

# AGENDA

Council on Postsecondary Education  
Sunday, May 22, 2005  
12:30 p.m. (ET)  
Salon D, Marriott Griffin Gate Resort, Lexington Kentucky

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Next Meeting – July 18, 2005, KCTCS, Versailles, Kentucky

## Adjournment

**MINUTES**  
**Council on Postsecondary Education**  
**March 21, 2005**

The Council on Postsecondary Education met March 21, 2005, at 10 a.m. at the Council offices in Frankfort, Kentucky. Peggy Bertelsman chaired the meeting.

**OATH OF  
OFFICE**

Franklin County District Judge Guy Hart administered the oath of office to the four new Council members – Phyllis Maclin, Alois Moore, Kevin Canafax, and Dan Flanagan. The members were confirmed by the General Assembly during the 2005 legislative session.

**ROLL CALL**

The following members were present: Walter Baker, Peggy Bertelsman, Kevin Canafax, Dan Flanagan, Richard Freed, Susan Guess, Esther Jansing, Phyllis Maclin, Alois Moore, Charlie Owen, Tony Stoeppel, Joan Taylor, and Gene Wilhoit. Ron Greenberg, John Hall, and John Turner did not attend.

**APPROVAL  
OF MINUTES**

The minutes of the January 31 Council meeting were approved as distributed. The minutes of the March 2 Executive Committee meeting were included in the agenda book for information.

**CIVIC  
ENGAGEMENT &  
SERVICE LEARNING  
IN KENTUCKY**

The focus on reform item addressed civic engagement and service learning in Kentucky in answer to Question 4, “Are we preparing Kentuckians for life and work?” CPE President Tom Layzell said that one of the most important goals of reform is to produce college graduates who are prepared to be productive citizens and apply their knowledge in service to their communities.

George Mehaffy, vice president of the American Association of State Colleges and Universities (AASCU), presented information on the American Democracy Project. The goal of the ADP is to produce graduates who understand and are committed to engaging in meaningful actions as citizens in a democracy. The ADP is a multi-campus initiative that seeks to create an intellectual and experiential understanding of civic engagement for undergraduates enrolled at institutions that are members of AASCU. Kentucky institutions participating are Eastern Kentucky University, Kentucky State University, Morehead State University, Murray State University, Northern Kentucky University, and Western Kentucky University. Douglas Robinson with NKU and Beverly McCormick with Morehead State University discussed projects underway in Kentucky.

NKU President Jim Votruba said that the Kentucky Campus Compact, headquartered at Northern Kentucky University, is a statewide coalition of Kentucky college and university presidents and their institutions, both public and private, dedicated to promoting the civic purposes of postsecondary education. KYCC members are committed to integrating service learning as a valued component of effective teaching and learning, meeting institutional civic responsibilities to help address the needs of the Commonwealth, and fostering the development of relevant collaborative partnerships between and

among campuses.

## 2004-05 STRATEGIC PLANNING

**RECOMMENDATION:** The staff recommends that the Council endorse the new public agenda for Kentucky's postsecondary and adult education system covering the period 2005-2010, request the institutions to develop campus action plans in accordance with the guidelines and timetable, and direct the staff to bring back to the Council for final approval in July: (1) final edits to the public agenda; (2) campus action plans for each of the public institutions, the independent sector, and the Council; and (3) an accountability framework and key indicators for tracking systemwide and institutional progress toward the advancement of the new public agenda and House Bill 1 goals.

Sue Hodges Moore, Council Executive Vice President, said that the new public agenda reflects what was learned from an analysis which began in early 2004 of demographic, economic, and education data from 1997 to the present. It also incorporates the comments from concerned, engaged citizens all over the state. At the heart of this agenda are the new five questions that emphasize the importance of maintaining affordable, high-quality postsecondary opportunities leading to more certificates and degrees, better jobs, and productive, meaningful lives. Several individuals, including the Executive Committee at its March 2 meeting, felt that more emphasis needed to be put on the impact of postsecondary education on the quality of individual lives in Kentucky. The language of two of the questions has been changed to reflect this. These new five questions will guide the work of the entire adult and postsecondary education system from 2005-2010:

1. Are more Kentuckians ready for postsecondary education?
2. Is Kentucky postsecondary education affordable for its citizens?
3. Do more Kentuckians have certificates and degrees?
4. Are college graduates prepared for life and work in Kentucky?
5. Are Kentucky's people, communities, and economy benefiting?

Dr. Moore called attention to the pages of the public agenda that describe two possible futures that await Kentuckians in 2020. One describes how the lives of Kentuckians will improve if this public agenda moves forward; the other articulates the consequences to the Commonwealth if it does not. According to an analysis of U. S. Census projections, Kentucky will need nearly 800,000 working-age adults with a bachelor's degree or higher to match the projected national average in 2020; in 2000 Kentucky had only 402,000. Over the next 15 years, the number of Kentuckians aged 25-64 with at least a four-year degree needs to nearly double.

The Council staff is working with the institutions to develop campus action plans. Each plan will include the institution's House Bill 1 goal, mission parameters, priority initiatives and activities over the period 2005-2010 that respond to each of the five questions, indicators that the Council will use to monitor the institution's contribution to the advancement of the public agenda and pertinent House Bill 1 goals, and the final set of benchmark institutions to be approved by the Council at its May 2005 meeting. Action plans also are being developed for the independent sector and the Council. The action plans will be approved along with the final version of the public agenda at the July CPE meeting.

Dr. Layzell said that the report recently released by the National Commission on Accountability in Higher Education, "Accountability for Better Results, A National Imperative for Higher Education," cited Kentucky twice as a model of an accountability system and for the five questions of reform.

MOTION: Dr. Freed moved that the recommendation be approved. Ms. Guess seconded the motion.

Dr. Freed asked that a representative of the Coalition of Senate and Faculty Leadership (COSFL) be included in the development of the campus action plans and the key indicators of progress toward reform.

Dr. Layzell said that the institutional leadership should include all campus groups, including the faculty, in the development of the individual campus action plans.

Ms. Jansing said that in order for the public agenda to be achieved the postsecondary institutions and the Council members must communicate this throughout Kentucky.

VOTE: The motion passed.

Dr. Moore thanked the Council staff involved in the development of the public agenda, especially Melissa McGinley who made major contributions to the writing of the document.

Dr. Votruba also commended the Council staff for producing an excellent document.

## 2004-06 BUDGET

A summary of the 2004-06 budget passed by the 2005 General Assembly was distributed. The budget provides \$1,011,108,900 in 2004-05 and \$1,106,065,300 in 2005-06 in state general funds for postsecondary education – a 10.2 percent increase for the biennium. Some of the funding highlights for postsecondary education:

- An approximate \$81 million increase to base operating funds of the public postsecondary institutions over the biennium – an increase of approximately 9 percent for the institutions.
- Dedicated revenue of \$4.3 million from a one-cent surtax on cigarettes to be evenly divided between the University of Kentucky's Markey Cancer Center and the University of Louisville's Brown Cancer Center.
- A \$500,000 nonrecurring appropriation in 2004-05 for an oral history program at the University of Kentucky.
- An increase of \$2.5 million in 2005-06 for the Adult Education and Literacy Trust Fund to restore past budget reductions.
- \$18.5 million in 2005-06 for the Physical Facilities Trust Fund in debt service for capital projects.

Dr. Layzell said that the postsecondary education community is extremely grateful for the funding received in the 2004-06 budget. He added that

continued financial support from the 2006-08 legislative session is very important to keep the momentum of postsecondary reform moving forward to meet the goals of the new public agenda. Dr. Layzell said that the institutions are reexamining announced tuition increases in light of the funding received in the 2004-06 budget.

#### COMPREHENSIVE FUNDING MODEL REVIEW UPDATE

Dr. Layzell said that, as part of the comprehensive funding model review, the Council staff has run the statistical model for selection of the benchmarks based on criteria approved by the Council at the January meeting. The Council staff and the campuses are reviewing the output produced by the model. The Council will consider the final lists of benchmark institutions at the May meeting.

#### LEGISLATIVE UPDATE

A preliminary report on significant actions taken during the 2005 legislative session related to postsecondary education and the Council was distributed for information. A final report will be prepared after the General Assembly adjourns later in the month.

#### LCC TRANSFER

UK President Lee Todd and KCTCS President Michael McCall gave the Council an update on the transfer of Lexington Community College governance and oversight from the University of Kentucky to the Kentucky Community and Technical College System. This action was a result of House Joint Resolution 214 passed in the 2004 session of the Kentucky General Assembly. House Bill 239 passed in the 2005 legislative session codified the transfer of authority of LCC to KCTCS.

President McCall said that a transitions committee composed of representatives of LCC, UK, and KCTCS has worked since 2004 and has completed the transfer of assets with the exception of the land and facilities. The students have retained their rights and privileges that were afforded to them from UK through June 30, 2006. The students then have an option to choose whether to continue these services. The LCC employers were transferred to KCTCS. In May 2004, the Southern Association of Colleges and Schools was informed of the legislative action and, as a result of that, in July 2004, SACS removed LCC from probation. Dr. James Kerley remained as president of LCC and assumed the duties of CEO of the Bluegrass District.

President Todd agreed that the transition has been smooth. He said that UK has continued to do the enrollment, billing, and collections for LCC, but KCTCS will assume those responsibilities beginning with the 2005-06 school year.

Mr. Owen asked President McCall if there is an adequate definition between the role of the community colleges and the comprehensive universities.

President McCall replied that there is no competition for students among the colleges. The creation of KCTCS has provided access and a choice for students to choose one place or the other. The establishment of the KCTCS higher education centers has created a synergy that enables the institutions to work closely together to ensure seamless transition from one institution to the other in cooperation with the institutions rather than competing for students. President McCall said that the Council will continue to monitor the role of the institutions through the upcoming review of mission parameters.

AFFORDABILITY  
AND WICHE  
STUDIES

Dr. Layzell said that the Council is engaged in two studies to examine affordability for students to attend postsecondary institutions. Kentucky was chosen to participate in a two-year project undertaken by the Western Interstate Commission on Higher Education (WICHE) to investigate how decision makers can best align tuition, financial aid, and state appropriations policies with the goal of improving access to college, especially for low-income students. As a fundamental component of Kentucky's participation in the WICHE project, the Council has contracted with JBL Associates, Inc., based in Bethesda, Maryland, to perform a comprehensive study of the affordability of Kentucky's postsecondary education system. An interim progress report will be presented to the Council in May with the final report in September.

Paul Lingenfelter, president of the State Higher Education Executive Officers, discussed the WICHE project. John Lee, president of JBL Associates, Inc., and Watson Scott Swail, president of the Educational Policy Institute, presented information about the affordability study.

KYAE  
ENROLLMENT  
GOALS

RECOMMENDATION: The staff recommends that the Council approve the 2005-06 Kentucky Adult Education enrollment goal of 125,000 students.

This statewide enrollment goal includes students enrolled in adult basic education, workforce education, English as a second language, GED preparation, family literacy, Workforce Alliance, and corrections education. In 2004, KYAE enrolled 120,051 students, exceeding the enrollment goal of 100,000. The current year enrollment goal is 115,000. Adult education providers were notified of the statewide enrollment goal and the county program goal of 11 percent of the target population for core services, including a family literacy goal of the higher of 0.5 percent or 20.

MOTION: Ms. Jansing moved that the recommendation be approved. Mr. Canafax seconded the motion.

VOTE: The motion passed.

GED ELIGIBILITY  
REQUIREMENTS  
ADMIN REG

RECOMMENDATION: The staff recommends that the Council approve the proposed amendment to the administrative regulation titled 785 KAR 1:120 *GED Eligibility Requirements*, and file the administrative regulation with the Legislative Research Commission.

The amended regulation contains these changes:

- Recognizes the GED Secondary Program and allows students in the program to take the GED.
- Establishes a 90-day waiting period for high school dropouts and requires local school districts to contact withdrawn students within three months to encourage reenrollment, an alternative program, or participation in the GED preparation program.
- Changes the agency name from the Department for Adult Education and Literacy to Kentucky Adult Education in conformance with the Governor's reorganization.

MOTION: Ms. Moore moved that the recommendation be approved. Mr.

Canafax seconded the motion.

VOTE: The motion passed.

COMMISSIONER OF  
EDUCATION  
REPORT

Commissioner of Education Gene Wilhoit reported on several initiatives of the Kentucky Department of Education, including the review of Kentucky's writing program, the assessment of high school course offerings to improve student accountability, and the improvement of the assessment system.

SEAMLESSNESS  
POLICY GROUP  
REPORT

Ms. Bertelsman said that the Seamlessness Policy Group discussed key indicators for Questions 1 and 3, which will monitor the extent to which Kentuckians are prepared for postsecondary education, are participating and advancing seamlessly through the system, and are completing certificates and degrees. The policy group reviewed the results of an institutional and student survey of transfer barriers. The staff will provide information on which four-year institutions are currently offering classes on the two-year campuses and if these offerings affect the transfer to those four-year institutions. Currently the award system for the KEES programs is keyed to semester time, which is difficult for part-time students. The policy group will look at the implications if the funds are awarded on a course basis rather than a semester basis. The policy group also looked at results of a dual credit/dual enrollment study. The study showed that the vast majority of students are taking vocational/technical courses in their dual enrollment. This raises the question of whether these students are transferring to a KCTCS institution for additional postsecondary work or if the students are preparing themselves for the workforce upon graduation from high school.

RESIDENCY ADMIN  
REG

RECOMMENDATION: The staff recommends that the Council approve the administrative regulation, 13 KAR 2:045 *Determination of residency status for admission and tuition assessment purposes*.

The amended regulation contains these changes:

- Reflects a statutory provision passed by the 2004 General Assembly that a person who graduates from a Kentucky high school and enrolls at a state-supported institution within two years shall be a Kentucky resident.
- Clarifies language to allow undocumented aliens who graduate from a Kentucky high school to qualify as a Kentucky resident.

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

VOTE: The motion passed.

KEY INDICATORS  
OF PROGRESS

Updated results for the Council's indicators used to measure progress toward postsecondary education reform goals show that Kentucky continues to make progress toward reform goals but at a slower pace than in recent years.

- Undergraduate enrollment continued to increase at the statewide level, rising 1 percent to 202,605 students in fall 2004. Enrollments increased at six of the public institutions (EKU, KSU, UK, UofL, WKU, and KCTCS) and at the independent institutions.

- Graduate and first-professional enrollment in 2004 did not meet the state's goal. Three institutions (NKU, UofL, and WKU) exceeded their goals for 2004. Murray State increased graduate enrollment from the prior year but not enough to meet its 2004 goal. Enrollment at four universities (EKU, KSU, MoSU, and UK) decreased, contributing to a state total that was 292 students short of the goal.
- The percentage of GED completers enrolling in postsecondary education within two years increased by one percentage point over the college-going rate of the previous GED cohort. The fiscal year 2002 cohort included a record high number of GED graduates (14,596) and by 2004 over 3,000 of these graduates had enrolled in Kentucky's postsecondary institutions, producing a 21 percent college-going rate.
- Between 2003 and 2004, the first-year student retention rate for the system rose from 68.3 percent to 69.1 percent. Retention rates increased at EKU, KSU, MuSU, UK, and KCTCS.
- The number of students transferring out of the two-year institutions met the state goal but the number of students transferring into the four-year public institutions did not. The number of students transferring from the KCTCS (now including Lexington Community College) to any Kentucky public or independent four-year institution rose to 3,239, an increase of 9.8 percent over 2003. The public universities enrolled 2,498 transfer students from the community and technical colleges in 2004, an increase of 5.4 percent over 2003. The number of transfers at KSU, MuSU, UofL, and WKU increased. EKU, MoSU, and NKU showed increases but not large enough to meet their goals. The number of students transferring to UK declined by nearly 10 percent.
- Six-year graduation rates of bachelor's degree students dropped from 45.3 percent in 2003 to 44.3 percent in 2004. MuSU, NKU, and WKU showed increases while the remaining five institutions reported declines in the baccalaureate graduation rate between 2003 and 2004.

Over the next several months, the Council staff will work with the institutions to develop recommendations for the new key indicators and goals that will support the 2005 public agenda.

#### CEO & DLAC REPORTS

Reports on the activities of the Committee on Equal Opportunities and the Distance Learning Advisory Committee were included in the agenda book.

#### WORKFORCE/ ECONOMIC DEVELOPMENT POLICY GROUP REPORT

Ms. Jansing reported on the work of the Workforce/Economic Development Policy Group. The group is continuing to learn about the resources available in the state to help achieve the goals of HB 1. A presentation was heard from the Kentucky DataSeam Initiative, a not-for-profit program that brings together research, education, and business development organizations to help Kentucky become more competitive in a knowledge economy. An update was provided on Kentucky ExCeL (Excellence through Certification and Licensure), a collaborative project to develop a comprehensive database linking employers' current and emerging workforce needs with individuals holding certificates, licenses, and degrees in Kentucky. This search tool will help employers assess the available workforce and provide information for business planning and expansion. The database is expected to be completed and operational by June 30, 2005. Allyson Handley asked the policy group for input on the priorities for economic initiatives presented at the January 2005



meeting. The group discussed key indicators under consideration for Question 5, which will monitor the extent to which postsecondary education is benefiting Kentucky's people, its communities, and the state's economy. The policy group heard an update on the development of a partnership among Siegen (a company in Franklin, Kentucky), Western Kentucky University, Kentucky State University, and the University of Kentucky to establish a collaborative biotech program in shrimp production. The budget approved by the 2005 General Assembly included \$2.5 million in the Research Challenge Trust Fund for this project.

NEW  
PROGRAMS

RECOMMENDATION: The staff recommends that the Council approve the Master's of Science in Community Counseling (CIP 51.1504) proposed by Northern Kentucky University.

MOTION: Ms. Guess moved that the program be approved. Ms. Moore seconded the motion.

Mr. Canafax asked NKU to work in cooperation with EKU and WKU since the institutions offer similar programs.

VOTE: The motion passed.

RECOMMENDATION: The staff recommends that the Council approve the Master's of Arts in Education/School Counseling (CIP 13.1101) proposed by Northern Kentucky University.

MOTION: Ms. Guess moved that the program be approved. Ms. Moore seconded the motion.

Gail Wells, NKU Provost, said that after the first year the program hopes to include courses offered by the Kentucky Virtual University.

VOTE: The motion passed.

ENDOWMENT  
MATCH PROGRAM  
APPLIED RESEARCH  
REQUESTS

RECOMMENDATION: The staff recommends that the Council delegate approval authority to the Executive Committee for applied research programs pursuant to new Endowment Match Program guidelines to accommodate timely distribution of funds.

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

VOTE: The motion passed.

DATA ACCESS  
POLICY

RECOMMENDATION: The staff recommends that the Council approve the Data Access Policy.

Dr. Layzell said that the Council receives a significant amount of personally confidential student information from public and private institutions. In order to safeguard that information and to comply with federal law on the protection of information, the staff developed this policy in cooperation with the

institutions. The policy outlines the rules that the Council staff will abide by in the collection of such data and recognizes the Council's responsibility to conform fully to the provisions of the Family Educational Rights and Privacy Act.

WKU President Gary Ransdell said that the document had not been circulated to the campuses prior to the mailing of the agenda book for this meeting. He said that it will be a number of weeks before FERPA can release a policy about these issues. He said that WKU will not release information until the institution has clearance from FERPA to do so. WKU's legal counsel has requested a ruling on the policy from the U. S. Department of Education.

Dennis Taulbee, legal counsel for the Council, said that the draft policy was circulated to the institutions' vice presidents for academic affairs and legal counsels and comments were received on each aspect of the policy. Changes were made as a result of the comments from the institutions. He said that there is not uniform agreement on all of the points but this policy is consistent with data policies of other states. The policy outlines the protections put in place if the Council decides to give student information to third parties (researchers). Mr. Taulbee said that this policy does not deal with the release of students' final grades - that issue has been held in abeyance until a ruling is received from the federal government.

MOTION: Ms. Jansing moved that the policy be approved. Ms. Maclin seconded the motion.

VOTE: The motion passed.

#### 2006-2012 CAPITAL IMPROVEMENT PLAN

The Council staff has begun development of a capital improvement plan, a snapshot of the agency's vision of its capital needs over the six-year period 2006-2012. Since this plan needs to be submitted to the Capital Planning Advisory Board by April 15, the staff plans to bring a recommendation for consideration by the Executive Committee at its April 12 meeting.

#### CPE PRESIDENT ANNUAL EVALUATION

Mr. Baker gave the report on the annual evaluation of the Council president. Interviews with the Governor, presidents, legislative leaders, the Council staff, and others interested in the operation of the Council resulted in a positive evaluation of President Layzell.

MOTION: On behalf of the President Evaluation Committee, Mr. Baker moved that President Layzell's present salary be increased by 5 percent effective immediately. Mr. Flanagan seconded the motion.

VOTE: The motion passed.

#### FUNDING ADEQUACY COMMITTEE

Ms. Bertelsman said that an organizational meeting of the Council's Funding Adequacy Committee will meet upon adjournment of the Council. The committee's charge is to develop a long-term financing strategy for Kentucky's system of postsecondary education.

#### NEXT MEETING

The next meeting of the Council is Sunday, May 22, at 12:30 p.m., at the Lexington Marriott Griffin Gate Resort. The meeting will be held in conjunction with the Institute for Effective Governance Spring Board

Development Seminar and the annual Faculty Development Conference. Both conferences will take place Sunday and Monday, May 22 and 23.

The Council's Executive Committee will meet Tuesday, April 12, at 10 a.m. at the Council offices in Frankfort.

CONVERSATION  
WITH GOVERNOR  
FLETCHER

Ms. Bertelsman said that the Council enjoyed a dinner last evening hosted by Governor Ernie Fletcher and First Lady Glenna Fletcher at the Executive Mansion. The Council members came away energized from their discussion with the Governor. The Governor reminded the Council members of their charge to proceed energetically with their statutory responsibilities. Ms. Bertelsman said she feels the Council will be a more active, policymaking board in the coming months.

RECOGNITION OF  
SERVICE

Ms. Bertelsman thanked Dr. Michael Nietzel for his contribution to Kentucky postsecondary education. Dr. Nietzel, Provost of the University of Kentucky, has been appointed president of Southwest Missouri State University.

ADJOURNMENT

The meeting adjourned at 12:50 p.m.

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Thomas D. Layzell  
President

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Phyllis L. Bailey  
Associate, Executive Relations

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MARCH 20  
CPE STUDY SESSION

The Council held a study session Sunday, March 20, 2005, at the Council offices in Frankfort, Kentucky.

Members present: Walter Baker, Peggy Bertelsman, Kevin Canafax, Dan Flanagan, Richard Freed, Susan Guess, Esther Jansing, Phyllis Maclin, Alois Moore, Charlie Owen, Tony Stoeppel, Joan Taylor, and John Turner. Ron Greenberg, John Hall, and Gene Wilhoit did not attend.

The purpose of the study session was to discuss the annual evaluation of President Thomas D. Layzell. No action was taken.

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APRIL 12 AND 21  
CPE STUDY  
SESSIONS

The Council held two study sessions April 12 and 21, 2005.

The April 12 study session began at 1:30 p.m. at the Council offices in

Frankfort. The following Council members attended: Walter Baker, Peggy Bertelsman, Dan Flanagan, Ron Greenberg, Alois Moore, Tony Stoeppel, Joan Taylor, and John Turner.

The April 21 study session began at 12 noon at the Rudd Heart and Lung Building of the Jewish Hospital in Louisville. The following Council members attended: Ron Greenberg, Susan Guess, Esther Jansing, Phyllis Maclin, and Charlie Owen.

The Council members discussed key initiatives for 2005-06:

1. translational research, economic development, commercialization
2. budget policy
3. improved quality
4. role of board members
5. communication with legislators

The Council members will let staff know which initiative they wish to work on during the coming year.

No action was taken.

Council on Postsecondary Education  
May 22, 2005

## GED Top Score Award

The GED Testing Service annually recognizes the person with the highest score in each state through the GED National Awards for Outstanding Achievement Program. James Meyer of Louisville is the recipient of Kentucky's 2004 award for high score with a total GED score of 3750 out of 4000 possible points. James will be recognized at the May Council meeting.

