

# AGENDA

## Council on Postsecondary Education

January 30, 2006

10 a.m. (ET)

Auditorium

NKU METS Center for Corporate Learning, Erlanger, Kentucky

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#### Roll Call

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CPE meeting materials are available on the Council Web site at <http://cpe.ky.gov/about/cpe/meetings/>.

CPE policy group meeting materials are available at <http://cpe.ky.gov/committees/>.

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**Other Business**

**Adjournment**

**Tour of METS Center**

**MINUTES**  
**Council on Postsecondary Education**  
**November 7, 2005**

The Council on Postsecondary Education met November 7, 2005, at 10 a.m. at the Council offices in Frankfort. Chair Greenberg presided.

ROLL CALL

The following members attended: Walter Baker, Peggy Bertelsman, Kevin Canafax, Dan Flanagan, Ron Greenberg, Susan Guess, Esther Jansing, Alois Moore, Charlie Owen, Ryan Quarles, Joan Taylor, John Turner, and Mark Wattier. John Hall, Phyllis Maclin, and Gene Wilhoit did not attend.

APPROVAL OF MINUTES

The minutes of the September Council meeting were approved as distributed.

TEACHER QUALITY  
& TEACHER  
PREPARATION ISSUES

Dr. Phillip Rogers, executive director of the Education Professional Standards Board, highlighted several EPSB initiatives targeting teacher quality and discussed collaborative efforts for improved school leadership. He shared information about the distribution of teachers trained by teacher preparation programs at Kentucky public universities, the quality performance index report on Kentucky's teacher preparation programs, and a summary of Praxis pass rates. He said that the Council can assist the EPSB by committing to the P-16 program and improving the conversations between secondary and postsecondary education. He said that too many high school students are not prepared for college. He stressed that all students must be prepared whether they attend postsecondary education or choose a career after high school. Dr. Rogers said that there is a high need for teachers in the areas of foreign languages, physics and science, and mathematics.

2006-08 OPERATING  
& CAPITAL BUDGET  
REQUEST

RECOMMENDATION: The staff recommends that the Council approve the budget recommendation as submitted for 2006-08.

Council President Tom Layzell reviewed the proposed postsecondary education budget recommendation for 2006-08 and the process during the legislative session. By November 15, the Council's recommendation must be submitted to the Governor and the General Assembly. Other state agencies submitted their budget requests by November 1, but the Council received an extension due to the November 7 meeting date. The Governor's staff is already at work on the Governor's budget, and the postsecondary education budget recommendation will be included in that process. In January, after the 2006 legislative session begins, the Governor will formally announce his budget for the upcoming biennium. Budget hearings will then be scheduled, and the two branches of the General Assembly will consider the budget.

Dr. Layzell said that the very first goal of House Bill 1 is to have a strategically planned and adequately funded postsecondary system. The Council has completed the strategic plan with the public agenda for 2005-2010

approved at the September meeting. He said that the system should be

adequately funded to achieve the goals of House Bill 1.

In 2004-06, the Council submitted a request for an 18 percent increase in funding for postsecondary education. After failure to adopt a budget during the 2004 session, the system was appropriated approximately \$89 million during the 2005 session, nearly a 9 percent increase.

The major components of the 2006-08 postsecondary and adult education budget request are as follows:

<i>Base funding for core services</i>	
Colleges and Universities	\$141.2 million
Adult Education	\$6 million
Council on Postsecondary Education	\$3.4 million
<i>Incentive funding for critical reform initiatives</i>	
Endowment Match	\$12 million
Research Support Funding	\$22 million
Science and Technology	
ConnectKentucky	\$100,000
P-16 Joint Engineering Pipeline	\$750,000
Regional Stewardship	\$18 million
Workforce Development/Transfer	\$4 million
Technology Initiative Programs	\$3.8 million
<i>Capital funding (debt service)</i>	
Capital Renewal and Maintenance	\$1.6 million
Technology and Equipment	\$5 million
Institutional Capital Projects	\$56.6 million
<i>Special initiatives</i>	
Retention and Affordability Initiative	\$4 million
Kentucky Principal Leadership Institute	\$2 million
KY Academy of Math and Science (NKU)	\$2 million
Contract Spaces (optometry, veterinary)	\$922,000
University Center of the Mountains (KCTCS)	\$900,000
Center for Instructional Technology (EKU)	\$500,000
Kentucky School of Crafts (KCTCS)	\$500,000
Academic Transformation Project (NKU)	\$300,000
Improved Student Services (MoSU)	\$300,000
Minority Student Preparation Program	\$240,000
Doctoral Scholars Program	\$233,000
Math/Science Teacher Preparation (MuSU)	\$200,000
Kentucky Early Math Testing Program	\$100,000
Kentucky Early College (MoSU, KCTCS)	\$100,000
<i>Total requested increase</i>	
Operating	\$223.5 million
Capital	\$63.2 million

Dr. Layzell said that for the first time ever a joint budget request is being

submitted through the Education Cabinet from the Council, the Kentucky Department of Education, and the Education Professional Standards Board for support of local P-16 councils and for data and technology needs of education. This joint request, totaling \$40.8 million, underscores the importance of understanding that education is all one system. In addition, the Council will endorse the Kentucky Higher Education Assistance Authority's request for \$72.7 million for student financial aid programs.

Dr. Layzell said that this is a reasonable request to submit to the Governor and the General Assembly. But, given the fiscal situation of the state, he said that it will be difficult to get even a portion appropriated. However, it is the responsibility of the Council to inform the Governor and the General Assembly of the funding needed to continue with reform and achieve the goals of House Bill 1. He thanked the staffs of the institutions for their work on the budget over the last several months.

