College	3	4	<i>Automatic</i>	<i>N/A</i>
Henderson Community College	3	4	<i>Automatic</i>	<i>Automatic</i>
Hopkinsville Community College	3	4	<i>Automatic</i>	<i>Automatic</i>
Jefferson Community College	3	4	<i>Automatic</i>	<i>Automatic</i>
Jefferson Technical College	2	4	<i>Quantitative</i>	<i>Quantitative</i>
Madisonville Community College	2	4	<i>Quantitative</i>	<i>N/A</i>
Maysville Community College	1	4	<i>Qualitative</i>	<i>Quantitative</i>
Owensboro Community & Technical College	3	4	<i>Automatic</i>	<i>N/A</i>
Rowan Technical College	1	4	<i>Qualitative</i>	<i>Qualitative</i>
Somerset Community College	2	4	<i>Quantitative</i>	<i>N/A</i>
Southeast Community College	3	4	<i>Automatic</i>	<i>N/A</i>
West KY Community & Technical College	4	4	<i>Automatic</i>	<i>N/A</i>
University of Kentucky				
Lexington Community College	3	4	<i>Automatic</i>	<i>Automatic</i>

Notes:

Performance information is not provided in 2003 for community and technical colleges because they did not exist in their present form at that time.

The Community and Technical colleges have 4 equal opportunity objectives.

Automatic eligibility equals continuous progress in at least 3 of 4 objectives.

Quantitative waiver equals continuous progress in 2 of 4 objectives. New degree programs must be implemented under the waiver provisions during the 2004 calendar year.

Qualitative waiver equals continuous progress in 0 or 1 of 4 objectives. New degree programs must be implemented under the waiver provisions during the 2004 calendar year.

Key Indicators of Progress: National Survey of Student Engagement

The Council uses results from the National Survey of Student Engagement (NSSE) to gauge progress on two key indicators: undergraduate student experience and civic engagement. Results from the 2003 survey show Kentucky's public universities have made progress since 2001 in undergraduate student experience; survey results suggest more Kentucky students are participating in activities that foster student learning. More progress is needed in undergraduate civic engagement. Compared to 2001, fewer survey respondents in 2003 indicated they participated in volunteer and civic activities.

Kentucky's eight public universities participated in the 2003 National Survey of Student Engagement as part of a consortium organized by the Council. The Council uses the NSSE to measure progress for two key indicators under question 4 ("Are we preparing Kentuckians for life and work?") – undergraduate experience and civic engagement. Results from 2003 show improvement over 2001 in the Council's undergraduate student experience indicator, but little progress in civic engagement.

NSSE, administered by the Indiana University Center for Postsecondary Research and Planning, examines the extent to which colleges use their resources to promote effective teaching and learning. It measures student activities and behaviors that studies have shown to be important to student learning – such as time spent preparing for class and frequency of contact between faculty and students outside of class. More than 185,000 students at 649 four-year institutions nationwide participated in the survey between 2001 and 2003. In 2003, 1,900 first-year and senior students at Kentucky's public universities responded to the survey.

The Council uses NSSE's "benchmarks of effective educational practice" to gauge progress on indicator 4A, undergraduate student experience. NSSE combines responses to 41 survey questions to assign participating institutions scores for senior and first-year students for each benchmark:

- Level of academic challenge
- Active and collaborative learning
- Student interactions with faculty members
- Enriching educational experiences
- Supportive campus environment

For each benchmark category, NSSE provides institutions with actual and predicted scores. The predicted scores are based on student demographics, admissions selectivity, enrollment, and a variety of other factors, and allow institutions to compare their performance with the

performance of similar institutions. An institution whose actual scores are higher than its predicted scores out-performs its peers.

The Council's goal for its undergraduate student experience indicator is for all universities to perform above predicted levels on each of the 10 benchmark scores (institutions are assigned five scores for first-year students and five scores for senior students). Kentucky did not achieve this goal in 2003, but showed improvement since 2001. In 2001, Kentucky's public universities scored above predicted on 43 of 80 NSSE benchmark scores. In 2003, there were 49 scores above predicted levels. See Attachment 1 for a comparison of the number of scores above predicted levels by NSSE benchmarks in 2003 and 2001. For detailed results by institution, see Attachment 2. Some highlights:

- Among first-year students, more institutions scored above their predicted score in level of academic challenge and enriching educational experiences in 2003 than in 2001. Fewer institutions scored above predicted in active and collaborative learning. The number of institutions scoring above their predicted score in supportive campus environment and student interactions with faculty members remained unchanged.
- Among seniors, more institutions scored above their predicted score in four categories: level of academic challenge, active and collaborative learning, enriching educational experiences, and supportive campus environment. There was no change in the number of institutions scoring above predicted levels in student interactions with faculty.
- Statewide, Kentucky's strongest performance was in enriching educational experience and student interactions with faculty members. The state's weakest performance was in active and collaborative learning.
- Northern Kentucky University scored above its predicted score on nine of the 10 benchmarks in 2003; Murray State University and the University of Kentucky both scored above their predicted scores on eight benchmarks.
- MuSU, NKU, UK, and the University of Louisville had more scores above predicted levels in 2003 than in 2001.
- Another perspective on individual institutions' performance can be gained from comparing actual scores from 2001 and 2003. Six institutions – Eastern Kentucky University, MuSU, NKU, UK, UofL, and Western Kentucky University – showed improvement in a majority of the benchmarks between 2001 and 2003. See Attachment 3.

The Council also uses results from four NSSE questions to measure progress in civic engagement: participation in a community-based project as part of a regular course; hours per week spent doing volunteer work; voting in local, state, or national elections; and contributing to the welfare of the community. The goal for indicator 4B was for each university to improve on all measures. Results from 2003 indicate little progress has been made since 2001 (see Attachment 4). Some highlights:

- Statewide, the percentage of first-year students who reported participating in a community-based project as part of a course increased slightly between 2001 and 2003 from 22 to 23 percent. The percentage of seniors participating in community-based projects remained unchanged at 37 percent.
- The percentage of undergraduates reporting participation in general volunteer work declined from 45 to 33 percent for first-year students and from 49 to 40 percent for seniors.
- Both first-year and senior students were less likely to report that their college experience had contributed to their knowledge, skills, and personal development in voting in local, state, or national elections. In 2003, 21 percent of students indicated their college experience had contributed “very much” or “quite a bit” to their development in this area, compared to 27 percent in 2001.
- More first-year students reported their college experience had contributed to the development of their concern for community welfare in 2003 (32 percent) than in 2001 (25 percent). The percentage of seniors reporting development in their concern for community welfare decreased from 37 to 34 percent.
- Two institutions, MuSU and NKU, showed improvement in at least half of the civic engagement measures.

Results from the 2001 NSSE and the Council’s 2001 undergraduate alumni survey alerted the Council to students’ low satisfaction with academic and career advising. The Council’s February 2003 student advising conference was organized in part as a response to those survey results. Analysis of the 2003 NSSE results suggests progress has been made in academic and career advising. The rating first-year students assigned to the quality of academic advising improved at seven of Kentucky’s eight public universities between 2001 and 2003. Ratings assigned by senior students improved at four institutions.

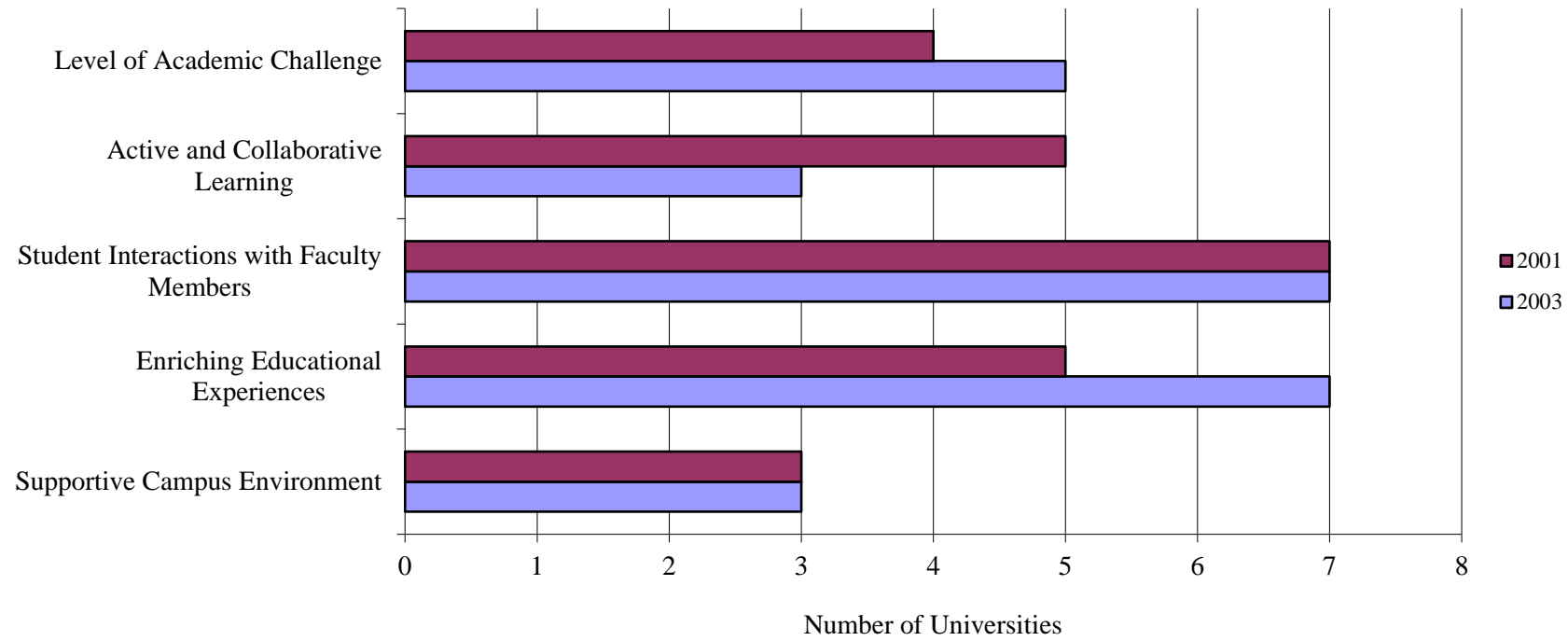
The Council staff will work with the institutions to address areas of concern identified by the 2003 NSSE results. Already, for example, to improve civic engagement scores, the Council staff and institutional presidents have secured a seed grant to make Kentucky a Campus Compact state. Campus Compact is a national organization that works with states to provide support for increased student involvement in service learning and other civic engagement activities.

A full report on Kentucky’s participation in the 2003 National Survey of Student Engagement will be available on the Council’s Web site at

http://www.cpe.state.ky.us/facts/facts_researchbriefs.asp.

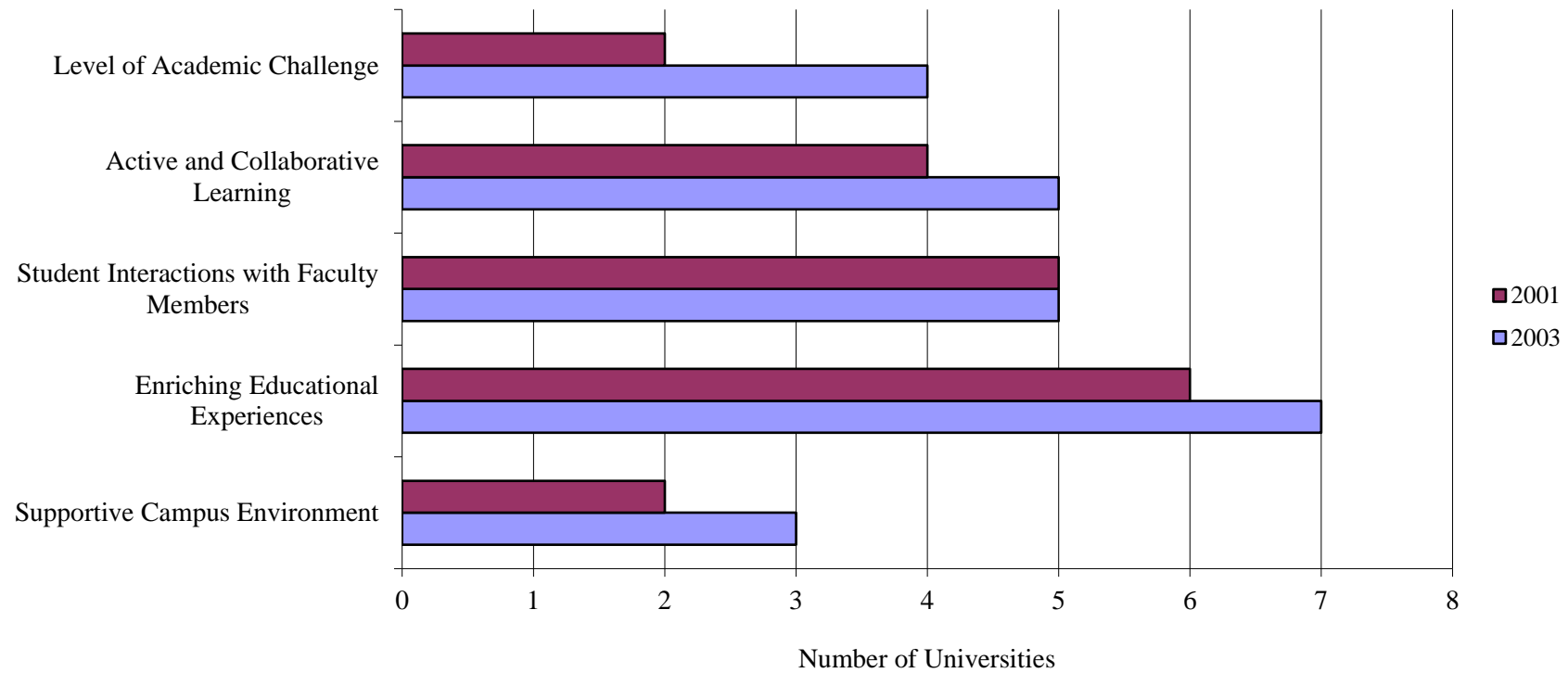
Staff preparation by Christina E. Whitfield

**Key Indicators of Progress Toward Postsecondary Reform
National Survey of Student Engagement
Benchmarks of Effective Educational Practice
Number of Kentucky Universities Scoring Above Predicted Scores
First-Year Students**



**Key Indicators of Progress Toward Postsecondary Reform
National Survey of Student Engagement
Benchmarks of Effective Educational Practice
Number of Kentucky Universities Scoring Above Predicted Scores**

Senior Students



Source: NSSE

**Key Indicators of Progress Toward Postsecondary Reform
National Survey of Student Engagement
Benchmarks of Effective Educational Practice
Actual and Predicted Scores, 2003**

	<u>EKU</u>			<u>KSU</u>			<u>MoSU</u>			<u>MuSU</u>	
	<u>Actual</u>	<u>Predicted</u>		<u>Actual</u>	<u>Predicted</u>		<u>Actual</u>	<u>Predicted</u>		<u>Actual</u>	<u>Predicted</u>
First-Year Students											
Level of Academic Challenge	49.8	50.3		50.2	46.9	*	51.9	50.5	*	51.0	49.8
Active and Collaborative Learning	39.5	37.4	*	39.5	42.5		39.0	39.2		41.8	38.7
Student Interactions with Faculty Members	36.8	31.5	*	37.7	37.0	*	37.3	33.9	*	38.7	33.0
Enriching Educational Experiences	50.4	49.4		57.6	51.2	*	53.6	52.9	*	54.8	51.1
Supportive Campus Environment	59.0	59.0		52.8	56.7		56.3	60.1		61.7	59.6
Senior Students											
Level of Academic Challenge	54.4	54.1	*	50.9	52.1		54.2	55.5		54.6	54.2
Active and Collaborative Learning	50.9	50.1	*	50.4	53.3		50.0	49.9	*	49.1	50.5
Student Interactions with Faculty Members	43.8	41.6	*	43.0	43.5		42.1	44.3		45.8	43.1
Enriching Educational Experiences	45.9	44.3	*	51.1	47.6	*	47.0	45.9	*	45.0	45.0
Supportive Campus Environment	55.9	56.2		52.8	57.5		55.2	58.4		61.0	58.0
	<u>NKU</u>			<u>UK</u>			<u>UofL</u>			<u>WKU</u>	
	<u>Actual</u>	<u>Predicted</u>		<u>Actual</u>	<u>Predicted</u>		<u>Actual</u>	<u>Predicted</u>		<u>Actual</u>	<u>Predicted</u>
First-Year Students											
Level of Academic Challenge	48.7	47.7	*	52.2	50.5	*	47.3	48.7		47.3	49.5
Active and Collaborative Learning	38.1	36.1	*	35.1	37.0		34.7	35.7		36.9	37.9
Student Interactions with Faculty Members	36.3	30.5	*	34.4	33.1	*	31.0	32.2		32.5	32.0
Enriching Educational Experiences	48.1	44.9	*	51.4	53.7		54.1	50.0	*	52.1	50.8
Supportive Campus Environment	62.9	56.1	*	59.0	57.6	*	53.9	54.7		56.1	59.1
Senior Students											
Level of Academic Challenge	51.8	51.9		54.4	52.9	*	52.1	51.0	*	52.5	53.9
Active and Collaborative Learning	47.3	45.9	*	46.2	45.8	*	44.3	42.5	*	47.8	49.3
Student Interactions with Faculty Members	41.0	37.4	*	41.5	39.1	*	37.1	35.6	*	41.3	41.5
Enriching Educational Experiences	41.8	39.9	*	46.7	45.9	*	43.1	41.6	*	48.1	45.8
Supportive Campus Environment	55.3	54.8	*	53.7	52.7	*	50.7	51.1		53.6	57.8

*Actual score above predicted score.