James is a Jefferson Community College student and plans to be a psychiatrist or psychologist. He also has taken three KCTCS distance-learning classes through KYVU. James said,

I wanted to get the GED because I knew it was a good first step toward a college education. Because I didn't complete high school, the GED seemed a great alternative to prove that I have the ability to succeed in college. I didn't want to delay getting the GED because time is valuable and every month that passed without it was essentially months that I wasn't living up to my potential.

I'd unquestionably recommend getting a GED to anyone without a high school or equivalency diploma. It's never too early or too late to take it. The work it takes to attain the GED is a solid affirmation to yourself and to the world that you're worth something.

Kentucky GED test centers tested more than 14,000 candidates in calendar year 2004 and the state awarded more than 10,000 GED high school equivalency diplomas. Nine students had scores higher than 3700.

Staff preparation by Cheryl King and B. J. Helton

Council on Postsecondary Education  
May 22, 2005

## 2004-05 Strategic Planning Update

### **Campus Action Plans (Mission Parameters)**

At the March 21 meeting, the Council endorsed the new public agenda for Kentucky's postsecondary and adult education system covering the period 2005-2010 and requested the institutions to develop campus action plans, including mission parameters. The staff has been working with the institutions to develop both the campus priorities for action and mission parameters in accordance with the timetable set by the Council last August and the guidelines proposed in January and approved in March (see Attachment A). The staff will work with the Executive Committee in June and July to review drafts and will bring recommendations to the Council for final approval in July.

### **Key Indicators of Progress**

The staff has been working with the Key Indicators Advisory Group to develop an accountability system that monitors progress toward achievement of the public agenda and House Bill 1 goals. Attachment B provides an update and other details about this process.

Staff preparation by Sue Hodges Moore

## **Mission Parameters for the Public Universities and the KCTCS**

KRS 164.020(4) requires the Council on Postsecondary Education to review, revise, and approve the missions of the state's public universities and the Kentucky Community and Technical College System. KRS 164.131(1), 164.350(2), and 164.830(1) require postsecondary governing boards to ensure their institutional missions are consistent with the statewide public agenda. Institutional missions are on file at the Council and were last updated in 1994. As part of the current strategic planning process, the institutions have been asked to review their missions to ensure alignment with the new public agenda, which was approved by the Council at its March meeting.

The process underway will result in a set of mission parameters for each university and the Kentucky Community and Technical College System. These parameters will differentiate the institutions in terms of their academic programs, degree levels, admissions selectivity, student mix, and kinds of research and stewardship activities. They will be useful in setting priorities and making programmatic and budget decisions at the state and campus level.

The Council approved an outline for preparing missions parameter statements March 21, which then was distributed to the institutions. The Council staff received first drafts from the institutions April 29 and will work with the institutional representatives to develop a recommendation to bring to the Council in July as part of the entire strategic planning package.

A number of issues require consideration as part of the mission parameter package. Some of these are listed below:

- **Graduate programs at the comprehensive universities** – KRS 164.295(2) provides that comprehensive universities can establish programs beyond the master's degree “to meet the needs of teachers, education leaders, and other certified personnel” upon approval by the Council. In their draft parameters, some comprehensive universities have indicated their intent to pursue doctorate degrees in the future, particularly in areas linked to regional needs. Currently, only the research universities offer doctorate degrees. State-level discussions about educational leadership programs are expected to influence discussions of this particular issue.
- **Research university missions** – House Bill 1 established goals of “a major comprehensive research institution ranked nationally in the top twenty (20) public universities at the University of Kentucky” and “a premier, nationally-recognized metropolitan research university at the University of Louisville.” KRS 164.125 states “the University of Kentucky shall be the principal state institution for the conduct of statewide research and statewide service programs.” KRS 164.815 states “the University of Louisville shall continue to be a principal university for the conduct of research and service programs without geographical limitation but subject to the implied limitation of KRS 164.125.” These statutory references raise issues about mission clarification and

mission differentiation at the research universities, including the extent to which the University of Louisville should conduct research and service programs outside of the Louisville metropolitan area.

- **Stewardship of place** – In its 2004-06 budget request, the Council included funds for “regional stewardship.” The concept of “stewardship of place” is gaining prominence both statewide and nationally. The mission issues associated with this concept include the definition of “place” and what it means operationally.
- **Remediation** – Remediation is a major issue in postsecondary education statewide and nationally. The mission issues associated with remediation include the varying levels of responsibility of KCTCS, Kentucky Adult Education, and the public universities and colleges for remediation.

The Council staff seeks the guidance of the Council on these and any other mission-related issues as it enters into discussions with the institutions.



### **Key Indicators for the 2005-2010 Public Agenda**

In revising the key indicators for the 2005-2010 public agenda, the Council staff has worked to refine the accountability system while preserving its established strengths. The overall structure continues to be five questions that present a broad range of policy issues in concise, everyday language. The total number of indicators remains small to focus attention where it will most help reform efforts and help policymakers not drown in a sea of statistics. Goals for progress will continue to be set for each of these indicators at the institutional and state levels. The Council staff has worked with an advisory group of representatives from institutions and state government during the development of this accountability system and has held additional meetings to solicit feedback from other interested parties. This Key Indicator Advisory Group will continue to meet into June. Revisions to this draft will be shared with the Council for review prior to approval at the July Council meeting.

The major refinement of the key indicators structure is the tailoring of sets of indicators to mark progress first at the state level and then at the institutional level by type of institution. State-level indicators answer each of the five questions in the broadest sense, presenting the “big picture” outcomes of postsecondary education and ensuring the ability to compare Kentucky’s progress to that of other states. Tailored sets of key indicators also have been developed for each question by institutional sector: research universities, comprehensive universities, KCTCS, independent institutions, and Kentucky Adult Education. These sets of sector-specific key indicators better reflect the divergent missions of the different types of institutions as set out in House Bill 1. Further differentiation among institutions that recognizes the distinct role of each campus in the system will occur during the goal-setting process.

Another innovation is a new indicator designed to hold the system accountable for closing the achievement gap of underrepresented minority students. Because the act of earning a degree is the ultimate measure of success in postsecondary education, the number of degrees conferred was selected for this measure. Other more detailed information about achievement gaps at all levels will accompany the development of the Council’s EEO or diversity plan.

## **QUESTION 1: ARE MORE KENTUCKIANS READY FOR POSTSECONDARY EDUCATION?**

Too many Kentuckians are not prepared to take full advantage of postsecondary education. Too many high school students are not ready for college when they graduate and too many do not graduate from high school. This question about preparedness is answered by looking at college entrants in two ways—as high school graduates and as incoming college students. The major change in these revised indicators is the more narrow focus on college entrants themselves rather than statistics about the state’s population as a whole, such as the college participation rate of adult Kentuckians, which has been dropped.

While it is difficult for colleges and universities to help their students become more prepared before they arrive on campus, there is one way this does occur. The majority of Kentucky’s K-12 teachers are graduates of Kentucky’s public and private colleges and universities; consequently, new indicators focusing on teacher preparation have been added to include this vital aspect of student preparation. Also, the inclusion of teacher preparation permits Question 1 to be measured at the institutional level for the first time.

### **State-level Key Indicators**

1. ***K-12 student achievement (current indicator):*** High school student achievement is measured with the average ACT score of Kentucky’s ACT takers. The ACT is a standardized measure of students’ readiness for college and permits the direct comparison of Kentucky’s high school students with students in other states. Changes in the number of students who take the exam are important contextual information that will be tracked and reported along with this indicator.
2. ***High school students scoring a three or higher on Advanced Placement exams (current indicator):*** Students who score high enough on AP exams for college credit are clearly prepared for college and capable of doing college-level work. This measure is currently part of a composite indicator that also includes the dual enrollment of high school students. Dual enrollment has been removed because its impact on postsecondary success is uncertain at this time.
3. ***Incoming Kentucky high school graduates not requiring remediation in mathematics and English:*** This new indicator directly measures the overall readiness of incoming students for college-level work with the percentage of first-time undergraduates from Kentucky high schools who are not required to take remedial courses.
4. ***K-12 teacher preparation:*** This indicator addresses the influence of postsecondary education on the K-12 system through the preparation of K-12 teachers. Two measures are currently under consideration: the percent of courses taught by “highly qualified” teachers as defined by the federal *No Child Left Behind Act* or the percent of teachers who graduated with majors in the field in which they are teaching. This second statistic is taken from *Measuring Up: The State Report Card on Higher Education*, a biennial report widely referenced in these key indicators. *Measuring Up* is issued by the National Center for Public

Policy and Higher Education and provides both a historical perspective and comparisons to other states.

### **Institution-level Key Indicators**

Research universities, comprehensives, and independents:

1. ***K-12 teacher preparation:*** Teacher preparation at the institutional level will be measured with the Quality Performance Index of teacher education programs developed by the Kentucky Education Professional Standards Board. This index incorporates several key dimensions of program quality, including Praxis exam pass rates, new teacher survey results, and evaluations of student teachers into one overall grade.

Kentucky Adult Education:

1. ***Adults earning GEDs:*** The annual number of GED recipients provides a measure of the number of adults who are advancing in their education and who have entered the pool of potential college entrants.

### **QUESTION 2: IS KENTUCKY POSTSECONDARY EDUCATION AFFORDABLE FOR ITS CITIZENS?**

All citizens of Kentucky deserve access to affordable postsecondary education, and the Council takes very seriously its charge to develop ways of measuring progress in pursuit of this goal. However, the affordability of college is a complex issue and one that is difficult to measure. National data sources and measures do not provide a comprehensive picture of cost and discounting. Consequently, the question of affordability will continue to be answered using *Measuring Up* statistics at the state level, but more refined indicators will be developed through the affordability study recently commissioned by the Council. This study will provide invaluable information to help develop and refine new ways of answering the important question of affordability.

### **State-level Key Indicators**

1. ***Kentuckians' ability to pay for college (current indicator):*** This indicator presents the net cost of college as a percent of the average (median) family income in the state. Comparison to other states is possible through *Measuring Up*, from which this statistic is taken.
2. ***Low-income Kentuckians' ability to pay for college (current indicator):*** To determine if college is affordable for Kentucky's neediest families, this indicator presents the "sticker price" of the lowest-priced institution as a percentage of the average (median) family income for those families in the lowest one-fifth of the income distribution (from *Measuring Up*).
3. ***State investment in need-based financial aid (current indicator):*** This indicator provides a comparison of Kentucky's investment in need-based financial aid to that of other states by

presenting need-based aid as a proportion of federal Pell grant spending (from *Measuring Up*).

4. ***Student loan debt (current indicator):*** The average amount of student loan borrowing is an indicator of students' reliance on borrowing as an affordability strategy and a dollar amount that should be kept as low as possible. As with all indicators taken from *Measuring Up*, this indicator enables comparison to other states.

### **Institution-level Key Indicators**

Research universities, comprehensives, KCTCS, and independents:

1. ***Net cost of attendance as a percent of median family income:*** This indicator will measure the "real" cost of attending individual institutions (including grants, loans, and discounts) against the median family income of the state or institution's service region and will be fully developed as a part of the 2005 affordability study.

### **QUESTION 3: DO MORE KENTUCKIANS HAVE CERTIFICATES AND DEGREES?**

Too few Kentuckians have advanced education beyond high school, and too many students leave college without earning a credential or acquiring a marketable skill. The Council proposes increasing the number of students enrolling in, progressing through, and graduating from Kentucky's colleges and universities.

Three basic types of indicators will answer this question: (1) entry statistics, such as the rates at which high school graduates and GED completers go on to postsecondary education; (2) persistence, which tells the extent to which students stay in college and transfer into advanced programs; and (3) graduation, which tells if students are completing their certificate, diploma, or degree programs and the timeliness with which they do so.

### **State-level Key Indicators**

1. ***Ninth-graders' chance for college by age 19 (current indicator):*** This "pipeline" statistic measures the seamlessness of the P-16 educational system by combining the high school graduation rate and the college-going rate into one number. Kentucky can be ranked relative to other states using this statistic.
2. ***Undergraduate enrollment (current indicator):*** The total headcount of undergraduate students in the fall semester provides an overview of the total participation in postsecondary education across the state and has been a leading key indicator since the inception of the Council's public agenda (includes all students, full-time and part-time, degree and nondegree).
3. ***Graduate enrollment (current indicator):*** The number of graduate and professional students provides another level of information on Kentuckians' participation in postsecondary

education and reflects the state's investment in Kentucky's professional and managerial workforce.

4. ***Degrees and other credentials awarded (current indicator)***: The total annual number of certificates, diplomas, and degrees awarded at every level is perhaps the most important output measure of postsecondary education. The number of graduates has a direct effect on the educational attainment level of Kentucky's citizens and reflects the number of student success stories every year. Information on degrees by level also will be provided.
5. ***Degrees and other credentials awarded to racial-ethnic minorities***: Closing the achievement gaps between racial-ethnic groups is a crucial issue that crosscuts the five questions. The number of degrees conferred was selected for this indicator because it is the measure that best captures the full impact of achievement gaps at all levels along the educational pipeline.

### **Institution-level Key Indicators**

Research universities, comprehensives, KCTCS, and independents:

1. ***Undergraduate enrollment (current indicator)***: At the institutional level, the total undergraduate headcount enrollment is a measure of the institution's contribution to Kentuckians' participation in postsecondary education. Enrollment also is an essential component of degree production.

Four-year institutions only (research universities, comprehensives, and independents):

1. ***Graduate enrollment (current indicator)***: The total headcount enrollment of graduate and professional students at the institutional level is a measure of the institution's contribution to Kentuckians' participation in postsecondary education. Enrollment also is an essential component of degree production.
2. ***Students transferring from KCTCS, all semesters (current indicator, revised)***: The transfer of students from KCTCS to four-year institutions is an important area of growth if Kentucky is to raise its level of educational attainment. This indicator has been revised to include transfers in all semesters, not just the fall semester, because approximately one-third of all transfers currently occur in the spring and summer semesters.
3. ***Graduation rate (current indicator)***: This indicator measures the percent of full-time undergraduates who graduate within six years of beginning their program and is a widely-used measure of institutional effectiveness.
4. ***Degrees and other credentials awarded (current indicator)***: The number of degrees and other credentials awarded every year is an important measure of a school's output and is a direct link to the overall goal of increasing educational attainment. This indicator includes only formal awards above the associate degree level to encourage mission differentiation from that of the KCTCS two-year institutions.

5. ***Degrees and other credentials awarded to racial-ethnic minorities:*** This indicator will measure how individual institutions are progressing toward closing the achievement gap among their own students.

KCTCS only:

1. ***Persistence rate:*** This new indicator, under consideration for KCTCS, is a composite statistic which looks at the percent of incoming students who, after three years, have either: (1) completed a certificate, diploma, or degree program; (2) transferred to another institution; or (3) are still enrolled at KCTCS. This measure of student success accommodates the larger number of part-time and intermittent students enrolled at the two-year level and is being considered as a replacement for the reporting of retention and transfer rates for KCTCS.
2. ***Degrees and other credentials awarded (current indicator):*** This indicator includes all the sub-baccalaureate certificate, diploma, and degree programs awarded by KCTCS and measures progress toward raising attainment levels at the sub-baccalaureate level.
3. ***Degrees and other credentials awarded to racial-ethnic minorities:*** This indicator will measure how KCTCS is progressing toward closing the achievement gap at the sub-baccalaureate level.

Kentucky Adult Education only:

1. ***College-going rate of GED graduates (current indicator):*** Measured as the percentage of GED graduates who enroll in postsecondary education within two years, this indicator highlights an important channel of access to postsecondary education.
2. ***College-going rate of racial-ethnic minority GED graduates:*** Achievement gaps are found at all levels of education. One means of solving this problem is to measure the ethnic makeup of GED graduates who go on to postsecondary education and to increase minority representation.

#### **QUESTION 4: ARE COLLEGE GRADUATES PREPARED FOR LIFE AND WORK IN KENTUCKY?**

As the Council revises its accountability system, good progress has been made toward developing ways to answer this question. Kentucky's recent participation in the National Forum on College-Level Learning's Student Learning Pilot, along with four other states, demonstrated the feasibility of administering a single, uniform assessment of the knowledge and skills that students have gained during their time in college. The Council staff plans to implement statewide all three assessments developed through this project: the Collegiate Learning Assessment at the baccalaureate level, the WorkKeys assessment at the two-year level, and data on graduate school entrance exam scores and licensure exam pass rates.

The Council will continue to use the National Survey of Student Engagement to measure civic participation and the degree to which undergraduate students are actively engaged in their college or university at the institutional level. These indicators have been expanded to cover KCTCS institutions in the inclusion of data from the Community College Survey of Student Engagement (CCSSE), a parallel survey run by NSSE.

### **State-level Key Indicators**

1. ***Performance of college graduates on statewide learning assessments:*** The College Learning Assessment and WorkKeys tests directly measure the skills and knowledge students have acquired in their postsecondary education. Student performance on these tests demonstrates the preparation level of Kentucky's postsecondary graduates and provides a comparison to other states.
2. ***Performance of college graduates on licensure or graduate school entrance exams:*** Students' performance on these exams is another strong indication of their readiness for life and work. Licensure exams directly measure a student's employability in his chosen field. In most cases, these measures also provide a comparison to other states.

### **Institution-level Key Indicators**

Research universities, comprehensives, KCTCS, and independents:

1. ***Student engagement in the undergraduate learning experience (current indicator):*** Utilizing the National and Community College Surveys of Student Engagement (NSSE and CCSSE), this measure captures the students' opinions of their institution, providing information on the level of academic challenge, the quality of faculty-student interaction, and other aspects of the student experience. This measure provides comparison with other institutions nationally.
2. ***Civic participation of students (current indicator):*** The civic participation of students through volunteering and voting is another dimension of student preparedness for responsible citizenship. This indicator also uses data from NSSE, providing comparison nationally.

## **QUESTION 5: ARE KENTUCKY'S PEOPLE, COMMUNITIES, AND ECONOMY BENEFITING?**

Kentucky needs better jobs and a workforce with the knowledge and skills to fill them. Otherwise, the House Bill 1 goals of higher per capita income and an improved standard of living cannot be met. In addition to measuring the economic impact of Kentucky's postsecondary institutions, this revision expands how this question is answered to better incorporate institutions' responsibility to serve as stewards of place more broadly.

Two types of measures will help gauge success: economic development and community service. Economic development includes measures such as research and development expenditures, job training programs, and business start-ups. Community service indicators include staff and

faculty community involvement, schools' community service projects, and programs that bring the expertise of faculty to bear on issues of regional and statewide importance.

This expansion to include measures of stewardship of place puts Kentucky once again on the front line of defining and implementing new accountability measures. Fortunately, Kentucky is in good company. The Carnegie Corporation, a non-profit organization that runs the classification system of colleges and universities, is currently in the process of developing a new level of institutional classification based on community engagement. Because of this, the indicators below that deal with community service will be further developed in conjunction with these national standards and are presented here as conceptual placeholders.

### **State-level Key Indicators**

1. ***Research and development per capita:*** This indicator measures the total research and development activity of the postsecondary system relative to the size of the state and also is a measure of the funds that colleges and universities contribute to the state's economy. This federally-derived measure provides comparison with other states, especially Kentucky's economic competitors.
2. ***College graduates remaining in Kentucky to live and work:*** The Council proposes to regularly measure the extent to which the state benefits from its investment in postsecondary education by having its college graduates remain in Kentucky and contribute to the life and economy of the state.
3. ***Degree and other credential production in focus fields (current indicator, revised):*** Graduates in "new-economy" fields are vital to Kentucky's efforts to bring high-value jobs and industries into the state. This indicator will focus attention on degree production in those areas that will bring the greatest economic benefit to Kentucky. The process of choosing which degrees to include is currently underway and will include input from a range of state-level economic development experts.

### **Institution-level Key Indicators**

Research universities only:

1. ***Extramural research and development expenditures (current indicator):*** Research and development funding from federal and all other outside sources reflects an institution's potential for economic development and measures the positive economic impact this research activity has in its community.
2. ***Business start-ups:*** To encourage and reward Kentucky's research universities in their vital entrepreneurial role, this indicator measures the number of new and continuing companies spun off from university research and commercialization.

Research universities, comprehensives, and KCTCS:



1. ***Formal agreements for educational, applied research, or support services to business, entrepreneurs, government, and community groups:*** Faculty and staff expertise often provides invaluable service to their communities through types of contracts and formal agreements that are not captured under traditional research measures. This indicator will be further defined in conjunction with Carnegie's efforts to develop a classification based on community engagement.
2. ***Faculty/staff community involvement as extensions of their university roles:*** The formal participation of faculty and staff in community organizations is an important way in which institutions contribute to their local communities and regions. This indicator also will be defined in coming months in conjunction with Carnegie's efforts to develop a classification based on community engagement.
3. ***Degrees and other credentials produced in focus fields:*** It is essential to measure degree production in focus fields at the institutional level to see each institution's contribution to the whole.

KCTCS and Adult Education only:

1. ***People served by workforce training programs:*** Workforce training is a vital service that institutions provide to employees and to employers in their communities, and one that has a direct impact on economic development.