Ms. Bertelsman asked that action be delayed on the trust fund guidelines so further discussions can take place at upcoming Executive Committee and policy group meetings.

President Ransdell expressed concern about the funding being spread over four years. He said there is no guarantee that the funding will be available for the 2008-10 biennium. He asked that the third and fourth year funding be the first priority for the next biennium if funding is not provided during this biennium.

UK President Lee Todd said that House Bill 1 mandated UK to become a top 20 research institution by 2020, but there is no financing plan to accomplish this goal. He said that, after eight years since the passage of HB 1 and after strong performance during that period, UK is preparing a top 20 business plan that will track the institution's success versus other colleges and universities and will show a financial path for tuition, state support, what needs to be raised from the institution's development funds, what cost cutting needs to be done, and what needs to be accomplished through research. The plan should be available in December and will be shared with the Council at that time. He said that the benchmark funding model does not provide sufficient trust fund support for UK to move toward its top 20 mission. He asked the Council to consider adding language to its budget request stating that the Council will consider requesting an additional trust fund plan or special initiative to support UK's effort to continue its pursuit of top 20 status. After the top 20 plan is submitted to the UK board of trustees, President Todd said he would like to come back to ask the Council for additional support. He also asked the Council to consider supporting an effort to provide bonding flexibility.

EKU President Joanne Glasser expressed concerns about the proposed funding model and its impact on the unique needs of eastern and southeastern Kentucky. She said that this region must move forward if the Commonwealth is to continue to move forward and it is a region that cannot

begin to reach its full potential without the economic development that can only come from an educated citizenry. She said that the funding model should and must force the institutions to ask what steps need to be taken now to prepare Kentuckians for careers in the 21<sup>st</sup> century workplace and what students need to succeed in a global, knowledge-based economy. Those institutions that have historically made tuition affordability a priority are now being penalized by the proposed funding model. In recent years, EKU's tuition increases were very meager because it was very concerned about pricing an education beyond the means of working class families in its service region. She said that any funding model approved should take into consideration that additional state funding is necessary to bolster those institutions that have historically kept their actual tuition low in order to serve the students and citizens of the respective regions. Because EKU serves four of the top six Kentucky counties in the number of students qualified for federal financial aid grants, EKU has made need-based financial assistance a budgetary priority. The proposed funding model does not consider an institution's financial commitment to need-based student aid and does not take into account the uniqueness of eastern and southeastern Kentucky and the financial obligations needed to serve the Commonwealth's most needy students. She asked the Council to consider putting together a task force to further evaluate the proposed funding and come back with recommendations in June to develop a formula that better incorporates important factors such as mission, regional characteristics, and socio-economic needs into any proposed funding model. Such a formula would better serve the regional universities and the citizens of this Commonwealth who have entrusted the Council with preserving the affordability and access to educational opportunities throughout the Commonwealth.

MOTION: Ms. Bertelsman moved that the 2006-08 budget recommendation be approved. Ms. Jansing seconded the motion.

Mr. Flanagan asked the Council and the institutions to join together to present a united front before the General Assembly to get the budget passed and to achieve as much funding for postsecondary education as possible.

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

MOTION: Ms. Bertelsman moved that in future biennia the staff present the budget to the Council for full discussion at the September meeting. Ms. Moore seconded the motion.

VOTE: The motion passed.

#### BUDGET & FINANCE POLICY GROUP

Mr. Owen said that the Budget and Finance Policy Group is looking at the funding methodology and will present recommendations at a future meeting.

#### ROLE OF BOARD MEMBERS POLICY GROUP

Mr. Turner said that he will present a report of the policy group addressing the role of board members at the January meeting.

COMMUNICATION  
WITH LEGISLATORS &  
PUBLIC OFFICIALS  
POLICY GROUP

Mr. Baker said that the Communication with Legislators and Public Officials Policy Group is discussing the need for a comprehensive overview of federal funding for postsecondary education in Kentucky. The policy group is recommending that the staff review how other state coordinating boards of higher education handle their federal relations functions, that the Council be briefed on federal funding requests, that the Council as a body pursue federal funds for statewide programs, that the Council be regularly and better informed about postsecondary issues at the national level, and that Council members participate in national educational conferences to learn about the work of other states. A meeting with the Governor and the Council members will be scheduled prior to the January session of the General Assembly, and the Council and institutions will host a legislative reception in early February after the budget has been presented to the General Assembly. Mr. Baker asked the staff to prepare talking points for the Council members' use in conversations with the members of the General Assembly.

COMMISSIONER OF  
EDUCATION REPORT

A written report from Commissioner Wilhoit about the activities of the Kentucky Board of Education was included in the agenda materials.

DRAFT TUITION POLICY

The Council staff will continue to work with the institutions over the next few months to finalize a recommendation on tuition policy and a methodology to present to the Council. Final action on the tuition policy framework is expected at the January 2006 meeting.

CEO REPORT

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

ACADEMIC PROGRAM  
PRODUCTIVITY REVIEW

Dr. Jim Applegate, the Council's vice president for academic affairs, presented an update on the academic program productivity review. The report indicates that, overall, the review process was effective and program productivity increased with each successive review. Financial impacts could not be calculated for every program but, where closures produced savings, these funds were largely redirected to improve existing program quality. Dr. Applegate said there are discussions underway to move to a four-year review cycle for the universities and KCTCS with interim years being used to conduct campus consultations to update and improve program development and review processes at the state and campus level.