Source: NSSE

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Key Indicators of Progress Toward Postsecondary Reform
National Survey of Student Engagement
Benchmarks of Effective Educational Practice
Actual Scores, 2001 and 2003

	<u>2001</u>	<u>EKU</u> <u>2003</u>	<u>Change</u>	<u>2001</u>	<u>KSU</u> <u>2003</u>	<u>Change</u>	<u>2001</u>	<u>MoSU</u> <u>2003</u>	<u>Change</u>	<u>2001</u>	<u>MuSU</u> <u>2003</u>
First-Year Students											
Level of Academic Challenge	49.9	49.8	-	53.8	50.2	-	53.6	51.9	-	45.7	51.0
Active and Collaborative Learning	36.0	39.5	+	47.0	39.5	-	41.8	39.0	-	35.6	41.8
Student Interactions with Faculty Members	33.5	36.8	+	38.2	37.7	-	40.8	37.3	-	32.9	38.7
Enriching Educational Experiences	49.4	50.4	+	61.2	57.6	-	55.1	53.6	-	50.1	54.8
Supportive Campus Environment	57.0	59.0	+	58.3	52.8	-	62.2	56.3	-	58.6	61.7
Senior Students											
Level of Academic Challenge	55.2	54.4	-	52.0	50.9	-	53.7	54.2	+	53.5	54.6
Active and Collaborative Learning	49.3	50.9	+	51.6	50.4	-	52.9	50.0	-	46.1	49.1
Student Interactions with Faculty Members	46.4	43.8	-	45.5	43.0	-	44.3	42.1	-	40.6	45.8
Enriching Educational Experiences	47.2	45.9	-	55.2	51.1	-	46.8	47.0	-	44.5	45.0
Supportive Campus Environment	57.4	55.9	-	58.1	52.8	-	56.4	55.2	-	55.0	61.0
	<u>2001</u>	<u>NKU</u> <u>2003</u>	<u>Change</u>	<u>2001</u>	<u>UK</u> <u>2003</u>	<u>Change</u>	<u>2001</u>	<u>UofL</u> <u>2003</u>	<u>Change</u>	<u>2001</u>	<u>WKU</u> <u>2003</u>
First-Year Students											
Level of Academic Challenge	47.6	48.7	+	51.4	52.2	+	45.2	47.3	+	45.2	47.3
Active and Collaborative Learning	35.4	38.1	+	35.6	35.1	-	36.6	34.7	-	38.7	36.9
Student Interactions with Faculty Members	33.6	36.3	+	33.6	34.4	+	32.1	31.0	-	31.1	32.5
Enriching Educational Experiences	46.1	48.1	+	50.4	51.4	+	52.2	54.1	+	54.1	52.1
Supportive Campus Environment	57.2	62.9	+	53.3	59.0	+	53.6	53.9	+	57.9	56.1
Senior Students											
Level of Academic Challenge	52.9	51.8	-	52.4	54.4	+	51.0	52.1	+	49.7	52.5
Active and Collaborative Learning	48.5	47.3	-	44.8	46.2	+	44.9	44.3	-	45.7	47.8
Student Interactions with Faculty Members	34.5	41.0	+	39.1	41.5	+	35.8	37.1	+	38.7	41.3
Enriching Educational Experiences	36.0	41.8	+	42.5	46.7	+	43.5	43.1	-	46.1	48.1
Supportive Campus Environment	51.0	55.3	+	48.3	53.7	+	47.3	50.7	+	53.3	53.6

Source: NSSE

achment 3

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**Key Indicators of Progress Toward Postsecondary Reform
National Survey of Student Engagement
Undergraduate Civic Engagement**

Participation in Community and Volunteer Activities

Survey Question

Participated in a community-based project as a part of a regular course

Percent of Respondents Who Answered "Very Often," "Often," or "Sometimes"

		<u>EKU</u>	<u>KSU</u>	<u>MoSU</u>	<u>MuSU</u>	<u>NKU</u>	<u>UK</u>	<u>UL</u>	<u>WKU</u>	<u>KY Publics</u>	<u>NSSE</u>
<u>2001</u>	First-Year	18%	42%	26%	19%	17%	16%	24%	25%	22%	27%
	Seniors	42%	40%	44%	30%	32%	33%	38%	37%	37%	41%
<u>2003</u>	First-Year	28%	49%	24%	30%	14%	15%	25%	21%	23%	34%
	Seniors	48%	38%	35%	40%	33%	35%	23%	43%	37%	44%

Survey Question

Hours per week spent doing volunteer work

Percent of Respondents Who Answered One Hour or More

		<u>EKU</u>	<u>KSU</u>	<u>MoSU</u>	<u>MuSU</u>	<u>NKU</u>	<u>UK</u>	<u>UL</u>	<u>WKU</u>	<u>KY Publics</u>	<u>NSSE</u>
<u>2001</u>	First-Year	44%	56%	46%	49%	36%	48%	39%	48%	45%	NA
	Seniors	52%	72%	50%	52%	43%	48%	45%	48%	49%	NA
<u>2003</u>	First-Year	32%	36%	26%	43%	36%	29%	32%	30%	33%	NA
	Seniors	40%	44%	40%	39%	42%	39%	39%	41%	40%	NA

Contribution of College Experience to Personal Development

Survey Question

College experience contributed to knowledge, skills and personal development in voting in local, state, or national elections

Percent of Respondents Who Answered "Very much" or "Quite a Bit"

		<u>EKU</u>	<u>KSU</u>	<u>MoSU</u>	<u>MuSU</u>	<u>NKU</u>	<u>UK</u>	<u>UL</u>	<u>WKU</u>	<u>KY Publics</u>	<u>NSSE</u>
<u>2001</u>	First-Year	29%	39%	38%	27%	21%	18%	25%	30%	27%	26%
	Seniors	33%	39%	33%	32%	26%	22%	29%	20%	27%	25%
<u>2003</u>	First-Year	23%	29%	18%	28%	23%	16%	17%	20%	21%	23%
	Seniors	17%	32%	23%	23%	16%	22%	14%	24%	21%	23%

College experience contributed to knowledge, skills and personal development in contributing to the welfare of their community

<u>2001</u>	First-Year	26%	27%	31%	30%	19%	20%	26%	24%	25%	33%
	Seniors	46%	56%	43%	37%	26%	33%	33%	39%	37%	40%
<u>2003</u>	First-Year	35%	28%	34%	41%	30%	27%	27%	33%	32%	41%
	Seniors	35%	41%	37%	39%	29%	32%	27%	36%	34%	44%

Source: NSSE

Council on Postsecondary Education
February 11, 2004

2002-03 Trust Fund Reports

House Bill 1 established investment and incentive trust funds to advance the goals of reform. The Council developed programs supported by these funds with matching dollars from the institutions. These programs, though only a small percentage of postsecondary funding, have had a dramatic impact on the direction of institutional work and Kentucky's progress in addressing the Council's reform goals.

The Council has an ongoing responsibility to ensure effective institutional use of these funds. A report will be provided to Council members prior to the February 11 meeting. The trust fund programs included in this report are:

1. Research Challenge and Regional University Excellence Trust Fund—Endowment Match Programs
2. Research Challenge Trust Fund
3. Regional University Excellence Trust Fund—Programs of Distinction
4. Regional University Excellence Trust Fund—Action Agenda Programs
5. Technology Trust Fund—Faculty Development Programs
6. Workforce Development Trust Fund—Workforce Development/Training Program

Staff preparation by Bennett G. Boggs, Jonathan Pruitt, and William Payne

2002-03 Trust Fund Reports

Executive Summary

House Bill 1 established investment and incentive trust funds to advance the goals of reform. The Council developed programs supported by these funds with matching dollars from the institutions. These programs, though only a small percentage of postsecondary funding, have had a dramatic impact on the direction of institutional work and Kentucky's progress in addressing the Council's reform goals. The Council has an ongoing responsibility to ensure effective institutional use of these funds. For the second year, the trust fund reports are presented collectively, integrating program outcomes and finances.

The trust fund programs included in this report are:

1. Research Challenge and Regional University Excellence Trust Fund—Endowment Match Programs (Attachment A)
2. Research Challenge Trust Fund (Attachment B)
3. Regional University Excellence Trust Fund—Programs of Distinction (Attachment C)
4. Regional University Excellence Trust Fund—Action Agenda Programs (Attachment D)
5. Technology Trust Fund—Faculty Development Programs (Attachment E)
6. Workforce Development Trust Fund—Workforce Development/Training Program (Attachment F)

In FY 2002-03, \$29.2 million from the trust fund programs reviewed here have been allocated to the institutions' base budgets to support ongoing programs. With the exception of the Endowment Match Program, which is not allocated to base budgets, this represents all but \$100,000 of the total dollars placed in the trust funds under review. Complete institutional reports for each trust fund are available at the Council offices.

As trust fund programs have matured, the Council staff has made changes to the reporting procedures. Recently financial and program reporting forms were integrated to better connect expenditures and program activities. At its May 2003 meeting, the Council received a report on the contributions of the trust funds to progress in meeting the goals of House Bill 1. The Council staff continues to focus reporting on program outcomes. This year's reports suggest the trust fund programs are contributing significantly to reform goals.

Examples of outcomes and other specific activities supported by trust fund programs addressing the five questions of reform include:

Question 1: Are more Kentuckians ready for postsecondary education?

- The Action Agenda programs provided more than \$4 million dollars directed toward improving P-12 teacher quality. To accomplish this, the comprehensive universities added professional development programs (on campus and online) for current teachers; developed programs to recruit more teachers (especially minority teachers and teachers in shortage areas); created new alternative routes to certification for practicing teachers and others in the workforce wishing to enter the teaching profession; incorporated the latest educational technology into teacher preparation programs; put more college teachers into P-12 schools; increased involvement of arts and science faculty in teacher preparation programs; and expanded student teaching and field experiences. Institutions report more than 400 postsecondary and P-12 faculty participating in these programs in partnerships with more than 200 P-12 schools.
- Action Agenda funds support efforts to create more local and regional P-16 councils. To date, with institutional and Council support, 17 local and regional councils have been formed and serve over 70 Kentucky counties. This is an increase of six councils serving almost 20 additional counties in calendar year 2003.
- Action Agenda programs and Programs of Distinction generated collaborative efforts to improve P-12 math and science education, including a \$1.5 million grant focused on urban areas.
- Action Agenda funds supported grants and fundraising efforts resulting in \$2.9 million in external grant awards for teacher quality initiatives. Grant sponsors include the U.S. Department of Education, the American Council for International Education, the Education Professional Standards Board, the Kentucky Department of Education, and the Kentucky Education Association.

Questions 2 and 3: Are more students enrolling? Are more students advancing through the system?

- The Action Agenda programs earmark \$10 million annually (including \$4 million for teacher quality initiatives) to fund initiatives at comprehensive universities to increase postsecondary enrollment, retention, and graduation; provide more online courses; fund graduate assistantships; establish service learning programs; recruit women and minorities into postsecondary education; and support regional economic development. These programs served nearly 50,000 current and prospective students in FY 2002-03. Since the full implementation of Action Agenda programs in 2002, total postsecondary enrollment at the comprehensive universities has increased from 68,372 in 2002 to 70,202 in 2003.

- The Action Agenda programs created new programs to increase college enrollment in the Council's target counties. These programs support faculty participation in middle school and high school programs to promote college going and build partnerships between college and high schools that include expanding opportunities for dual credit courses for high school students. Dual enrollment efforts contributed to a more than 40 percent increase in dual enrollments at the comprehensive universities.
- Action Agenda program funds enabled the comprehensive universities to expand student support services, including better advising, to increase retention. Many funded programs that focus on students with disabilities, underprepared students in need of developmental education, first-year students, and minority students. They provide early identification of problems and special counseling and tutoring services for students at risk of dropping out. Retention rates at the comprehensive institutions declined slightly during this reporting period. Institutions have set more aggressive retention goals based on the nature of their incoming students. The Council staff will work with institutions to more directly assess and increase the effectiveness of Action Agenda programs targeting retention.
- Faculty Development program funds, with matching institutional funds, helped support university teaching and learning centers. These centers help improve student retention through better teaching and advising. They offer programs to enrich teaching by using information technologies and diverse teaching strategies that better address the needs of non-traditional, minority, and underprepared students. Funds support orientation for new faculty, support for adjunct faculty, and resources and teaching-enhancing activities for all faculty. More than 5,300 faculty participated in such activities in FY 2002-03.
- With matching institutional funds, the Faculty Development program also supports a statewide online journal devoted to enhancing teaching, increasing multi-disciplinary team teaching, and promoting collaboration among faculty with shared interests across public and independent institutions. The journal can be found at <http://www.uky.edu/TLC/MAINPOSTER/JournalofExcellence.htm>.
- The Faculty Development funds also support the annual statewide faculty development conference attended by more than 360 faculty in 2003, an increase of approximately 100 participants over the last two years.

**Questions 4 and 5: Are we preparing Kentuckians for life and work?
Are Kentucky's communities and economy benefiting?**

- Since its inception in 1998, the Endowment Match Program has been an unqualified success in helping Kentucky's public universities increase their endowments and attract quality researchers dedicated to advancing knowledge, developing products, building businesses, and improving the health and well-being of Kentuckians. As of June 30, 2003, the Commonwealth's eight public universities have added a total of \$417.3 million to their endowments through the program, \$183.8 million in cash gifts, and \$233.5 million in state funds. This money has created 115 new endowed chairs and 184 new endowed professorships, as well as multiple fellowship, scholarship, and mission support programs.