Staff preparation by Heidi Hiemstra

**STATE-LEVEL KEY INDICATORS  
PRELIMINARY SUMMARY**

**QUESTION 1: ARE MORE KENTUCKIANS READY FOR POSTSECONDARY EDUCATION?**

- K-12 student achievement (average ACT) \*
- High school students scoring a three or higher on Advanced Placement exams \*
- Incoming Kentucky high school graduates not requiring remediation in mathematics and English (percent)
- Kentuckians earning GEDs

**QUESTION 2: IS KENTUCKY POSTSECONDARY EDUCATION AFFORDABLE FOR ITS CITIZENS?**

- Kentuckians' ability to pay for college \*
- Low-income Kentuckians' ability to pay for college \*
- State investment in need-based financial aid \*
- Student loan debt \*

**QUESTION 3: DO MORE KENTUCKIANS HAVE CERTIFICATES AND DEGREES?**

- Ninth-graders' chance for college by age 19 \*
- College-going rate of GED graduates
- Undergraduate enrollment \*
- Graduate enrollment \*
- Degrees and other credentials awarded \*
- Degrees and other credentials awarded to racial-ethnic minorities

**QUESTION 4: ARE COLLEGE GRADUATES PREPARED FOR LIFE AND WORK IN KENTUCKY?**

- Performance of college graduates on statewide learning assessments
- Performance of college graduates on licensure or graduate school entrance exams

**QUESTION 5: ARE KENTUCKY'S PEOPLE, COMMUNITIES, AND ECONOMY BENEFITING?**

- Research and development per capita
- College graduates remaining in Kentucky to live and work
- Degree and other credential production in focus fields \*
- Workforce training and assessment

\* Current key indicator

## INSTITUTION-LEVEL KEY INDICATORS PRELIMINARY SUMMARY

### QUESTION 1: Are more Kentuckians ready for postsecondary education?

RESEARCH UNIVERSITIES	FOUR-YEAR COMPREHENSIVES	INDEPENDENTS	KENTUCKY ADULT EDUCATION
<ul style="list-style-type: none"> <li>K-12 teacher prep (EPSB Quality Performance Index)</li> </ul>	<ul style="list-style-type: none"> <li>K-12 teacher prep (EPSB Quality Performance Index)</li> </ul>	<ul style="list-style-type: none"> <li>K-12 teacher prep (EPSB Quality Performance Index)</li> </ul>	<ul style="list-style-type: none"> <li>Adults earning GEDs</li> </ul>

### QUESTION 2: Is Kentucky postsecondary education affordable for its citizens? \*\*

RESEARCH UNIVERSITIES	FOUR-YEAR COMPREHENSIVES	KCTCS	INDEPENDENTS
<ul style="list-style-type: none"> <li>Net cost of attendance as a percent of median family income</li> </ul>	<ul style="list-style-type: none"> <li>Net cost of attendance as a percent of median family income</li> </ul>	<ul style="list-style-type: none"> <li>Net cost of attendance as a percent of median family income</li> </ul>	<ul style="list-style-type: none"> <li>Net cost of attendance as a percent of median family income</li> </ul>

### QUESTION 3: Do more Kentuckians have certificates and degrees?

RESEARCH UNIVERSITIES	FOUR-YEAR COMPREHENSIVES	KCTCS	INDEPENDENTS	KENTUCKY ADULT EDUCATION
<ul style="list-style-type: none"> <li>Undergraduate enrollment*</li> <li>Graduate enrollment *</li> <li>Students transferring from 2- to 4-year institutions, all semesters *</li> <li>Six-year graduation rate *</li> <li>Degrees and other credentials awarded *</li> <li>Degrees and other credentials awarded to racial-ethnic minorities</li> </ul>	<ul style="list-style-type: none"> <li>Undergraduate enrollment*</li> <li>Graduate enrollment *</li> <li>Students transferring from 2- to 4-year institutions, all semesters *</li> <li>Six-year graduation rate *</li> <li>Degrees and other credentials awarded *</li> <li>Degrees and other credentials awarded to racial-ethnic minorities</li> </ul>	<ul style="list-style-type: none"> <li>Undergraduate enrollment *</li> <li>Persistence rate</li> <li>Degrees and other credentials awarded *</li> <li>Degrees and other credentials awarded to racial-ethnic minorities</li> </ul>	<ul style="list-style-type: none"> <li>Undergraduate enrollment*</li> <li>Graduate enrollment *</li> <li>Students transferring from 2- to 4-year institutions, all semesters *</li> <li>Six-year graduation rate *</li> <li>Degrees and other credentials awarded *</li> <li>Degrees and other credentials awarded to racial-ethnic minorities</li> </ul>	<ul style="list-style-type: none"> <li>College-going rate of GED graduates *</li> <li>College-going rate of racial-ethnic minority GED graduates</li> </ul>

### QUESTION 4: Are college graduates prepared for life and work in Kentucky?

RESEARCH UNIVERSITIES	FOUR-YEAR COMPREHENSIVES	KCTCS	INDEPENDENTS
<ul style="list-style-type: none"> <li>Student engagement in the undergraduate learning experience *</li> <li>Civic participation of students *</li> </ul>	<ul style="list-style-type: none"> <li>Student engagement in the undergraduate learning experience *</li> <li>Civic participation of students *</li> </ul>	<ul style="list-style-type: none"> <li>Student engagement in the undergraduate learning experience *</li> <li>Civic participation of students *</li> </ul>	<ul style="list-style-type: none"> <li>Student engagement in the undergraduate learning experience *</li> <li>Civic participation of students *</li> </ul>

### QUESTION 5: Are Kentucky's people, communities, and economy benefiting? \*\*\*

RESEARCH UNIVERSITIES	FOUR-YEAR COMPREHENSIVES	KCTCS	INDEPENDENTS	KENTUCKY ADULT EDUCATION
<ul style="list-style-type: none"> <li>Degree and other credential production in focus fields *</li> <li>Extramural research and development funding *</li> <li>Business start ups</li> <li>Formal agreements for educational, applied research, or support services to business, entrepreneurs, government, and community groups</li> <li>Faculty/staff community involvement as extensions of their university roles</li> </ul>	<ul style="list-style-type: none"> <li>Degree and other credential production in focus fields *</li> <li>Formal agreements for educational, applied research, or support services to business, entrepreneurs, government, and community groups</li> <li>Faculty/staff community involvement as extensions of their university roles</li> </ul>	<ul style="list-style-type: none"> <li>Degree and other credential production in focus fields *</li> <li>People served by workforce training programs</li> <li>Formal agreements for educational, applied research, or support services to business, entrepreneurs, government, and community groups</li> <li>Faculty/staff community involvement as extensions of their college roles</li> </ul>	<ul style="list-style-type: none"> <li>Degree production in focus fields *</li> </ul>	<ul style="list-style-type: none"> <li>People served by workforce training programs</li> </ul>

\* Current key indicator

\*\* Institution-level key indicators will be defined after the conclusion of the affordability study currently being conducted.

\*\*\* Question 5 indicators may be revised based on national standards currently being developed by the Carnegie Corporation in its efforts to add a community engagement classification to its school classification system.

**Total Number of Key Indicators  
PRELIMINARY SUMMARY**

	<b>State</b>	<b>Research Universities</b>	<b>Four-Year Comprehensives</b>	<b>KCTCS</b>	<b>Independents</b>	<b>Kentucky Adult Education</b>
Question 1	4	1	1	0	1	1
Question 2	4	1	1	1	1	0
Question 3	5	6	6	4	6	2
Question 4	2	2	2	2	2	0
Question 5	3	5	3	4	0	1
Total	18	15	13	11	10	4

Council on Postsecondary Education  
May 22, 2005

**2004-05 Strategic Planning Update  
Council Action Plan  
2005-06 Priority Initiatives**

**Action: That the Council approve the 2005-06 priority initiatives as part of the Council's 2005-10 action plan.**

Development of the public agenda for 2005-10 has been a year-long process of information gathering, analysis, and discussions among stakeholders in postsecondary education. During the process, a number of important issues surfaced that are of paramount importance to continuing progress in postsecondary education.

Development of the Council action plan for 2005-10 is underway and the completed plan will be presented for approval as part of the strategic plan package at the July Council meeting. Council members have identified certain priority initiatives for the Council to undertake in 2005-06. These initiatives are identified in Attachment A and their approval is recommended as part of the Council's 2005-10 action plan. Work on the 2005-06 priority initiatives and the other elements of the Council's action plan will provide a strong foundation for continued growth and progress of the postsecondary and adult education systems.

The Council will focus attention on developing policies and recommending any required legislative changes in its implementation of the Council action plan. During implementation, the Council and its staff will work collaboratively with institutional board members, presidents, staff, faculty, and students of postsecondary institutions and agencies. Stakeholders and members of the educational community also will be invited to participate in these efforts.

Staff preparation by Tom Layzell

**Council on Postsecondary Education  
Council Action Plan  
2005-06 Priority Initiatives**

1. Develop a statewide translational research and economic development policy
  - Develop America's most progressive intellectual property arrangements with researchers.
  - Ensure commercialization remains in Kentucky, or include provisions for a payback (percents of profits, ownership, or multiple of original support).
  - Direct tax revenues from commercialization back into university research programs.
2. Funding for postsecondary education
  - Articulate the civic commitment between the state and its citizenry.
  - Ensure affordability for all qualified students.
  - Develop a rational funding model for postsecondary institutions.
  - Determine tuition and recommend state support.
  - Focus on efficient utilization of resources.
  - Encourage innovation.
  - Use budget authority for operating and capital budgets.
  - Develop incentives and penalties for results.
3. Improve quality and accountability
  - Measure and report added value and quality of programs and faculty.
  - Report graduation rates.
  - Measure research growth.
  - Report and focus on additional targeted meaningful metrics.
  - Strengthen alignment with P-12 system.
  - Focus on teacher education.
4. Role of board members in postsecondary education
  - Strengthen roles and responsibilities of board members for the institutions and the state system.
  - Provide professional development opportunities for board members (including policy participation and advocacy).
  - Provide training in fundraising.
  - Develop a system of accountability for board members.
5. Communicate and interact with legislators and public officials
  - Develop communication programs for state and federal legislators and public officials.

May 22, 2005

## Benchmark Selections

**Action:** The staff recommends that the Council approve the benchmark selections based on the process developed by the Council staff and the revisions to the benchmark selection criteria.

### **Background**

Benchmark funding was developed and implemented for the 2000-02 biennium in response to the six goals established in the 1997 reform. The approach compares funding for Kentucky's postsecondary education institutions to national benchmark institutions to assist in determining the financial resources needed to achieve HB 1 goals.

The funding model used prior to the benchmark model compared Kentucky institutions with each other on the basis of credit hours by discipline. By contrast, the benchmark model looks outward comparing Kentucky institutions to national benchmarks for the purpose of meeting the legislative mandate that Kentucky's system deliver educational services in quantities and of a quality that is comparable to the national average.

The model uses a statistical approach to identify the most similar institutions in the nation to each Kentucky institution based on multiple criteria (Attachment A). These criteria allow for the selection of institutions with similar cost factors, missions, student characteristics, faculty characteristics, and various differentiation factors. The model, based on similarity across all criteria, ranked all public institutions (or systems of two-year colleges in the case of KCTCS) in the nation in the same Carnegie classification or one classification higher. The institutions were allowed the limited flexibility to select 19 from the 30 most similarly ranked institutions. Generally, there is less than a 6 percent variance in the statistical measure of similarity between the 19th most similar institution and the 30th most similar institution on the lists. Therefore, the selection criteria provided a limited measure of flexibility, without compromising the statistical validity of the model, or the consistency in the selection of benchmarks among the institutions.

## **Comprehensive Universities and KCTCS**

Pursuant to the revised benchmark selection model and the predetermined selection criteria, the comprehensive institutions and the KCTCS have selected proposed benchmarks. These revised benchmarks will provide a context for developing the recommendation for operational funding levels and performance measurement for the FY 2006-08 and FY 2008-10 biennia. The benchmark lists will be revised every four years based on the model.

Attachment B details the recommended list for each of the comprehensive universities and the KCTCS based on the process and model described above.

## **Research Universities**

House Bill 1 mandated that the University of Kentucky become a major comprehensive research institution ranked nationally in the top 20 public universities and that the University of Louisville become a premier, nationally-recognized metropolitan research university. These 2020 goals require a different approach to selection of benchmarks for these two institutions than the statistical model described in Attachment A, although that model will be used to provide baseline data for the University of Kentucky and the University of Louisville. Attachment C describes the benchmark selection model approved for the University of Kentucky and the University of Louisville at the January 2005 Council meeting. The proposed benchmarks for the University of Kentucky and the University of Louisville are under review.



**Model for Benchmark Selection**  
**Four-Year Institutions**

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*Measures*

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Student Mix:

- (1) Total Headcount
- (2) Total full-time equivalent (FTE) students
- (3) Undergraduate FTE as % of total FTE
- (4) Undergraduate headcount as % of total headcount
- (5) Full-time undergraduate headcount age 25 or older as % of total undergraduate headcount
- (6) Total minority students as % of total headcount
- (7) ACT at 25<sup>th</sup> percentile
- (8) ACT at 75<sup>th</sup> percentile
- (9) Percent first-time full-time freshmen receiving federal grant aid
- (10) Institutional aid as % of total E&G expenditures
- (11) Student faculty ratio

Program Mix:

- (12) Category A undergraduate degrees as % of total undergraduate degrees conferred
- (13) Category B undergraduate degrees as % of total undergraduate degrees conferred
- (14) Category C undergraduate degrees as % of total undergraduate degrees conferred
- (15) Undergraduate degrees as % of total degrees conferred
- (16) Medicine degrees as % of total degrees conferred
- (17) Pharmacy degrees as % of total degrees conferred
- (18) Dentistry degrees as % of total degrees conferred
- (19) Law degrees as % of total degrees conferred

Research and Stewardship of Place:

- (20) Research expenditures as percent of total E&G expenditures
- (21) Public Service expenditures as % of total E&G expenditures
- (22) Locale (degree to which an institution is rural or urban location)

Category A (General Studies, Education, Business)  
Category B (Agriculture, Sciences, Computers)  
Category C (Fine Arts, Architecture, Engineering, Health)

---



**Proposed Benchmark Systems for  
Kentucky Community and Technical College System**

Arizona  
Arkansas  
Colorado  
Georgia  
Illinois  
Indiana  
Iowa  
Kansas  
Michigan  
Minnesota  
Nebraska  
New Mexico  
North Carolina  
Ohio  
Oregon  
South Carolina  
Virginia  
Washington  
Wisconsin

## University of Kentucky (Benchmark Selection)

### Mandate of House Bill 1:

*A major comprehensive research institution ranked nationally in the top twenty (20) public universities at the University of Kentucky by 2020.*

### Criteria for benchmark selection metrics:

1. Those independently collected at the national level.
2. Those local measures that address UK's "higher purpose" of improving the overall quality of life and economic prosperity of Kentuckians.

### Goals consistent with the House Bill 1 mandate:

1. A comprehensive array of undergraduate, graduate, and professional programs, many with national prominence.
2. Attracting and graduating outstanding students capable of making significant contributions to their professions and communities.
3. A distinguished faculty whose research, service, scholarship, and teaching are exemplary.
4. The discovery, dissemination, and application of new and significant knowledge.
5. Diversity of thought, culture, gender, and ethnicity that creates communities of learning and appreciation at the university and beyond.
6. Improvements to the health and educational, social, economic, and cultural well being of the citizens of the Commonwealth.

### Indicators for selection consistent with goals:

- Total & federal research dollars
- Endowment assets
- Annual giving
- Faculty academies membership
- Faculty awards
- Number of doctoral students produced
- Number of postdoctoral appointments
- Undergraduate SAT scores

### Data analyses:

*TheCenter* at the University of Florida will be the source of data elements. *TheCenter* annually tracks eight of the nationally comparable indicators and utilizes the indicators to rank U.S. public and independent research universities. *TheCenter* data and consequent rankings will be used to select benchmark institutions for UK based on the House Bill 1 mandate.

## University of Louisville (Benchmark Selection)

### Mandate of House Bill 1:

To establish the University of Louisville as a *premier, nationally recognized metropolitan research university* known for success in advancing the intellectual, social, and economic development of our community and the Commonwealth. By using legislative language of “premier, nationally recognized,” the Kentucky General Assembly directed UofL to become a leading, or foremost, institution among metropolitan research universities over an unspecified time frame.

### Criteria for benchmark selection metrics:

1. Independently collected data at the national level.
2. Local and national measures (such as those required for AAU and Phi Beta Kappa designation) that address UofL’s goal of becoming a premier, nationally recognized metropolitan research university.
3. Universities located in metropolitan areas, or major urban statistical areas, with an academic health sciences center with programs that drive the life sciences industry in their communities.
4. Universities with schools of medicine and engineering.
5. Universities that are not land grant universities.

### Goals consistent with the House Bill 1 mandate:

With the ***Challenge for Excellence*** as its road map for reaching its HB 1 goals, UofL will achieve the goal of national preeminence by focusing on a metropolitan mission and a 200-year tradition of serving the citizens and institutions in its nine county service area.

1. A focused array of undergraduate, graduate, and professional programs, many with national prominence.
2. Commitment to excellence in educational programs.
3. Building extramurally funded research activities and infrastructure.
4. Commitment to being an open, diverse, and accessible university.
5. A university fully engaged within our community and state through partnerships and collaborations.
6. An institution accountable to its constituents (state taxpayers, students, donors, etc.).

Indicators consistent with goals:

- Quality undergraduate programs.
- Undergraduate ACT scores.
- Student retention and graduation rates.
- Nationally ranked research and graduate/professional programs.
- National Cancer Institute Cancer Center Designation.
- Endowed chairs and professorships in key fields.
- Number of doctoral graduates.
- Total and federal research funding.
- Endowment assets.
- Number of business start-ups and incubations from university research activity.
- Number of patents and licenses based upon university research.
- National leader for linking research to the needs of its community and Commonwealth.

Data analyses:

*TheCenter* data at the University of Florida will be used for comparison with urban institutions included in the annual study. This analysis is commonly referred to as the “Lombardi study.” Additional data sources will include Integrated Postsecondary Education Data System (IPEDS) and the university’s internal accountability system, Balanced Scorecard, which also incorporates many of the same Lombardi and IPEDS data elements.

## UofL Regional Forensics Laboratory

*The following interim project recommendation will authorize the University of Louisville to use federal funds to design and renovate space to house a Regional Computer Forensic Laboratory on the University of Louisville main campus.*

**Action:** The staff recommends that the Council approve the request of the University of Louisville to design and renovate space in Burhans Hall to house a Regional Computer Forensic Laboratory with \$2,968,400 of federal funds from the United States Department of Justice.

The University of Louisville proposes to design and renovate space in Burhans Hall to house a Regional Computer Forensic Laboratory (RCFL) using \$2,968,400 of federal funds from the U. S. Department of Justice. The University of Louisville Board of Trustees approved the project at its February 10, 2005, meeting.

The Council has the statutory responsibility to review and approve postsecondary education capital projects costing \$400,000 or more regardless of fund source that have been approved by an institution's governing board. Since the estimated cost of this project exceeds the \$400,000 threshold, the Council and the Capital Projects and Bond Oversight Committee must approve the project before it is initiated. During the interim, when the General Assembly is not in session, capital projects are evaluated under the requirements established by KRS 45.760(14) and KRS 45.763.

This project will allow the university to design and renovate 16,000 square feet of space to provide state-of-the-art facilities for computer forensics training and investigations for federal, state, and local law enforcement agencies. The facility will include computerized examination stations, a high-tech training facility, a digital imaging room, secured evidence holding, and computer server rooms. The project will be designed and constructed to the security specifications established by the Federal Bureau of Investigations for RCFL facilities to ensure the integrity of the facility and its contents. The renovation is scheduled to be completed January 2006. The FBI in connection with the UofL Department for Criminal Justice will operate the space. The project requires interim authorization because the status of the grant application was not known when the 2005 General Assembly was in session.

The University of Louisville states that funding for the project will come from a federal grant (\$2,968,400) from the U. S. Department of Justice. The project meets the requirement of KRS 45.760(14) that the source of funds is at least 50 percent federal or private. The university does not envision debt financing any portion of this project. UofL's Capital Project Management Division will implement the project. The federal government will pay a portion of the operations and maintenance; the university may request General Funds to support the remaining recurring costs of operations and maintenance.

Following Council approval, the staff will forward the Council's recommendation to the secretary of the Finance and Administration Cabinet and to the Capital Projects and Bond Oversight Committee.

Staff preparation by Sherron Jackson



Council on Postsecondary Education  
May 22, 2005

## Council on Postsecondary Education 2006-12 Capital Improvements Plan

**Action:** The staff recommends that the Council ratify the action of the Executive Committee approving the Council's 2006-12 Capital Improvements Plan submitted to the Capital Planning Advisory Board April 15, 2005.

KRS 7A.120(3) directs that in odd-numbered years each state agency shall submit information about its facilities and facilities-related needs to the Capital Planning Advisory Board. The individual agency plans are used by the CPAB to develop a comprehensive statewide capital improvements plan, encompassing all state agencies and postsecondary institutions. The plans are shared with the heads of the three branches, the Governor, the Chief Justice, and the Legislative Research Commission, by November 1 of each odd-numbered year.

At the March meeting, the staff informed the Council that the Executive Committee at its April 12 meeting would consider the 2006-12 Capital Improvements Plan. In conformity with the Council's agreement at the March meeting, the Council's Executive Committee approved the Council's 2006-12 Capital Improvements Plan to be submitted April 15, 2005, pursuant to KRS 7A.120(3), to the Capital Planning Advisory Board.

The 2006-12 Capital Improvements Plan that follows was submitted to the Capital Planning Advisory Board April 15, 2005.

Staff preparation by Sherron Jackson

# **Council on Postsecondary Education 2006-2012 Capital Improvements Plan Project Descriptions**

## **1. Purchase KYVU/KYVL Electronic Data Bases, \$7,000,000, General Fund**

The Kentucky Virtual Library provides electronic library services for all Kentuckians. The KYVL resources and services allow electronic access for all KYVU students and Kentuckians regardless of where they live. The project is intended to leverage current funding to expand and enhance the electronic databases. There are currently more than 40 databases with over 7,000 full text journals. If funded, the project will expand the databases to include the current issues and archives of Kentucky newspapers to better support the increasing number of academic programs. All four million citizens of the Commonwealth can use the KYVL through the KYVL Gateway or the following libraries:

- 118 public libraries with 1,894,177 registered patrons.
- 36 public universities and colleges with a total of 145,779 student FTE.
- 19 independent universities and colleges with a total of 20,878 student FTE.
- 1,271 public K-12 schools with a total of 619,969 students.
- 12 special postsecondary institutions of 10,798 student FTE.
- Hospitals, independent K-12 schools, state agencies, and others.

## **2. Purchase Knowledge Management System, \$2,500,000, General Fund**

The Council proposes to purchase a Knowledge Resource Management System for postsecondary education. In this instance, a knowledge management system organizes the traditional elements of enterprise data systems under a broad umbrella where data are oriented to the goals and purpose of the organization. The system will be expanded to include more external data sources to be migrated into data subsets, placed in a data management system, and made available for analysis of trends.

Much of the information generated or handled by the Council currently cannot be searched, shared, reused, or repurposed - not by our partners, the public, or by Council staff. The knowledge resource management system will give the Council an expanded ability to communicate with clients and partners.

The traditional data system will be replaced with a new, Web-enabled knowledge resource management system that would allow for: the electronic collection of student, facilities, finance, and academic program data from the state supported and independent postsecondary education institutions; editing and auditing of the data; storage of data in a warehouse environment; extensive analysis of data; and the display of data in a number of formats including graphical displays and tables.

## **3. Web Site ADA Compliance Restructuring, \$500,000, General Fund**

The current Web sites operated by the KYVU, the KYVL, and the KYVAE need to be restructured to meet the W3C level of ADA compliance. In some instances, a restructure of the Web sites will be necessary to allow full ADA compliance. This is particularly important in the area of assistive reading software. Special software and programming will be needed to modify the functionality of the Web site for Kentuckians with special needs. As recipients of federal funds, the KYVU, the KYVL, and the

KYVAE must exceed the minimum ADA requirements with a comprehensive, robust, and user-friendly environment for special needs users.

#### **4. Purchase KYVL Integrated Library System, \$5,000,000, General Fund**

The KYVL provides a common library management system to access the vast collections housed in Kentucky libraries and the selective electronic resources on the Internet to meet Kentuckians' information needs.

Integrated Library System (ILS) software provides a unified interface and database for purchasing, acquiring, processing, cataloging, lending, and tracking of books, journals, recorded media, digital media, and other information sources. Almost every task librarians perform is assisted by an ILS. An ILS allows faculty and students, as well as citizens of Kentucky and public library patrons, to search the library catalog online to identify and locate available library resources.

Rapid developments in computer and software technology will require an upgrade of the KYVL consortium ILS. A hub site model will still be used in the implementation of a new ILS. The KYVL-coordinated workgroup will continue to share knowledge and funds to support the ILS consortium.

#### **5. Purchase Interactive Television (ITV) System, \$800,000, General Fund**

The Kentucky state supported postsecondary education institutions all have extensive course offerings delivered through Interactive Television (ITV). These institutions participate in the Kentucky Tele-linking Network (KTLN). The advent of the Kentucky Postsecondary Education Network (KPEN), a Multiple Provider Learning System (MPLS) network, means that all of the institutions must convert their ITV equipment to the new, h.323, Internet protocol (IP)-based video standard.

#### **6. KYVU Centralized Hosting License, \$750,000, General Fund**

The KYVU currently outsource the hosting of all its Web sites, course management systems, and learner management systems. Integration and security issues are increasingly complex. Firewall issues make day-to-day management of these systems difficult. The KYVU believes direct system administration would improve functionality and efficiency of resources. This request would provide the hardware needed for administration of the Web sites by the Council.

#### **7. Purchase Portable Training Labs Hardware and Software, \$300,000, General Fund**

The Kentucky Virtual University (KYVU), the Kentucky Virtual Library (KYVL), and Kentucky Adult Education would like to purchase the hardware and software needed for three separate training labs. These training labs would be portable and would increase each entity's ability to respond to the increased demand for training on curriculum and management software used in their daily operations. Travel expenses would be reduced because the training could be delivered on site rather than requiring the participants to travel to a training center large enough to accommodate them.

#### **8. Purchase KYVL Interlibrary Loan System, \$700,000, General Fund**

The project creates a statewide electronic interlibrary loan system that automates the transfer of interlibrary loan information (ILL) between libraries and allows the processing of requests and delivery of requested items. The intention is to replace the ARIEL software, which is a standalone product and needs a great deal of human interaction to make it work. The new interlibrary loan system would be an integrated and more automated approach and would include phasing out ARIEL software.

**9. Purchase Postsecondary Education Video Conference System, \$1,500,000, General Fund**

The postsecondary education system currently has an interactive television video (ITV) system that is being converted to an IP-based video standard. This new system will augment the traditional video system where course work is done at fixed sites by adding the capability of a Web-based multi-user conferencing system that is based on an Internet protocol standard.

**10. Purchase Kentucky Adult Education Mobile Education Lab, \$300,000, Federal Funds**

The Kentucky Adult Education program needs an additional 38-foot mobile training lab with 12 workstations used to provide statewide workplace essential skills training. The KYAE has established an aggressive goal of 300,000 people enrolled by 2010. Workplace training will be an essential contributor if the goal is to be met. Addition of the unit would allow the KYAE to better meet the needs of business and industry at the local site where training is most needed.