DLAC REPORT

The report of the Distance Learning Advisory Committee was included in the agenda book.

QUALITY &  
ACCOUNTABILITY  
POLICY GROUP

Ms. Bertelsman gave a report from the Quality and Accountability Policy Group. Joe McCormick, executive director of the Kentucky Higher Education Assistance Authority, spoke at the policy group meeting earlier in the day about a proposed scholarship program for first-time, nontraditional adult students. The policy group heard a report on the remediation study and will discuss policy implications resulting from the study during the coming months.

CAPITAL PROJECTS

RECOMMENDATION: The staff recommends that the Council approve the

Kentucky State University request to construct a land grant farm facility consisting of a welcome center, pavilion, and apiculture (bee keeping) laboratory at the Cooperative Extension Research Farm with \$1,578,648 of federal funds from the U.S. Department of Agriculture, 1998 Farm Bill, Historically Black Land Grant Colleges and Universities Facilities Funding Program.

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

VOTE: The motion passed.

#### NEW PROGRAMS

RECOMMENDATION: The staff recommends that the Council approve the Doctor of Physical Therapy (CIP 51.2308) proposed by the University of Kentucky.

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

VOTE: The motion passed.

RECOMMENDATION: The staff recommends that the Council approve the Master of Arts in Special Education (CIP 13.1001) proposed by Kentucky State University.

MOTION: Mr. Baker moved that the program be approved. Mr. Turner seconded the motion.

VOTE: The motion passed.

#### HOST INSTITUTION FOR CENTER FOR MATHEMATICS

In March 2005, Governor Fletcher signed into law House Bill 93, which charged the Council to select a host institution from among the Commonwealth's eight public universities for the Center for Mathematics. The center's purpose is to improve student achievement in mathematics at all levels of schooling in Kentucky, primarily through making available professional development for teachers. The staff is reviewing proposals and will bring a recommendation for Council action at the January meeting.

#### DATA RESEARCH INITIATIVE

The Kentucky Data Research Initiative Advisory Committee was created by House Bill 267 (2005 regular session) and has membership from UK and UofL research and information technology offices, the comprehensive universities, KCTCS, local school districts, business and industry, the Economic Development Cabinet, and the Education Cabinet. The committee will analyze the current environment for grid computing and other related technologies and will establish the needs of researchers for grid computing resources with a special emphasis on the sciences and health-related fields. Four work groups have been formed and a single report will be presented to the legislature during the 2006 session.



RESEARCH,  
ECONOMIC  
DEVELOPMENT, &  
COMMERCIALIZATION  
POLICY GROUP

Ms. Jansing gave a report on the activities of the Research, Economic Development, and Commercialization Policy Group. There were several updates given at the meeting earlier in the day on efforts in Kentucky, including a status of workforce development as it relates to adult education. The BIO Life Sciences Consortium Report was released by the Governor in August. The majority of the recommendations relate to incentives and how to create a pipeline. One recommendation of particular interest relates to the pipeline in the STEM (science, technology, engineering, and mathematics) disciplines. The annual BIO Conference and the BIO Kentucky Professional Group initiative will now be coordinated by the Economic Development Cabinet Office of Commercialization and Innovation.

NOMINATING  
COMMITTEE

Mr. Greenberg appointed a nominating committee of Mr. Baker (chair), Ms. Bertelsman, Mr. Flanagan, and Ms. Taylor. The committee will present recommendations for Council chair and vice chair for the coming year at the January meeting.

AGENCY AUDIT

The 2004-05 agency audit contained a finding related to the oversight of pass-through programs. The Council staff is preparing an accountability and assessment system to be discussed at the January meeting.

RESOLUTIONS

Mr. Greenberg read a resolution honoring and commending Cheryl D. King, the Council's vice president for adult education. Dr. King will leave the staff at the end of December to become the Executive Vice President for External Relations at Kentucky Wesleyan College in Owensboro.

MOTION: Ms. Jansing moved that the resolution be accepted. Ms. Bertelsman seconded the motion.

VOTE: The motion passed.

Mr. Greenberg read a resolution honoring and commending King Alexander. President Alexander will leave Murray State University at the end of the year to become the president of California State University in Long Beach, California.

MOTION: Mr. Baker moved that the resolution be accepted. Ms. Bertelsman seconded the motion.

VOTE: The motion passed.

NEXT MEETING

The next Council meeting is January 30, 2006, at the NKU METS Center for Corporate Learning in Erlanger, Kentucky.

ADJOURNMENT

The meeting adjourned at 12:30 p.m.

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Thomas D. Layzell  
President

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Phyllis L. Bailey  
Senior Associate, Executive Relations

**MINUTES**  
**Council on Postsecondary Education**  
**Executive Committee**  
**January 12, 2006**

The Executive Committee of the Council on Postsecondary Education met January 12, 2006, at 2 p.m. at the Council offices in Frankfort. Chair Greenberg presided.

ROLL CALL

The following committee members attended: Peggy Bertelsman, Ron Greenberg, John Turner, and Mark Wattier. Joan Taylor did not attend. Other Council members who attended: Walter Baker, Dan Flanagan, Alois Moore, and Ryan Quarles. Esther Jansing participated by telephone.

APPROVAL OF  
MINUTES

The minutes of the December 7, 2005, Executive Committee meeting were approved as distributed.

Mr. Greenberg welcomed Kern Alexander who is serving as the interim president of Murray State University.