- The Research Challenge Trust Fund programs at the University of Kentucky and the University of Louisville also have shown remarkable success. The RCTF programs received \$6 million in FY 2002-03 (matched by institutions). The RCTF programs have earned an additional \$112,837,700 in total sponsored research funding in 2002-03. Many of these non-state funds support new economy and advanced medical research. Others focus on research in areas like early childhood development, aging, and public health.
- According to the National Institutes of Health's most recent rankings, the University of Kentucky College of Medicine now has nationally ranked programs in anatomy (16), biochemistry (24), and microbiology (20).
- According to the Small Business Institute Directors' Association, the University of Louisville Institute for Entrepreneurial Research has the finest small business development program in the United States.
- Research Challenge Trust Funds have provided financial assistance to 288 graduate students, helped 1,299 graduate students participate in professional conferences, and enabled 580 graduate students to publish research in refereed journals.
- The Programs of Distinction at the comprehensive institutions receive an allocation of \$6 million from the Regional University Excellence Trust Fund (matched by the institutions). For this investment, the programs have generated \$49.9 million in external funding to support research, service, and teaching and to foster economic and community development.
- While each Program of Distinction is unique, all connect with local P-12 institutions, collaborate with other campus departments and universities, and create partnerships with communities. Statewide, more than 4,537 students participate in approximately 403 research projects and 552 gained "hands on" experience through internships. More than 585 students attended conferences relating to their area of study. Institutions provided \$1,076,580 in scholarship funds for POD students.
- Trust fund programs supported development of the Council's statewide public health strategy. Common courses are being put online to allow students and public health professionals to complete a master's in public health through a cooperative program being developed by Eastern Kentucky University, University of Kentucky, University of Louisville, and Western Kentucky University to better meet Kentucky's public health needs.
- Various trust fund programs support efforts to link business incubator labs and faculty expertise to create new businesses and meet workforce needs. Examples include the RCTF program in biological chemistry at the University of Kentucky that incubated two biotech companies and the Institute for Entrepreneurial Research at the University of Louisville that assisted small local businesses. Programs of Distinction also are involved. For example, Northern Kentucky University's CINSAM program is working with iNET (NKU's Institute for New Economy Technologies) to carry out a feasibility study for companies that could

make use of NKU's scanning electron microscopy facility to promote economic growth in technology-based industries.

- The Workforce Development Trust Fund supports the Kentucky Community and Technical College System's Kentucky Workforce Investment Network System (KY WINS). KY WINS provides existing and new business and industry with education, training, and support services designed to develop better jobs and a workforce with the knowledge and skills to fill them. In FY 2002-03, KY WINS served 8,447 individuals in 46 companies located in 21 counties. In the 2000-02 biennium, KY WINS served 12,736 individuals and 83 companies in 32 counties.
- The KCTCS has committed \$5,748,552 to workforce programs through KY WINS and also has provided KY WINS support for the Ford Career Pathways grant to fund the business/industry training services portion of the project.

Next Steps

The Council staff's review of institutional reports shows programs funded through the trust funds are, on the whole, effectively advancing the goals of reform. Transferring the funds into institutional base budgets in FY 2002 provided the recurring funds necessary to create ongoing programs with long-term benefits. Given that funds are now in the base budgets, continued annual and biennial Council review of the programs is especially important to ensure funds are effectively used to support program goals over the long term.

Last year, the Council staff reported a concern about the accumulation of carry forward funds in the trust fund accounts. At that time Council staff requested institutional reports clarifying the nature of the carry forward, its causes, and plans for the use of the funds. Reports indicated the stated carry forward amounts were from various sources of revenue, including external matching funds, external research grants with multi-year schedules, and other non-state sources. FY 2002-03 reports indicate that eight of the nine institutions have lowered their carry forward funds. Only Western Kentucky University shows an increase in total carry forward for FY 2002-03. However, for WKU as well as for all institutions, the total expenditures for trust funds in FY 2002-03 (\$50,174,900) significantly exceeded the state trust fund allocation (\$28,753,600). Carry forward funds consist of non-state funds in the programs generated by grants, gifts, and institutional match. The Council staff continues to work with the institutions to identify their plans to use these funds in FY 2003-04. Furthermore, the Council staff and institutional representatives will review procedures to ensure that programs can maintain necessary carry forward funds and all state allocations are spent in a timely manner.

This year, the Council staff identified four issues to pursue with the institutions to ensure continued success of the trust fund programs.

1. **Council policy should ensure that trust funds do not assume a disproportionate share of institutional budget reductions.**

As the state continues to face fiscal challenges, universities may be tempted to meet current and future budget cuts with the trust funds. Although institutions need flexibility to meet difficult budgeting issues, the trust funds are the resources of reform, not income to meet short-term needs.

To address this issue, the Council staff will work with institutional representatives to develop a proposal ensuring that the trust funds do not assume a disproportionate share of institutional budget reductions. The proposal will be presented to the Council for its approval at the May 2004 meeting.

2. Reporting formats must continue to focus on outcomes and include impact measures.

The Council staff will continue to work with institutional representatives to improve reporting procedures and to develop “impact measures” that can better quantify and assess the effects of trust fund activities on the various state constituents. For example, staff has begun discussion of various econometric models that might be used to determine the impact of the Endowment Match Program on important economic indicators. Continued attention will be given to outcomes such as the number of constituents served, the amount of non-state funds leveraged, and evidence of attaining national rankings consistent with House Bill 1 goals. Reports also need to be more consistent across the institutions to improve statewide assessment.

3. Institutions need to update their trust fund plans, especially for Action Agenda and Faculty Development activities.

Original plans for Action Agenda and Faculty Development funds were developed in the 2001 calendar year. The Council staff will work with institutions to provide updated plans to address new needs and reallocate funds from completed or less effective programs.

4. Increasing participation by underrepresented groups of students and faculty continues to be a challenge.

Many of the programs devote resources to increasing participation by underrepresented groups of students and faculty in important areas of postsecondary teaching and research. To date, the results of these efforts have been modest, though the progress looks promising. For example, Endowment Match Program figures show gains in the number of women and minorities hired in endowed faculty positions. Between FY 2000-01 and FY 2002-03, the proportion of women holding endowed chairs increased from 11.8 to 16.7 percent (or an increase in number from 4 to 10 female chair holders). Over the same time period, the number of minority faculty holding endowed chair positions increased from 8.8 to 18.3 percent (or an increase in number from 3 to 11 minority chair holders). Future reviews will place special emphasis on the outcomes of diversity programs.

Staff preparation by Bennett G. Boggs, Jonathan Pruitt, and William Payne

**Research Challenge Trust Fund
and Regional University Excellence Trust Fund
Endowment Match Program
2003 Annual Reports**

Purpose

The Endowment Match Program encourages private investment in public higher education research activities to stimulate business development, generate increases in externally sponsored research, create better jobs and a higher standard of living, and facilitate Kentucky's transition to a knowledge-based economy. The program matches public money with private gifts to fund endowed chairs and professorships, fellowships, scholarships, and mission support at the public universities.

Trust Fund Allocation

State funds for the program are appropriated to the Research Challenge Trust Fund for the research institutions and to the Regional University Excellence Trust Fund for the comprehensive institutions. The program received General Fund appropriations of \$110 million in 1998-99 and \$120 million in 2000-01. The 2003 Budget Bill (HB 269) authorized \$11,846,000 in debt service for a bond issue that provided another \$120 million for the program in 2003-04.

Reporting Process

Program guidelines stipulate that participating institutions will provide detailed annual reports by October 15 each year describing how private and matching state funds are used. These reports contain program narratives that identify faculty in endowed chair and professorship positions, support services, entrepreneurial partnerships, internal and external collaboration, intellectual property, and student outcomes associated with each endowment. The reports also contain financial information, including gift and pledge amounts, pledge payment schedules, budgeted and expended investment income, sponsored program funding levels, and the creation of intellectual property. In February 2002, reporting procedures were revised to include summary reports. The summary reports contain general information on all match program endowments, including endowment activities, demographic information, gifts and pledges matched, and statements of changes in endowment value.

In October 2003, the universities submitted match program reports for the fiscal year ended June 30, 2003. Per Council guidelines, institutional governing boards reviewed and approved the reports prior to their submission to the Council. The summary reports can be found on the Council's Web site (www.cpe.state.ky.us). The detailed endowment reports are maintained at the Council offices and are available upon request.

Program Accomplishments

Since its inception in 1998, the Bucks for Brains program has been an unqualified success in helping Kentucky's public universities increase their endowments and attract quality researchers dedicated to advancing knowledge, developing products, building businesses, and improving the health and well-being of Kentuckians. As of June 30, 2003, the Commonwealth's eight public universities had added a total of \$417.3 million to their endowments through the program, \$183.8 million in cash gifts and \$233.5 million in state funds. The universities also secured an additional \$53.4 million in pledges. This money was used to create 115 new endowed chairs and 184 new endowed professorships, as well as multiple fellowship, scholarship, and mission support programs.

Diversity

During the 2002 legislative session, the Council staff was asked to provide information about the ethnicity of faculty occupying endowed chair and professorship positions established through the Endowment Match Program. As a result of that request, a demographic component was added to program reporting procedures prior to submission of the 2000-01 annual reports. Last March, the 2003 Budget Bill (HB 269) called for universities to annually report the race and gender of all fellowship and scholarship recipients funded by the Endowment Match Program (in addition to reporting the race and gender of all match program faculty and full-time professional staff). In response to that mandate, fellowship and scholarship recipient data were added to program reporting requirements this past September.

The 2002-03 reports show a gain in the number of women hired in endowed chair positions. As can be seen in Table 1, about 17 percent of endowed chairs are female, up from 12 percent in 2002. The proportion of women occupying endowed professorship positions remained relatively unchanged, at around 21 percent. The results are mixed with respect to minority hires. The reports show an increase in the number of non-white faculty hired in endowed chair positions. As can be seen in Table 2, about 18 percent of endowed chairs are minorities, up for the second straight year from 12 percent in 2002 and 8 percent in 2001. The proportion of non-white faculty occupying endowed professorship positions decreased from 14 percent in 2002 to 10 percent in 2003.

Gender and race of match program financial aid recipients were reported for the first time in 2002-03. The reports show that most of the students receiving scholarships through the program were female, while the majority of those receiving fellowships were male. As can be seen in Table 3, about 67 percent of scholarship recipients and 44 percent of fellowship recipients were female. During the same period, minority students tended to receive a larger proportion of fellowships than they did scholarships. Nearly one-third (32 percent) of fellowship recipients and 3 percent of scholarship recipients were minority students (see Table 4).

Institutional Summaries

University of Kentucky

- UK received \$7,245,720 in state funds during FY 2002-03 that was matched against \$5,560,634 in cash gifts and \$1,685,086 in pledges.
- Funds were used to establish two chairs (in neuroscience and pharmaceutical sciences), nine professorships (in fields such as electrical and computer engineering, oral communications and forensics, oncology, infectious disease research, civil engineering, and pharmaceutical sciences), four graduate fellowship programs, and six mission support projects. Mission support funds are used to enhance library resources, to fund lecture series and visiting professorships, and to support graduate student and faculty research projects.
- Since program inception, UK has added a total of \$239,254,977 to its endowment, \$135,472,929 in state funds and \$103,782,048 in cash gifts. As of June 30, 2003, the university had \$31,690,881 in outstanding pledges.

University of Louisville

- UofL received \$10,499,970 in state funds during FY 2002-03 that was matched against \$5,100,465 in cash gifts and \$5,399,505 in pledges.
- Funds were used to establish six chairs (in fields such as bioengineering and biomedical research), two professorships (in biomedical research), three graduate fellowship programs, and one mission support project.
- Since program inception, UofL has added a total of \$124,773,954 to its endowment, \$67,585,188 in state funds and \$57,188,766 in cash gifts. As of June 30, 2003, the university had \$12,689,296 in outstanding pledges.

Eastern Kentucky University

- EKU received \$2,455,887 in state funds during FY 2002-03 that was matched against \$709,251 in cash gifts and \$1,746,636 in pledges.
- Funds were used to establish 35 scholarship funds (in fields such as nursing, insurance and risk management, loss prevention and safety, correctional administration, business, accounting, real estate, physics, botany, political science, military science, elementary teacher education, English composition, art, music, and visual and performing arts) and seven mission support projects (including support for the Center for Appalachian Studies, a visiting professorship in accounting, and a teacher excellence award).
- Since program inception, EKU has added a total of \$12,758,356 to its endowment, \$7,385,805 in state funds and \$5,372,551 in cash gifts. As of June 30, 2003, the university had \$2,184,336 in outstanding pledges.

Kentucky State University

- KSU received \$1,347,998 in state funds during FY 2002-03 that was matched against \$640,720 in cash gifts and \$707,278 in pledges.
- Funds were used to expand professorships in education and business, a student scholarship fund, and an endowed library fund.
- Since program inception, KSU has added a total of \$3,162,899 to its endowment, \$2,277,000 in state funds and \$885,899 in cash gifts. As of June 30, 2003, the university had \$1,292,361 in outstanding pledges.

Morehead State University

- MoSU received \$1,309,132 in state funds during FY 2002-03 that was matched against \$732,324 in cash gifts and \$576,808 in pledges.
- Funds were used to establish 12 scholarship funds (in fields such as science and technology, business management and administrative services, education, music, visual and performing arts, biological sciences, and physical science), and eight mission support projects (including support for visiting scholars, applied research, and equipment and supplies in multiple disciplines).
- Since program inception, MoSU has added a total of \$8,241,684 to its endowment, \$4,528,998 in state funds and \$3,712,686 in cash gifts. As of June 30, 2003, the university had \$1,066,227 in outstanding pledges.

Murray State University

- MuSU fully matched its 2000-02 allocation before the fiscal year began; therefore, it received no state funds during FY 2002-03.
- Since program inception, MuSU has added a total of \$8,833,929 to its endowment, \$5,231,787 in state funds and \$3,602,142 in cash gifts. As of June 30, 2003, the university had \$1,629,645 in outstanding pledges.

Northern Kentucky University

- NKU received \$151,773 in state funds during FY 2002-03 that was matched against \$151,773 in cash gifts. This amount represents the remaining balance of the university's 2000-02 funds (\$73,000), plus interest earnings (\$78,773 through June 30, 2000) on its 1998-2000 appropriation.
- Funds were used to expand one existing scholarship fund in business administration.

- Since program inception, NKU has added a total of \$8,206,154 to its endowment, \$3,974,773 in state funds and \$4,231,381 in cash gifts. As of June 30, 2003, the university had \$701,516 in outstanding pledges.

Western Kentucky University

- WKU fully matched its 2000-02 allocation before the fiscal year began; therefore, it received no state funds during FY 2002-03.
- Since program inception, WKU has added a total of \$12,043,636 to its endowment, \$7,013,209 in state funds and \$5,030,427 in cash gifts. As of June 30, 2003, the university had \$2,097,482 in outstanding pledges.

Staff preparation by William Payne

Table 1

Commonwealth of Kentucky
 Endowment Match Program
 Gender of Program Faculty and Staff
 As of June 30, 2003

Institution	Chairs				Professors				Staff				Total			
	Male	Female	Total	Percent Male	Male	Female	Total	Percent Male	Male	Female	Total	Percent Male	Male	Female	Total	Percent Male
Research Universities																
University of Kentucky	26	6	32	81.3	77	17	94	81.9	132	117	249	53.0	235	140	375	62.7
University of Louisville	22	3	25	88.0	1	1	2	50.0	58	69	127	45.7	81	73	154	52.6
Sub-Total	48	9	57	84.2	78	18	96	81.3	190	186	376	50.5	316	213	529	59.7
Comprehensive Universities																
Eastern Kentucky University	1	1	2	50.0	0	1	1	0.0	0	0	0	--	1	2	3	33.3
Kentucky State University	0	0	0	--	0	0	0	--	0	0	0	--	0	0	0	--
Morehead State University	0	0	0	--	3	1	4	75.0	0	0	0	--	3	1	4	75.0
Murray State University	0	0	0	--	0	0	0	--	0	0	0	--	0	0	0	--
Northern Kentucky University	0	0	0	--	1	1	2	50.0	0	0	0	--	1	1	2	50.0
Western Kentucky University	1	0	1	100.0	9	3	12	75.0	0	0	0	--	10	3	13	76.9
Sub-Total	2	1	3	66.7	13	6	19	68.4	0	0	0	--	15	7	22	68.2
Grand Total	50	10	60	83.3	91	24	115	79.1	190	186	376	50.5	331	220	551	60.1
				% Female 16.7				% Female 20.9				% Female 49.5				% Female 39.9

Source: Endowment Match Program 2002-03 Annual Summary Reports.