**11. Purchase KYVL Reference Desk Software, \$600,000, General Fund**

The KYVL would like to expand reference services to all Kentucky students, faculty, citizens, and businesses by providing statewide online reference services, which would include interactive chat, searchable knowledge base and rules-based routing, and referral of user questions. This request would provide software and training for a multi-consortia arrangement with reference services throughout the state.

**12. Purchase Portal Statewide License Phase II, \$600,000, General Fund**

This project received initial authorization in the 2004-06 biennium. Additional funding is needed to fully implement the project. Through the KYVL portal (currently Site Search), all users are able to search simultaneously all of the electronic databases, library catalogs, and external Web sites. This greatly simplifies a process that, in the past, was very complex and often frustrating. The current portal search software was no longer supported after December 2003.

**13. KYVU/KYVL Statewide Software License Pool, \$500,000, General Fund**

The Kentucky Virtual University and the Kentucky Virtual Library would like to purchase statewide licenses for a pool of software products that would be available to every school, college, university, or library in the state. Both entities have a proven track record of cost efficiencies realized by the Commonwealth through the collective buying power of statewide licenses. These licenses would include such items as: Plagiarism Detection Software, Laboratory Enactment Software (such as chemistry, biology, etc.), and Homework Help/Tutoring Services.

Total Cost of Planned Projects	\$21,050,000
State General Fund	20,750,000
Federal Funds	300,000

**Council on Postsecondary Education  
2006-2012 Capital Improvements Plan**

Draft

<b>Priority/Project Name</b>	<b>State</b>	<b>Agency</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>
1 Purchase KYVU/KYVL Electronic Data Bases	\$ 7,000,000			\$	7,000,000
2 Purchase Knowledge Management System	2,500,000				2,500,000
3 Web Site ADA Compliance Restructuring	500,000				500,000
4 Purchase KYVL Integrated Library System	5,000,000				5,000,000
5 Purchase Interactive Television (ITV) System	800,000				800,000
6 Purchase KYVU Centralized Hosting License (Video Streaming)	750,000				750,000
7 Purchase Portable Training Labs Hardware and Software	300,000				300,000
8 Purchase KYVL Interlibrary Loan System	700,000				700,000
9 Purchase Postsecondary Education Video Conference System	1,500,000				1,500,000
10 Purchase Kentucky Adult Education Mobile Education Lab			\$ 300,000		300,000
11 Purchase KYVL Reference Desk Software	600,000				600,000
12 Purchase Portal Statewide License Phase II	600,000				600,000
13 KYVU/KYVL Statewide Software License Pool	500,000				500,000
<b>Total Planned Capital Projects</b>	<b>\$ 20,750,000</b>	<b>\$ -</b>	<b>\$ 300,000</b>	<b>\$ -</b>	<b>\$ 21,050,000</b>

Notes:

The draft priorities are suggested based on the Council leadership's consensus that the highest priorities should be:

- a) Projects required to meet federal standards (ADA).
- b) Projects that help to centralize services and systems.
- c) Projects that allow basic continuation of existing services.
- d) Streamlining/upgrading services focused to meet the needs of constituents and general citizen users.
- e) Establishing new services.

April 1, 2005

## Lease Audit Model

The statutes require that the Auditor of Public Accounts examine the compliance of state agencies with the state's laws relating to the lease of real property and to report the findings to the Capital Projects and Bond Oversight Committee within 60 days of completing the examination. The examination is commonly referred to as an audit. In 1980, the General Assembly gave postsecondary institutions the flexibility, through administrative regulation, to self-manage their capital projects, leases, acquisitions of real property, reporting, and inventory. Because postsecondary institutions are state agencies and the Auditor of Public Accounts no longer examines (audits) the compliance of institutions with the state laws relating to the lease of real property, the institutions will now assume the responsibility for having the examinations completed by external auditors and will report the results to the Council. The Council is responsible for forwarding the reports to the executive and legislative branches of government.

In response to an August 2004 request from the Capital Projects and Bond Oversight Committee, the Council staff asked the Auditor of Public Accounts to develop a model to demonstrate institutional compliance with Kentucky's laws regarding the lease of real property (KRS 56.800 to 56.823).

The policy is similar to and consistent with the general approach for all state government agencies and establishes a minimum standard for external auditors to conduct an audit of an institution's compliance with Kentucky's lease laws. The policy will take effect immediately; the first audit would be conducted for FY 2005-06 and be reported to the Council in September 2006. The Council would be responsible for collecting the audit reports and forwarding copies to the executive and legislative branches of government, including the Capital Projects and Bond Oversight Committee.

The Council staff discussed the policy with campus officials, Legislative Research Commission staff, and the staff of the Capital Projects and Bond Oversight Committee. The institutions agree that the policy is reasonable, does not create a burden, does not create an unreasonable expense, and satisfies the requirements of the statute. The staffs of the LRC and the Capital Projects and Bond Oversight Committee agree that the policy meets their needs and noted their support for its implementation.

The attached model was prepared by the Auditor of Public Accounts to provide guidance to the institutions as they proceed with implementing the Lease Law Audit policy. As part of the implementation process, the model was forwarded to the institutional chief budget officers and the Capital Projects and Bond Oversight Committee April 11, 2005.

Staff preparation by Sherron Jackson



CRIT LUALLEN  
AUDITOR OF PUBLIC ACCOUNTS

POSTSECONDARY  
EDUCATION  
MAR 29 9 35 AM '05

March 28, 2005

Sandy Woodley  
Vice President for Finance  
Council on Postsecondary Education  
1024 Capital Center Drive, Suite 320  
Frankfort, Kentucky 40601

Re: Lease Law Compliance Model Audit Program Checklist

Dear Ms. Woodley:

I am pleased to transmit the enclosed model audit program checklist for lease law compliance by Kentucky postsecondary educational institutions.

As you know, last year, at the request of the Capital Projects and Bond Oversight Committee (Committee), our offices worked jointly to develop the above referenced document.

Thank you for your assistance with this project. If you have any questions, or if further assistance is needed, please do not hesitate to contact Jason Johnson or me.

Very truly yours,

Crit Luallen  
Auditor of Public Accounts

Enclosure

c: Sherron Jackson, CPE Assistant Vice President, EEO & Finance  
Cindy James, Assistant Auditor of Public Accounts  
John Cubine, Director, Division of Financial Audit, APA  
Jason Johnson, APA Audit Specialist  
Bob McBeath, APA Attorney



## **Model Audit Program Checklist for Lease Law Compliance Postsecondary Education Institutions**

Beginning with fiscal year 2005-06 audit, and annually thereafter, each postsecondary institution will complete an examination of its real property leasing procedures to comply with the provisions of KRS 56.800 through 56.823, KRS 48.111, and KRS 48.190. These compliance examinations are to be completed, by the institution's external auditor, in accordance with the minimum standards provided by the model audit program checklist as described herein.

The following model audit program checklist for reviewing a university's compliance with Kentucky Lease Laws, KRS 56.800 through 56.823, should be used for any lease of real property implemented during the fiscal year, regardless of the lease duration or funding source.

1. Document an understanding of the university's compliance control structure relating to the securing and executing of leases of real property. This may also include a review of the university's procurement process, and those provisions of KRS 164A.555 through 164A.630 relating to the lease of real property by the university.
2. Obtain schedules of lease information (property leases, renewals, lease modifications, built-to-suit leases, and emergency leases) for the audit period under review from the university personnel.
3. At a minimum, perform tests of compliance in the following areas to ensure leases of real property were awarded in accordance with the procedures outlined in KRS 56.800 through 56.823.
  - I. **56.803**-Procedures when agency requests space
  - II. **56.805**-Lease of space in building owned by a governmental unit or space required because of emergency
  - III. **56.806**-Terms of Lease-Calculation of rent-Option to purchase-Lease purchase agreement-Right to cancel lease

**Model Audit Program Checklist for Lease Law Compliance  
Postsecondary Education Institutions**

- IV. **56.809**-Statement of owners of property to be furnished to cabinet-New Statement required under certain conditions
  - V. **56.813**-Request for additional space-Improvements in premises-Amendment or modification of leases-Emergency modification-Register of proposed lease modifications
  - VI. **56.814**-Employees forbidden to disclose information prior to advertisement
  - VII. If the university has executed a built-to-suit lease, compliance with KRS **56.8161** through **56.8179** and **56.820** must be reviewed
  - VIII. **56.819**-Procedure upon change in ownership of leased premises
  - IX. **56.823**-Reports on leases, exercise of options to purchase, completion of lease-purchase agreements, and lease modifications to Capital Projects and Bond Oversight Committee
4. **Sample Size**-If there are ten (10) or fewer leases of real property executed by the university for the fiscal year under review, then all of the leases should be reviewed for compliance.
5. The review of the above Kentucky Revised Statutes for compliance should include the auditor's documentation of the testing procedures performed, sample selection methods, and summary of the auditor's results. This information shall be transmitted as the university's lease law compliance report to the Council on Postsecondary Education. The Council on Postsecondary Education will forward copies of the lease law compliance reports to the Capital Projects and Bond Oversight Committee.

**REPORT OF THE AUDIT OF THE  
LEASE LAW COMPLIANCE**

**Made Pursuant To  
KRS 43.050(2)(e)**

**For The Years Ended  
June 30, 2002 and 2003**



**NOTE:**

**This APA-issued report is included with the Audit Checklist as a guide for reporting university lease law compliance. This format was used to report the Finance and Administration Cabinet's compliance with Kentucky Lease Laws.**

**CRIT LUALLEN  
AUDITOR OF PUBLIC ACCOUNTS  
[www.auditor.ky.gov](http://www.auditor.ky.gov)**

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**CRIT LUALLEN**  
**AUDITOR OF PUBLIC ACCOUNTS**

The Honorable Ernie Fletcher, Governor  
Robbie Rudolph, Secretary, Finance and Administration Cabinet  
James Abbott, Commissioner, Department for Facilities Management

Independent Accountant's Report

We have examined real property leases awarded by the Finance and Administration Cabinet for compliance with KRS 48.111, 48.190, and 56.800 through 56.823, Kentucky's Lease Law, during fiscal years ended June 30, 2002 and 2003. Management is responsible for compliance with the requirements of Kentucky's Lease Law. Our responsibility is to express an opinion on Management's compliance based on our examination.

Our examination was conducted in accordance with U.S. attestation standards established by the American Institute of Certified Public Accountants, and accordingly, included examining, on a test basis, evidence about Management's compliance with Kentucky's Lease Law and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination of Management's compliance with specified requirements.

In our opinion, Management complied, in all material respects, with the aforementioned requirements for the years ended June 30, 2002 and 2003.

This report is intended solely for the information and use of the Governor, Finance and Administration Cabinet, and Department for Facilities Management and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

Crit Luallen  
Auditor of Public Accounts

Fieldwork completed  
June 14, 2004



**LEASE LAW COMPLIANCE  
COMMENTS AND RECOMMENDATIONS  
FOR THE YEARS ENDED JUNE 30, 2002 AND 2003**

In planning and performing our audit of Kentucky's Lease Laws for the years ended June 30, 2002 and 2003, we considered Management's internal control in order to determine our auditing procedures for purpose of expressing an opinion on management's compliance and not to provide assurance on internal controls.

In performing our audit procedures we reviewed and tested the following items:

- 25 leases from the private sector were tested for FY 02 for compliance with KRS 56.803 and KRS 56.805(2). KRS 56.803 provides procedures to be followed when an agency requests office or other space. KRS 56.805(2) stipulates that if it is in the best interest of the Commonwealth for an agency to lease property from any level of government, and such space is available, the Commissioner of the Department of Facilities Management shall do so.
- 25 leases from the private sector were tested for FY 03 for compliance with KRS 56.803 and KRS 56.805(2). KRS 56.803 provides procedures to be followed when an agency requests office or other space. KRS 56.805(2) stipulates that if it is in the best interest of the Commonwealth for an agency to lease property from any level of government, and such space is available, the Commissioner of the Department of Facilities Management shall do so.
- 12 new leases were tested for internal control attributes. Controls were established in the Division of Real Properties in the form of policies and procedures to insure that the agency followed Kentucky laws governing the leasing of real property.
- 12 new leases were tested for compliance (KRS 56.800-KRS 56.823). These 12 new leases were also tested for the terms of the lease KRS 56.806(1) and 56.806(3). KRS 56.800 to 56.823 holds the Finance and Administration Cabinet (FAC) responsible for the lease of all real property rentals required for use by the departments and agencies of state government. KRS 56.806 establishes the initial term of the lease and allows for automatic renewals under the same terms and conditions, and allows for a lease-purchase option and a right to cancel the lease.
- Three (3) emergency leases were initiated during the audit period and all three (3) were selected to test for compliance with KRS 56.805(3), which allows an agency which already occupies leased premises to apply to the FAC for an emergency lease of other space by certifying in writing that the leased premises has been damaged or destroyed, is in violation of OSHA regulations, or is otherwise unsafe or unfit for occupancy.

**LEASE LAW COMPLIANCE  
COMMENTS AND RECOMMENDATIONS  
FOR THE YEARS ENDED JUNE 30, 2002 AND JUNE 30, 2003**

- 15 leases for increases/decreases in space were selected to test compliance with KRS 56.813. KRS 56.813 allows an agency to lease additional space in a building already leased provided the square foot rental rate does not exceed the rental rate of the original lease. The rate must be appropriately reduced for any decrease in space.
- 20 leases for renewal were selected to test compliance with KRS 56.806(1). Section 1 allows the state an option to renew an expired lease for the same terms and conditions as the original lease.
- Ten (10) changes in ownership leases were selected from the audit period to test for compliance with KRS 56.819. This statute requires that rent payments for leased property where ownership has changed be suspended until the new owner furnishes a copy of the deed or other instrument of conveyance. The Division of Real Properties must maintain such instrument of conveyance on file.
- Five (5) leases over \$200,000 were selected from each fiscal year to test for compliance with KRS 48.111. KRS 48.111 requires leases that exceed an annual rental cost of \$200,000 to be included in the branch budget bill recommendation submitted to the General Assembly.
- Five (5) leases between \$100,000 and \$200,000 from each fiscal year were selected to test for compliance with KRS 56.823. This statute requires any lease awarded with an annual rental cost exceeding \$100,000 to be reported to the Capital Projects and Bond Oversight Committee before a proposed lease is executed.

**LEASE LAW COMPLIANCE  
COMMENTS AND RECOMMENDATIONS  
FOR THE YEARS ENDED JUNE 30, 2002 AND JUNE 30, 2003**

**Finding 03-LLC-1: Management Should Ensure All Leases Over \$100,000 Are Reported To The Capital Projects And Bond Oversight Committee**

Ten leases were tested to determine compliance with KRS 56.823. This statute requires any lease awarded pursuant to KRS 56.803, including all lease renewals except automatic renewals permitted under KRS 56.806(1), for which the annual rental cost will exceed one hundred thousand dollars (\$100,000) shall be reported to the Capital Projects and Bond Oversight Committee after a proposed lease is arrived at but before execution. The results of our tests indicated one instance where a report was not sent to the Capital Projects and Bond Oversight Committee. This was lease PR-530 Jefferson County.

**Recommendation**

We recommend that the Finance and Administration Cabinet exercise more caution to ensure that all statutory requirements are consistently followed.

**Management's Response and Corrective Action Plan**

*A single lease was cited for failure to include appropriate notice to the Legislative Research Commission pursuant to KRS 56.823(2). The subject lease is PR-0530, Jefferson County, Cabinet for Health & Family Services. During efforts to secure a lease renewal for fiscal year 2002 the existing lessor (Kosair Charities Committee, Inc.) requested a rate increase. A competitive bid project was conducted and a new lease, including the rate increase, was subsequently awarded to the existing property owner. The rental rate increased by \$1.51 per square foot, from \$5.49 to \$7.00; and the annual cost increased by \$23,803.65, from \$86,544.26 to \$110,348.00. The Division of Real Properties has reviewed all of the electronic & printed records concerning this project and is unable to verify that the aforementioned lease renewal was reported to the Legislative Research Commission in a timely manner. As such, we concur with the findings of the Auditor of Public Accounts.*

*The first action was the immediate correction of this deficiency. The subject lease was reported to the Capital Projects & Bond Oversight Committee via correspondence dated June 3, 2004. The notice includes a reference to the fact that this lease was not reported in a timely manner.*



**LEASE LAW COMPLIANCE  
COMMENTS AND RECOMMENDATIONS  
FOR THE YEARS ENDED JUNE 30, 2002 AND JUNE 30, 2003**

**Finding 03-LLC-1: Management Should Ensure All Leases Over \$100,000 Are Reported To The Capital Projects And Bond Oversight Committee (Continued)**

**Management's Response and Corrective Action Plan (Continued)**

*The second action addresses efforts to reduce or eliminate occurrences of this nature in the future. At present, the property analyst conducting a particular project generally makes the initial determination that a given project may be subject to any of the reporting requirements contained within KRS 56.823. The analysts are also responsible for creating the appropriate documentation for submission to the Legislative Research Commission (CP&BOC). The Leasing Branch Manager reviews lease files at various points in each project and is primarily responsible for verifying that all necessary legal documents, forms, reports, and related correspondence are completed accurately and timely. The aforementioned relies exclusively on ability of the analyst(s) and branch manager to correctly identify and complete related reports for projects impacted by the requirements of KRS 56.823. Given the above, the immediate and self-evident corrective action to an oversight of this nature comes in the form of additional staff training. Additional/refresher training that specifically addresses the provisions of KRS 56.823 will be provided to all property analysts prior to the end of June 2004.*

*The need for additional training is evident by the nature of the noncompliance issue; however, the provision of same does nothing to improve the methods used to reach the initial determination that a report is required for a given project or to insure that the appropriate reports are completed in a timely manner. As such, the Leasing Branch has initiated efforts to design an internal tracking document for use with future competitive bid project. The document will incorporate all of the actions required during an advertised project and will include reference notations and/or checklists to assist the analysts in completing all of the required actions for each stage of a given project. The tracking document will also serve as a review checklist for the Leasing Branch Manager and/or the Director, Division of Real Properties. We anticipate that use of the tracking document will be implemented for all projects initiated on or after July 1, 2004.*

**LEASE LAW COMPLIANCE**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**FOR THE YEARS ENDED JUNE 30, 2002 AND JUNE 30, 2003**

Fiscal Year	Finding Number	Finding	Comments
<i>(1) Audit Findings that have been fully corrected:</i>			
FY 99	LLC-1	The Finance and Administration Cabinet Should Exercise More Caution To Ensure That Statutory Requirements Are Consistently Followed	Resolved during FY 02 and FY 03.
FY 01	LLC-1	Management Should Exercise More Caution To Ensure That Statutory Requirements Are Consistently Followed	Resolved during FY 02 and FY 03.

*2) Audit Findings not corrected or partially corrected*

There were no findings for this section.

*(3) Corrective action taken is significantly different from corrective action previously reported:*

There were no findings for this section.

*4) Audit finding is no longer valid or does not warrant further action:*

There were no findings for this section.

## Committee on Equal Opportunities Report

*The following information focuses on actions and activities addressed by the Committee on Equal Opportunities at its special meeting March 28, 2005, and its regular meeting April 18, 2005.*

At its March 28 and April 18 meetings, the Committee on Equal Opportunities:

- Agreed to delay the development of a new plan until the OCR provides formal notice of the Commonwealth's status under Title VI of the Civil Rights Act of 1964. No Council action is required on this matter.
- Agreed to ask the institutional workgroup to continue to review the data supporting the objectives of the current plan and report their findings to the committee.
- Agreed to schedule a study session the afternoon of Sunday, June 19, to begin discussions regarding the implications of diversity planning for the Commonwealth.
- Asked the Council staff to schedule a meeting with the president of the Kentucky Community and Technical College System to discuss the success of the community and technical colleges toward implementing the objectives of *The Kentucky Plan*.
- Agreed to conduct the next campus visit at Eastern Kentucky University in the fall of 2005. In planning for the visit, fall break dates will be avoided to ensure that the maximum number of students and staff are available to participate in the focus group discussions.
- Received and discussed the history of desegregation in the south and *The Kentucky Plan for Equal Opportunities 1978-2005* and its relationship to the Commonwealth's compliance with Title VI of The Civil Rights Act of 1964.

The CEO will convene a study session Sunday, June 19, 2005, and then a regular meeting Monday, June 20, 2005, at the Council offices in Frankfort.

The 2004-06 budget includes funding for renovation of Hathaway Hall classroom and faculty office building and Young Hall dormitory. By letter dated April 28, 2005, the Council staff informed the U.S. Department of Education Office for Civil Rights that, with the passage of House Bill 267, the Commonwealth has addressed all commitments identified in the partnership agreement. The communication requests that the OCR officially inform the Commonwealth of its status regarding compliance with Title VI of the Civil Rights Act of 1964 and that the OCR staff attend the July Council meeting to discuss the partnership.

Also, in anticipation that the Commonwealth may be released from further remedial planning under Title VI, the committee agreed to request technical assistance from the OCR regarding the possible development of a statewide diversity plan.

At its March 1, 2005, meeting, the KCTCS board of regents approved a quantitative waiver of the provisions of KRS 164.020(18) to allow Gateway Community and Technical College to implement new academic programs during calendar year 2005. In accordance with established guidelines, the KCTCS submitted its board resolution and written documentation for a quantitative waiver to the CEO. The KCTCS will report on the status of the waiver at the June CEO meeting.

The CEO conducted a campus visit at the University of Louisville April 18-19. The visit focused on the university's implementation of strategies to achieve objectives related to enrollment, retention, and graduation of African American students, as well as employment of African Americans as faculty, professional staff, and executives. A report of the visit will be presented to the CEO at its June meeting. The final report will be shared with the Council at its July meeting.

The fifth annual statewide Governor's Minority Student College Preparation Program conference will be held at Western Kentucky University June 22-23, 2005. Approximately 200 middle and junior high school students will participate in the event.

The Governor's Minority Student College Preparation Program's 18<sup>TH</sup> Annual Academically Proficient African American High School Senior and Junior conference will be hosted by Morehead State University June 10-11, 2005. Approximately 300 students, parents, and college representatives are expected to participate in the event.

Teresa J. Hill, executive director of Boards and Commissions, informed the Council that applications for the position vacated by Harry Lee Waterfield on the Kentucky State University Board of Regents will be considered by the Postsecondary Education Nominating Committee at its May meeting.

The CPE/KSU Comprehensive Assessment Oversight Committee established the following dates for its next three meetings:

- June 27, 2005
- October 10, 2005
- March 27, 2006

Staff preparation by Sherron Jackson and Rana Johnson

Council on Postsecondary Education  
May 22, 2005

## Kentucky GED Initiative: Go, Earn, Do - GED

At the May 3 Campbellsville/Taylor County Chamber of Commerce Awards Dinner, Amazon.com presented to Governor Ernie Fletcher a \$100,000 check to fund Go, Earn, Do – GED, an exciting public-private educational partnership that includes Kentucky Adult Education, Amazon.com, Team Taylor County, and the Office of Employment and Training.

The partners have joined forces to address an important economic and workforce development issue by funding and implementing Go, Earn, Do - GED. This initiative seeks to significantly increase the number of GED graduates over a two-year period in the 20-county area that makes up the labor pool for the Amazon.com Fulfillment Center in Campbellsville and many other Kentucky businesses.

Amazon.com, which requires the minimum of a GED for employees, will provide up to \$40 for a GED test fee reimbursement and an Amazon.com gift card to GED graduates who are residents of the 20-county area. Those interested in Amazon.com employment will have the opportunity to register with the Office of Employment and Training, which helps place Amazon.com employees. The reimbursement and gift card will be available to all GED graduates in the area, regardless of whether they are interested in Amazon.com employment. Contributions for Go, Earn, Do - GED and future initiatives to support GED and employment will be managed by the Kentucky Chamber of Commerce Foundation. KYAE looks forward to forging other business partnerships to increase the number of GED graduates.

Staff preparation by Cheryl D. King and Janet Hoover

## P-16 Council Update

At the March 23, 2005, P-16 Council meeting, a roundtable discussion was held on standards, assessments, and accountability at the secondary and postsecondary levels. The discussion was planned as a result of Kentucky's joining the American Diploma Project Network at the National Governors' Association Summit on High School held February 2005 in Washington, D.C.