DRAFT  
TUITION  
POLICY

Sandy Woodley, the Council's vice president for finance, said that the staff has worked with the staffs of the institutions for several months to develop the draft tuition policy. The tuition policy has two objectives: (1) to ensure that college in Kentucky remains affordable, which is needed in order for the state to reach the 2020 educational attainment goals; and (2) to make sure that the institutions have sufficient revenue to offer quality programs and pay for salaries and other expenses needed in order to handle these new enrollments.

The Council staff has worked with the institutions to establish parameters for tuition and fees for 2006-08 based on an analysis of the current relationship of tuition and fees as a percent of the median family income in each of the three sectors of public postsecondary education (research, comprehensive, and two-year). The staff also tried to make an explicit connection between the dollars that are available from the General Fund and the amount of tuition revenue being allowed through the maximum parameters.

Dr. Woodley said that the Council supports enrolling and retaining nonresident students in Kentucky. These enrollments are necessary in order to reach the 2020 educational attainment goals. The Council also expects nonresident students to pay a higher price to cover a greater percentage of the cost of education. The policy currently states that tuition and mandatory fees for nonresident undergraduate students shall be at least 2.5 times higher than the resident tuition rates unless the institution awards a scholarship or waiver.

The Council staff has asked the institutions to submit proposals for tuition rates for graduate and first-professional students. The proposal should be based on market analysis and be competitive enough to keep residents in Kentucky to attend

graduate school as well as attract nonresidents to Kentucky. Rates should be established with the goal of ensuring that qualified resident students, who have low incomes, in combination with financial aid, have the opportunity to consider the program. The Council also must approve these rates.

The timeline leading up to Council action on the tuition rates was included in the agenda materials. The Council will act on the parameters and tuition policy at the January 30 meeting. Then the institutional boards will meet and develop recommendations on tuition and fees consistent with Council policy. Tuition hearings will be held before the Council Executive Committee in late February or early March, and the Council will take action on all rates in March or April.

Dr. Woodley said that about 16 percent (23,944) of the students enrolled at Kentucky institutions are nonresident students. She said that about 3,800 of those students enroll through reciprocity agreements. The students attending through these agreements will continue to pay in-state rates and the agreements will not be affected by changes to the tuition policy regarding nonresident students.

Mr. Greenberg said that staff is working with the institutions to gather information to answer questions concerning nonresident students (is it advantageous to have out-of-state students, does intellectual capital need to be recruited, and do nonresident students remain in Kentucky at the undergraduate, graduate, and professional levels). This information should be sent to the Council members in advance for a discussion at the March meeting.

Dr. Wattier asked the staff to add a category for tuition caps if no new public money is available.

Dr. Woodley said that the chief budget officers are concerned about the nonresident rate of 2.5 times the in-state rate. Many of the institutions argue that this will cause them to lose competitiveness and will hamper the Council's ability to reach 2020 enrollment goals because Kentucky will not be competitive enough to attract those students. Many of the institutions are recommending that the nonresident rate be no greater than 1.75 times the in-state rate. The Council's policy prior to 2000 was three times the in-state rate. In addition, some of the institutions argue that the parameters are too simple and that a sliding scale or more than two maximum parameters should be allowed.

Mr. Quarles said that he has discussed the draft tuition policy with the Board of Student Body Presidents and they support the draft policy and would like to review the final proposal.

## UK TOP 20 BUSINESS PLAN

UK President Lee Todd distributed the university's Top 20 Business Plan. The plan establishes the fiscal and capital framework for UK to become a top 20 public research institution by 2020, as mandated by House Bill 1. He said that he is not trying to bypass the Council budget process but it is important for the Council to understand what the university needs to accomplish this goal. Both the UK board of trustees and the faculty senate have given support for the business plan. The plan shows the relationship between the increase in state dollars and the impact on student tuition increases. President Todd said that committing a consistent funding increase of 5.8 percent over base funding between now and 2020 would provide the necessary resources to pay for such things as additional faculty and competitive

salaries. He said that the university is contributing 40 percent of the cost associated with becoming a top 20 institution. Since he became president, the institution has already cut over \$35 million worth of expenses and found additional revenue and will be cutting \$2 million out of its base each year for the next 15 years. He asked the Council to send a letter to Governor Fletcher recommending full funding for the Council budget request and also requesting the incremental funding for UK. He said that additional funding for UK will determine if the challenges of House Bill 1 are still in front of the state and are still meaningful.

Mr. Turner commended UK for preparing the plan. He said that this is a powerful articulation of UK's mission and shows the value that the institution brings, as do all of the universities, to the Commonwealth. He said that the plan is a reminder that the focus should not be cost but the investment and the return on the investment.

Mr. Greenberg said that first the Council must ask for full funding for the postsecondary system. He said that he would discuss the request for additional funding for UK at the Strategic Committee on Postsecondary Education meeting later that day. He said that the institutions need to think about where to recruit, place, house, and educate those additional students that are needed by 2020 since these students will be an additional burden on the institutions without additional funding. He said that these issues need to be resolved this year and then funding requested to distribute to all institutions.

Dr. Wattier complimented President Todd and UK for the leadership in developing the business plan and suggested that all the institutions create such a plan.

2005-06  
COUNCIL  
PRIORITY  
INITIATIVES

Mr. Greenberg suggested that the discussion of the Council priority initiatives be postponed to the January Council meeting. He asked the policy groups to finalize their reports so that needed legislative changes can be addressed while the General Assembly is in session.