% Female 2002	12.2	% Female 2002	21.1	% Female 2002	66.1	% Female 2002	53.0
% Female 2003	16.7	% Female 2003	20.9	% Female 2003	49.5	% Female 2003	39.9
Difference	4.4	Difference	-0.2	Difference	-16.7	Difference	-13.1

Table 2

Commonwealth of Kentucky
 Endowment Match Program
 Race of Program Faculty and Staff
 As of June 30, 2003

Institution	Chairs				Professors				Staff				Total			
	White	Non-White	Total	Percent White	White	Non-White	Total	Percent White	White	Non-White	Total	Percent White	White	Non-White	Total	Percent White
Research Universities																
University of Kentucky	25	7	32	78.1	84	10	94	89.4	187	62	249	75.1	296	79	375	78.9
University of Louisville	21	4	25	84.0	2	0	2	100.0	72	55	127	56.7	95	59	154	61.7
Sub-Total	46	11	57	80.7	86	10	96	89.6	259	117	376	68.9	391	138	529	73.9
Comprehensive Universities																
Eastern Kentucky University	2	0	2	100.0	1	0	1	100.0	0	0	0	--	3	0	3	100.0
Kentucky State University	0	0	0	--	0	0	0	--	0	0	0	--	0	0	0	--
Morehead State University	0	0	0	--	4	0	4	100.0	0	0	0	--	4	0	4	100.0
Murray State University	0	0	0	--	0	0	0	--	0	0	0	--	0	0	0	--
Northern Kentucky University	0	0	0	--	2	0	2	100.0	0	0	0	--	2	0	2	100.0
Western Kentucky University	1	0	1	100.0	10	2	12	83.3	0	0	0	--	11	2	13	84.6
Sub-Total	3	0	3	100.0	17	2	19	89.5	0	0	0	--	20	2	22	90.9
Grand Total	49	11	60	81.7	103	12	115	89.6	259	117	376	68.9	411	140	551	74.6
	% Non-White			18.3	% Non-White			10.4	% Non-White			31.1	% Non-White			25.4
Source: Endowment Match Program 2002-03 Annual Summary Reports.																
	% Non-White 2002			12.2	% Non-White 2002			14.4	% Non-White 2002			21.2	% Non-White 2002			19.2
	% Non-White 2003			18.3	% Non-White 2003			10.4	% Non-White 2003			31.1	% Non-White 2003			25.4
	Difference			6.1	Difference			-4.0	Difference			9.9	Difference			6.2

Table 3

Commonwealth of Kentucky
 Endowment Match Program
 Gender of Program Financial Aid Recipients
 As of June 30, 2003

Institution	Fellowships				Scholarships				Total				
	Male	Female	Total	Percent Male	Male	Female	Total	Percent Male	Male	Female	Total	Percent Male	
Research Universities													
University of Kentucky	91	64	155	58.7	0	0	0	--	91	64	155	58.7	
University of Louisville	25	27	52	48.1	0	0	0	--	25	27	52	48.1	
Sub-Total	116	91	207	56.0	0	0	0	--	116	91	207	56.0	
Comprehensive Universities													
Eastern Kentucky University	0	0	0	--	15	20	35	42.9	15	20	35	42.9	
Kentucky State University	0	0	0	--	0	0	0	--	0	0	0	--	
Morehead State University	1	0	1	100.0	3	12	15	20.0	4	12	16	25.0	
Murray State University	0	0	0	--	106	241	347	30.5	106	241	347	30.5	
Northern Kentucky University	0	0	0	--	24	28	52	46.2	24	28	52	46.2	
Western Kentucky University	0	0	0	--	0	1	1	0.0	0	1	1	0.0	
Sub-Total	1	0	1	100.0	148	302	450	32.9	149	302	451	33.0	
Grand Total	117	91	208	56.3	148	302	450	32.9	265	393	658	40.3	
				% Female	43.8			% Female	67.1			% Female	59.7

Source: Endowment Match Program 2002-03 Annual Summary Reports.

Table 4

Commonwealth of Kentucky
 Endowment Match Program
 Race of Program Financial Aid Recipients
 As of June 30, 2003

Institution	Fellowships				Scholarships				Total						
	White	Non-White	Total	Percent White	White	Non-White	Total	Percent White	White	Non-White	Total	Percent White			
Research Universities															
University of Kentucky	114	41	155	73.5	0	0	0	--	114	41	155	73.5			
University of Louisville	27	25	52	51.9	0	0	0	--	27	25	52	51.9			
Sub-Total	141	66	207	68.1	0	0	0	--	141	66	207	68.1			
Comprehensive Universities															
Eastern Kentucky University	0	0	0	--	32	3	35	91.4	32	3	35	91.4			
Kentucky State University	0	0	0	--	0	0	0	--	0	0	0	--			
Morehead State University	1	0	1	100.0	15	0	15	100.0	16	0	16	100.0			
Murray State University	0	0	0	--	340	7	347	98.0	340	7	347	98.0			
* Northern Kentucky University	0	0	0	--	45	1	46	97.8	45	1	46	97.8			
Western Kentucky University	0	0	0	--	1	0	1	100.0	1	0	1	100.0			
Sub-Total	1	0	1	100.0	433	11	444	97.5	434	11	445	97.5			
Grand Total	142	66	208	68.3	433	11	444	97.5	575	77	652	88.2			
				% Non-White	31.7				% Non-White	2.5				% Non-White	11.8

Source: Endowment Match Program 2002-03 Annual Summary Reports.

* Race not reported for six non-resident aliens at Northern Kentucky University.

Research Challenge Trust Fund 2003 Annual Reports

Purpose

The *Kentucky Postsecondary Education Improvement Act of 1997* (known as HB 1) created the Research Challenge Trust Fund to support nationally recognized research programs at Kentucky's two research universities, the University of Kentucky and the University of Louisville.

Guidelines for the Research Challenge Trust Fund require the Council to assess the academic and financial performance of the programs supported by these trust funds at least once every two years. The Council received the initial report at its January 2000 meeting, Council staff reviewed the programs again in spring 2001, and the institutions submitted annual reports in October 2002 and October 2003.

Trust Fund Allocation

The program received \$6 million in FY 1997-98 and \$6 million in each year of the 1998-2000 biennium. These funds were distributed to the University of Kentucky and University of Louisville on a two-thirds/one-third basis, with \$4 million going to UK and \$2 million to UofL. Funds were matched by the institutions dollar-for-dollar with external funds or through internal reallocation. UK reduced two programs by .19 percent to address state budget reductions. This resulted in an allocation of \$3,992,400 in FY 2002-03. UofL reports a carry forward of \$1,423,100, and UK shows a carry forward of \$1,019,800 from FY 2002-03.

The RCTF programs are:

- UK: gerontology and aging; advanced medical research; clinical pharmaceutical sciences research and graduate training; molecular mechanisms of toxicity; computer science and electrical engineering; materials synthesis; plant sciences; research, graduate education, and technology transfer; interdisciplinary biological chemistry; management and economics; substance abuse and prevention; expanding frontiers of client server library system; geography; and graduate student support.
- UofL: early childhood education; entrepreneurship; logistics and distribution; and molecular medicine and biotechnology/health related research.

With RCTF assistance, the institutions have been able to compete for and hire nationally recognized faculty; conduct collaborative and multidisciplinary research; offer training, conferences, workshops, and seminars in specialized topics; create an entrepreneurial climate in which research commercialization is possible; offer more graduate fellowships, assistantships, and internships; and provide additional support to attract and retain high-quality graduate students.

Sponsored research awards for RCTF programs at UK and UofL totaled \$112,837,700 in FY 2002-03. The University of Kentucky received \$76,694,000 and the University of Louisville obtained \$36,143,700.

Institution Summary: University of Kentucky

Multidisciplinary Excellence in Gerontology and Aging

- Program faculty hold primary academic appointments in a wide range of departments, including anatomy and neurobiology, behavioral science, family studies, geography, health services, internal medicine, microbiology and immunology, neurology, pathology, physiology, preventive medicine and environmental health, psychiatry, and public health. Faculty conduct collaborative research and are engaged in outreach within and outside Kentucky.
- The program completed the co-sponsored research with the Kentucky Long-Term Policy Research Center and the UK Survey Research Center to assess the finances, healthcare, and knowledge of people preparing to retire. Results will help develop policies and programs that improve retirees' quality of life.
- Program faculty are engaged in collaborative research and service projects with local, regional, state, and national public and private agencies, including the Lexington Fayette Urban County Department of Aging Services, the Breckinridge Dementia Assisted Living Facility, Leadership Kentucky, and the Alzheimer's Association. The program supported the Kentucky Aging Research and Information Service, an applied research program designed to engage research contributions of the Center on Aging with public needs.
- Graduate students are trained to become gerontologists, with backgrounds in such specialized topics as neurodegenerative disease and rural aging.
- RCTF funds student stipends, attendance at national and regional conferences, and minority student recruiting. Support is targeted for female and African American students.
- Sponsored research awards totaled \$7.4 million in FY 2002-03.

College of Medicine

- Virtually all full-time faculty are involved in collaborative research with other departments, institutions, and organizations. Representative collaborations include the University of Chicago Medical School, Harvard University, University of Cardiff in Wales, Ohio State University, and Wake Forest University.
- For FY 2001-02 (the latest year available), The National Institutes of Health's national rankings included the College of Medicine's RCTF programs, anatomy (16), biochemistry (24), and microbiology (20) for FY 2001-02.

- Faculty were involved in a Food and Drug Administration Phase II/III trial assessing the use of GDNF (glial cell-line derived neurotrophic factor) for the treatment of Parkinson's Disease.
- Sponsored research awards totaled \$24.3 million in FY 2002-03.

Clinical Pharmaceutical Sciences Research and Graduate Training

- This program prepares health care professionals to evaluate drug therapies and trains clinical scientists in pharmacy, medicine, dentistry, nursing, and allied health.
- Faculty performed research with other university researchers in the Colleges of Medicine, Engineering, Arts and Sciences, and Agriculture on grants totaling \$17.9 million.
- Graduate students are involved in multidisciplinary programs in the university and with industry sponsors. They write grant proposals, perform research, and present/defend clinical findings.
- The RCTF provides graduate students stipends, benefits, tuition, travel to attend and present research at national meetings, and registration for board certification examinations.
- Sponsored research awards totaled \$13.9 million in FY 2002-03.

Molecular Mechanisms of Toxicity

- Toxicology research is focused on chemical carcinogenesis and neurotoxicology. The program is multidisciplinary with faculty from biology, immunology, biochemistry, pharmacy, nutrition, medicine, and pharmacology.
- The National Institute of Environmental Health and Safety renewed a \$1.4 million training grant and a Superfund Basic Research five-year grant to the toxicology program.
- Five students were awarded the degree of Ph.D. in FY 2001-02. All five had research accepted into peer-reviewed journals prior to graduation.
- Graduate students are participating in research under mentors who have obtained patents or have patents pending. Early graduates of the program have started their own businesses in Kentucky.
- Sponsored research awards totaled \$4.2 million in FY 2002-03.

Excellence in Computer Science and Electrical Engineering

- This program concentrates on distributed computing and networking systems. Faculty are developing a computer engineering degree within the Electrical and Computer Engineering Department.
- Collaborative research was conducted with Lexmark International; Cypress Semiconductors; Level, Inc.; and the Kentucky Science and Engineering Foundation.
- Multidisciplinary programs include the Center for Micromagnetic and Electronic Devices, Center for Robotics and Manufacturing Systems, Nanoelectronics, Computer Engineering, Controls Laboratory, Biomedical Engineering, and Optical Imaging for Surgical Operations.
- The program promotes interest in computing and engineering education and careers through a departmental Web site, information sent to all Kentucky high schools and other programs, an annual “Engineering Day,” high school seminars, and work with the alumni association.
- Sponsored research awards totaled \$4.8 million in FY 2002-03.

Graduate Programs in Chemical Materials Engineering and Physics and Astronomy

- This is an interdisciplinary program that conducts research in new materials. Faculty work with other researchers on campus in mathematics, chemistry, physics, pharmacy, agriculture, and engineering. They also collaborate with researchers at Columbia University, Oak Ridge National Laboratory, Tokyo Institute of Technology, Florida State University, University of Illinois, and Lawrence Berkeley National Laboratory in characterizing novel superconductors and magnetic materials, bioengineering, and preparing new monophase materials.
- Faculty are performing collaborative research with such institutions as the University of Leeds, the University of Illinois, Oak Ridge National Laboratory, Columbia University, Tokyo Institute of Technology, the Xerox Corporation, Oxford University, the U.S. Department of Defense, and the National Science Foundation.
- The faculty has a grant/loan from the Kentucky Science and Technology Corporation to develop superconducting levitation mixers for biopharmaceutical applications and a subcontract from LevTech, Inc., to develop a novel bioreactor design using superconducting levitation.
- Sponsored research awards totaled \$4.8 million in FY 2002-03.

Plant Sciences

- This program integrates crop science, plant pathology, plant physiology, molecular biology, plant science, soil science, horticulture and landscape architecture, and forestry.
- There were 70 active grants or contracts in FY 2002-03.

- Sponsored research awards totaled \$8.1 million in FY 2002-03.

Biological Chemistry

- The interdisciplinary focus in biological chemistry is building expertise in bio-organic, bio-inorganic, and biotechnology applications.
- Graduate assistants and faculty are involved in collaborative projects between the Department of Chemistry, College of Engineering, Medical Center, Center on Aging, Super Fund Project, and College of Agriculture. Collaborative research has been conducted on such topics as catfish, selenium bacterial luminescence, acid mine drainage, cancer metastasis, and food quality.
- RCTF fellowships enhanced the program's ability to recruit graduate students. With RCTF funded fellowships and assistantships, more graduate students are obtaining a Ph.D. instead of leaving UK with a master's degree. Nine additional graduate students received fellowships in FY 2002-03, and a total of 44 Ph.D. degrees were awarded.
- There were 49 active grants and contracts in FY 2002-03.
- Sponsored research awards totaled \$3.9 million in FY 2002-03.

Economics and Business Administration

- This program is strengthening faculty expertise in macroeconomics and finance and enhancing the MBA and Ph.D. programs in business administration and the master's and Ph.D. programs in economics. The program is multidisciplinary and offers a BS in Engineering/MBA; JD/MBA; and PharmD/MBA.
- Faculty published 63 articles in top 20 refereed journals in their field for business administration and conducted 89 executive and management programs to over 3,000 participants through the International Business and Management Center.
- Graduate students attend and present research papers at national conferences, funded by the RCTF.
- Thirty faculty members were involved in collaborative research and community outreach in FY 2002-03.
- Sponsored research awards totaled \$3 million in FY 2002-03.

Substance Abuse and Prevention

- The Psychology Department is developing and applying prevention strategies for substance abuse. Faculty are involved in collaborative projects on substance abuse and prevention with

other postsecondary institutions and historically black colleges and universities. They serve on editorial boards of scientific journals.