At the March P-16 Council meeting, Michael Cohen, president of Achieve, Inc., and Kati Haycock, director of The Education Trust, led a discussion of the urgent need to connect secondary and postsecondary standards and assessments and the steps required to accomplish this. After reviewing national and Kentucky data on the attrition of students from the educational system beginning in ninth grade and continuing through college, Mr. Cohen and Ms. Haycock outlined the actions committed to by the ADP Network states and some of steps that will support these actions. Each state has agreed to take four actions:

- Align high school standards and assessments with the knowledge and skills required for success in postsecondary education and work.
- Administer a college- and work-ready assessment, aligned to state standards, to high school students, so that students get clear and timely information and are able to address critical skill deficiencies while still in high school.
- Require all students to take a college- and work-ready curriculum to earn a high school diploma.
- Hold high schools accountable to graduate students who are college-ready and hold postsecondary institutions accountable for their success once enrolled.

Many current statewide and local initiatives across the Commonwealth will support Kentucky's efforts to accomplish this agenda:

- The state P-16 Council's Literacy and Mathematics Alignment Teams issued recommendations in March 2001 on ways to reduce the need for postsecondary remediation. The P-16 Council endorsed these recommendations, the Council on Postsecondary Education approved them, and they were presented to the Kentucky Board of Education.
- At the same March meeting, the P-16 Council endorsed a single, rigorous high school curriculum as a "default" curriculum for all students.
- From November 2001 through February 2003, Kentucky participated as one of five pilot states in the American Diploma Project. Working from the benchmarks for college- and

workplace-readiness developed by this research, Kentucky's public postsecondary institutions agreed on a statewide standard of college readiness in English and mathematics. At its November 2004 meeting, the Council on Postsecondary Education approved a statewide public postsecondary placement policy based on the standard of college readiness. Any entering student able to demonstrate competencies in these skills (as indicated by a threshold sub-score on the ACT or its SAT or Compass equivalent) is guaranteed placement in credit-bearing coursework at any public postsecondary institution in the Commonwealth.

- Several school districts have volunteered to take part in the Kentucky Scholars Program administered by the Partnership for Kentucky Schools. The State Scholars Program, in which Kentucky was one of 12 states funded to participate, partners business and community leaders with school districts to support a pre-college curriculum as the course of study most likely to meet the expectations of today's employers.
- Several Kentucky community and technical colleges are working with local school districts to administer college and workplace assessments to middle and high school students to provide early diagnostic information and intervention options so students will graduate from high school ready for college or entry-level skilled employment.
- Since 2003, Kentucky's GEAR UP schools have administered the first two levels of ACT pre-college assessments to 4,435 middle school students and 7,435 high school students as a component of the GEAR UP program's early college preparation agenda.
- Nearly 30 schools in northern Kentucky already have agreed to form a local ADP Network and to use curricula developed to meet the English and mathematics skills outlined in the American Diploma Project.

In other developments, House Bill 93, passed during the 2005 Regular Session, established a mathematics diagnostic and intervention fund to be administered by the Kentucky Department of Education and a Center for Mathematics to be selected by a request for proposal process overseen by the Council on Postsecondary Education. It also established a Committee for Mathematics Achievement to improve mathematics achievement in the Commonwealth by addressing an array of issues, including alignment of curriculum from primary grades through the postsecondary sector, preparation and professional development of teachers, and assessments. The committee will design a professional development program that includes summer mathematics institutes at colleges and universities.

The next state P-16 Council meeting will be held June 22. It will include an expanded session at which local P-16 council representatives will share their accomplishments and challenges with each other and with state council members. By June 30, nearly every region of the Commonwealth will be linked to a local P-16 council. Key issues facing the next phase of local council development include sustainable funding for staffing and development of long-term goals and plans.

Staff preparation by Dianne M. Bazell



**Kentucky Board of Education Report  
For the May 22 Council on Postsecondary Education Meeting  
Submitted by  
Commissioner Gene Wilhoit**

**CATS RFP**

The Kentucky Board of Education (KBE) met on April 6-7, 2005, and was briefed on the key questions that must be answered in order to set the parameters that will guide Kentucky Department of Education staff in crafting the Request for Proposals (RFP) to solicit bids for a testing company to work on modifications to the Commonwealth Accountability Testing System (CATS) that would be implemented in 2007. The Board began the discussion by considering the following values and priorities for the modified CATS program:

- Respects the developmental needs of children
- Maintains a valid and reliable program that is credible with educators, public, stakeholders
- Has tests that maintain strong support for instruction
  - Content standards alignment
  - Higher-order thinking skills through constructed response items
  - Basic skills tested
  - More released items for instructional and student accountability purposes
- Meets federal testing requirements of reading and mathematics annually and science per grade span
- Develops a longitudinal scale for reading and mathematics
- Maintains involvement of Kentucky teachers
- Improves score reporting – more student information and less time
- Stays within a reasonable total testing time
- Stays within budget
- Merges curriculum, instruction and assessment into a seamless system

Due to time constraints and the critical importance of this topic, the Board agreed to continue its discussion of the CATS RFP parameters at its May 17-18 annual retreat at Kentucky Dam Village State Park. The retreat discussion will focus on answering the following questions:

- Does the KBE wish to expand the purpose of CATS beyond school accountability to include additional student-based measures?
- Would the KBE approve a different model of core content coverage moving from a 100% per year to a model that would allow more flexibility? (a.100%-85% or b. one or two years)
- Does the KBE wish to consider a change to the number of on-demand writing prompts or how we assess on-demand writing?

- Does the KBE prefer that the KCCT test design include a core of common items to provide additional student level results and matrix items for coverage of core content, equating and pretesting?
- Does the KBE wish to continue emphasizing higher order skills by assigning greater weight to open-response items?
- Does the KBE wish the state to initiate pilot studies to develop and/or identify assessment approaches in Arts and Humanities and Practical Living/Vocational Studies that will address what students do as well as what they know in these areas?
- Does the KBE wish staff to include in the RFP a predictive measure of college success?

For more information on this topic, contact Bill Insko or Rhonda Sims at (502) 564-2256 or via email at [binsko@kde.state.ky.us](mailto:binsko@kde.state.ky.us) or [rsims@kde.state.ky.us](mailto:rsims@kde.state.ky.us).

### **Preschool Funding**

Another important topic at the April KBE meeting was the inadequate level of funding for preschool education. In fact, Curriculum Committee Chair Dorie Combs brought forward a motion to approve the preschool funding rates for 2005-2006, with continual, deep regret. The motion was worded in this fashion because state funding per child has decreased due to an increased number of eligible children and level funding. In fact, Kentucky Department of Education (KDE) staff pointed out that the 2005-2006 rate of \$2,150 for at-risk students is lower than the rate of \$2,285 that was available at the inception of the statewide program in 1992-1993. It was emphasized to Board members that the current preschool funding is totally inadequate given that the preschool program is a proven, research-based, effective program.

Each spring, the Kentucky Board of Education establishes the per-child rates for the Kentucky Preschool Program for the upcoming school year based on the budget approved by the legislature. The budget recently approved by the General Assembly allocates \$51.6 million for the preschool program for the next two years. The per-child rate varies according to the child's status. There is a standard preschool rate for 4-year-old at-risk children without disabilities and weighted amounts for 3- and 4-year-old children with disabilities according to three categories: speech/language, developmental delay, and severe.

Per-child preschool funding has decreased since 2001-02, primarily because of an increase in enrollment and level funding.

<b>CATEGORIES</b>	<b>2001-02</b>	<b>2005-06</b>
At-Risk	\$2,505	\$2,150
Speech/Language	\$2,639	\$2,258
Developmental Delays	\$3,403	\$3,011
Severe/Multiple Disabilities	\$5,565	\$4,086

Last year, 95 of 176 districts (54 percent) experienced preschool enrollment growth of more than five percent, and in 2002-03, 89 districts (51 percent) experienced growth. In 2004-05, the growing districts added 1,285 children. There has been a steady increase in growth since 1999-2000. From 2000-2005, the number of preschool children with disabilities has grown -- 27 percent in speech/language; 42 percent in developmental delay; and 27 percent in severe disabilities.

KDE staff pointed out the following increased pressures on the state-funded preschool programs:

- Districts are serving a larger number of children with disabilities.
- The number of eligible children with limited English proficiency (LEP) is increasing.
- Districts must hire certified teachers and recruit certified teachers as vacancies occur.
- Professional development, training and technical assistance will be necessary as programs implement the *Kentucky Early Childhood Standards, Continuous Assessment and Quality Self-Study Guides*.
- Transportation costs are straining district budgets.

Districts are increasingly using general funds to operate the preschool program. According to the June 30, 2004, Preschool Program Report, districts contributed \$23.5 million dollars to the preschool program.

As a result of the preschool rates discussion and as part of the motion to approve the rates, the Board will be pursuing a conversation with the appropriate legislative committees about the seriousness of the funding situation.

For more information on this topic, contact Kim Townley at (502) 564-8341 or via email at [ktownley@kde.state.ky.us](mailto:ktownley@kde.state.ky.us).

**Proposed Amendments to Assessment Regulations**

Four proposals that would require amendments to 703 KAR 5:001, Assessment and accountability definitions; 703 KAR 5:020, The formula for determining school accountability; and 703 KAR 5:130, School district accountability were reviewed at the KBE Assessment Committee’s April meeting. All four proposals would impact Adequate Yearly Progress (AYP) determinations.

The four proposals were:

- Alignment of the school reconfiguration notice deadline to coincide with earlier score releases for both CATS and *No Child Left Behind* (NCLB). The notification deadline would be moved from September 30 of the year in which reconfiguration occurs to June 30.
- Multi-year averaging in participation rate calculations. This would allow the number of years of data for determining participation rate to vary from school to school since an average of one, two or three years of data would be used to reach the required 95%.
- Use of a rolling average to calculate Annual Measurable Objectives (AMOs) for reading and mathematics. If all students and each student subpopulation of sufficient size meet their AMOs for reading and mathematics, only current year data would be used. For each student group failing to meet an AMO on current year data, the AMO would be based on two years of data. Moreover, if a student group fails to meet an AMO based on two years of data, the AMO would be based on three years of data.
- Attendance rate used as the other academic indicator at the elementary and middle school levels rather than the prior year accountability index. Staff proposed that to be successful on the other academic indicator at the elementary and middle school levels, a school and district would need to have an attendance rate at or above 90% or have demonstrated improvement from the previous year of at least one-tenth (0.1) of one percent. It was pointed out that using target attendance rates would be more comparable to graduation rate, the other academic indicator used at the high school level, and that it would eliminate the negative impact of schools knowing ahead of time that they cannot reach AYP since it is now based on the prior year accountability index data.

The Assessment Committee was supportive of the first three proposals explained above. However, staff was asked to bring forward other options to consider for an alternative to the other academic indicator (attendance proposal) that would relate to improving academic performance. Alternate proposals will be discussed at the Board's May 17-18 retreat.

Final approval of any amendments to the assessment regulations will occur at the June Board meeting. The amendments on multi-year averaging in participation rate calculations, rolling average when calculating AMOs and any change to the other academic indicator will also require federal approval.

For more information on this topic, contact Bill Insko or Rhonda Sims at (502) 564-2256 or via email at [binsko@kde.state.ky.us](mailto:binsko@kde.state.ky.us) or [rsims@kde.state.ky.us](mailto:rsims@kde.state.ky.us).

## Reciprocity Agreements

**Action:** The staff recommends that the Council approve tuition reciprocity agreements with Indiana, Illinois, Ohio, Tennessee, and West Virginia.

State tuition reciprocity agreements are arrangements between two or more states where the citizens of a defined region in one state can enroll at identified institutions (or in selected programs) in another state (and vice versa) for a reduced tuition charge and also may receive special treatment for admission purposes.

In general, the advantages of reciprocity agreements include:

- Broader access and opportunity for citizens in a region.
- Reduction of unnecessary duplication of academic programs.
- Cost reduction by utilizing academic programs in other states.

Currently, Kentucky is a partner in statewide tuition reciprocity agreements with Indiana, Illinois, Ohio, Tennessee, and West Virginia. Each of the current agreements will expire June 30, 2005. The Council staff has worked with each of these states and the participating institutions to renegotiate these agreements in compliance with the policies adopted by the Council at their January meeting. These policies require the agreements to achieve relative balance between participating states with regard to the number of students participating in the agreement in each state and the financial costs of the agreement. Each of the renegotiated agreements has been constructed to achieve compliance with the Council's policy. The following are brief descriptions of the renegotiated agreements with each state.

### Illinois

This agreement includes only two institutions, West Kentucky Community and Technical College and Shawnee Community College (IL). In fall 2004, Illinois residents received approximately 481 credit hours at West Kentucky Community and Technical College under the agreement while Kentucky residents received approximately 509 credit hours at Shawnee Community College. (See Attachment A for agreement.)

In order to equalize the benefit to both states under this agreement, West Kentucky Community and Technical College will charge eligible Illinois residents the Kentucky resident tuition and fee rate while Shawnee Community College will charge Kentucky residents the midpoint between

the Illinois resident rate and the Illinois nonresident rate. In 2005-06 this would mean that Kentucky students attending Shawnee would pay approximately \$74 per credit hour while Illinois residents attending West Kentucky Community and Technical College would pay \$98 per credit hour.

### Indiana

The Kentucky institutions included in the agreement are Henderson Community College, Owensboro Community and Technical College, Jefferson Community and Technical College, Gateway Community and Technical College, University of Louisville, and Northern Kentucky University. The Indiana institutions included in the agreement are the University of Southern Indiana, Indiana University Southeast, Purdue Statewide Technology, and Ivy Tech State College Regions 11 (Madison/Lawrenceburg), 12 (Evansville), and 13 (Sellersburg). In fall 2004, Kentucky residents earned 20,287 credit hours at Indiana institutions while Indiana residents earned 21,800 credit hours.

Due to special market considerations, the tuition rate charged by the University of Louisville and Northern Kentucky University under the agreement will be handled as detailed in Appendix B of the agreement.

### Ohio

The Kentucky institutions included in the agreements are Ashland Community and Technical College, Morehead State University, and Maysville Community and Technical College. The Ohio institutions included in the agreement are Cincinnati State Technical College, Ohio University–Athens, Ohio University–Southern, Rio Grande Community College, Shawnee State University, Southern State Community College, the University of Cincinnati – Clermont, and the University of Cincinnati – Main Campus. In fall 2004, Kentucky residents received 15,267 credit hours at Ohio institutions while Ohio residents received 6,432 credit hours at Kentucky institutions. The agreements with Ohio show a tenuous balance between the numbers of students being exchanged between the two states. There are two factors that will work to bring the agreements into balance over the next two years. First, Gateway Community and Technical College will be added to the agreement once they have received accreditation from the Southern Association of Colleges and Schools (SACS). This will increase the number of Ohio residents attending Kentucky institutions under the agreement. Second, Morehead State University was a new party to the agreement two years ago. Enrollment under the agreement has doubled at Morehead from fall 2003 to fall 2004. From 2005 to 2007, it is expected that the growth in enrollment will continue as more students become aware of Morehead State University's participation in the agreement. (See Attachment C for agreement.)

### Tennessee

The Kentucky institutions included in the agreement are Murray State University, Western Kentucky University, Hopkinsville Community College, and Southeast Community and Technical College. The Tennessee institutions included in the agreement are Austin Peay University, the University of Tennessee–Martin, and Volunteer Community College. In fall 2004, Tennessee residents received 25,432 credit hours at Kentucky institutions while Kentucky residents received 5,391 credit hours at Tennessee institutions. Due to this disproportionate imbalance, the new agreement includes a moratorium on new enrollments of Tennesseans under

the agreement at Kentucky institutions. The moratorium at four-year institutions will be for two years and the moratorium at two-year institutions will be one year. This action is intended to bring the agreement back into balance with regard to the numbers of students exchanged by the two states over the two-year period. (See Attachment D for agreement.)

West Virginia

This agreement includes only two institutions, Ashland Community and Technical College and Southern West Virginia Community and Technical College. In fall 2004, West Virginia residents received 2,387 credit hours at Ashland Community and Technical College while Kentucky residents received 2,493 credit hours at Southern West Virginia Community and Technical College. (See Attachment E for agreement.)

Staff preparation by Sandra Woodley and Jonathan Pruitt

**RECIPROCITY AGREEMENT  
BETWEEN  
WEST KENTUCKY COMMUNITY AND TECHNICAL COLLEGE (KENTUCKY)  
AND SHAWNEE COMMUNITY COLLEGE (ILLINOIS)  
2005-2007**

**I. Parties**

*For Kentucky:* Council on Postsecondary Education, West Kentucky Community and Technical College, and the Kentucky Community and Technical College System

*For Illinois:* Shawnee Community College

**II. Purpose**

The Commonwealth of Kentucky and Shawnee Community College desire to provide postsecondary opportunities for the residents of designated counties in both states in a way that will increase educational opportunities and benefits for participating students and provide an avenue for offering educational services in a cost-effective and cost-saving manner. Under this agreement, eligible students from either state will be able to attend designated institutions in the other state while paying reduced tuition rates through an innovative and cost-effective reciprocity/"dual enrollment" (see note) provision. This agreement describes how both states provide such opportunities.

*Note: Throughout this agreement, the term "dual enrollment" applies only to Shawnee Community College.*

**III. Period Covered By Agreement**

July 1, 2005 - June 30, 2007

**IV. Eligible Students**

- A. To be eligible for reciprocal-dual enrollment tuition under the terms of this agreement, students must (1) reside in one of the counties designated as an eligible county, (2) be accepted by the eligible institution, (3) be approved for enrollment by the participating colleges, and (4) enroll at that institution.
- B. Eligible students may enroll in designated classes or programs offered by either of the participating colleges.



- C. Eligible students may enroll on a full-time or part-time basis.
- D. For Kentucky residents: Eligible students will be charged the midpoint between resident and nonresident rates at Shawnee Community College.

For Illinois residents: Eligible students will be charged the resident tuition and fee rate at West Kentucky Community and Technical College.

- E. Eligible students from Illinois will be dually enrolled in parallel classes by Shawnee Community College. Such students will be claimed for enrollment purposes by Shawnee Community College. The procedures for accomplishing dual enrollment by Shawnee Community College will be simplified to the greatest extent possible. Reimbursement claims for dual-enrolled students will be made in accordance and compliance with existing procedures, rules, and guidelines that are in effect for Shawnee Community College. The concept of dual enrollment does not apply to West Kentucky Community and Technical College.

## **V. Terms Of Agreement**

### **A. Shawnee Community College:**

1. Will accept eligible students from the following Kentucky counties: Ballard, Livingston, and McCracken.
2. Will identify eligible courses and seek state approval of any courses not already approved.
3. Will enroll students designated as eligible for reciprocity/dual enrollment.

### **B. West Kentucky Community and Technical College:**

1. Will accept eligible students from the following Illinois counties: Massac, Pulaski, and Alexander.

### **C. The Commonwealth of Kentucky and Shawnee Community College:**

1. Will jointly monitor cross-border student flows under this agreement.
2. Will jointly designate those classes and programs in which students can enroll at the participating institutions.
3. Will meet periodically to assess the progress of this agreement and to consider changes as might be appropriate.

- D. Shawnee Community College and West Kentucky Community and Technical College:
1. Will treat eligible students as reciprocity students when assessing tuition and fees.
  2. Will treat eligible students as in-state students for admission and placement purposes.
  3. Will treat eligible students as in-state students with respect to registration, refunds, student records, and academic advising.
  4. Will assist with the record-keeping necessary to monitor cross-border student flows and will report data as deemed necessary by the Kentucky Council on Postsecondary Education and the Illinois Community College Board.
  5. Will continue to report eligible students as out-of-state students when reporting enrollment data to the Kentucky Council on Postsecondary Education and the Illinois Community College Board based upon existing reporting requirements.
  6. Are responsible for direct instructional costs.
  7. Will maintain separate transcripts and/or student files for all participating students.
  8. Will meet periodically with the appropriate state higher education agency to discuss the agreement and its impact, and to recommend changes as might be appropriate.

## **VI. Termination Or Renewal Of Agreement**

- A. This agreement will begin on July 1, 2005, and end June 30, 2007.
- B. Any party to the current agreement must notify the other parties of its intention to renew, or not to renew, by January 1, 2007.
- C. This agreement is subject to review and revision. Any party must notify the other parties by January 1 of its intention to change any term of the agreement or to cease participating in the agreement, to be effective the following July 1.
- D. This agreement may be terminated by action of the Kentucky Council on Postsecondary Education or Shawnee Community College.



**MEMORANDUM OF UNDERSTANDING  
BETWEEN INDIANA AND KENTUCKY  
REGARDING TUITION RECIPROCITY  
2005-2007**

**I. Parties**

*For Indiana:* Indiana Commission for Higher Education, University of Southern Indiana, ITSC Regions 11 (Madison/Lawrenceburg), 12 (Evansville), and 13 (Sellersburg), Indiana University Southeast, and Purdue Statewide Technology

*For Kentucky:* Kentucky Council on Postsecondary Education, Henderson Community College, Owensboro Community and Technical College, Jefferson Community and Technical College, Gateway Community and Technical College, University of Louisville, and Northern Kentucky University

**II. Purpose**

The states of Indiana and Kentucky desire to provide postsecondary opportunities for the residents of designated counties in both states. Under this agreement, eligible students from either state will be able to attend designated institutions in the other state while paying the greater of the tuition rate charged to residents of that state or the average of tuition charged to residents attending a like institution in their home state.

This agreement describes how both states will provide such opportunities.

**III. Period Covered By Agreement**

July 1, 2005 – June 30, 2007

**IV. Eligible Students**

- A. To be eligible under the terms of this agreement, students must (1) be legal residents of one of the counties designated by both states as an eligible county, (2) be accepted by the eligible institution, and (3) enroll at that institution.
- B. Eligible students may enroll in any undergraduate or graduate degree program offered by the eligible institution with one exception. Dental, Medical, and Law programs are not included.
- C. Eligible students may enroll on a full-time or part-time basis.

- D. Eligible students shall be subject to the same general or selective program admission standards as resident students.
- E. Under this agreement, eligible students will be assessed tuition and fees at the greater of either: (1) the enrolling institution's resident rate or (2) the sending state's average resident tuition rate for institutions within the same Carnegie Classification subject to the provisions of Appendix B. For the purposes of this agreement, the 2000 Carnegie Classifications shall be used to determine rates.

**V. Terms Of Agreement**

A. The states of Indiana and Kentucky agree:

1. That eligible counties shall consist of counties bordering the other state and lying wholly, or in part, within 30 miles of the county of the eligible institution except that additional counties may be identified elsewhere in the agreement. For the duration of this agreement, eligible counties shall consist of those counties listed in Appendix A.
2. That the public postsecondary institutions that will participate in this agreement are those listed in Appendix A. Each state will publicize the other state's eligible institutions.
3. That the Indiana Commission for Higher Education and the Kentucky Council on Postsecondary Education, working with the participating institutions, will develop a mutually agreeable process for certifying each state's average resident tuition rate as specified in Section IV.E.2 of this agreement.
4. That the terms of the agreement for Northern Kentucky University are contained in Appendix B.
5. That the terms of the agreement for the University of Louisville are contained in Appendix C.
6. To treat reciprocity students as resident students when determining appropriations for higher education.
7. To encourage the University of Louisville and Indiana University Southeast to continue identifying and making available to eligible students reciprocity programs. Programs mutually identified by the institutions will be reviewed for recognition by the Indiana Commission for Higher Education and the Kentucky Council on Postsecondary Education.
8. That, in the event that this agreement is not renewed, enrolled reciprocity students may complete their degree programs with state support at reciprocal rates of tuition or at the then-current rate as otherwise specified in this agreement so long as they maintain continuous enrollment.

9. To jointly monitor cross-border student flows under this agreement.
10. To meet periodically to assess the progress of this agreement and to consider changes as might be appropriate.

B. Each participating institution will:

1. Treat eligible students as resident students for admission and placement purposes.
2. Treat eligible students as resident students with respect to registration, refunds, student records, and academic advising.
3. Report eligible student headcount, FTE, and credit hours each academic term to its state agency for higher education.
4. Report eligible students as separately identifiable out-of-state students when reporting enrollment data to its state agency for higher education.
5. Meet periodically with the appropriate state higher education agency to discuss the agreement and its impact, and to recommend changes as might be appropriate.