PERFORMANCE  
FUNDING  
COMPONENT

The Council adopted a budget recommendation in November that included \$3.5 million in 2007-08 in performance funding for the institutions to be distributed based on performance related to the goals of House Bill 1. The performance funding component will be implemented beginning the second year of the biennium. The current draft includes five indicators for the component – production (degrees per FTE), efficiency (production/total public funds/FTE), degree production (progress toward key indicator goal), minority degree production (progress toward key indicator goal), and an indicator selected by each institution from a list of institutional specific CPE approved key indicators. Half of the funds will be distributed based on performance relative to benchmark peer institutions and the remaining half based on performance relative to goals toward House Bill 1 key indicator progress. Dr. Woodley said that the Council staff will continue to work with the institutional staffs to work through concerns about the component and to simplify the process.

Ms. Bertelsman commended Lee Nimocks and other Council staff on the legislative advocacy toolkit recently distributed.

ADJOURNMENT

The meeting adjourned at 3:45 p.m.

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Thomas D. Layzell  
President

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Phyllis L. Bailey  
Senior Associate, Executive Relations

**Council on Postsecondary Education  
January 30, 2006**

## Tuition Policy

*The tuition policy provides a structured process for ensuring balance between the desire to maintain affordability for Kentucky's students and the need to provide sufficient revenue to reach the goals of the public agenda. The policy establishes maximum parameters for undergraduate tuition and fee rates. The parameters are linked to General Fund appropriation levels, Median Family Income, market factors, and a student affordability measure.*

**ACTION: The staff recommends that the Council approve the tuition policy and parameters for establishing tuition and fees for the public institutions for 2006-08.**

Prior to 2001, the Council set resident undergraduate tuition rates for students attending public institutions as a percentage of Kentucky Per Capita Personal Income (PCPI). These rates were differentiated by sector. In FY 2000, the last year this policy was in place, UK's and UofL's tuition was 13.4 percent of PCPI, the comprehensive institutions' tuition was 9.2 percent of PCPI, and KCTCS's tuition was 5.0 percent of PCPI.

Over the past five years, tuition and required fees have increased by an average of \$2,225 for the research institutions, \$2,146 for the comprehensive institutions, and \$1,122 for KCTCS. The Council took action in May 2005 on current tuition and fee rates but indicated that a more direct approach to determining the rates would occur for 2006-07. In addition, the Council and KHEAA initiated a detailed affordability study that was completed in September 2005 to evaluate student record data regarding affordability.

At its January 30, 2006, meeting, the Council will take action on a staff recommendation regarding tuition policy to include the tuition and required fee rates for each institution.

This agenda item details the following:

- Timeline detailing the process for finalizing the tuition policy for 2006-08.
- The Council's tuition policy.
- Parameters and technical guide for tuition and mandatory fees for 2006-08.

### Timeline and Process for Establishing Tuition and Fees for 2006-08

The Council staff has had numerous discussions beginning in September with institutions and executive and legislative members and staffs regarding the Council's tuition policy changes. The following table details the timeline for remaining discussions of tuition policy and its implementation that will occur between now and March/April when the Council takes final action on 2006-08 tuition and fees.

### TIMELINE FOR TUITION POLICY/PARAMETERS

Date	Description	Objective
December 7, 2005	Meetings with CBOs, Presidents, Executive Committee	Discuss draft tuition policy approach/review possible rate/range options.
December 16, 2005	Email meetings with Council members and CBOs	Council staff to send draft tuition policy and recommended institutional data/rates/ranges for comments/suggestions.
December 16, 2005 – January 10, 2006	Email meetings/conference calls, etc.	Council staff will work with CBOs to analyze/refine data, incorporate suggestions/comments, and finalize draft recommendation.
January 12, 2006	Meetings with CBOs, Presidents, Executive Committee	Discuss tuition policy draft and preliminary rates/ranges.
January 5, 2006 – January 30, 2006	Email meetings/conference calls, etc.	Refine recommendations based on discussion and finalize recommendations.
January 30, 2006	Council meeting	Council action on tuition policy.
February/March 2006	Institutional boards meet	Institutional boards meet and develop recommendations on tuition and fees consistent with Council policy to be presented to the Council in March.
March/April 2006	Tuition hearings before the Council Executive Committee	Institutions present board recommendations consistent with the Council's tuition policy/parameters, or request exceptions.
March/April 2006	Council meeting	Final action on policy/rates.



Council on Postsecondary Education  
Tuition Policy  
2006-08

**Policy Objective:**

To maintain a systematic approach for establishing parameters regarding tuition and mandatory fees for postsecondary education in order to balance the need to ensure that higher education remains affordable for Kentucky's citizens with the need to provide sufficient revenue for the goal attainment of the public agenda.

**Policy Principles:**

- **(Access)** – College education in Kentucky should be accessible and affordable for all qualified Kentuckians.
- **(Adequacy)** – Tuition policy decisions should provide adequate total public funding levels necessary for institutions to meet the objectives of the public agenda.
- **(Aid)** – Tuition and student financial aid policies should be coordinated effectively to ensure sufficient financial aid for students with financial need.
- **(Alignment)** – The following three policies should be aligned with each other and the public agenda: (1) General Fund appropriations, (2) financial aid, and (3) the establishment of tuition and required fees at the institutions.

**Tuition and Fees**

The institutions' tuition shall be established in such a manner that the combination of mandatory fees (established by the institutions) and tuition charges do not exceed the maximum parameters unless expressly granted an exception by the Council.