- Almost half of the 23 faculty members are involved in collaborative projects focusing on substance abuse and prevention in the Commonwealth.
- Nineteen students received funding to attend national and regional professional meetings. Nine undergraduates also presented at the research forum in Frankfort.
- Sponsored research awards totaled \$2.1 million in FY 2002-03.

Geography

- The RCTF funded graduate programs in social theory and human geography, regional development, and environmental change. Research was conducted on citizen reaction to time zone boundary change in Kentucky; the relationship between cultural norms and geographical distance; Japan in the Bluegrass; environmental security and regional development; and global and local factors in earth surface systems.
- Students participated in national and international conference competitions. They also published more than 50 scholarly articles.
- Faculty published more than 50 scholarly articles and undertook 46 collaborative research projects. Major partners included the Kentucky Water Resources Research Institute, the Blue Grass Trust Community Planning Committee, Dry Stone Conservancy, the Woodford County Comprehensive Plan Update Task Force, and the Legislative Research Commission's Task Force on Community Services for Older People.
- Sponsored research awards totaled \$194,000 in FY 2002-03.

Graduate Student Support

- RCTF funds were set aside to increase UK's ability to recruit outstanding graduate students. Funds are used to provide new graduate and fellowship support for programs in the university's RCTF programs. In FY 2002-03, 288 graduate students benefited from this initiative, 33 of which received scholarships and 255 received assistantships.
- The Graduate School maintains a Web site that includes all fellowship, assistantship, and tuition scholarship opportunities. It employs an associate dean for recruiting and a graduate assistant to assist in recruiting. In FY 2002-03, 288 students received aid.
- The Graduate School provides Student Support Awards and Commonwealth Research Awards to all graduate students to travel to professional conferences or to conduct research. These awards enabled 1,299 students to participate in conferences and 580 graduate student publications to appear in refereed journals.

- A total of \$2,134,380 was awarded to 317 Ph.D. students through the Kentucky Opportunity Fellowships program. This program focuses on students pursuing their doctorates in RCTF programs.

Institution Summary: University of Louisville

Interdisciplinary Center for Research on Early Childhood Issues and Initiatives

- The School of Education at the University of Louisville established the Interdisciplinary Center for Research on Early Childhood Issues and Initiatives in 1999 to conduct and disseminate faculty research about the development and education of young children in areas such as early and middle childhood education, psychiatry, psychology, pediatrics, family therapy, teacher preparation, social work, speech pathology, music, and public policy. The center supports 25 collaborative activities involving the College of Education and Human Development; the College of Arts and Sciences; the School of Medicine; and local, regional, and state agencies.
- The Language and Reading Development Research Program was one of 16 research centers across the nation recognized by the National Institute of Child Health and Human Development's Reading Research Program.
- RCTF currently supports research on development of reading and mathematical skills in early childhood.
- Center faculty serve on the Greater Louisville, Inc., Education Task Force; Metro United Way's Success By Six; and Nurturing Our Kids Action Team. These programs focus on enhancing community development and strengthening families in the greater Louisville region.
- Graduate students working in the center are involved in the Belize Service Learning Project in Special Education; Louisville Deaf Oral School; Visually Impaired Preschool Services; Carriage House, Inc.; Easter Seals Society; and Hippotherapy, Inc.
- The center is working with the Nuronex company to develop a cost-efficient and effective device to be used in universal screening of newborns for speech sound discrimination.
- The economic impact of the center is leading to an improved standard of living. High paying technical jobs have been created to support research, and investigators have generated over \$11 million in research funding.
- Sponsored research awards totaled \$795,706 in FY 2002-03 alone.

Institute for Entrepreneurial Research

- The Institute for Entrepreneurial Research is a collaborative research effort among 20 College of Business and Public Administration faculty.
- In 2002, the Small Business Institute Directors' Association selected the small business segment of the institute as the top university program in the United States.
- A Ph.D. program in entrepreneurship will be submitted to the Council for approval. If approved, the program, one of four in the United States and only seven in the world, will admit its first students in fall 2004.
- An international option in the MBA program with entrepreneurial emphasis was established. To date, students are enrolled in the Singapore, Athens, and Panama programs.
- The institute partially supports law school faculty in its Law and Entrepreneurship program.
- Research in the institute has been conducted in collaboration with the Urban League of Louisville; the Louisville Central Development Center; Kentucky Development Bancorp; Business Plus; Small Business Development Center; and Greater Louisville, Inc., Small Business Center. Teams work with small companies that need assistance in operations, marketing, and product costing.
- Students participated in the institute's UBS/Paine Webber-bCatalyst New Venture Competition (with over \$40,000 in prize money), the Oregon New Venture Championship, and the Brandeis Securities Law Moot Court.
- The institute offered seminars designed to address the special issues of family-owned businesses and sponsored a program on minority entrepreneurship in Louisville.
- The institute provided 28 students with service-learning experiences, both applied and field oriented. Eight students started new ventures.
- Sponsored research awards totaled \$47,949 in FY 2002-03.

Logistics and Distribution Institute

- The institute has 37 faculty members from the College of Arts and Sciences, Speed Scientific School, and College of Business and Public Administration.
- The Board of Trustees approved the 18 semester-hour graduate certificate program in logistics and distribution in 2003. The first students enrolled in spring 2003. The institute will seek approval for an interdisciplinary master of science degree in logistics and distribution.
- Faculty conducted commercially applied research and developed a power-scheduling model on the Ohio River for American Commercial Barge Line, flat mail processing schemes for the United States Postal Service, and performance-based logistics for the Crane-Naval Surface Warfare Center.

- Current collaborations include a National Science Foundation sponsored Industry/University Cooperative Research Center. This is a four-university consortium consisting of UofL, the University of Arkansas, Oklahoma University, and Oklahoma State University.
- The Kentuckiana Dream Project, funded by the U.S. Department of Labor, provides free job training on basic logistics skills needed for employment in the logistics and distribution industry.
- Sponsored research awards totaled \$1.3 million in FY 2002-03.

Molecular Medicine and Biotechnology

- The Molecular Medicine and Biotechnology program contains eight focus areas in biomedical research: cancer biology, neuroscience, birth defects, vision research, genetics and molecular medicine, cardiovascular research, transplantation, and public health.
- 120 undergraduate and graduate students regularly participate in research activities, internships, and service learning. Aggressive efforts are made to recruit minority and female students into the discipline, and several labs offer flex time schedules so female students can perform research and care for their children.
- Molecular Medicine and Biotechnology conducts collaborative research within UofL, including faculty in health sciences, chemistry, sociology, psychological and brain sciences, Brandeis School of Law, and Speed Scientific School of Engineering. Joint research is also conducted with national and international institutions, including Iowa State University, Yale University, Tulane University, National Taiwan University, University of Lyon—France, and others.
- Faculty in the Birth Defect Center collaborate with faculty in the Departments of Pediatrics, Biochemistry and Molecular Biology, Pharmacology and Toxicology, Medicine, Anatomical Sciences and Neurobiology, Psychological and Brain Science, Early Childhood Education, and the School of Public Health. This center also was designated a Center for Biomedical Research Excellence by the National Institutes of Health, receiving an \$11.1 million grant. It will bring together researchers from diverse disciplines to develop methods to prevent, diagnose, and treat birth defects.
- Commercial applications generated by the Molecular Medicine and Biotechnology program include a new procedure for detecting viruses; a bone marrow product to treat patients with blood disorders and autoimmune diseases; partnering with the Bioengineering Division of the Speed School of Engineering to create a retinal prosthesis to use in treating eye diseases; methods for preventing UV induced skin cancer; and production of anti-cancer drugs.
- The federal Centers of Disease Control and Prevention and the Cabinet for Health and Human Services recognized several areas of national excellence at UofL, including

bioterrorism response and preparedness training, cancer nursing research and care training, and public health policy law research.

- Molecular Medicine and Biotechnology employs approximately 425 faculty, staff, and students, and brought in over \$34 million in sponsored research in FY 2002-03.

Staff preparation by Bennett G. Boggs and Jonathan Pruitt

Regional University Excellence Trust Fund Programs of Distinction 2003 Annual Reports

Purpose

The Programs of Distinction were funded in the 1998-2000 biennium through the Regional University Excellence Trust Fund. As outlined in the *Kentucky Postsecondary Education Improvement Act of 1997*, one of the objectives of the RUETF is to enable each comprehensive university to become nationally recognized in at least one academic program of distinction or one applied research program. Funds were transferred to each institution's base budget in FY 2000-01.

The RUETF PODs are:

- Eastern Kentucky University: Justice and Safety
- Kentucky State University: Aquaculture
- Morehead State University: Institute for Regional Analysis and Public Policy
- Murray State University: Telecommunications Systems Management
- Northern Kentucky University: Center for Integrative Natural Science and Mathematics
- Western Kentucky University: Applied Research and Technology and Media for the Twenty-First Century

Trust Fund Allocation

The PODs were funded at \$6 million in FY 1997-98 and in each year of the 1998-2000 biennium. These funds were to be matched dollar-for-dollar by the institutions with external funds or through internal reallocation. The 1999-2000 funds were transferred to each institution's base budget. The amounts allocated by state appropriation for fiscal year 2002-03 were:

Eastern Kentucky University	\$1,405,700
Kentucky State University	464,000
Morehead State University	897,800
Murray State University	1,070,500
Northern Kentucky University	739,000
Western Kentucky University	1,453,300
Total	<u>\$6,030,300</u>

Program Accomplishments

POD funds have created new teaching and research opportunities for faculty statewide and purchased equipment that meets industry standards. These efforts have helped recruit outstanding

faculty and students. Students are working directly with faculty on research projects. The PODs connect with local P-12 institutions, collaborate with other campus departments and universities, and create partnerships with communities.

Eastern Kentucky University

- EKU's POD includes the College of Justice and Safety. The college has 42 full-time faculty, including five faculty positions funded by the RUETF.
- The college is EKU's leader in obtaining federal, state, and private external funding for research, public service, and teaching projects. The college received 26 awards in FY 2002-03 totaling over \$29.5 million.
- The college hosted several conferences and workshops in FY 2002-03. An international conference focused on the academic field of police studies and included participants from a variety of U.S. universities and 16 different nations representing western and eastern Europe, South America, Africa, and Australia.
- The college is engaged with high schools through the efforts of its Center for School Safety. The center provides programs in alternative education, intervention services, school resource officers, and community-based programs.
- The college established a partnership with the Kentucky School Boards Association to create a Justice and Safety Youth Leadership Conference. This multi-day leadership program targets high school juniors across Kentucky to cultivate interest in postsecondary education and justice and safety careers. Online follow-up activities are being developed.
- The college engaged in extensive collaboration with 53 local, state, and federal agencies and institutions in 2002-03. Examples include the Kentucky State Police, Kentucky Department of Corrections, U.S. Army Armor Center, Ft. Knox, University of Louisville Center for the Deterrence of Bio-Warfare and Bio-Terrorism, U.S. Department of Homeland Security, Consumer Products Safety Commission, and Hospital Cooperation of America.
- The institution reported revenue in FY 2002-03 of \$3,124,100 for the POD. Expenditures of \$2,627,900 were reported. Unexpended funds in the amount of \$496,200 were transferred to an endowment dedicated for the POD. Therefore, no carry forward was reported for the program.

Kentucky State University

- KSU's POD is the Aquaculture Research Center, the only one of its kind in the Commonwealth. The center has six faculty teaching graduate level courses, supported by 35 research ponds and a hatchery building with a state of the art histology lab, wet lab, and analytical equipment.
- In FY 2002-03, seven grants were funded, for a total of \$438,004 in external funding.

- A new faculty position has been developed to focus on aquaculture genetics. As many universities offering aquaculture programs do not offer fish genetics, KSU recently created an Internet course for U.S. and international students. Twenty students from six states and three countries are currently enrolled.
- Kentucky's preeminence in aquaculture led to Louisville's successful bid to host the 2002-03 national aquaculture conference. KSU provided a Webcast of its 29 faculty and staff presentations.
- A national Telly Award was presented to the aquaculture program for an information videotape designed for prawn farmers. The videotape, along with a complementary print guide, has been distributed to farmers in 41 states and 18 foreign countries via the Web. The Telly is a national award honoring local and regional cable T.V. commercials and programs.
- With the support of research and extension work, catfish production acreage has increased over 200 percent statewide since 1999. There also are substantial increases in production acreage of freshwater shrimp, paddlefish, and largemouth bass.
- The program assists 67 Kentucky high schools in aquaculture activities and courses statewide.
- The program's first master's degree was conferred May 2002. This is the first new graduate degree offered by KSU in over 20 years and the first science-based graduate degree ever offered by the university.
- The program hired an electronic media coordinator and maintains a Web site (<http://www.ksuaquaculture.org>) to support industry and aqua-farming efforts statewide.
- KSU reported revenue of \$2,225,900 in FY 2002-03. Expenditures of \$1,265,800 were reported for the program, leaving a carry forward balance of \$960,100 for FY 2003-04.

Morehead State University

- MoSU's POD is the Institute for Regional Analysis and Public Policy. IRAPP is divided into two divisions (Academic Programs and Applied Research, Service, and Policy) to better integrate teaching, applied research, and public service activities to address economic development and social issues affecting eastern Kentucky, Appalachia, and rural America in general.
- IRAPP established a dual degree program (BA/MPA) with the University of Kentucky's Martin School of Public Policy, whose MPA program is ranked in the top 10 nationally. This dual program allows IRAPP students to simultaneously work on their BA and MPA through concurrent enrollment. In May 2003, two MoSU graduates were admitted to the UK program for the current academic year, and two students will apply for fall 2004 admission.

- The Center for Virtual Appalachia links users to Appalachian data, resources, history, and culture. In 2002-03, CVA attracted over 4.7 million hits—a 175 percent increase of the previous period.
- IRAPP received \$3 million in new grants in 2002-03. Six were federal proposals for \$2.8 million; two were state proposals for \$130,116; and five were local government, corporate, and foundation proposals for \$16,655. The average award amount for IRAPP during FY 2002-03 was \$229,497.
- IRAPP offers five bachelor's degrees (environmental science, geography, government, social work, and sociology), including a unifying core of six courses. Two master's programs (biology and sociology) emphasize regional analysis and public policy in addition to the core courses.
- IRAPP has seven full-time faculty and two administrators of faculty rank. Forty-two students are currently enrolled, with 24 registered as freshmen and sophomores.
- *The Atlas of Appalachia* is being developed for CD ROM, with support from Western Kentucky University, UK, East Carolina University, and Marshall University. The atlas will be released on CD ROM in early 2004 to allow for inclusion of selected 2000 census data. Portions will be available on the Web.
- The Office of Economic Development and Research Outreach will be created as a joint program between MoSU's College of Science and Technology and IRAPP. This effort will connect research to regional needs and provide the type of telecommunications infrastructure necessary to make eastern Kentucky competitive in the information age economy. IRAPP will deploy two weather stations, manage a weather database and archive, and conduct related research of value to the region.
- Through an award from the U.S. Department of Housing and Urban Development, IRAPP will establish a Community Outreach Partnership Center in January 2004.
- In FY 2002-03, MoSU reported revenue of \$3,364,000 for the POD. Expenditures for FY 2002-03 totaled \$2,207,400, leaving a carry forward balance of \$1,156,600 for FY 2003-04. Carry forward funds are being used to renovate office and instructional space and seed research opportunities to establish collaborative projects with the U.S. Department of Defense and Homeland Security.

Murray State University

- MuSU's POD is the Center for Telecommunications Systems Management program. During FY 2002-03, the program had nine full-time faculty, five in the College of Science, Engineering, and Technology and four in the College of Business and Public Affairs.
- Thirteen faculty were involved in collaborative research and teaching on behalf of the TSM program.