## **VI. Renewal Or Termination Of Agreement**

- A. This agreement will begin on July 1, 2005, and end on June 30, 2007.
- B. The renewal or termination of this reciprocity agreement, effective July 1, 2007, will be announced no later than July 1, 2006.
- C. Prior to July 1, 2006, this agreement may be terminated by any of the participating institutions, by the Indiana Commission for Higher Education, or by the Kentucky Council on Postsecondary Education, on June 30 of any year, provided that each of the parties to the agreement has received written notice of the intention to terminate by the preceding January 1.
- D. In the event of termination, all enrolled reciprocity students will be allowed to complete their degree programs with state support at reciprocal rates of tuition or at the then-current rate as otherwise specified in this agreement so long as they maintain continuous enrollment.

**Appendix A**  
**ELIGIBLE INSTITUTIONS AND COUNTIES**

Indiana Institutions and  
Kentucky Counties

University of Southern Indiana  
(Evansville)  
    Daviss County  
    Hancock County  
    Henderson County  
    Union County

Ivy Tech State College  
Region 12 (Evansville)  
    Daviss County  
    Hancock County  
    Henderson County  
    Union County

Indiana University-Southeast including  
Purdue Statewide Technology  
    Bullitt County  
    Jefferson County  
    Oldham County

Ivy Tech State College  
Region 13 (Sellersburg)  
    Bullitt County  
    Jefferson County  
    Oldham County

Ivy Tech State College  
Region 11 (Madison)\*  
    Boone County  
    Carroll County  
    Gallatin County  
    Trimble County

Kentucky Institutions and  
Indiana Counties

Henderson Community College  
    Perry County  
    Posey County  
    Spencer County  
    Vanderburgh County  
    Warrick County

Owensboro Community and Technical College  
    Perry County  
    Posey County  
    Spencer County  
    Vanderburgh County  
    Warrick County

University of Louisville  
    Clark County  
    Crawford County  
    Floyd County  
    Harrison County  
    Scott County  
    Washington County

Jefferson Community and Technical College  
    Clark County  
    Crawford County  
    Floyd County  
    Harrison County  
    Scott County  
    Washington County

Gateway Community and Technical  
College (Formerly Northern Kentucky  
Technical College)  
    Dearborn County  
    Franklin County  
    Jefferson County  
    Ohio County  
    Ripley County  
    Switzerland County

Northern Kentucky University  
    Dearborn County  
    Franklin County  
    Jefferson County  
    Ohio County  
    Ripley County  
    Switzerland County

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\* Includes the two-plus-two completion program in Business offered by Ivy Tech State College and Indiana University East on the Ivy Tech State College Region 11 (Lawrenceburg) campus.

## **Appendix B**

### **NORTHERN KENTUCKY UNIVERSITY**

1. For 2005-06, Northern Kentucky University will charge students from eligible Indiana counties the last adopted rate by the Northern Kentucky University Board for eligible Indiana students in 2004-05 of \$6,120.
2. For 2006-07, Northern Kentucky University will charge students from eligible Indiana counties the midpoint between the reciprocity rate and the tuition and fee rate charged of eligible Indiana students in 2004-05 of \$6,120.
3. The state of Indiana will pay Northern Kentucky University \$207,000 annually in partial reimbursement for the enrollment of students from eligible Indiana counties.

### **UNIVERSITY OF LOUISVILLE**

1. For 2005-06, the University of Louisville will charge students from eligible Indiana counties the resident rate.
2. For 2006-07, the University of Louisville will charge the annual resident rate plus \$500.



## VII. Signatures

---

Stanley G. Jones                      Date  
Commissioner  
Indiana Commission for  
Higher Education

---

Thomas D. Layzell                      Date  
President  
Kentucky Council on  
Postsecondary Education

---

H. Ray Hoops                              Date  
President  
University of Southern Indiana

---

James Ramsey                              Date  
President  
University of Louisville

---

Gerald I. Lamkin                              Date  
President  
Ivy Tech State College

---

Michael B. McCall                              Date  
President  
Kentucky Community and Technical  
College System

---

Adam Herbert                                      Date  
President  
Indiana University

---

James C. Votruba                              Date  
President  
Northern Kentucky University

---

Martin C. Jischke                              Date  
President  
Purdue University

## UNDERGRADUATE TUITION RECIPROCITY AGREEMENT

**Northern Kentucky University  
And  
Cincinnati State Technical and Community College  
Southern State Community College  
University of Cincinnati**

This Tuition Reciprocity Agreement is entered into between the Kentucky Council on Postsecondary Education and the Ohio Board of Regents, the Cincinnati State Technical and Community College Board of Trustees, the Northern Kentucky University Board of Regents, the Southern State Community College Board of Trustees, and the University of Cincinnati Board of Trustees, pursuant to provision of Section 3333.17 of the Ohio Revised Code and in compliance with rules and procedures of the aforementioned parties.

### **I. Purpose**

The general purpose of this Tuition Reciprocity Agreement is to expand postsecondary educational opportunities in the greater Cincinnati area while limiting the cost of such expansion to the taxpayers of Ohio and Kentucky through collaboration among public institutions of higher education. The intended outcomes of this collaboration are to increase the availability of programs to residents of the greater Cincinnati area without needless duplication of educational effort and to promote efficient use of existing educational facilities and resources.

### **II. Terms**

#### **1. Duration and Termination**

The agreement shall be effective beginning July 1, 2005, through June 30, 2007, and may be renewed prior to June 30, 2007, by mutual consent of all of the parties for a period of two years. As the agreement must coincide with the biennial budgets of the State of Ohio, the next renewal shall be for July 1, 2007, to June 30, 2009.

The agreement may be amended through mutual consent of all parties, providing the amendment is in writing and signed by all parties to the agreement prior to the effective date of the amendment.

- a. The parties may amend the agreement in the following manner. Amendments must be presented to each of the parties of this agreement for their consideration. Each party of this agreement will then have sixty (60) days to respond in writing with a decision as to whether they approve/disapprove the proposed amendment to the agreement. The responses will be sent to all parties in the agreement. After sixty (60) days, if all parties approve of the proposed amendment, the agreement will be amended. If all parties do not approve, the agreement will not be amended.

A review of this agreement may occur from time to time at the request of any party hereto, provided all parties to this agreement are served with written notice of such request at least ninety (90) days prior to said review.

This agreement may be terminated by any of the participating institutions, the Ohio Board of Regents, or the Kentucky Council on Postsecondary Education on June 30 of any year, with at least ninety (90) days prior written notice to each of the parties to this agreement.

2. Kentucky Residents' Eligibility for Ohio Associate Degree Programs

The participating Ohio institutions agree to accept at Ohio resident tuition rates any resident of Bracken, Boone, Campbell, Carroll, Gallatin, Grant, Kenton, and Pendleton Counties of Kentucky who enrolls and who satisfies all regular admission requirements (including those requirements of the specific program in which admission is sought) at the University of Cincinnati's two-year colleges (Clermont College, College of Applied Science, Raymond Walters College, and University College) or at Cincinnati State Technical and Community College or at Southern State Community College in the associate degree programs not specifically excluded from this agreement.

In this section, the word "program" only means an associate degree program and the word "resident" means resident for the purpose of tuition determination as defined by the respective institution.

Majors and/or programs at the University of Cincinnati two-year colleges, Cincinnati State Technical and Community College, and Southern State Community College which are excluded from this agreement are the following two-year programs otherwise offered at Northern Kentucky University:

- (1) Clermont College: Aviation Technology, Human/Social Services Technology, and Criminal Justice Technology
- (2) College of Applied Science: no exclusions
- (3) Raymond Walters College: Radiological Technology
- (4) Cincinnati State Technical and Community College: no exclusions
- (5) Southern State Community College: no exclusions

Any program listed above as excluded may, by the joint written consent of the presidents of all four institutions, be included in this agreement.

3. Kentucky Residents' Eligibility for Ohio Baccalaureate Degree Programs

The University of Cincinnati agrees to accept at Ohio resident tuition rates any resident of Boone, Bracken, Campbell, Carroll, Gallatin, Grant, Kenton, and Pendleton Counties of Kentucky who enrolls and who satisfies all regular baccalaureate admissions requirements (including those requirements of the specific program in which admission is being sought) at the University of Cincinnati in the following baccalaureate degree programs: Architecture, Culinary Arts and Science, Digital Design, Engineering, Honors PLUS (see provision below), Interior Design, and Urban Planning.

In conformance with the limitations set forth in the bulleted item below, admission to the Honors PLUS baccalaureate degree program in the College of Business, University of Cincinnati is subject to the following provision:

- Reciprocity for the Honors PLUS program at the University of Cincinnati is limited to residents of the eligible Kentucky counties with a cap of fifty (50) students enrolled in courses at any one time.

In this section, the word “program” only means a baccalaureate degree program and the word “resident” means resident for the purpose of tuition determination as defined by the respective institution.

4. Ohio Residents’ Eligibility for Kentucky Baccalaureate Degree Programs

Northern Kentucky University agrees to accept at Kentucky resident tuition rates any resident of Adams, Brown, Butler, Clermont, Clinton, Fayette, Hamilton, Highland, and Warren Counties of Ohio with an associate degree from the University of Cincinnati, Cincinnati State Technical and Community College, or from Southern State Community College, who enrolls and who satisfies all regular transfer admissions requirements (including those requirements of the specific program in which admission is sought) in Northern Kentucky University baccalaureate degree programs not specifically excluded from this agreement.

In this section, the word “program” only means a baccalaureate degree program and the word “resident” means resident for the purpose of tuition determination as defined by the respective institution.

The majors and/or programs at Northern Kentucky University excluded from this agreement are:

- (1) Early Childhood Education
- (2) Criminal Justice
- (3) Environmental Science
- (4) Nursing

Any major/program listed above as excluded may, by the joint written consent of the presidents of all four institutions, be included in this agreement.

5. Ohio Residents’ Eligibility/Enrollment Limitations for Kentucky Programs

In conformance with the limitations set forth in the bulleted item below, admission to the Business Administration baccalaureate degree program in the College of Business, Northern Kentucky University is subject to the following provision:

- Reciprocity for the College of Business, Business Administration program at Northern Kentucky University is limited to residents of the eligible Ohio counties with a cap of fifty (50) students enrolled in courses at any one time.

In this section, the word “program” only means a specific baccalaureate degree program and the word “resident” means resident for the purpose of tuition determination as defined by the respective institution.

6. New Program Eligibility

Any new program may be included in this agreement upon successful completion of the agreements’ amendment process, as listed above.

In this section, the word “program” may mean a workshop, a certificate program, an associate degree program, or a baccalaureate degree program.

7. Resident Status

a. During the period of this agreement, the Ohio Board of Regents will consider residents of Bracken, Boone, Campbell, Carroll, Gallatin, Grant, Kenton, and Pendleton Counties who attend the University of Cincinnati, Cincinnati State Technical and Community College, or Southern State Community College under this agreement as qualifying for Ohio resident tuition rates, and as Ohio residents for the purpose of allocating funds to the University of Cincinnati, Cincinnati State Technical and Community College, and Southern State Community College.

b. During the period of this agreement, the Kentucky Council on Postsecondary Education will consider residents of Adams, Brown, Butler, Clermont, Clinton, Fayette, Hamilton, Highland, and Warren Counties who attend Northern Kentucky University under this agreement as qualifying for Kentucky resident tuition rates, and as reciprocity students for the purpose of allocating funds to Northern Kentucky University.

8. Continued Eligibility

Once enrolled as a reciprocity student, each student demonstrating satisfactory academic performance under already existing standards and criteria of his/her institution will continue to receive reciprocity benefits under this agreement through graduation for the degree in which enrolled, as long as a reciprocity agreement exists. Student participation is subject to the terms and conditions of the reciprocity agreement in effect at the time of initial enrollment, and, in the event of termination, each student will be informed by the enrolling institutions of his/her future status. If the agreement is terminated, participating institutions may agree at that time to continue tuition reciprocity for students appropriately enrolled in eligible programs at the time of termination until the completion of their programs of study, subject to the biennial limitations as described in paragraph II.1.

9. Notice, Application, and Waiver

The availability of reciprocity tuition rates under this agreement shall be advertised to applicants and/or to students of Cincinnati State Technical and Community College, Southern State Community College, Northern Kentucky University and the University of Cincinnati by any means deemed appropriate by the respective institutions.

All students who want to receive reciprocity tuition rates under this agreement must apply for such rates at the institution where they plan to enroll.

Failure to so apply in the manner required by each institution and in advance of enrollment will constitute a waiver of all rights under the terms of this agreement for the quarter or semester of enrollment and any preceding quarter or semester of enrollment for which no application was made. Each institution will develop a process for applicants to use in order to apply for reciprocity tuition rates under this agreement.

These processes will be written and shared with each institution as well as with the Ohio Board of Regents and the Kentucky Council on Postsecondary Education. The process will also be made available to all potential applicants upon request.

In this section, the word “resident” means resident for the purpose of tuition determination as defined by the respective institution.

10. Annual Report

By June 30 of each year, Cincinnati State Technical and Community College, Northern Kentucky University, Southern State Community College, and the University of Cincinnati agree to provide annual reports on the enrollment and fiscal implications of the agreement to the other respective institutions, the Kentucky Council on Postsecondary Education, and the Ohio Board of Regents. Specific forms for the annual report may be prescribed by the state agencies.

**III. Ohio Board of Regents Approval**

This agreement is not effective unless and until approved by the State of Ohio Controlling Board pursuant to Section 3333.17 of the Ohio Revised Code.

**TUITION RECIPROCITY AGREEMENT  
SIGNATURE PAGE**

**STATE AGENCIES**

Thomas D. Layzell, President  
Kentucky Council on Postsecondary Education

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

Roderick G. W. Chu, Chancellor  
Ohio Board of Regents

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

**INSTITUTIONS**

James C. Votruba, President  
Northern Kentucky University

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

Nancy L. Zimpher, President  
University of Cincinnati

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

Ron D. Wright, President  
Cincinnati State Technical and Community College

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

Lawrence N. Dukes, President  
Southern State Community College

Signed: \_\_\_\_\_

Date: \_\_\_\_\_



# GRADUATE TUITION RECIPROCALITY AGREEMENT

## University of Cincinnati And Northern Kentucky University

This Tuition Reciprocity Agreement is entered into between the Kentucky Council on Postsecondary Education and the Ohio Board of Regents, the Northern Kentucky University Board of Regents, and University of Cincinnati Board of Trustees, pursuant to provision of Section 3333.17 of the Ohio Revised Code and in compliance with rules and procedures of the aforementioned parties.

### I. Purpose

The general purpose of this Tuition Reciprocity Agreement is to expand postsecondary educational opportunities in the greater Cincinnati area while limiting the cost of such expansion to the taxpayers of Ohio and Kentucky through collaboration among public institutions of higher education. The intended outcomes of this collaboration are to increase the availability of programs to residents of the greater Cincinnati area without needless duplication of educational effort and to promote efficient use of existing educational facilities and resources.

### II. Terms

#### 1. Duration and Termination

The agreement shall be effective beginning July 1, 2005, through June 30, 2007, and may be renewed prior to June 30, 2005, by mutual consent of all of the parties for a period of two years. As the agreement must coincide with the biennial budgets of the State of Ohio, the next renewal shall be for July 1, 2007, to June 30, 2009.

The agreement may be amended through mutual consent of all parties, providing the amendment is in writing and signed by all parties to the agreement prior to the effective date of the amendment.

- a. The parties may amend the agreement in the following manner. Amendments must be presented to each of the parties of this agreement for their consideration. Each of the parties to this agreement will then have sixty (60) days to respond in writing with a decision as to whether they approve/disapprove the proposed amendment to the agreement. The responses will be sent to all parties in the agreement. After sixty (60) days, if all parties approve of the proposed amendment, the agreement will be amended. A copy of the amendment with signatures will be sent to all parties. If all parties do not approve, the agreement will not be amended.

A review of this agreement will occur on an annual basis or at the request of any party hereto, provided all parties to this agreement are served with written notice of

such request at least ninety (90) days prior to said review.

This agreement may be terminated by either of the parties, or by either the Ohio Board of Regents or the Kentucky Council on Postsecondary Education on June 30 of any year, with at least ninety (90) days prior written notice to each of the parties to this agreement.

2. Kentucky Residents Eligibility/Ohio Program

The University of Cincinnati agrees to accept at Ohio resident tuition rates any resident of Boone, Bracken, Campbell, Carroll, Gallatin, Grant, Kenton, and Pendleton Counties of Kentucky who enrolls and who satisfies all regular graduate admissions requirements (including those requirements of the specific program in which admission is being sought) at the University of Cincinnati in the following graduate degree programs:

- all graduate programs offered in the College of Engineering;
- all graduate programs offered in the College of Pharmacy;
- all graduate programs offered in the College of Arts and Sciences;
- all graduate programs offered in the College of Allied Health;
- all graduate programs offered in the College of Nursing;
- all graduate programs offered in the College-Conservatory of Music;
- all Doctor of Medicine (M.D.) degree programs;
- the M.S. programs in Molecular Genetics, Biochemistry, and Microbiology; Molecular and Developmental Biology; Environmental Health Sciences; Environmental Health Sciences/Biostatistics; Environmental Health Sciences/Epidemiology; Occupational Safety and Ergonomics; Radiological Sciences; Toxicology; the FLEX program, and all Ph.D. programs offered in the College of Medicine;
- the Master of Fine Arts (M.F.A.), M.A. in Art History, M.A. in Art Education, Master of Community Planning (M.C.P.) degree programs, and Ph.D. in Planning in the College of Design, Architecture, Art, and Planning;
- all graduate programs offered in the College of Education., in conformance with the limitations set forth in the following bullet:
  - reciprocity for the M.Ed. Concentration in Teacher's Education at the University of Cincinnati is limited to residents of the eligible northern Kentucky counties who are employed as full-time K-12 teachers in Ohio.

The following graduate programs at the University of Cincinnati are excluded from this agreement:

- all graduate programs offered in the College of Business;
- all programs offered in the College of Law;
- all graduate programs offered in the College of Design, Architecture, Art, and Planning except the programs designated above as subject to the agreement;
- all graduate programs offered in the School of Social Work;
- all graduate programs offered in the College of Medicine except the programs

- designated above as subject to the agreement;
- all certificate programs offered at the University of Cincinnati are excluded from this agreement.

In this section, the word “program” means only graduate or professional degree program and the word “resident” means resident for the purpose of determining tuition as defined by the respective institutions.

3. Ohio Residents Eligibility/Kentucky Programs

Northern Kentucky University agrees to accept at Kentucky resident tuition rates any resident of Adams, Brown, Butler, Clermont, Clinton, Fayette, Hamilton, Highland, and Warren Counties of Ohio who enrolls and who satisfies all regular graduate admissions requirements (including those requirements of the specific program in which admission is being sought) at Northern Kentucky University in the M.A in Education degree program subject to the limitation set forth in the bullet below:

- Reciprocity for the M.A. in Education at Northern Kentucky University is limited to residents of the eligible counties who are employed as regular teachers in Kentucky.

All other graduate programs and certificate programs at Northern Kentucky University are excluded from this agreement.

In this section, the word “program” means only graduate degree program and the word “resident” means resident for the purpose of determining tuition as defined by the respective institutions.

4. Resident Status

- a. During the period of this agreement, the Ohio Board of Regents will consider residents of Boone, Bracken, Campbell, Carroll, Gallatin, Grant, Kenton, and Pendleton Counties, who attend the University of Cincinnati under this agreement as qualifying for resident Ohio tuition, and as Ohio residents for the purpose of allocating funds to the University of Cincinnati.
- b. During the period of this agreement, the Kentucky Council on Postsecondary Education will consider residents of Adams, Brown, Butler, Clermont, Clinton, Fayette, Hamilton, Highland, and Warren Counties, who attend Northern Kentucky University under this agreement as qualifying for resident Kentucky tuition, and as Kentucky residents for the purpose of allocating funds to Northern Kentucky University.

5. Continued Eligibility

Once enrolled as a reciprocity student, each student demonstrating satisfactory academic performance under already existing standards and criteria of his/her institution will continue to receive reciprocity benefits under this agreement through graduation for the degree in which enrolled, as long as a reciprocity agreement exists.

Student participation is subject to the terms and conditions of the reciprocity agreement in effect at the time of initial enrollment, and, in the event of termination, each student will be informed by the enrolling institutions of his/her future status. If the agreement is terminated, participating institutions may agree at that time to continue tuition reciprocity for students appropriately enrolled in eligible programs at the time of termination until the completion of their programs of study, subject to the biennial limitations as described in paragraph II.1.

6. Notice, Application, and Waiver

The availability of resident tuition rates under this agreement shall be advertised to applicants and/or to students of Northern Kentucky University and the University of Cincinnati by any means deemed appropriate by those institutions.

All students who want to receive resident tuition rates under this agreement must apply for such rates at the institution where they plan to enroll.

Failure to so apply in the manner required by each institution and in advance of enrollment will constitute a waiver of all rights under the terms of this agreement for that quarter or semester of enrollment and any preceding quarter or semester of enrollment for which no application was made. Each institution will develop a process for applicants to use in order to apply for resident tuition rates under this agreement.

7. Annual Report

By June 30 of each year, Northern Kentucky University and the University of Cincinnati agree to provide annual reports on the enrollment and fiscal implications of the agreement to the other respective institutions, the Kentucky Council on Postsecondary Education, and the Ohio Board of Regents. Specific forms for the annual report may be prescribed by the state agencies.

**III. Ohio Board of Regents**

This agreement is not effective unless and until approved by the Ohio Board of Regents pursuant to Section 3333.17 of the Ohio Revised Code and the Kentucky Council on Postsecondary Education.

**TUITION RECIPROCITY AGREEMENT  
SIGNATURE PAGE**

**STATE AGENCIES**

Thomas D. Layzell, President  
Kentucky Council on Postsecondary Education

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

Roderick G. W. Chu, Chancellor  
Ohio Board of Regents

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

**INSTITUTIONS**

James C. Votruba, President  
Northern Kentucky University

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

Nancy L. Zimpher, President  
University of Cincinnati

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

# **TUITION RECIPROCITY AGREEMENT**

**Ashland Community and Technical College  
Morehead State University-Morehead  
Morehead State University-Ashland  
And  
Ohio University-Athens  
Ohio University-Southern  
Rio Grande Community College  
Shawnee State University**

In an effort to increase the college going rate and postsecondary opportunities in an underserved Appalachian region, this Tuition Reciprocity Agreement is entered into between the Kentucky Council on Postsecondary Education, the Kentucky Community and Technical College System, the Ohio Board of Regents, the Boards of Trustees of Ashland Community and Technical College, Morehead State University-Morehead, Morehead State University-Ashland, Ohio University-Athens, Ohio University-Southern, Rio Grande Community College, and Shawnee State University pursuant to provision of Section 3333.17 of the Ohio Revised Code and in compliance with rules and procedures of the aforementioned parties.

## **I. Purpose**

The general purpose of this Tuition Reciprocity Agreement is to expand postsecondary educational opportunities in the region while limiting the cost of such expansion to the taxpayers of Ohio and Kentucky through collaboration among public institutions of higher education. The intended outcomes of this collaboration are to increase the availability of programs to residents of the region without needless duplication of educational effort and to promote efficient use of existing educational facilities and resources.

## **II. Terms**

### **1. Duration and Termination**

The agreement shall be effective beginning July 1, 2005, through June 30, 2007, and may be renewed prior to June 30, 2007, by mutual written agreement signed by all of the parties for a period of two years. As the agreements must coincide with the biennial budgets of the State of Ohio, the next agreement would be for the term of July 1, 2007, to June 30, 2009.

The agreement may be amended by any party, providing the amendment is in writing and signed by all parties to the agreement prior to the effective date of the amendment.

A review of this agreement will occur on a biennial basis or at the request of any party hereto, provided all parties to this agreement are served with written notice of such request at least ninety (90) days prior to said review.

This agreement may be terminated by any of the participating institutions, the Ohio

Board of Regents, the Kentucky Community and Technical College System, or the Kentucky Council on Postsecondary Education on June 30 of any year, with at least ninety (90) days prior written notice to each of the parties to this agreement.