- **Undergraduate Resident Tuition and Mandatory Fees** will be determined based on the following factors:
  - Ability of students to pay
    - Enrolled students' income levels (JBL affordability study data)
    - Enrolled students' financial aid from all sources (JBL affordability study data)
    - Population income levels – including potential students not currently enrolled (Median Family Income of the Commonwealth)
    - Minimum amount of student loans (**Measuring Up** best practices for best performing states in the affordability measure)

- Market factors
  - Tuition and fee rates compared to benchmarks
  - Tuition and fee revenue levels relative to total funds compared to benchmarks
- **Maximum Parameters for 2006-08**
  - **Attachment A** is a technical guide to the calculations used to establish maximum parameters for resident undergraduate student tuition and fee rates for the biennium.
  - The Council staff completed several detailed analyses in order to establish the parameters. Some of the major policy issues related to the analysis that were used in the parameters are as follows:
    - **Affordability study** - The national research firm that completed the affordability study found that for most enrolled students, Kentucky remains affordable. The affordability data was used to develop an affordability measure that will be used to monitor affordability over time. This affordability measure will be used to determine modifications in the general parameters in the future.
    - **Median Family Income** - Median Family Income is used as an anchor for the maximum parameters. Median Family Income was chosen because it is the standard measure used by most national studies on affordability including *Measuring Up*. The establishment of the parameters relative to Median Family Income was based on an analysis of total cost, all forms of financial aid, and net price. In this way the Council is able to balance affordability for Kentuckians as well as factoring in more detailed analyses of net price.
    - **Market factors and the benchmarks** – The Council staff has analyzed revenue levels relative to total funds and tuition and fee levels of the benchmarks in comparison to the Kentucky institutions. These data were used in the development of the maximum parameters. The economics of the market is an important factor in tuition policy development. The policy seeks to balance the need for affordable prices for Kentuckians and the need to provide sufficient revenue to reach the goals of the public agenda.

The basic structure for establishing tuition and fee rates for resident undergraduate students is: (a) the establishment of maximum rates for each institution and (b) the establishment of a process for requesting exceptions to the maximum parameters on the basis of special circumstances. Details of the calculations of maximum parameters are included in Attachment A. In general, the maximum parameters were determined based on Median Family Income, relationships to benchmark institutions, and affordability measures. In addition, different maximums are provided at different levels of funding of the Council's 2006-08 budget request.

- **Nonresident Undergraduate Tuition and Fees** - The enrollment and retention of nonresident students is an important component of efforts to increase levels of educational attainment in Kentucky. Current Council policy provides that tuition rates for nonresident students be higher than those for resident students. No minimum tuition rate for nonresident students is provided under current Council policy. It is proposed that nonresident tuition and fees be at least 1.75 times higher than resident tuition and fees for the 2006-07 academic year, and at least 2.0 times higher for the 2007-08 academic year. Currently, nonresident tuition and fee rates for Kentucky's public institutions range from 1.12 times the resident rate to 3.0 times the resident rate. The most recent national study of tuition and fee rates indicates that nonresident rates average 2.2 to 2.7 times resident rates depending on institutional type. Over the course of the next several months, the Council will undertake a review of the funding model, migration rates, market factors which are expected, among other things, to provide some additional information to guide development of future nonresident tuition and fee rates.
- **Graduate and Professional Tuition and Fees** -The institutions will submit a proposal detailing tuition and fee rates for graduate and professional programs. The proposed tuition and fee rates will consider students' ability to pay as well as market factors.

**Special Circumstances** -The Council will consider special circumstances on a case-by-case basis at the tuition hearings to be held prior to final action by the Council in March/April prior to the beginning of each biennium. Examples of special circumstances include special program fees, higher tuitions related to high demand programs, or unique market factors related to specific programs.

## **Technical Guide for 2006-08 Tuition and Fees Parameters**

- The institutions' tuition shall be established in such a manner that the combination of mandatory fees (established by the institutions) and tuition charges do not exceed the maximum parameters unless expressly granted an exception by the Council.
- The maximum parameters are detailed as follows:
  - TABLE 1 - 2006-07 parameters
  - TABLE 2 - 2007-08 parameters assuming less than half of the benchmark recommendation funded by the legislature
  - TABLE 3 - 2007-08 parameters assuming half or greater of the benchmark recommendation funded by the legislature

### **Resident Undergraduate Students:**

- The parameters are based on an analysis of the current relationship of tuition and fees as a percent of the statewide Median Family Income (MFI) in each of the three sectors of public higher education in Kentucky, and the increase allowances as a percent of MFI by sector are based on the following proportionality:
  - The current sector breakdown of tuition and fees as a percentage of Median Family Income for the (1) research sector - 12.2 percent; (2) comprehensive sector - 10 percent; and (3) two-year sector - 5 percent.
- The parameters are established separately based on benchmark funding assumptions:
  - Less than half the benchmark funding recommendation
    - Research sector may increase tuition and fees as a percent of MFI by 1.25 percentage point.
    - Comprehensive sector may increase tuition and fees as a percent of MFI by 0.82 percentage point.
    - Two-year sector may increase tuition and fees as a percent of MFI by 0.42 percentage point.
  - Half or greater than the benchmark funding recommendation
    - Research sector may increase tuition and fees as a percent of MFI by 0.625 percentage point.
    - Comprehensive sector may increase tuition and fees as a percent of MFI by 0.41 percentage point.
    - Two-year sector may increase tuition and fees as a percent of MFI by 0.21 percentage point.
- The parameters are established for both years of the 2006-08 biennium.