- During FY 2002-03, 207 students were enrolled—22 pursuing associate degrees, 143 baccalaureate degrees, and 42 master's degrees.
- External grants totaling \$500,000 were awarded to the program during FY 2002-03. Funding sources include the U.S. Department of Education, Agilent Technologies, and BellSouth.
- TSM sponsored a successful national conference in Louisville and hosted a regional Digital Communities Conference on Economic Development.
- TSM is initiating an online master's program and developing online access for junior and senior level coursework. Additionally, 19 online short courses for professionals in need of re-tooling and training in telecommunications technology have been offered.
- Faculty founded the National Academic Telecommunications Education Association to provide opportunities for collaboration and interaction nationally.
- Faculty are advising the Economic Development Board of Crittenden County to build an educational training center and working with the Madisonville Community College and the Crittenden County School District on the Training Center Curriculum Development Task Force.
- TSM participates in the Telehealth Project, which is creating nine sites in rural Kentucky equipped with diagnostic and communication equipment for medical specialists to use in patient interaction and employee training.
- TSM is providing leadership for the Connect Kentucky Project to assess the Commonwealth's new economy infrastructure.
- The program is hosting four career days to introduce 200 high school students to careers in information technology fields and establishing a high-tech laboratory on MuSU's campus to support high school students who attend training days and summer workshops.
- TSM continues to develop and maintain the largest database of online telecommunications links in the world (www.eXroads.com). This database consists of over 27,000 links and receives 30,000 hits per month. This database is a primary source for businesses and organizations seeking telecommunications information.
- In FY 2002-03 MuSU reported total revenues of \$2,549,800 for the POD. Expenditures of \$2,376,500 were reported for FY 2002-03, leaving a carry forward balance of \$173,300 for FY 2003-04.

Northern Kentucky University

- NKU's POD is the Center for Integrative Natural Science and Mathematics. CINSAM is not a degree-granting program, but a program that coordinates activities in research, teaching, and outreach across NKU's College of Education and College of Arts and Sciences'

Departments of Biological Sciences, Chemistry, Mathematics and Computer Science, Physics, and Geology.

- CINSAM funds 10 full-time faculty to accomplish its mission; however, 55 faculty participated in CINSAM activities in FY 2002-03.
- Approximately 1,600 NKU students participated in CINSAM-related activities in FY 2002-03.
- In October 2001, a collaborative proposal between CINSAM and UofL earned a \$6 million grant from the National Institutes of Health. The grant funds the Kentucky Biomedical Research Infrastructure Network. This network increases statewide collaboration between biomedical researchers and educators to more effectively compete for federal research funds and to better prepare students for science-related careers.
- A second joint CINSAM/UofL project received \$1.5 million from the U.S. Department of Education's Fund for the Improvement of Postsecondary Education in January 2002. A second FIPSE allocation totals \$1.2 million. The project is entitled "Urban University's Partnership for Mathematics and Science Teaching."
- In FY 2002-03, CINSAM offered over 40 outreach programs and day camps for local P-12 students and teachers that led to over 3,300 contacts between school teachers and NKU faculty.
- CINSAM has established an articulation partnership with UK to attract more pre-engineering students at NKU into engineering programs at UK.
- With support from a federal grant, a partnership with UofL delivered integrative science and math development and a nighttime constellation science experience for P-12 and college students during the day through a joint satellite connection in Australia.
- CINSAM is expanding outreach activities to schools in the six counties south of NKU, including an increase in summer school offerings in science and mathematics and a residential field science camp.
- The program is working with NKU's Institute for New Economy Technologies to carry out a feasibility study for companies or agencies that could make use of NKU's scanning electron microscopy facilities. A similar facility will be explored to provide greater access to NKU's analytic chemistry instrumentation. In both facilities, undergraduate students will assist experienced faculty members in carrying out meaningful work of an industrial nature, which further supports the region's economic growth.
- In FY 2002-03 NKU reported revenue of \$1,749,100 for the CINSAM program. Expenditures for that fiscal year totaled \$1,749,100, leaving no carry forward balance for FY 2003-04.

Western Kentucky University

- WKU has two PODs, the Applied Research and Technology Program and the Center for Twenty-First Century Media, which includes the School of Journalism and Broadcasting and the Forensics program.
- The ARTP consists of more than 77 faculty working with more than 313 students in teaching and research activities. More than 28 multidisciplinary projects involve more than 50 local, state, federal, and private corporations or agencies. External grants funding totaled \$4,475,534.
- ARTP is collaborating with the National Park Service/Mammoth Cave National Park to establish a Center for International Science and Learning, which will conduct projects addressing educational programs and management of parks.
- ARTP hosted the International Conference on Karst Hydrogeology and Ecosystems, a four-day conference at Western Kentucky University and Mammoth Cave National Park. “Karst” refers to ground with rock, like limestone, beneath it. It is formed by dissolving rock and often results in sinkholes, caves, and underground drainage. The conference, the most significant karst meeting held anywhere in the world in 2003, enabled students to interact with leading scientists from 16 countries.
- ARTP secured a \$2 million grant to fund a new Environmental Control Technology Laboratory, a collaboration of WKU, East Kentucky Power Cooperative, and the National Energy Technology Laboratory.
- ARTP has outfitted and staffed a mobile van that provides training and emergency services to industries in the event of chemical spills or other biohazards.
- ARTP is monitoring mercury emissions from coal-fired power plants in order to assist them in meeting new EPA emission standards.
- ARTP is participating in a unique consortium (including WKU’s Center for Water Resource Studies, the U.S. Geological Survey, and the Armed Forces Institute for Pathology) to assist two Chinese universities in implementing solutions to public health problems in China.
- ARTP has established an exchange program with South Africa to involve students and faculty in studying and aiding the protection of endangered South African wildlife.
- ARTP faculty initiated a campus science organization to recruit women into science and engineering. The organization, Women Interested in Science and Engineering (WISE), sponsored Girls in Science Days, at which 80 fifth through eighth grade girls participated in a variety of hands-on science activities on the WKU campus to increase interest in attending college and science-related careers.

- In FY 2002-03 WKU's ARTP reported total revenues of \$13,767,400. Expenditures for the program were \$7,252,100, leaving an accumulated carry forward balance of \$6,515,300 for FY 2003-04.
- The Center for the Twenty-First Century Media promotes excellence in journalism, broadcasting, and other forms of communication. It has 37 faculty (22 full-time/15 part-time), with three funded through POD. Fall 2002-03 enrollment stands at 1,084 undergraduate majors and 46 minors.
- The center was awarded three external grants totaling \$1,334,000 in FY 2002-03. One grant, sponsored by U.S. AID, provides \$1.3 million to train broadcast journalists from Cambodia and Indonesia.
- The center works closely with the Kentucky High School Journalism Association and sponsored its formation six years ago. The association promotes college and journalism careers among Kentucky high school students. Two WKU faculty members serve as association advisors and are completing the articulation agreement for a joint WKU and high school academic course on desktop publishing.
- The School of Journalism and Broadcasting consistently earns high national rankings and recognition. The *College Heights Herald* recently won both the Pacemaker Award from the Associated Collegiate Press and the Gold Crown Award from the Columbia Scholastic Press Association—the “Pulitzer Prizes” for college newspapers.
- The photojournalism program won first place overall in the prestigious William Randolph Hearst Intercollegiate Photojournalism national competition.
- In FY 2002-03, the forensics team earned both national and international recognition in an unprecedented sweep of all the major collegiate speech and debate championships: The National Forensics Association title, the American Forensic Association National Individual Events Tournament, the International Forensic Association Tournament, and the Delta Sigma Rho-Tau Kappa Alpha National Tournament.
- In FY 2002-03, the center reported revenue of \$2,005,300. Expenditures for the program totaled \$1,275,100, leaving a carry forward balance of \$730,200 for FY 2003-04.

Regional University Excellence Trust Fund Action Agenda Program 2003 Annual Reports

Purpose

The Action Agenda Program funds initiatives at comprehensive universities that increase postsecondary enrollment, retention, and graduation; smooth the transition from high school to college; and improve the quality of life for children and adults. These initiatives support the goals of the *Kentucky Postsecondary Education Improvement Act of 1997*; *2020 Vision*; and the *Action Agenda, 1999-2004*. Action Agenda program funds come from the Regional University Excellence Trust Fund.

The comprehensive institutions outlined plans to use action agenda funds, and the Council approved those plans May 21, 2001. Four of the institutions spent 34 percent of the funds on teacher quality. Kentucky State University and Northern Kentucky University reallocated internal funds to teacher quality work, resulting in more than \$4 million in additional support being dedicated to teacher quality at the outset of the program by comprehensive universities. The institutions submitted their first annual financial and programmatic reviews of performance outcomes organized around the five questions of reform October 15, 2002. The Council reviewed FY 2002 annual reports at the February 2003 meeting. A summary of the institutions' FY 2003 reports follows.

Trust Fund Allocation

In FY 2001-02 the program was funded at \$10 million. The funds were rolled into the base budgets in FY 2002-03. Funds reported by the institutions were:

Eastern Kentucky University	\$2,370,800
Kentucky State University	717,400
Morehead State University	1,399,600
Murray State University	1,659,000
Northern Kentucky University	1,360,900
Western Kentucky University	<u>2,327,000</u>
Total	<u>\$9,834,700</u>

Program Accomplishments

The comprehensive universities used Action Agenda program funds to develop programs promoting enrollment, retention, and graduation; provide more online courses; fund graduate assistantships; establish service learning programs; recruit women and minorities into

postsecondary education; support regional economic development; and support teacher quality initiatives.

Institutional Summaries

Eastern Kentucky University

EKU was allocated \$2,370,800 for Action Agenda programs. In FY 2002-03 the institution expended \$2,121,500 to support the program activities, leaving an accumulated carry forward balance of \$912,900 for FY 2003-04.

Funds supported:

- Four technology projects that serve on-campus and non-traditional students at extended campus locations were supported. The projects also expand continuing and workforce education initiatives. The institution upgraded internal campus and extended campus communication technology networks; increased multimedia and video conferencing capabilities; installed video conferencing equipment in each remote campus; and implemented new hardware and software for online learning.
- Additional ITV equipment was purchased for the Corbin Center, which serves 1100 students. The equipment will increase course offerings serving first-time students with pre-college curriculum deficiencies.
- Student services coordinators were hired at the Danville, Manchester, and Corbin extended campus centers. The coordinators advise students, serve as testing coordinators, and assist students with admission, financial aid, billings, and collections.
- Education programs were supported that address sexual assault, HIV and AIDS prevention, and drug use. An Emerging Leaders Institute and a leadership camp for students were supported.
- Fifty-five Professional Education Fellows from four ECU colleges and the library developed partnerships with 134 public schools in 32 school districts in east, central, and northern Kentucky to increase P-12 outreach leading to more collaborative opportunities and better trained teachers.
- Action Agenda funds supported grants and fundraising efforts resulting in \$2.9 million in external grant awards for teacher quality initiatives. Grant sponsors include the U.S. Department of State, the American Councils for International Education, Education Professional Standards Board, Kentucky Department of Education, and Kentucky Education Association.
- Funds reserved for the social work program supported a newly established program in Hazard. The program is a collaborative effort between ECU and Hazard Community College and the first social work program offered in the eastern region of the Commonwealth.

- EKU's total headcount enrollment increased from 15,248 in 2002 to 15,951 in 2003. This represents a 4.6 percent increase of 703 students.

Kentucky State University

KSU was allocated \$717,400 from the RUETF for action agenda programs. In FY 2002-03, the institution expended \$569,300, leaving an accumulated carry forward balance of \$579,300 for FY 2003-04.

Funds supported:

- The Center for Professional and Career Preparation. The center works to increase students' ability to perform well on standardized examinations such as the GRE, LSAT, MCAT, PRAXIS II, NCLEX, and ACT. It provides software and test study material; seminars on conquering test anxiety; workshops on test taking; and PRAXIS II test preparation for prospective teachers, specifically. In FY 2002-03, 463 students and 87 faculty participated in CPCP activities.
- The Special Needs Support Office. This office established the Disability Resource Center to expand pre-admission assistance, financial aid counseling, and new student orientation sessions for disabled students. More than 30 students with documented disabilities are regularly served, resulting in greater academic success as reported by both students and faculty.
- The Technology Initiative. This initiative increased technology use in classrooms and increased alternative course opportunities through Kentucky Educational Television, Kentucky Tele-Learning Network, and the Kentucky Virtual University. Alternative course enrollments increased from 206 in fall 2002 to 649 in fall 2003.
- The Service Learning Program. In collaboration with 13 community nonprofit organizations, this program expands service learning opportunities for students and creates faculty development workshops to encourage more faculty to incorporate service learning into their courses. In FY 2002-03, 15 faculty members and 390 students completed service hours, resulting in over 4,000 hours of service to the Frankfort region and new alliances with community partners.
- Academic support. Student academic support is being enhanced through the Freshman Year Experience and the Communication Skills Center. The Communication Skills Center is a university-wide tutorial service that focuses on different learning styles and instructional strategies. The Freshman Year Experience assists entering students in setting personal and educational goals and provides peer tutoring, supplemental instruction, and counseling. The peer tutoring activities served more than 550 students for more than 2,800 hours of supplemental instruction. For spring 2003, 78 percent of the participants earned a "C" or better in all courses.

- KSU's total headcount enrollment increased from 2,253 in 2002 to 2,306 in 2003. This represents a 2.4 percent increase of 53 students.

Morehead State University

MoSU was allocated \$1,399,600 from the RUETF for the action agenda programs. In FY 2002-03 the institution expended \$1,443,600, leaving an accumulated carry forward balance of \$300,300 for FY 2003-04.

Funds supported:

- The Enrollment, Retention, Diversity, and Graduation program which increased enrollment and retention from the service region by:
 - Improving transition from high school to college by establishing a position for an assistant director of admissions for diversity to enhance minority student recruitment and enrollment.
 - Enhancing dissemination of financial aid, housing, and other useful information through a reference booklet produced for all summer orientation and registration programs.
 - Diversifying the counseling staff by hiring a male psychologist. This increased service and programming options across campus. The number of counseling clients increased from 528 in FY 2001-02 to 679 in FY 2002-03.
 - Providing a residence education position with the Office of Student Housing to improve the living environment, increase learning opportunities, and aid retention.
 - Supplying a support staff position to aid African American-focused program development and coordination.
 - Assisting nontraditional students through the establishment of two Web-based positions to enhance Web pages and online student services.
 - Identifying prospective students to participate in the Minority Teacher Education Program.
 - Making on-site visits to middle and high schools.
- The Economic Development and Quality of Life program, which fosters regional economic development and supports cultural heritage activities, such as traditional music and folk art, through the Kentucky Center for Traditional Music. Action Agenda funds, the City of Morehead, and the Morehead Tourism Commission fund this program, leading to greater tourism and visits to the campus by K-12 students and teachers. Four major events drew audiences of more than 15,000 persons in FY 2002-03.
- Teacher preparation funds were used to increase professional development opportunities for 62 public school teachers and 36 faculty members representing all MoSU colleges. Three hundred high school students participated in the Future Educators Day. A Teacher Academy matched faculty with schoolteacher counterparts to improve teaching of common disciplines and subjects.
- MoSU's total headcount enrollment increased from 9,390 in 2002 to 9,509 in 2003. This represents a 1.3 percent increase of 119 students.

Murray State University

MuSU was allocated \$1,659,000 from the RUETF for the Action Agenda programs. In FY 2002-03 the institution expended \$1,575,800 to support program activities, leaving an accumulated carry forward balance of \$713,200 for FY 2003-04.