2. Kentucky Residents Eligibility/Ohio Programs

Ohio University-Athens, Ohio University-Southern, Rio Grande Community College, and Shawnee State University agree to accept at Ohio resident tuition rates any resident of Boyd, Carter, Elliot, Fleming, Greenup, Lawrence, Lewis, Mason, and Rowan Counties of Kentucky who enrolls and who satisfies all regular admissions requirements (including those requirements of the specific program in which admission is being sought).

3. Ohio Residents Eligibility/Kentucky Programs

Ashland Community and Technical College, Morehead State University-Morehead, and Morehead State University-Ashland agree to accept at Kentucky resident tuition rates any resident of Adams, Athens, Gallia, Jackson, Lawrence, Meigs, Pike, Scioto, and Vinton Counties of Ohio who enrolls and who satisfies all regular admissions requirements (including those requirements of the specific program in which admission is being sought).

The following program from Morehead State University is excluded from the agreement: Master of Business Administration.

4. Resident Status

a. During the period of this agreement, the Ohio Board of Regents will consider residents of Boyd, Carter, Elliot, Fleming, Greenup, Lawrence, Lewis, Mason and Rowan Counties who attend Ohio University-Athens, Ohio University-Southern, Rio Grande Community College, and Shawnee State University under this agreement as qualifying for resident Ohio tuition and as Ohio residents for the purpose of allocating funds to Ohio University-Athens, Ohio University-Southern, Rio Grande Community College, and Shawnee State University.

b. During the period of this agreement, the Kentucky Community and Technical College System and the Kentucky Council on Postsecondary Education will consider residents of Adams, Athens, Gallia, Jackson, Lawrence, Meigs, Pike, Scioto, and Vinton Counties who attend Ashland Community and Technical College, Morehead State University-Morehead, and Morehead State University-Ashland under this agreement as qualifying for resident Kentucky tuition and as Kentucky residents for the purpose of allocating funds to Ashland Community and Technical College, Morehead State University-Morehead, and Morehead State University-Ashland.

5. Continued Eligibility

Once enrolled as a reciprocity student, each student demonstrating satisfactory academic performance under already existing academic standards and criteria of their institution will continue to receive reciprocity benefits under this agreement through graduation for the degree in which enrolled, as long as a reciprocity agreement exists. Student participation is subject to the terms and conditions of the reciprocity agreement in effect at the time of initial enrollment, and, in the event of termination,



each student will be informed by the enrolling institution of his/her future status. If the agreement is terminated, participating institutions may agree at that time to continue tuition reciprocity for students appropriately enrolled in eligible programs at the time of termination until the completion of their programs of study, subject to the biennial limitations as described in paragraph II.1.

6. Notice, Application, and Waiver

The availability of resident tuition rates under this agreement shall be advertised to applicants and/or to students of Ashland Community and Technical College, Morehead State University-Morehead, Morehead State University-Ashland, Ohio University-Athens, Ohio University-Southern, Rio Grande Community College, and Shawnee State University by any means deemed appropriate by those institutions.

All eligible students who want to receive resident tuition rates under this agreement must apply for such rates at the institution where they plan to enroll. Failure to apply in the manner required by each institution and in advance of enrollment will constitute a waiver of all rights under the terms of this agreement for that quarter or semester of enrollment and any preceding quarter or semester of enrollment for which no application was made. Each institution will develop a process for applicants to use in order to apply for resident tuition rates under this agreement.

7. Annual Report

By June 30 of each year, Ashland Community and Technical College, Morehead State University-Morehead, Morehead State University-Ashland, Ohio University-Athens, Ohio University-Southern, Rio Grande Community College, and Shawnee State University agree to provide annual reports on the enrollment and fiscal implications of the agreement to the other respective institutions, the Kentucky Council on Postsecondary Education, and the Ohio Board of Regents. Specific forms for the annual report may be prescribed by the state agencies.

**III. Ohio Board of Regents Approval**

This agreement is not effective unless and until approved by the Ohio Board of Regents pursuant to Section 3333.17 of the Ohio Revised Code and the Kentucky Council on Postsecondary Education.

**TUITION RECIPROCITY AGREEMENT  
SIGNATURE PAGES**

**STATE AGENCIES**

Thomas D. Layzell, President

Kentucky Council on Postsecondary Education

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

Roderick G. W. Chu, Chancellor

Ohio Board of Regents

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

Michael B. McCall, President

Kentucky Community & Technical College System

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

**INSTITUTIONS**

Greg Adkins, Chief Executive Officer  
Ashland Community and Technical College District

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

Wayne Andrews, President  
Morehead State University

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

Roderick McDavis, President  
Ohio University

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

Barry M. Dorsey, President  
Rio Grande Community College

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

Rita Morris, President  
Shawnee State University

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

# **TUITION RECIPROCITY AGREEMENT**

## **Maysville Community and Technical College And University of Cincinnati – Clermont College**

This Tuition Reciprocity Agreement is entered into between the Kentucky Council on Postsecondary Education and the Ohio Board of Regents, the Kentucky Community and Technical College System and the Boards of Directors of Maysville Community and Technical College, and the University of Cincinnati – Clermont College pursuant to provision of Section 3333.17 of the Ohio Revised Code and in compliance with rules and procedures of the aforementioned parties.

### **I. Purpose**

The general purpose of this Tuition Reciprocity Agreement is to expand postsecondary educational opportunities in the northern Kentucky and southern Ohio area while limiting the cost of such expansion to the taxpayers of Ohio and Kentucky through collaboration among public institutions of higher education. The intended outcomes of this collaboration are to increase the availability of programs to residents of Clermont, Adams and Brown Counties in Ohio and Mason, Bracken, Lewis, and Robertson Counties in Kentucky without needless duplication of educational effort and to promote efficient use of existing educational facilities and resources.

### **II. Terms**

#### **1. Duration and Termination**

The agreement shall be effective beginning July 1, 2005, through June 30, 2007, and may be renewed prior to June 30, 2007, by mutual consent of all of the parties for a period of two years. As the agreements must coincide with the biennial budgets of the State of Ohio, the next renewal shall be for July 1, 2007, to June 30, 2009.

The agreement may be amended through mutual consent of all parties, providing the amendment is in writing and signed by all parties to the agreement prior to the effective date of the amendment.

- a. The parties may amend the agreement in the following manner. Amendments must be presented to each of the parties of this agreement for their consideration. Each party of this agreement will then have sixty (60) days to respond in writing with a decision as to whether they approve/disapprove the proposed amendment to the agreement. The responses will be sent to all parties in the agreement. After sixty (60) days, if all parties approve of the proposed amendment, the agreement will be amended. If all parties do not approve, the agreement will not be amended.

A review of this agreement may occur from time to time at the request of any party hereto, provided all parties to this agreement are served with written notice of such request at least ninety (90) days prior to said review.

This agreement may be terminated by any of the participating institutions, the Ohio Board of Regents, the Kentucky Community and Technical College System, or the Kentucky Council on Postsecondary Education on June 30 of any year, with at least ninety (90) days prior written notice to each of the parties to this agreement.

2. Kentucky Residents' Eligibility for Ohio Programs

The participating Ohio institutions agree to accept at Ohio resident tuition rates any resident of Bracken, Lewis, Mason, or Robertson Counties of Kentucky who enrolls and who satisfies all regular admission requirements (including those requirements of the specific program in which admission is sought) at the University of Cincinnati – Clermont College in the programs not specifically excluded from this agreement. In this context, the word “program” may mean a workshop, a certificate program, and/or associate degree program.

3. Ohio Residents' Eligibility for Kentucky Programs

Maysville Community and Technical College agrees to accept at Kentucky resident tuition rates any resident of Adams, Brown, and Clermont Counties of Ohio who enrolls and who satisfies all regular admission requirements (including those requirements of the specific program in which admission is sought) at Maysville Community and Technical College in the programs not specifically excluded from this agreement. In this context, the word “program” may mean a workshop, a certificate program, and/or associate degree program.

4. New Program Eligibility

Any new program may be included in this agreement upon successful completion of the agreement's amendment process, as listed above. In this context, the word “program” may mean a workshop, a certificate program, and/or associate degree program.

5. Resident Status

- a. During the period of the agreement, the Ohio Board of Regents will consider residents of Bracken, Lewis, Mason, and Robertson Counties who attend the University of Cincinnati – Clermont College under this agreement as qualifying for Ohio resident tuition rates and as Ohio residents for the purpose of allocating funds to the University of Cincinnati – Clermont College.

- b. During the period of this agreement, the Kentucky Community and Technical College System and the Kentucky Council on Postsecondary Education will consider residents of Adams, Brown, and Clermont Counties who attend Maysville Community and Technical College under this agreement as qualifying for Kentucky resident tuition rates and as Kentucky residents for the purpose of allocating funds to Maysville Community and Technical College.

6. Continued Eligibility

Once enrolled as a reciprocity student, each student demonstrating satisfactory academic performance under already existing standards and criteria of his/her institution will continue to receive reciprocity benefits under this agreement through graduation for the degree in which enrolled, as long as a reciprocity agreement exists. Student participation is subject to the terms and conditions of the reciprocity agreement in effect at the time of initial enrollment, and, in the event of termination, each student will be informed by the enrolling institutions of his/her future status. If the agreement is terminated, participating institutions may agree at that time to continue tuition reciprocity for students appropriately enrolled in eligible programs at the time of termination until completion of their programs of study, subject to the biennial limitations as described in paragraph II. 1.

7. Notice, Application, and Waiver

The availability of resident tuition rates under this agreement shall be advertised to applicants and/or to students of Maysville Community and Technical College and the University of Cincinnati – Clermont College by any means deemed appropriate by those institutions.

All eligible students who want to receive resident tuition rates under this agreement must apply for such rates at the institution where they plan to enroll. Failure to apply in the manner required by each institution and in advance of enrollment will constitute a waiver of all rights under the terms of this agreement for that quarter or semester of enrollment and any preceding quarter or semester of enrollment for which no application was made. Each institution will develop a process for applicants to use in order to apply for resident tuition rates under this agreement.

8. Annual Report

By June 30 of each year, the Kentucky Community and Technical College System, Maysville Community and Technical College, and University of Cincinnati – Clermont College agree to provide annual reports on the enrollment and fiscal implications of the agreement to the other respective institutions, the Kentucky Council on Postsecondary Education, and the Ohio Board of Regents. Specific forms for the annual report may be prescribed by the state agencies.

**III. Ohio Board of Regents Approval**

This agreement is not effective unless and until approved by the Ohio Board of Regents pursuant to Section 3333.17 of the Ohio Revised Code and the Kentucky Council on Postsecondary Education.

**TUITION RECIPROCITY AGREEMENT  
SIGNATURE PAGE**

**STATE AGENCIES**

Thomas D. Layzell, President  
Kentucky Council on Postsecondary Education

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

Roderick G. W. Chu, Chancellor  
Ohio Board of Regents

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

Michael B. McCall, President  
Kentucky Community and Technical College System

Signed: \_\_\_\_\_

Date: \_\_\_\_\_



**INSTITUTIONS**

Augusta A. Julian, President  
Maysville Community and Technical College

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

Nancy L. Zimpher, President  
University of Cincinnati

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

**TUITION RECIPROCITY AGREEMENT  
BETWEEN KENTUCKY AND TENNESSEE  
2005-2007**

**I. Parties**

*For Kentucky:* Council on Postsecondary Education, Murray State University, Western Kentucky University, and the Kentucky Community and Technical College System

*For Tennessee:* Tennessee Higher Education Commission, the University of Tennessee, and the Tennessee Board of Regents

**II. Purpose**

The Commonwealth of Kentucky and the State of Tennessee desire to provide postsecondary opportunities for the residents of designated counties in both states. Under this agreement, eligible students from either state will be able to attend designated institutions in the other state while paying the greater of the tuition rate charged to residents of that state or the average of tuition charged to residents attending a like institution in their home state.

**III. Period Covered By Agreement**

July 1, 2005 - June 30, 2007

**IV. Eligible Students**

To be eligible for reciprocal tuition under the terms of this agreement, students must (1) reside in one of the counties designated as an eligible county, (2) be accepted by the eligible institution, and (3) enroll at that institution. Due to the disproportionate imbalance of students enrolled in Kentucky institutions under this agreement, only students who have been continuously enrolled in Kentucky institutions under this agreement are eligible students. No new Tennessee students may participate for the term of this agreement at Murray State University and Western Kentucky University. No new Tennessee students may participate during the first year (July 1, 2005, through June 30, 2006) of the agreement at any eligible Kentucky Community and Technical College System college.

A. Eligible students may enroll in any program (undergraduate or graduate) offered by the eligible institution.

B. Eligible students may enroll on a full-time or part-time basis.

- C. Under this agreement, eligible students will be assessed tuition and fees at the greater of either: (1) the enrolling institution's resident rate or (2) the beneficiary state's average resident tuition rate for institutions within the same Carnegie Classification. For the purpose of this agreement, the 2000 Carnegie Classifications shall be used to determine rates.
- D. In the remainder of this document, eligible students are called "reciprocity students."

## **V. Terms Of Agreement**

### **A. The State of Tennessee:**

- 1. Has identified eligible Tennessee institutions and Kentucky counties as provided in the Tennessee Code Title 49, Chapters 8 and 9. (See Appendix A.)

### **B. The Commonwealth of Kentucky:**

- 1. Will agree to a list of eligible counties consisting of Tennessee counties bordering Kentucky and lying wholly or in part within 30 miles of the county of the eligible Kentucky institution. (See Appendix A.)

### **C. The Commonwealth of Kentucky and the State of Tennessee:**

- 1. Will jointly monitor cross-border student flows under this agreement.
- 2. Will meet periodically to assess the progress of this agreement and to consider changes as might be appropriate.

### **D. Each designated public postsecondary institution:**

- 1. Will charge students deemed reciprocity students the greater of either: (1) the resident tuition rate in the reciprocity state or (2) the average of tuition and fees charged by like institutions in their home states. For the purpose of this agreement, like institutions are considered institutions within the same Carnegie Classification (2000).
- 2. Will treat reciprocity students as in-state students for admission and placement purposes.
- 3. Will treat reciprocity students as in-state students with respect to registration, refunds, student records, and academic advising.

4. Will assist with the record keeping necessary to monitor cross-border student flows and will report data as deemed necessary by the Kentucky Council on Postsecondary Education and the Tennessee Higher Education Commission.
5. Will continue to report reciprocity students as out-of-state students when reporting enrollment data to the Kentucky Council on Postsecondary Education and the Tennessee Higher Education Commission based upon existing reporting requirements.
6. Will meet periodically with the appropriate state higher education agency to discuss the agreement and its impact, and to recommend changes as might be appropriate.

## **VI. Termination Or Renewal Of Agreement**

- A. This agreement will begin on July 1, 2005, and end June 30, 2007, unless mutual agreement exists to renew for the following one-year period.
- B. This agreement is subject to review and revision on an annual basis. Any party must notify the other parties by January 1 of its intention to change any term of the agreement to be effective the following July 1.
- C. This agreement may be terminated by action of the Kentucky Council on Postsecondary Education or the Tennessee Higher Education Commission.

## VII. Signatures

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Thomas D. Layzell                      Date  
President  
Kentucky Council on Postsecondary Education

---

Richard G. Rhoda                      Date  
Executive Director  
Tennessee Higher Education Commission

---

King Alexander                      Date  
President  
Murray State University

---

Charles Manning                      Date  
Chancellor  
Tennessee Board of Regents

---

Gary Ransdell                      Date  
President  
Western Kentucky University

---

John Petersen                      Date  
President  
University of Tennessee System

---

Michael B. McCall                      Date  
President  
Kentucky Community and Technical College System

**APPENDIX A**

**ELIGIBLE INSTITUTIONS AND COUNTIES**

**Kentucky Institutions and  
Tennessee Counties**

**Tennessee Institutions and  
Kentucky Counties**

*Murray State University*

*Austin Peay State University*

Henry County  
Obion County  
Stewart County  
Weakley County

Christian County  
Logan County  
Todd County  
Trigg County

*Western Kentucky University*

*University of Tennessee at Martin*

Macon County  
Robertson County  
Sumner County

Fulton County  
Hickman County  
Graves County

*Hopkinsville Community College*

*Volunteer State Community College*

Montgomery County  
Robertson County  
Stewart County

Logan County  
Simpson County  
Allen County

*Southeast Community and Technical College*

Campbell County  
Claiborne County

**TUITION RECIPROCITY AGREEMENT  
ASHLAND COMMUNITY AND TECHNICAL COLLEGE  
AND  
SOUTHERN WEST VIRGINIA COMMUNITY AND TECHNICAL  
COLLEGE**

Under the provisions of Section 18-B-4-3 of the West Virginia Code, Section 164.020 (11) of the Kentucky Revised Statutes, and in compliance with rules and procedures of the West Virginia Higher Education Policy Commission, the Kentucky Council on Postsecondary Education, the Kentucky Community and Technical College System, Ashland Community and Technical College, and Southern West Virginia Community and Technical College, the following agreement is entered into between the Kentucky Council on Postsecondary Education and the West Virginia Higher Education Policy Commission, and between Ashland Community and Technical College of the Kentucky Community and Technical College System and Southern West Virginia Community and Technical College.

The purposes of this tuition reciprocity agreement are to (1) improve the lower division post high school educational advantages to residents of Martin and Pike Counties in Kentucky and Cabell, Mingo, and Wayne Counties in West Virginia; (2) minimize the cost of such improvements for the taxpayers and legislative bodies of both states by cooperative planning and joint education efforts; and (3) promote the maximum use of existing educational facilities and address the problems of enrollment fluctuations and fiscal constraints at both institutions.

- (1) The provisions of this agreement shall be effective beginning July 1, 2005, and expire on June 30, 2007, and will commence with any registration after the effective date. Students who are enrolled under the provisions of the agreement may continue to attend the selected colleges at the reciprocity rates for a period of two years subsequent to termination of the agreement. The agreement shall be subject to review and revision on an annual basis.
- (2) Ashland Community and Technical College agrees to accept at the higher of either (1) prevailing Kentucky resident rates or (2) the average of resident rates at West Virginia public two year institutions, any resident of Cabell, Mingo, or Wayne Counties of West Virginia wishing to enroll for whom space is available and who satisfies all regular in-state admission requirements of Ashland Community and Technical College.
- (3) Southern West Virginia Community and Technical College agrees to accept at the higher of either (1) the prevailing West Virginia resident rates or (2) the average resident rate for Kentucky Community and Technical College System institutions, any resident of Martin or Pike Counties of Kentucky wishing to enroll for whom space is available and who satisfies all regular in-state admissions requirements of Southern West Virginia Community and Technical College.

- (4) This agreement shall be reviewed annually and may be considered for termination or modification for cause at the request of either participating institution, the West Virginia Higher Education Policy Commission, or the Kentucky Council on Postsecondary Education.
- (5) Both Ashland Community and Technical College and Southern West Virginia Community and Technical College agree to provide on an annual basis to the Kentucky Council on Postsecondary Education and the West Virginia Higher Education Policy Commission reports on the enrollment and program implications of the Agreement on forms prescribed for the purpose by these state agencies.

---

Thomas D. Layzell	Date
President, Kentucky Council on Postsecondary Education	

---

J. Michael Mullen	Date
Chancellor, West Virginia Higher Education Policy Commission	

---

Michael B. McCall	Date
President, Kentucky Community & Technical College System	

---

Shelly T. Dan	Date
Chair, Board of Governors Southern West Virginia Community & Technical College	

---

Gregory D. Adkins	Date
President, Ashland Community & Technical College	

---

Joanne J. Tomblin	Date
President, Southern West Virginia Community & Technical College	



## Tuition and Required Fees

**Action:** The staff recommends that the Council approve the following: (1) tuition and required fee rates for FY 2005-06; and (2) process for approving tuition and required fee rates for FY 2006-08.

### **Background**

The issue of affordability has become increasingly prominent nationally and within Kentucky. The public agenda endorsed by the Council at its March 21 meeting includes a specific question about affordability as one of the five questions of reform. This refinement of the five questions was based on comments at the nine regional forums held last September and October to discuss the public agenda. At its November 8, 2004, meeting, the Council approved participation in an affordability study to be funded by the Council and the Kentucky Higher Education Assistance Authority (KHEAA). The study is underway and is expected to produce additional information about the affordability of Kentucky's postsecondary educational system. The Council also has been selected to participate in a project sponsored by the Western Interstate Commission for Higher Education (WICHE) and other national organizations to study how to better align tuition, financial aid, and funding policies.

HB 1 provides that the Council is responsible for determining tuition rates for public universities and colleges. In 1999, the Council approved a policy to afford institutional boards the ability to recommend varying institutional tuition and fee rates. Under this revised process, the Council established tuition guidelines and reviewed institutional rates for consistency with the guidelines; however, the Council retained its authority to revise proposed tuition rates that were inconsistent with its guidelines.

At the April 12 meeting, the Council's Executive Committee heard presentations from KCTCS and the public universities concerning proposed rates of tuition and required fees for the 2005-06 academic year. The Council staff was requested to review the proposed rates and make recommendations for Council action at the May 22 Council meeting, and also to make recommendations concerning the process for setting tuition and required fees.

The Council staff has reviewed the proposed rates of tuition and required fees for the 2005-06 academic year and has reviewed the Council's process for setting tuition and required fees. The following recommendations are presented for Council consideration.

### **RECOMMENDATIONS**

1. The staff recommends approval of the 2005-06 tuition and required fees described in Attachment A. The rates for the University of Louisville and Murray State University

are estimates since final board action has not been taken in either case. Attachment A will be updated once final action is taken.

2. The staff recommends approval of the process for establishing tuition and required fees described in Attachment B. The process will be used to establish tuition and required fees for the 2006-07 academic year.

The four attachments listed below provide background information in support of the recommendation to approve the proposed 2005-06 rates of tuition and required fees. Attachment D indicates approximately \$24.6 million, or 16 percent, of the projected increase in 2005-06 public funds is to be used for student financial aid. Of this amount, \$5.0 million is to be used for need-based aid and \$19.6 million is to be used for merit-based aid. The Council staff, in conjunction with work on the affordability study, will collaborate with the institutions to review all sources of financial aid available to students with financial need for 2005-06.