- In addition to the general parameters described above, the maximum increases as a percentage of Median Family Income will be adjusted by a factor equal to 20 percent of the parameter for each of the following areas:
  - Market factor (Decrease) – annual tuition and fee rates greater than median of benchmarks (decrease)
  - Market factor (Increase) – annual tuition and fees revenue as a percent of total public funds below the benchmark average
  - Affordability factor (JBL) (Decrease) – percentage of students (greater than 10%) in the bottom two income quartiles who do not meet affordability standard (greater than \$6,620 of the cost of attendance left to pay after effective family contribution, grants, and \$2,620 in loans)
  - Affordability factor (Increase) – tuition and fees as percent of Median Family Income below the average of the sector. *Note: The sector average for each institution is calculated by removing that institution’s data from the calculation. The factor is then determined based on the distance an institution is from the sector average.*

The following table provides the detailed calculation of the parameters by institution.

	A	B	C	D	E	
	Parameter	Bnchmrk T&F as % of TPF Factor	Bnchmrk Median T&F Rates Factor	<sup>1</sup> Sector Average Factor	Total Increase in T&F as % of MFI (A+B+C+D)	
< 1/2	UK	1.25%	0.250%	0.000%	0.000%	1.500%
	UofL	1.25%	0.000%	0.000%	0.195%	1.445%
	EKU	0.82%	0.000%	0.000%	0.0164%	0.8364%
	KSU	0.82%	0.000%	0.000%	0.0984%	0.9184%
	MoSU	0.82%	0.000%	0.000%	0.1640%	0.9840%
	MuSU	0.82%	0.000%	0.000%	0.1148%	0.9348%
	NKU	0.82%	0.000%	0.000%	0.000%	0.8200%
	WKU	0.82%	0.000%	0.000%	0.000%	0.8200%
	KCTCS	0.41%	0.000%	-0.082%	0.000%	0.328%
> 1/2	UK	0.625%	0.125%	0.000%	0.000%	0.7500%
	UofL	0.625%	0.000%	0.000%	0.098%	0.7225%
	EKU	0.41%	0.000%	0.000%	0.008%	0.4182%
	KSU	0.41%	0.000%	0.000%	0.049%	0.4592%
	MoSU	0.41%	0.000%	0.000%	0.082%	0.4920%
	MuSU	0.41%	0.000%	0.000%	0.057%	0.4674%
	NKU	0.41%	0.000%	0.000%	0.000%	0.4100%
	WKU	0.41%	0.000%	0.000%	0.000%	0.4100%
	KCTCS	0.21%	0.000%	-0.041%	0.000%	0.1640%

<sup>1</sup> The sector average market factor is based on the distance an institution is below the sector average. An institution's own data was excluded from the calculation of the sector average.

- Benchmark comparisons regarding parameters will not apply to KSU based on Baker Hostetler concerns and alternative benchmark calculation (small institution adjustment).

**Maximum Parameters for  
Undergraduate Resident Tuition and Mandatory Fees  
2006-07**

FY 2006-07  
TABLE 1

Institution	Tuition and Fees 2006	Tuition and Fees as % of State Median Family Income \$46,856	Assumes Funding at Less than Half of Benchmark Request (\$34,544,400 or less)				Assumes Funding at Half or Greater of Benchmark Request (\$34,544,500 or greater)			
			Maximum Nominal Tuition & Mandatory Fees	Max Tuition and Fees as % of MFI 2007 \$48,168	Percentage Change at Max	Dollar Change at Max	Maximum Nominal Tuition & Mandatory Fees	Max Tuition and Fees as % of MFI 2007 \$48,168	Percentage Change at Max	Dollar Change at Max
<b>Research Institutions</b>										
UK (Average Lower and Upper)	\$5,896	12.6%	\$6,784	14.1%	15.1%	\$888	\$6,422	13.3%	8.9%	\$526
UofL	5,531	11.8%	6,382	13.2%	15.4%	851	6,034	12.5%	9.1%	503
<b>SECTOR AVERAGE</b>	<b>5,714</b>	<b>12.2%</b>	<b>6,583</b>	<b>13.7%</b>	<b>15.2%</b>	<b>869</b>	<b>6,228</b>	<b>12.9%</b>	<b>9.0%</b>	<b>515</b>
<b>Comprehensive Institutions</b>										
EKU	4,660	9.9%	5,193	10.8%	11.4%	533	4,992	10.4%	7.1%	332
KSU	4,468	9.5%	5,035	10.5%	12.7%	567	4,814	10.0%	7.8%	346
MoSU	4,320	9.2%	4,915	10.2%	13.8%	595	4,678	9.7%	8.3%	358
MuSU	4,428	9.5%	5,002	10.4%	13.0%	574	4,777	9.9%	7.9%	349
NKU	4,968	10.6%	5,502	11.4%	10.8%	534	5,305	11.0%	6.8%	337
WKU	5,316	11.3%	5,860	12.2%	10.2%	544	5,662	11.8%	6.5%	346
<b>SECTOR AVERAGE</b>	<b>4,693</b>	<b>10.0%</b>	<b>5,251</b>	<b>10.9%</b>	<b>12.0%</b>	<b>558</b>	<b>5,038</b>	<b>10.5%</b>	<b>7.4%</b>	<b>345</b>
<b>Two-Year Institutions</b>										
KCTCS	2,352	5.0%	2,576	5.3%	9.5%	224	2,497	5.2%	6.2%	145

**Maximum Parameters for  
Undergraduate Resident Tuition and Mandatory Fees  
2007-08 (Assumes 2006-07 as funded at less than half)**