Funds supported:

- The Teacher Quality Institute, which collaborates with the College of Science, Engineering, and Technology; the College of Humanities and Fine Arts; and the College of Education to improve the content and teaching knowledge of practicing and newly certified teachers.
- The institute established a pilot dual credit high school/college program in six regional high schools for FY 2002-03. Two courses have been developed for high school seniors considering a career in teaching. Eleven students participated in this inaugural year.
- TQI funds also support MuSU's Future Teachers Corps and Future Educators of America chapters. Seventeen chapters were formed in FY 2002-03.
- TQI funds support an alternative certification program coordinator to increase the pool of potential teachers. Thirty-two students participated in the alternative certification program in FY 2002-03, with another 34 recruited for FY 2003-04.
- The institute enhances the recruitment of minority students to address the shortage of minority teachers in Kentucky. A recruitment program provides an annual \$5,000 scholarship for minority students enrolled in the Teacher Education Program. Twenty-three scholarships were awarded in FY 2002-03.
- Four summer institutes were provided by TQI in 2003. Two institutes focused on Spanish, and three others focused on science. These institutes served 51 teachers, representing 45 schools in 21 districts.
- The TQI plays the leadership role in MuSU's regional P-16 council.
- The MuSU Community College is a comprehensive academic assistance center offering developmental courses, advising, and student tutoring. In FY 2002-03, 22 instructors taught 120 sections of 10 different courses and included 30 student tutors. Total enrollment of unduplicated headcounts for fall 2002 was 1,259. The enrollment for spring 2003 was 695.
- Action Agenda funds also provide for academic advising, first-year experience retention programs, African American tutoring services, and services for students with learning disabilities. All these programs address issues of support leading to enhanced retention and success.

- Student retention initiatives center on the residential college experience at MuSU. Over 135 faculty participated in 246 programs during FY 2002-03. Overall, a total of 1,016 programs were offered with 20,808 in attendance. Sixty-five percent of the residential college students returned to their residential college in FY 2002-03. Overall, MuSU maintains one of the highest retention rates of any Kentucky postsecondary institution.

Student recruitment initiatives include:

- In the Roads Scholars program, MuSU faculty travel to high schools and middle schools to develop strong relationships with high school faculty, administrators, and students. They illustrate the benefits of postsecondary education and make students feel more comfortable about entering MuSU.
- The Commonwealth Honors Academy allows high school students to take courses in the summer after their junior year and the fall and spring of their senior year to earn college credit and to experience campus life before graduating. Of the 72 participating in the summer of 2002, 32 enrolled at MuSU in the fall of 2002. Seventy-six students participated in the summer of 2003.
- Academic Excellence Weekend gives students with ACT scores of 28 and greater a weekend with faculty in areas of their academic interest, and each student receives a scholarship. In 2003, 139 students attended.
- An integrated marketing plan has been used that focuses on recruitment in counties with low college-going rates. Examples include targeted direct mailings, billboard and theater advertising, and newspaper and magazine advertising.
- Endowed scholarships were established in humanities, fine arts, education, health science, science engineering and technology, business, and public affairs. Also, a telecounseling center was initiated, providing online support to prospective and current students. Twelve new scholarships from an endowment totaling \$660,000 were awarded for FY 2002-03.
- New instructional technology increased the number and type of virtual workshops. This increased collaboration with the community and other institutions, the number of off-campus students enrolled in online activity, and the number of students in the Council's target counties using online courses. In FY 2002-03, 200 faculty and 7,639 individual students were using the system.
- MuSU's total headcount enrollment increased from 9,920 in 2002 to 10,100 in 2003. This represents a 1.8 percent increase of 180 students.

Northern Kentucky University

NKU was allocated \$1,360,900 from the RUETF for Action Agenda programs. In FY 2002-03 the institution expended \$1,595,200, leaving an accumulated carry forward balance of \$471,200 for FY 2003-04.

Funds supported:

- The Lifelong Learning Program expanded access by providing non-credit courses for citizens of the region in computer and information technology, professional development, and personal enrichment; credit-bearing courses in Grant County; a cost-share with the community; and more distance learning and Web-based programs generally. In FY 2002-03, this program supported 47 faculty teaching 152 classes to 1,190 students. In Grant County, 34 classes were offered (of which 32 were developmental/remedial) to 213 students.
- The Scripps Howard Center for Civic Engagement is the front door of the university for local governments and organizations that want to partner with NKU to address significant community needs. The center was awarded a \$372,000 grant (funded over three years) by the Corporation for National and Community Service to establish Freedom-Focused Service-Learning. This first NKU service-learning initiative will pair NKU students with Covington eighth graders to enhance literacy skills.
- The Community Partnership Fund engages faculty and students in the community's most pressing social, economic, education, health, and civic needs. NKU faculty partner with agencies in the community, government, healthcare, and social service agencies; foundations; and school districts. These partnerships will address local issues—providing an abandoned industrial sites inventory, a needs assessment for nonprofit agencies, and a program on communicating dangers in household hazardous waste. The Partnership Fund also supports four projects totaling \$197,000 that address issues of homelessness, wellness, mathematics and computer science, and learning disabilities in children.
- The Metropolitan Education and Training Services links small business incubator labs and faculty expertise to workforce needs. In FY 2002-03, METS provided or brokered 92 training programs, in which over 2,000 employees, representing 200 employers, participated.
- Faculty summer fellowships expand support for professional development; research, creative, and artistic projects; and improvement of teaching skills. Ninety-eight faculty participated in 2003, an increase of 62 over 2002.
- NKU's total headcount enrollment increased from 13,743 in 2002 to 13,945 in 2003. This represents a 1.5 percent increase of 202 students.

Western Kentucky University

WKU was allocated \$2,327,000 from the RUETF for action agenda programs. In FY 2002-03 the institution expended \$1,703,800, leaving an accumulated carry forward balance of \$1,655,300 for FY 2003-04.

Funds supported enrollment growth initiatives, including:

- Pilot programs to identify and serve nontraditional students from the Council's target counties, from which over 2,500 students enrolled in FY 2002-03.
- More than 500 award-winning high school students from WKU's primary service region were recognized in FY 2002-03 at events to which students, parents, high school principals, and media representatives were invited.
- Expanded course offerings and advising at extended campuses.
- Academic competitions and events that linked high school students to WKU faculty and programs. More than 120 students, parents, and teachers participated in *A Celebration of Poetry in Public Schools* readings on campus.
- A minority journalism summer workshop, which involved 21 minority students working with faculty from the award-winning journalism program.
- Girls to Women in Science team competitions and classes, through which more than 150 middle school girls participated in on-campus activities.

WKU developed an expanded student support system to improve retention with several key components:

- Project Early Start, which is a summer academic enrichment program focused on beginning at-risk WKU students. Fourteen participated in 2002.
- Partners Program that enables students on academic probation to continue, contingent on fulfilling an academic contract.
- Freshman Seminar provides students with college survival skills and information on programs, majors, and career planning.
- Placement for Success identifies students' academic strengths and weaknesses and provides course placement. The program guides students into developmental, extended, or regular university courses according to reading, writing, and mathematical abilities.
- Six Week Freshman Assessment identifies students at risk of failing freshman year and prepares them for classes.
- A learning center that offers one-on-one tutoring, workshops, and a learning lab.
- The Center for Teaching and Learning program that offers faculty workshops on innovative teaching and assessment strategies, supports special projects to enhance student learning in particular disciplines, and provides professional development for full- and part-time instructors.

- Teacher quality and preparation programs that increased the number of qualified teachers in P-12 classrooms who are strong in content knowledge and pedagogy and improved professional development opportunities for current teachers. In FY 2002-03, WKU assisted with a National Board for Professional Teaching Standards initiative in the Appalachia region of Kentucky, developing a one-time course to provide candidates a means of receiving university credit for work related to the National Board process.
- WKU's total headcount enrollment increased from 17,818 in 2002 to 18,391 in 2003. This represents a 3.2 percent increase of 573 students.

Staff preparation by Bennett G. Boggs and Jonathan Pruitt

Technology Trust Fund Faculty Development Program 2003 Annual Reports

Purpose

The Faculty Development Program funded through the Technology Trust Fund supports statewide initiatives and programs developed by postsecondary education institutions to provide professional development opportunities to Kentucky faculty that contribute to the goals of the *Kentucky Postsecondary Education Improvement Act of 1997, 2020 Vision*, and the Council's *Action Agenda 1999-2004*.

At the November 13, 2000, meeting, the Council approved guidelines to distribute the faculty development incentive funds. The guidelines require institutions to provide plans outlining the use of the funds as well as the assessment of the effectiveness of funded programs. The Council approved preliminary institutional plans for the funds at the May 21, 2001, meeting and reviewed institutional progress at the February 3, 2003, meeting.

Trust Fund Allocation

The program received a \$1 million appropriation in 2001-02. The Council reserved \$100,000 to support statewide faculty development initiatives. The remaining \$900,000 was distributed to the institutions. At its November 13, 2000, meeting, the Council recommended that funds be recurring in institutions' 2003 base budgets. Since funds have been incorporated into the institutions' base budgets, reductions have occurred in state appropriation to individual faculty development programs. Eastern Kentucky University, Kentucky State University, and Morehead State University reported a decrease in state funding for FY 2002-03. Funds reported by the institutions in FY 2002-03 were:

Eastern Kentucky University	\$ 89,600
Kentucky Community and Technical College System	126,800
Kentucky State University	54,900
Morehead State University	68,600
Murray State University	69,200
Northern Kentucky University	85,900
University of Kentucky	173,100
University of Louisville	135,500
Western Kentucky University	<u>92,600</u>
Total	\$896,200

Program Accomplishments

The faculty development funds enable the universities to better prepare faculty to teach an expanding pool of diverse students. Increasing numbers of adult students, students of color, students with different learning styles, students with disabilities, and underprepared students are

entering Kentucky's institutions. The funds also support faculty development in the use of technology—both for on-campus and distance learning programs. Finally, the funds help faculty incorporate diverse teaching strategies, such as service learning, to increase student learning and better connect education to community needs.

To aid these efforts statewide, to increase multidisciplinary team teaching, and to promote collaboration among faculty across public and independent institutions, all institutions provided matching funds for *The Kentucky Journal of Excellence in College Teaching and Learning*, a statewide online journal to support excellence in teaching. The Web site is found at <http://www.uky.edu/TLC/MAINPOSTER/JournalofExcellence.htm>.

In FY 2002-03, the Council committed \$5,000 per year and the institutions each committed \$500 per year for the biennium to support the journal. The inaugural edition presented an impressive representation of Kentucky's postsecondary institutions. Of the 13 published articles, eight were written by public university faculty, three by private university faculty, and two by community college faculty. The journal is a positive example of statewide collaboration to provide effective and efficient professional development of faculty.

Institution Summaries

Eastern Kentucky University

EKU received \$89,600 for faculty development. Of these funds, \$65,100 were expended, leaving an accumulated carry forward of \$50,300 for 2003-04.

- ECU invested \$125,000 in base budget funds to establish the Teaching and Learning Center, which opened in 2001. Center programs include orientation programs for new faculty and teaching and learning workshops involving more than 45 faculty presenters and 1,100 faculty participants. The center also sponsored a summer institute on teaching with technology to aid individualized technology instruction for course design. Funds also supported online resources available to faculty regardless of office hours.
- Projects funded through the provost's office include travel assistance for faculty participation at national professional conferences and for approximately 30 faculty and administrators to participate in the annual statewide faculty development conference.

Kentucky Community and Technical College System

The KCTCS received \$126,800 to support five initiatives. Carry forward funds for FY 2003-04 total \$23,300. The initiatives are:

- Participation in the annual National Institute for Staff and Organization Development. Each year, one faculty member from each of the 16 KCTCS districts receives funding for the conference, which addresses issues related to organizational improvement and staffing. In FY 2002-03, 31 KCTCS faculty participated in this conference.

- Participation in the annual Teaching and Learning Conference. Two faculty members per district were supported to attend the conference in Ashland, Kentucky. The conference focused on enhancing teaching skills and classroom effectiveness. In FY 2002-03, 400 KCTCS faculty participated in this conference.
- Aid for the KCTCS-University of Kentucky Future Faculty for Online Learning Collaborative Project. The UK Preparing Future Faculty program prepares UK graduate students to be more effective faculty. The KCTCS-UK program provides faculty the opportunity to learn how to develop and teach online courses with mentoring from KCTCS staff. The collaboration also benefits the KCTCS by helping them to meet online course demands. In FY 2002-03, 483 KCTCS faculty participated in this collaborative project.
- Assistance for six faculty members participating in the British Academic Experience. These sabbaticals have been arranged among the KCTCS, Georgetown College, and Regent's Park College of Oxford University. Faculty are required to develop a plan for their sabbatical that specifies how the experience will enhance their teaching role in Kentucky.
- KCTCS faculty participated in discipline-specific workshops, assembling representatives from 28 colleges to improve curriculum and implement a statewide strategic plan that ensures curriculum consistency and quality across the system.
- In addition to these five initiatives, KCTCS applied faculty development funds toward the Learning College Project, which is a series of four workshops emphasizing teaching, leadership, and student recruitment and retention (1,200 faculty representing eight colleges participated). Faculty development funds also were applied towards the annual CPE faculty development conference (156 faculty participants) and orientation programs for new faculty and department chairs.
- In total, KCTCS faculty development efforts involved 3,283 participants attending 58 conferences and workshops in FY 2002-03. All activities focused on teaching and learning as a means to enhance recruitment and retention of Kentuckians entering postsecondary education.

Kentucky State University

KSU received \$54,900 to support three initiatives. The university faculty development report states that the changes in university administration interrupted full implementation of the plan as proposed. The current administration is in the process of reviewing the plan and reporting the results. Council staff is working with the administration to ensure the report is complete. Current carry forward funds total \$98,600. The university has proposed the following:

- The first initiative supports increasing faculty involvement in the scholarship of teaching and learning through a variety of activities, including travel, campus workshops, and seminars.
- The second initiative supports the use of technology through improved collaboration between the faculty of the Office of Continuing and Distance Education and the Center for Innovation in Teaching and Learning Assessment. Both of these units assist faculty in developing alternative delivery methods and using technology effectively.

- The third initiative provides a multidisciplinary approach to teaching by establishing teams of faculty representing different disciplines to attend a variety of conferences. Participants will be required to prepare presentations for colleagues at departmental and general faculty meetings.

Morehead State University

MoSU received \$68,600 for the Center for Teaching and Learning. MoSU matched with \$68,600 of its own funds. University reports indicate that \$41,100 is being carried forward to this current fiscal year. These carry forward funds are being used to establish a faculty technology training room equipped with 20 workstations and Smartboard. The facility will greatly aid the application of technology and media in coursework. The center organizes and coordinates the university's faculty development efforts. Expended funds were used for:

- Arranging workshops, presentations, and conferences to share effective teaching approaches. Collectively, more than 419 participants attended approximately 50 scheduled activities in FY 2002-03.
- Orienting new and adjunct faculty. More than 60 new faculty participated in a two-day workshop designed to help them understand the institution's students and service region. The workshops reviewed resources available to aid effective course development and teaching strategies. The center also provided follow-up workshops at the end of the first semester.
- Coordinating mentoring activities for adjunct faculty. The center provides ongoing support for adjunct faculty by supplying an education faculty member affiliated with the center to serve as their liaison for instructional matters. Also, the center sponsors an adjunct faculty newsletter containing information about teaching methods.
- Assembling published and electronic resources supporting effective teaching and research. The center's Web site provides online resources for faculty addressing course design issues and adjunct faculty issues. There is a calendar of training activities and development events. The center link is <http://www.moreheadstate.edu/units/ctl/>.
- Providing competitive grants for innovative faculty development proposals. Grants of up to \$1,000 helped approximately 40 faculty members enhance their teaching skills and solve teaching-related problems through participating in teaching-learning conferences and discipline conferences with teaching-learning components.