### **Background Analysis**

- Attachment C - History of tuition and fee rates compared to median family income and benchmarks
- Attachment D - Executive summary of budgeted uses of new revenue and the relationship of planned expenditures to the public agenda
- Attachment E - Summary national and regional comparisons for FY 2004-05
- Attachment F - Summary of historical national affordability ranking

Staff preparation by Sandra Woodley and Jonathan Pruitt

**ATTACHMENT A**

**2005-06 TUITION & FEE RATES  
(Fall 2005 and Spring 2006)**

<u>Institution/Level/Residency Status</u>	<u>Fall 2005 Rates</u>	<u>Spring 2006 Rates</u>	<u>Annual 2005-06 Rates</u>
<b>Eastern Kentucky University</b>			
<i>Undergraduate</i>			
Resident			
Full-time	2,330	2,330	4,660
Per Credit Hour	194	194	
Nonresident			
Full-time - Non-discount students	6,535	6,535	13,070
Per Credit Hour - Non-discount Students	545	545	
Full-time - Incentive Grant Counties	3,706	3,706	7,412
Per Credit Hour - Incentive Grant Counties	309	309	
<i>Graduate</i>			
Resident			
Full-time	2,515	2,515	5,030
Per Credit Hour	279	279	
Nonresident			
Full-time	7,087	7,087	14,174
Per Credit Hour	787	787	
Full-time - Incentive Grant Counties	4,001	4,001	8,002
Per Credit Hour - Incentive Grant Counties	445	445	
<b>Kentucky State University</b>			
<i>Undergraduate</i>			
Resident			
Full-time	2,234	2,234	4,468
Per Credit Hour	186	186	
Nonresident			
Full-time	5,455	5,455	10,910
Per Credit Hour	455	455	
<i>Graduate</i>			
Resident			
Full-time	2,403	2,403	4,806
Per Credit Hour	267	267	
Nonresident			
Full-time	5,962	5,962	11,924
Per Credit Hour	662	662	
<b>Morehead State University</b>			
<i>Undergraduate</i>			
Resident			
Full-time	2,160	2,160	4,320
Per Credit Hour	180	180	
Nonresident - Contiguous Tier Counties			
Full-time	2,410	2,410	4,820
Per Credit Hour	205	205	
Nonresident			
Full-time	5,740	5,740	11,480
Per Credit Hour	480	480	

**2005-06 TUITION & FEE RATES  
(Fall 2005 and Spring 2006)**

<u>Institution/Level/Residency Status</u>	<u>Fall 2005 Rates</u>	<u>Spring 2006 Rates</u>	<u>Annual 2005-06 Rates</u>
<b><i>Graduate</i></b>			
Resident			
Full-time	2,340	2,340	4,680
Per Credit Hour	260	260	
Nonresident			
Full-time	6,265	6,265	12,530
Per Credit Hour	700	700	
<b><i>MBA</i></b>			
Resident (and non-residents admitted to program prior to July 1, 2002)			
Full-time	2,830	2,830	5,660
Per Credit Hour	315	315	
Nonresident			
Full-time	4,155	4,155	8,310
Per Credit Hour	465	465	
<b>Murray State University</b>			
<b><i>Undergraduate</i></b>			
Resident			
Full-time	2,214	2,214	4,428
Per Credit Hour	185	185	
Nonresident			
Full-time	6,018	6,018	12,036
Per Credit Hour	502	502	
<b><i>Graduate</i></b>			
Resident			
Full-time	2,322	2,322	4,644
Per Credit Hour	258	258	
Nonresident			
Full-time	6,494	6,494	12,987
Per Credit Hour	722	722	
<b>Northern Kentucky University</b>			
<b><i>Undergraduate</i></b>			
Resident			
Full-time	2,484	2,484	4,968
Per Credit Hour	207	207	
Nonresident			
Full-time	4,848	4,848	9,696
Per Credit Hour	404	404	
Indiana (Eligible Counties)			
Full-time	3,060	3,060	6,120
Per Credit Hour	255	255	
<b><i>Graduate</i></b>			
Resident			
Per Credit Hour	267	267	
Nonresident			
Per Credit Hour	547	547	
Metro - Nonresident			
Per Credit Hour	387	387	
<b><i>Business</i></b>			
Resident			
Per Credit Hour	286	286	
Nonresident			
Per Credit Hour	617	617	
Metro - Nonresident			
Per Credit Hour	387	387	

**2005-06 TUITION & FEE RATES  
(Fall 2005 and Spring 2006)**

<u>Institution/Level/Residency Status</u>	<u>Fall 2005 Rates</u>	<u>Spring 2006 Rates</u>	<u>Annual 2005-06 Rates</u>
<b>Law</b>			
Resident			
Full-time	5,064	5,064	10,128
Per Credit Hour	422	422	
Nonresident			
Full-time	11,052	11,052	22,104
Per Credit Hour	921	921	
Metro - Nonresident			
Full-time	8,664	8,664	17,328
Per Credit Hour	722	722	
<b>University of Kentucky</b>			
<b><i>Undergraduate (Lower Division)</i></b>			
Resident			
Full-time	2,906	2,906	5,812
Per Credit Hour	232	232	
Nonresident			
Full-time	6,399	6,399	12,798
Per Credit Hour	523	523	
<b><i>Undergraduate (Upper Division)</i></b>			
Resident			
Full-time	2,990	2,990	5,980
Per Credit Hour	239	239	
Nonresident			
Full-time	6,485	6,485	12,970
Per Credit Hour	530	530	
<b><i>Graduate</i></b>			
Resident			
Full-time	3,159	3,159	6,318
Per Credit Hour	331	331	
Nonresident			
Full-time	6,984	6,984	13,968
Per Credit Hour	756	756	
<b>MBA</b>			
<b><i>New, Full-time Students in 'Day' Program</i></b>			
Resident	3,314	3,314	6,628
Nonresident	7,146	7,146	14,292
All new full-time, resident MBA students will be charged a program fee of \$3,000 per semester.			
All new full-time, nonresident MBA students will be charged a program fee of \$3,500 per semester.			
<b><i>Returning Students (were full-time in fall 2004)</i></b>			
Resident	3,653	3,653	7,306
Nonresident	8,340	8,340	16,680
Returning full-time MBA students who were full-time in fall 2004 will be charged a program fee of \$300 per semester.			
<b><i>Masters of Arts in Diplomacy and International Commerce and Master of Science in Physician Assistant Studies</i></b>			
Resident	3,314	3,314	6,628
Nonresident	7,146	7,146	14,292
<b><i>Master of Science in Radiological Medical Physics and Master of Science in Health Physics (College of Health Sciences, Division of Radiation Sciences)</i></b>			
Resident	3,678	3,678	7,356
Nonresident	7,518	7,518	15,036

**2005-06 TUITION & FEE RATES  
(Fall 2005 and Spring 2006)**

<u>Institution/Level/Residency Status</u>	<u>Fall 2005 Rates</u>	<u>Spring 2006 Rates</u>	<u>Annual 2005-06 Rates</u>
<b><i>Law</i></b>			
<i>New Students</i>			
Resident	5,768	5,768	11,536
Nonresident	10,731	10,731	21,462
<i>Returning Students</i>			
Resident	5,617	5,617	11,234
Nonresident	10,513	10,513	21,026
<b><i>Medicine</i></b>			
<i>New Students</i>			
Resident	9,540	9,540	19,080
Nonresident	19,027	19,027	38,054
<i>Returning Students</i>			
Resident	9,286	9,286	18,572
Nonresident	18,660	18,660	37,320
<b><i>Dentistry</i></b>			
<i>New Students</i>			
Resident	8,749	8,749	17,498
Nonresident	19,400	19,400	38,800
<i>Returning Students</i>			
Resident	8,518	8,518	17,035
Nonresident	19,065	19,065	38,130
<b><i>Pharmacy</i></b>			
<i>New Students</i>			
Resident	7,325	7,325	14,650
Nonresident	14,325	14,325	28,650
<i>Returning Students</i>			
Resident	6,059	6,059	12,118
Nonresident	12,758	12,758	25,516
<b><i>Professional Doctoral</i></b>			
Resident	4,120	4,120	8,240
Nonresident	9,654	9,654	19,308
<b>University of Louisville</b>			
<b><i>Undergraduate</i></b>			
Resident			
Full-time	2,766	2,766	5,532
Per Credit Hour	230	230	
Nonresident			
Full-time	7,546	7,546	15,092
Per Credit Hour	629	629	
Distance Education			
Per Credit Hour	300	300	
<b><i>Graduate</i></b>			
Resident			
Full-time	3,003	3,003	6,006
Per Credit Hour	334	334	
Nonresident			
Full-time	8,277	8,277	16,554
Per Credit Hour	920	920	
Distance Education			
Per Credit Hour	434	434	

**2005-06 TUITION & FEE RATES  
(Fall 2005 and Spring 2006)**

<u>Institution/Level/Residency Status</u>	<u>Fall 2005 Rates</u>	<u>Spring 2006 Rates</u>	<u>Annual 2005-06 Rates</u>
<b><i>Law</i></b>			
Resident			
Full-time	5,049	5,049	10,098
Per Credit Hour	505/421	505/421	
Nonresident			
Full-time	11,110	11,110	22,220
Per Credit Hour	1,111/926	1,111/926	
<b><i>MBA</i></b>			
Resident			
Full-time	3,457	3,457	6,914
Per Credit Hour	384	384	
Nonresident			
Full-time	9,512	9,512	19,024
Per Credit Hour	1,057	1,057	
<b><i>Medicine</i></b>			
Resident	9,020	9,020	18,040
Nonresident	20,203	20,203	40,406
<b><i>Dentistry</i></b>			
Resident	7,767	7,767	15,534
Nonresident	19,090	19,090	38,180
<b>Western Kentucky University</b>			
<b><i>Undergraduate</i></b>			
Resident			
Full-time - Main Campus	2,580	2,736	5,316
Part-time - Main Campus (per credit hour)	215	228	
Part-time - Distance Learning (On-Line Courses)	258	274	
Nonresident			
Full-time - Main Campus	6,288	6,888	13,176
Full-time - Main Campus - Tuition Incentive Program (TIPS)	3,204	3,396	6,600
Part-time - Main Campus (per credit hour)	524	574	
Part-time - Main Campus - Tuition Incentive Program (TIPS)	267	283	
Part-time - Distance Learning (On-Line Courses)	258	274	
<b><i>Graduate</i></b>			
Resident			
Full-time	2,830	3,000	5,830
Part-time (per credit hour)	283	300	
Part-time - Distance Learning (On-Line Courses)	340	360	
Nonresident			
Full-time - Domestic	3,100	3,290	6,390
Full-time - International	6,910	7,340	14,250
Part-time (per credit hour) - Domestic	310	329	
Part-time (per credit hour) - International	351	372	
Part-time - Distance Learning (On-Line Courses)	340	360	
<b>Kentucky Community and Technical College System</b>			
Resident			
Per Credit Hour	98	98	
Nonresident			
Per Credit Hour	294	294	
Nonresident Contiguous Counties			
Per Credit Hour	118	118	
Nonresident Distance Learning (On-line)			
Per Credit Hour	118	118	

**General Process  
Establishment of Tuition and Required Fees  
2006-07 Academic Year**

1. Policies and criteria for determining tuition and required fees for public universities and the Kentucky Community and Technical College System (KCTCS) shall be established by the Council on Postsecondary Education by October 2005. The policies and criteria shall ensure that adequate justification exists for proposed rates of tuition and required fees based on affordability, fiscal responsibility, institutional missions, and other appropriate measures.
2. KCTCS and the public universities shall submit proposed rates of tuition and required fees for the 2006-07 academic year to the Council for action on a schedule set by the Council. The schedule shall provide adequate time for student notification and planning.
3. The Council and the institutions shall provide an opportunity for public comment on proposed rates of tuition and required fees.
4. The Council shall establish procedures to review and approve rates of tuition and required fees for modifications based on changes in financial, operational, or programmatic circumstances.



**Historical Analysis Regarding Proposed FY 2005-06 Tuition and Required Fees  
Kentucky Resident Undergraduate Students in Public Institutions  
And Selected Uses of Funds by Institution**

Institutions	2005 T&F Institutional Actual	2005 to 2006 1 Year \$ Change	2006 T&F Institutional Proposed	2005 to 2006 Change in Benchmark Rank (of 19)*	2006 Selected Quality Improvements Related to Increases in Total Public Funds
Eastern Kentucky University	3,792	868	4,660	15 to 11	Funding to provide a 3.5% faculty & staff salary increase, 500% increase in institutional need based aid, funding for strategic programming
KCTCS	2,208	144	2,352	9 to 9	Funding to expand student access through technology, flexible scheduling, serve economically disadvantaged students through student support services
Kentucky State University	4,081	387	4,468	7 to 5	Funding to increase student financial aid, additional investment in land grant program
Morehead State University	3,840	480	4,320	16 to 16	Funding to provide a 4% salary increase pool for faculty & staff, funding for 6 new faculty positions, increases in student financial aid
Murray State University	3,984	444	4,428	18 to 18	Funding for faculty & staff salary increases and 10 new academic positions, increases in student financial aid, strengthening library holdings
Northern Kentucky University	4,368	600	4,968	17 to 17	Funding for faculty & staff compensation increases, new faculty positions in areas of greatest demand, increases in student financial aid and strategic programming
University of Kentucky (L)	5,164	648	5,812	15 to 15	4% salary increase for faculty & staff, a fighting fund for retaining faculty, increases in student financial aid, investment in program enhancement and enrollment growth
University of Kentucky (U)	5,314	666	5,980	14 to 13	
University of Louisville	5,040	491	5,531	13 to 13	3.5% performance based increase for all faculty & staff, faculty salary benchmark catch-up, increases in student financial aid, increases in research funding
Western Kentucky University	4,596	720	5,316	11 to 11	New faculty and staff, funding for recruitment and retention of faculty, investment in financial aid, investments in distance learning, strategic programming increases

\* National FY 2006 rates were estimated based on average national increases in prior year.

Proposed new benchmarks were used for all institutions except for UK and UofL. The current benchmarks were used for UK and UofL.

(L) Lower Division

(U) Upper Division

**Summary of Institutional Responses Regarding the Proposed Expenditure of  
2006 Increases in Tuition and Fee Revenue and State General Fund Appropriation and Their  
Relationship to the Public Agenda**

**Faculty and Staff Salaries** - Approximately \$59.6 million or 39 percent of the combined increase in tuition and fee revenue and state General Fund appropriation is planned to be expended on increasing faculty and staff salaries, adding faculty and staff positions, and increasing funding for faculty professional development. Competitive salaries improve the recruitment and retention of a qualified faculty and staff, which are key to providing a quality education and student experience.

**Fixed Costs** - Approximately \$30.5 million or 20 percent of the combined increase in tuition and fee revenue and state appropriation will be expended on fixed costs. Each institution faces inflationary increases in employee benefits like health insurance, rising coal and natural gas prices leading to increased utilities costs, increases in property/liability/worker's compensation insurance, and increases in costs associated with the maintenance and operation of new facilities. These costs must be met in order to maintain the base operations of the institution. Institutions are taking steps to minimize the increases in fixed costs through the employment of best practices and the implementation of innovative ideas.

**Student Financial Aid** - Approximately \$24.6 million or 16 percent of the increase in total public funds is planned to be expended on merit-and need-based financial aid. Twenty percent (\$5.0 million) of this amount will be spent in need based grants and 80 percent (\$19.6 million) will be spent on merit and other student aid. Student financial aid addresses access and affordability of public higher education. This institutional financial aid supplements investments made by both the state and federal governments.

**Other Expenditures** - Approximately \$37.2 million or 25 percent of the total public funds increase is to be expended on a wide range of programmatic areas. The following are some examples: increasing the availability of courses in high-demand areas, investing in initiatives to improve retention/completion/transfer, increasing library holdings, offsetting cutbacks made in prior years, investing in enrollment growth initiatives, and investing in the maintenance of facilities. These are just a few areas where increased investment as a result of the increase in total public funds will enhance the quality of education offered by Kentucky public postsecondary institutions by addressing institutional strategic priorities and the public agenda.

**Planned Expenditure of Fiscal Year 2006 Total Public Funds Increase (excluding increases for targeted programs\*)**

	<b>EKU</b>	<b>KCTCS</b>	<b>KSU</b>	<b>MoSU</b>	<b>MuSU</b>	<b>NKU</b>	<b>UK</b>	<b>UofL</b>	<b>WKU</b>	<b>System</b>
<b>Revenues Increase</b>										
<b>General Funds</b>	5,886,900	15,039,300	1,042,800	3,281,700	4,450,100	6,508,000	16,886,400	10,632,600	9,139,800	72,867,600
<b>Tuition and Fees</b>	15,400,000	7,200,000	1,600,000	4,300,000	5,600,000	4,800,000	18,000,000	12,294,000	9,900,000	79,094,000
<b>Total Revenue Increase</b>	<b>21,286,900</b>	<b>22,239,300</b>	<b>2,642,800</b>	<b>7,581,700</b>	<b>10,050,100</b>	<b>11,308,000</b>	<b>34,886,400</b>	<b>22,926,600</b>	<b>19,039,800</b>	<b>151,961,600</b>
<b>Expenditure Increase</b>										
<b>Faculty &amp; Staff Salaries</b>	5,475,000	10,225,000		3,091,000	3,708,200	4,711,000	15,007,200	8,732,800	8,685,000	59,635,200
<b>Fixed Costs (1)</b>	4,075,000	6,556,900	860,830	1,129,400	1,866,400	1,704,000	7,744,000	4,352,000	2,205,800	30,494,330
<b>Financial Aid</b>										
Need-Based Grants	2,500,000	320,900	150,000	-	1,041,300	100,000	500,000	148,800	209,000	4,970,000
Merit-Based Aid	3,080,000	95,300	50,000	978,000	2,429,800	600,000	8,302,700	3,262,600	837,500	19,635,900
Other Aid										
<b>Subtotal Financial Aid</b>	<b>5,580,000</b>	<b>416,200</b>	<b>200,000</b>	<b>978,000</b>	<b>3,471,100</b>	<b>700,000</b>	<b>8,802,700</b>	<b>3,411,400</b>	<b>1,046,500</b>	<b>24,605,900</b>
<b>Other Expenditures</b>	6,156,900	5,041,200	1,581,970	2,383,300	1,004,400	4,193,000	3,332,500	6,430,400	7,102,500	37,226,170
<b>Total Expenditure Increase</b>	<b>21,286,900</b>	<b>22,239,300</b>	<b>2,642,800</b>	<b>7,581,700</b>	<b>10,050,100</b>	<b>11,308,000</b>	<b>34,886,400</b>	<b>22,926,600</b>	<b>19,039,800</b>	<b>151,961,600</b>

**Notes:**

(1) Includes energy costs, maintenance of E&G facilities, utilities, sewer, water, coal, property insurance, health insurance, etc.

\*The General Assembly provided additional funds for specific programs in HB 267 (Budget Bill). Information displayed above does not include these additional funding items.

## **Summary: National & Regional Tuition & Fees Comparisons Public 2-year and 4-year Institutions FY 2004-05**

### **4-year**

- US Average Tuition and Fees 2004-05 = \$5,132
- Kentucky Average Tuition and Fees 2004-05 = \$4,321
- U.S. average increase was \$487 or 10.5% from FY 2003-04 to FY 2004-05
- Kentucky's increase was \$556 or 15.1% from FY 2003-04 to FY 2004-05
- 6 of the 7 border states have higher average annual tuition and fees than Kentucky in FY 2004-05

### **2-year**

- US Average Tuition and Fees = \$2,076
- KCTCS Tuition and Fees 2004-05 = \$2,208
- U.S. average increase was \$167 or 8.7% from FY 2003-04 to FY 2004-05
- Kentucky's increase was \$312 or 16.5% from FY 2003-04 to FY 2004-05
- 2 of the 7 border states have higher average annual tuition and fees

Source: Trends in College Pricing 2004, The College Board and the Council on Postsecondary Education

## Kentucky's National Affordability Ranking 2000, 2002 & 2004

Category	2000	2002	2004
Family Ability to Pay at Community Colleges	3 <sup>rd</sup>	8 <sup>th</sup>	14 <sup>th</sup>
Family Ability to Pay at Public 4-Year Universities	8 <sup>th</sup>	7 <sup>th</sup>	5 <sup>th</sup>
Family Ability to Pay at Private 4-Year Colleges and Universities	8 <sup>th</sup>	7 <sup>th</sup>	16 <sup>th</sup>
Need Based Financial Aid	19 <sup>th</sup>	20 <sup>th</sup>	14 <sup>th</sup>
Low-Priced Colleges	25 <sup>th</sup>	25 <sup>th</sup>	36 <sup>th</sup>
Low Student Debt	10 <sup>th</sup>	5 <sup>th</sup>	5 <sup>th</sup>
Overall Affordability	10 <sup>th</sup>	8 <sup>th</sup>	14 <sup>th</sup>

Council on Postsecondary Education  
May 22, 2005

## New Program Report

Kentucky's public institutions continue to establish new degree programs to address state needs. A total of 48 programs have been implemented from spring 2002 to fall 2004. These include 11 in health-related fields, 10 in business, 10 in liberal arts and social sciences, six in technology, three in computer and information technology, three in education, and two in mathematics and science. An additional three programs provide opportunities in agricultural production, culinary arts, and corrections.

Of the 48 programs approved, public universities submitted 29, and the Kentucky Community and Technical College System submitted 19. Twenty of these were at the associate level, 12 at the baccalaureate level, and 16 at the graduate level.

Attached is a list of new programs added to the program inventory from 2002 through 2004. The last new program report covered the time period from spring 2000 through fall 2002 and was reported at the March 25, 2002, Council meeting.

A comprehensive report of new programs approved since streamlining the program approval process in 1999 and benefits resulting from program closures and alterations during the Academic Program Productivity Review begun in 2000 will be presented to the Council in fall 2005.

Staff preparation by Melissa McGinley

**KENTUCKY PUBLIC INSTITUTIONS**  
**New Programs Implemented from 2002 through 2004**

**Computer and Information Technology**

Computer and Information Science ( <i>CKTC, Hopkinsville CC</i> )	A	KCTCS
Information Technology	B	NKU
Computer and Information Science	M	KSU

**Business**

Executive Assistant/Secretary ( <i>CKTC, LCC</i> )	A	KCTCS
Hotel/Motel Administration/Management	A	WKU
Business/Commerce	B	NKU
Public Relations/Image Management	B	NKU
Sport and Fitness Administration	B	NKU
Organizational Communication	B	UL
Business Administration	M	KSU
Accounting	M	MuSU
Industrial/Organizational Psychology	M	NKU
Entrepreneurship	D	UL

**Education**

Educational/Instructional Media Design ( <i>Elizabethtown CC, Hazard CTC, Hopkinsville CC, Owensboro CC, Somerset CC, Southeast CTC, JCC LCC, Gateway CTC</i> )	A	KCTCS
Interdisciplinary Early Childhood Education ( <i>Ashland CC</i> )	A	KCTCS
Early Childhood Education	B	MuSU

**Health Related**

Medical Radiologic Science ( <i>Ashland CC, Somerset CC</i> )	A	KCTCS
Medical Administrative Assistant ( <i>Hazard CTC, Madisonville CTC</i> )	A	KCTCS
Medical Records Technology ( <i>JCC</i> )	A	KCTCS
Respiratory Care Therapy ( <i>Somerset CC, LCC</i> )	A	KCTCS
Surgical Technology ( <i>Somerset CC</i> )	A	KCTCS
Diagnostic Medical Sonography ( <i>WKTC</i> )	A	KCTCS
Nursing ( <i>Gateway CTC</i> )	A	KCTCS
Athletic Trainer	B	EKU

Athletic Trainer	B	NKU
Biomedical Engineering Management	M	UK
Public Health	M	UL

**Liberal Arts/Social Sciences**

Liberal Studies ( <i>CKTC, Gateway CTC Bowling Green TC, LCC</i> )	A	KCTCS
Liberal Studies	B	NKU
Psychology	M	EKU
Creative Writing	M	MuSU
Creative Writing	M	EKU
Liberal Studies	M	NKU
Women's Studies	M	UL
Social Work	M	WKU
Theatre Practice	D	UK
Humanities and Social Sciences	D	UL

**Mathematics/Science**

Space Science	B	MoSU
Mathematical Economics	B	UK

**Technology**

Electromechanical Technology ( <i>Bowling Green TC, Hazard CTC, Gateway CTC, Owensboro CC, Madisonville CTC</i> )	A	KCTCS
Biotechnology Laboratory Technician ( <i>Owensboro CC</i> )	A	KCTCS
Realtime Captioning Technology ( <i>WKTC</i> )	A	KCTCS
Industrial Electronics Technology ( <i>CKTC</i> )	A	KCTCS
Industrial Maintenance Technology ( <i>Bowling Green TC</i> )	A	KCTCS
Electrical and Communications Engineering	B	MuSU/UL

**Miscellaneous**

Agricultural Production Operations ( <i>Madisonville CTC</i> )	A	KCTCS
Culinary Arts ( <i>WKTC</i> )	A	KCTCS
Corrections	M	EKU

A—Associate, B—Bachelor's, M—Master's, D—Doctoral, /—Joint Program

Council on Postsecondary Education  
May 22, 2005

## Morehead State University Endowment Match Program Applied Research Request

At the March meeting the Council delegated approval authority to the Executive Committee for applied research programs pursuant to the new Endowment Match Program guidelines to accommodate timely distribution of funds.

At its April 12, 2005, meeting, the Executive Committee approved a proposal, submitted by Morehead State University, for conducting applied research within the university's Creative Arts programs.

The purpose of the research will be to identify contributions of creative arts programs, such as Morehead's "Theatre in the Schools" program, toward closing achievement gaps in the arts and humanities at K-12 schools in Kentucky. The principal investigator will be the occupant of the Paul and Lucille Caudill Little Chair. The research will be funded with endowment proceeds from gift and state funds matched through the Bucks for Brains program.

Campus officials believe the research will lead to program development initiatives that will enhance arts education in eastern Kentucky and help close achievement gaps in the arts and humanities in public schools.

Staff preparation by Sandra Woodley and Bill Payne



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May 22, 2005

## Council Committee Appointments

Chair Greenberg will announce several committee appointments for Council members at the May 22 meeting.

Staff preparation by Phyllis Bailey