Murray State University

MuSU received \$69,200 to support two initiatives. MuSU voluntarily matched with \$63,700 and has a total of \$22,400 carry forward funds for 2003-04. Funds supported the Center for Teaching, Learning, and Technology, which is the primary faculty development unit on campus. The center applies faculty development funds to enhance and improve services within each of those three components---teaching, learning, and technology. The center activities include:

- Teaching activities that focus on effective faculty delivery methods. More than 300 faculty participated in these activities. Seven hundred newsletters are distributed each semester and more than 100 faculty subscribe to an in-house listserv for updates and information.
- Learning activities that focus on student access to technology tools and ADA compliance. Approximately 5,600 students and 196 faculty participated in Blackboard workshops in FY 2002-03.
- Technology activities that support software applications and online resource development. The online resource guide received 235,708 hits in FY 2003. The center sponsored approximately 90 workshops with over 240 faculty and staff attending (32 percent of the university faculty).
- The administration of the Institutional Teaching Enhancement Fund. This \$30,000 fund provides mini-grants ranging from \$200 to \$1,000 to support innovative teaching initiatives. Grants generally provide software and technology to aid student learning. Information on this fund is available at <http://racernet.murraystate.edu/technical/forms/grants.htm> and examples of funded projects may be found at <http://racernet.murraystate.edu/technical/forms/sp02recipients.htm>

Northern Kentucky University

NKU received \$85,900 to fund five initiatives of its Faculty Center for Teaching, Learning, and Technology, which was created with institutional funds. NKU reports a carry forward of \$1,400 into FY 2003-04. The funds supported:

- Teaching improvement grants. These grants focus on new initiatives from faculty that require an investment of time and resources beyond that currently provided by individual colleges and departments. The grants emphasize interdisciplinary approaches to teaching. In FY 2002-03, \$32,648 was used to support 28 faculty mini-grants for improving teaching. Examples include the development of a multimedia interactive language course in Chinese and the development of a Web-based biology course for non-majors involving 14 faculty members.
- Faculty orientation and retention. The center offers workshops to new faculty, provides training for existing faculty, and helps faculty who are experiencing difficulties in the classroom. In 2003, the center began offering orientation for part-time and adjunct faculty. As part of this effort, the center maintains a listserv for adjunct faculty which delivers a “tip of the week” to foster discussion.
- Teaching workshops. The center sponsored more than 30 events, seminars, and workshops to provide faculty the opportunity to learn from visiting experts. The center maintains a resource Web site that received over 10,000 hits in FY 2002-03.
- Building service learning into coursework. The center works closely with the NKU Center for Civic Engagement to assist faculty in building service learning experiences into the curriculum that improve student learning and serve the community.

The center also has begun to work with the university's post-tenure review process to enhance the productivity of tenured faculty. A university faculty development Web site was created and is found at <http://www.nku.edu/~fdc>.

University of Kentucky

UK received \$173,100 to fund three initiatives. Accumulated carry forward funds total \$108,400.

- The first initiative addressed campuswide faculty needs. An allocation of \$50,000 (with an additional \$50,000 internal match) funds two faculty development positions. A course management software trainer and coordinator work with campus online coordinators to support faculty development of instructional technology skills. The second position, instructional designer, implements new course management software and supports online course development. The success of this initiative has created such demand that the Distance Learning Technology Center was merged into the Teaching and Academic Support Center for the university, where one of the major activities continues to be instructional design support and strategic delivery of educational materials through technological resources. In FY 2002-03, over 150 distance courses and 400 Web presences received attention.
- The second initiative targets teaching improvement at the departmental level. An allocation of \$83,100 supported four mini-grants to departments to develop innovative teaching practices. These awards have encouraged faculty to develop new course content and pedagogical approaches that meet specific disciplinary needs. The revised courses based on these grants focus on the first-year experience, enhancing college honors programs, and improving community college offerings.
- The third initiative dedicated \$40,000 to efforts to secure faculty membership in highly prestigious national academies, such as the Institute of Medicine, the National Academy of Sciences, and the National Academy of Engineering. These funds are used to support activities that lead to national academy membership. Only one or two faculty members per college will qualify for this initiative. During FY 2002-03, one faculty member, representing the College of Engineering, qualified for funding to become a member of the National Academy of Engineering. The remaining \$35,000 has been carried forward into the FY 2003-04 fiscal year.

University of Louisville

UofL received \$135,500 to fund three new initiatives of its Delphi Center for Teaching and Learning. Carry forward funds total \$19,400.

- The center opened in July 2000 to integrate teaching, technology, and distance education. The center's mission is to engage the university in its role as a teaching community, provide effective teaching pedagogies, and facilitate learning.
- The center integrated Blackboard course management system with PeopleSoft administrative data system to improve advising, online registration, and access to course materials universitywide. This integration provides all instructors with sites on which to post section- and term-specific course information for prospective students. Other benefits include

immediate updates regarding registration schedules and capacities, course descriptions, and other student-centered information. Each section also will have secure areas accessible only to the instructor, students registered in the section, and system administrators. This will allow the benefits of online resources and discussions in addition to traditional classroom interactions.

Western Kentucky University

WKU received \$92,600 to support a two-pronged universitywide faculty development plan. The first focuses on faculty at the departmental level. The second concentrates on the individual faculty member. Institutional reports indicate that establishing and implementing this plan correctly in each college has been time consuming. Therefore, \$122,000 of the account has been carried forward to the current fiscal year.

- The plan first provides an allocation to each department to develop programs that meet their specific professional development needs. As explained in the guidelines, activities are expected that expand the use of technology in learning activities, update learning models in courses, enhance mentoring of new faculty, and address the teaching needs of part-time faculty.
- Second, the university plans to establish an annual competitive grant fund of \$37,600 that will be administered by an interdisciplinary committee that presents recommendations to the provost. Guidelines specify that funded activities should promote enrollment growth, student retention and success, transfer attainment, and innovative uses of campus learning resources. Furthermore, activities should enhance collaboration with regional P-12 schools to improve teaching and prepare students for college.
- The \$9,417.50 that has been expended from the 2001-02 allocation funded attendance at state and national meetings focused on teacher education enhancement, the development of teaching initiatives emphasizing strong student participation, and the promotion of collaborative relationships with other institutions through faculty exchange and joint curriculum design.

Staff preparation by Bennett G. Boggs and Jonathan Pruitt

Workforce Development Trust Fund 2003 Annual Report

Purpose

Developed in cooperation with Kentucky business and industry, the Workforce Development Trust Fund has evolved into the Kentucky Workforce Investment Network System (KY WINS). The Kentucky Community and Technical College System developed KY WINS to provide existing and new business and industry with education, training, and support services designed to develop better jobs and a workforce with the knowledge and skills to fill them.

The integration of workforce training resources through the KCTCS provides an accessible, single point of contact for workers and businesses, reducing turn-around time and productivity losses for Kentucky's business and industry. As of FY 2002-03, the KCTCS served as a major partner with the Cabinet for Economic Development to complement the programs serving business and industry as well as local and regional economic development organizations. The KCTCS also supports the efforts of the state and local Chambers of Commerce and the Associated Industries of Kentucky in developing a skilled workforce. The KCTCS collaborates with the state and local Workforce Investment Boards. As part of its strategy to establish these alliances, the KCTCS works with the research and comprehensive universities, independent institutions, the Kentucky Science and Technology Corporation, the Kentucky Technology Services, and the secondary school system.

Several projects include training networks that involve more than one company. These networks meet common training needs of business and industry from various sectors of the economy. The network approach is successful because companies who only need one or two employees trained are able to join with other companies to obtain cost-effective and timely training.

The KY WINS program benefits Kentucky by providing workers with skills that are transferable across business and industry. These skills increase workforce productivity and improve the employability and per capita income of Kentucky's citizens. KY WINS also retains and recruits companies requiring high skills, which results in high-value and high-wage jobs.

The KCTCS benefits from KY WINS through increased business and industry investment in workforce training and retraining, equipment, and contribution to the KCTCS Foundation. KY WINS also leads to opportunities for KCTCS to increase enrollment and in curriculum development through business and industry collaboration.

The KCTCS allocates KY WINS funds to the following types of initiatives:

- Cabinet for Economic Development Commitment Projects.
- New or expanding companies (referrals from state, regional, and local economic development agencies).
- Job retention projects for at-risk industries.

- Retraining and placement of workers whose jobs are lost due to plant closings.
- Workforce and management skills upgrade courses (referrals from state, regional, and local economic development agencies or colleges).

Trust Fund Allocation

The Workforce Development Training Program was allocated \$6 million in each year of the 2000-02 biennium and \$6 million in each year of the 2002-04 biennium. As part of the 2002-04 budget process, funds were transferred to the KCTCS base budget beginning FY 2002-03. To date for this biennium, KCTCS has received \$8 million for the KY WINS program as part of its state appropriation allotment process. Since July 2002, the KCTCS has spent or committed the entire trust fund allotment to training projects.

Program Accomplishments

Including the training networks, KY WINS has provided services for 46 companies in 21 counties. The KCTCS funded 29 projects totaling \$5,748,552 with 2002-04 funds through KY WINS. KCTCS also has committed KY WINS funding to the Ford Career Pathways grant for the business/industry training portion of the project.

- Four KY WINS projects were completed and served 120 individuals. The active projects are expected to serve over 8,327 individuals and result in the creation of 200 new jobs.
- The average cost of delivering services is \$680 per person. The average hourly wage of individuals participating in KY WINS projects is \$21.75.
- The KCTCS has established a database to track KY WINS projects for average wages, number of jobs created, types of services provided, number of individuals trained or assessed, size and type of company, location of training by counties, and cost of the project. This database will aid future reports to the Council.

KY WINS supports existing and new Kentucky businesses and industries by providing workers with transferable skills addressing technology, innovation, and entrepreneurship. These skills provide for the mastery of specific occupational and technical competencies in critical thinking, problem solving, ability to work in teams, communication, math, science, and other critical competencies required in a global economy. Where applicable, these skills are certified through national and state standards resulting in credentials, such as the Kentucky Employability Certificate and the Kentucky Manufacturing Skills Standards. These credentials are widely understood by employers and, therefore, are portable across business and industry.

Staff preparation by Bennett G. Boggs and Jonathan Pruitt

Council on Postsecondary Education
February 11, 2004

**Associate of Science in
Hospitality Management
Western Kentucky University**

At the November 3, 2003, meeting, the Council approved Western Kentucky University's proposed Associate of Science in Hospitality Management. The Council must approve all associate degree programs offered by universities. Due to a miscommunication with WKU, the Council approved the degree program as an Associate of Applied Science in Hospitality Management. This information item is to clarify that the program is an Associate of Science in Hospitality Management, with a CIP assignment of 52.0902.

Staff preparation by Bennett G. Boggs

Council on Postsecondary Education
February 11, 2004

Kentucky Campus Compact

The national Campus Compact is a coalition of more than 900 colleges and universities committed to the civic purposes of higher education. Organized by states, the Campus Compact promotes community service that develops students' citizenship skills and values, encourages partnerships between campuses and communities, and assists faculty who seek to integrate public and community engagement into their teaching and research.

In October 2003, the presidents of the public universities, the Kentucky Community and Technical College System, and the Association of Independent Kentucky Colleges and Universities jointly signed a letter of intent to the national Campus Compact indicating their willingness to:

1. Provide presidential leadership in the creation of the Kentucky Campus Compact.
2. Affiliate with the state and national organizations.
3. Be proponents for the importance of service and civic engagement in the educational development of college and university students.

The letter was well received by the national organization, which provided a \$10,000 seed grant to aid the development of a state Campus Compact.

The presidents have designated institutional representatives to serve on a planning committee to finalize the statewide mission, goals, program plans, and funding structure for the Kentucky Campus Compact. This committee also will recommend a host institution and begin the search for a full-time executive director.

Staff preparation by Bennett G. Boggs

Council on Postsecondary Education
February 11, 2004

Murray State University Privatized Student Housing

Murray State University and the MuSU Foundation are developing an alternative financing method for the construction of a new residence hall. The foundation will contract with a private entity, the MuSU Campus Improvement Corporation, to develop financing and to construct the facility on Murray's campus, to be managed by the university.

Murray State University is planning to develop additional student housing on the campus in Murray, Kentucky, using an alternative construction and financing method (differs from the traditional method used by the state for developing student housing). The proposed method, if approved, would constitute private ownership of the student housing with a management agreement between the private entity and the university. It is anticipated that the MuSU Campus Improvement Corporation will own the property and would contract with the city of Murray to issue revenue bonds to construct the residence hall. The MuSU Campus Improvement Corporation will contract with the university for the management of the new residence hall.

On November 20, 2001, a report by the Finance and Administration Cabinet, the Council on Postsecondary Education, the Office of the Attorney General, and the Office of the Auditor of Public Accounts proposed to the Capital Projects and Bond Oversight Committee a procedure to be followed for alternate approval and financing methods for capital construction projects at state universities. The procedure outlined in the report was adopted by the Capital Projects and Bond Oversight Committee.

The agreed procedure for completing such projects requires that the project be listed in the Six-Year Capital Plan, be approved by the Council and the secretary of the Finance and Administration Cabinet, be reviewed by the Capital Projects and Bond Oversight Committee, and adhere to the provisions of the capital construction statutes. Any audits and financial reports, closing statements, purchase and acquisition agreements, etc., must be filed with the Finance and Administration Cabinet upon execution.

Since its adoption, this procedure has been used to implement the renovation of the WKU E.A. Diddle Arena and the MuSU Student Recreation and Wellness Center. If the university moves forward with the project, the contract between MuSU and the MuSU Campus Improvement Corporation to manage the residence hall will be placed on a future Council agenda for action. It should be noted that the 2002-04 Appropriations Bill (HB 269) includes authorization for MuSU to construct new student housing on the main campus.

Staff preparation by Sherron Jackson

Council on Postsecondary Education
February 11, 2004

Western Kentucky University Election to Manage All Capital Construction

Under the provisions of KRS 164A.560, the Western Kentucky University Board of Regents elected to perform financial management functions in accordance with KRS 164A.550 to 164A.630. There are now four institutions - Murray State University, University of Kentucky, University of Louisville, and Western Kentucky University - operating under the provisions of KRS 164A.550 to 164A.630 (HB 622).

In 1982 House Bill 622 (KRS 164A.550 to 164A.630) was enacted by the regular session of the General Assembly. The intent of this legislation was to give the institutions management flexibility to perform some or all of the financial management functions that were being performed by the Finance and Administration Cabinet, including purchasing, acquisition, or disposal of real property and the implementation of capital projects. After HB 622 was passed, the University of Kentucky and the University of Louisville chose to perform all functions permitted, while the comprehensive institutions elected to perform all functions except the implementation of capital projects.

The Western Kentucky University Board of Regents has now elected to perform all financial management functions, including the implementation of capital projects. The university has completed the necessary steps to assume responsibility for all financial management functions as described under KRS 164A.550 to 164A.630 (HB 622) effective as of October 31, 2003.

To complete the devolution of the responsibility for implementing capital projects, the university and the secretary of the Finance and Administration Cabinet will enter into an agreement regarding the management of capital projects that are currently underway. The agreement will establish the responsibility of WKU and of the Finance and Administration Cabinet regarding the completion of the existing projects. On November 1, 2003, WKU assumed responsibility for managing all new capital projects.

WKU must complete the Memorandum of Understanding with the Finance and Administration Cabinet, file and have approved a set of administrative regulations that implements its authority under HB 622, and establish the internal infrastructure to comply with the KRS requirements.

Staff preparation by Sherron Jackson

Council on Postsecondary Education
February 11, 2004

Council Committee Appointments

Chair Barger is making several changes in committee appointments for Council members. A report will be given at the February 11 meeting.

Staff preparation by Phyllis Bailey