FY 2007-08  
TABLE 2

Institution	Tuition and Fees 2007	Tuition and Fees as % of State Median Family Income \$48,168	Assumes Funding at Less than Half of Benchmark Request (\$34,544,400 or less)				Assumes Funding at Half or Greater of Benchmark Request (\$34,544,500 or greater)			
			Maximum Nominal Tuition & Mandatory Fees	Max Tuition and Fees as % of MFI 2008 \$49,420	Percentage Change at Max	Dollar Change at Max	Maximum Nominal Tuition & Mandatory Fees	Max Tuition and Fees as % of MFI 2008 \$49,420	Percentage Change at Max	Dollar Change at Max
<b>Research Institutions</b>										
UK (Average Lower and Upper)	\$6,784	14.1%	\$7,701	15.6%	13.5%	\$918	\$7,331	14.8%	8.1%	\$547
UofL	6,382	13.2%	7,262	14.7%	13.8%	880	6,905	14.0%	8.2%	523
<b>SECTOR AVERAGE</b>	<b>6,583</b>	<b>13.7%</b>	<b>7,482</b>	<b>15.1%</b>	<b>13.7%</b>	<b>899</b>	<b>7,118</b>	<b>14.4%</b>	<b>8.1%</b>	<b>535</b>
<b>Comprehensive Institutions</b>										
EKU	5,193	10.8%	5,742	11.6%	10.6%	548	5,535	11.2%	6.6%	342
KSU	5,035	10.5%	5,620	11.4%	11.6%	585	5,393	10.9%	7.1%	358
MoSU	4,915	10.2%	5,529	11.2%	12.5%	614	5,286	10.7%	7.5%	371
MuSU	5,002	10.4%	5,594	11.3%	11.8%	592	5,363	10.9%	7.2%	361
NKU	5,502	11.4%	6,050	12.2%	10.0%	548	5,848	11.8%	6.3%	346
WKU	5,860	12.2%	6,417	13.0%	9.5%	558	6,215	12.6%	6.1%	355
<b>SECTOR AVERAGE</b>	<b>5,251</b>	<b>10.9%</b>	<b>5,825</b>	<b>11.8%</b>	<b>11.0%</b>	<b>574</b>	<b>5,607</b>	<b>11.3%</b>	<b>6.8%</b>	<b>355</b>
<b>Two-Year Institutions</b>										
KCTCS	2,576	5.3%	2,805	5.7%	8.9%	229	2,724	5.5%	5.7%	148



**Maximum Parameters for  
Undergraduate Resident Tuition and Mandatory Fees  
2007-08 (Assumes 2006-07 as funded at half or greater)**

FY 2007-08

TABLE 3

Institution	Tuition and Fees 2007	Tuition and Fees as % of State Median Family Income \$48,168	Assumes Funding at Less than Half of Benchmark Request (\$34,544,400 or less)				Assumes Funding at Half or Greater of Benchmark Request (\$34,544,500 or greater)			
			Maximum Nominal Tuition & Mandatory Fees	Max Tuition and Fees as % of MFI 2008 \$49,420	Percentage Change at Max	Dollar Change at Max	Maximum Nominal Tuition & Mandatory Fees	Max Tuition and Fees as % of MFI 2008 \$49,420	Percentage Change at Max	Dollar Change at Max
Research Institutions										
UK (Average Lower and Upper)	\$6,422	13.3%	\$7,331	14.8%	14.1%	\$908	\$6,960	14.1%	8.4%	\$538
UofL	6,034	12.5%	6,905	14.0%	14.4%	871	6,548	13.2%	8.5%	514
<b>SECTOR AVERAGE</b>	<b>6,228</b>	<b>12.9%</b>	<b>7,118</b>	<b>14.4%</b>	<b>14.3%</b>	<b>890</b>	<b>6,754</b>	<b>13.7%</b>	<b>8.4%</b>	<b>526</b>
Comprehensive Institutions										
EKU	4,992	10.4%	5,535	11.2%	10.9%	543	5,328	10.8%	6.7%	336
KSU	4,814	10.0%	5,393	10.9%	12.0%	579	5,166	10.5%	7.3%	352
MoSU	4,678	9.7%	5,286	10.7%	13.0%	608	5,043	10.2%	7.8%	365
MuSU	4,777	9.9%	5,363	10.9%	12.3%	586	5,132	10.4%	7.4%	355
NKU	5,305	11.0%	5,848	11.8%	10.2%	543	5,645	11.4%	6.4%	341
WKU	5,662	11.8%	6,215	12.6%	9.8%	552	6,012	12.2%	6.2%	350
<b>SECTOR AVERAGE</b>	<b>5,038</b>	<b>10.5%</b>	<b>5,607</b>	<b>11.3%</b>	<b>11.4%</b>	<b>569</b>	<b>5,388</b>	<b>10.9%</b>	<b>7.0%</b>	<b>350</b>
Two-Year Institutions										
KCTCS	2,497	5.2%	2,724	5.5%	9.1%	227	2,643	5.3%	5.8%	146

**Council on Postsecondary Education  
January 30, 2006**

**Performance Funding Component**

*The performance funding component provides incentive funding related to five performance measures directly related to key goals of the public agenda. Half of the funding will be distributed based on a comparison in performance between the Kentucky institutions and their benchmarks, and the other half based on improvement in performance on selected key indicator goals.*

**ACTION: The staff recommends that the Council approve the performance funding component for implementation in 2007-08.**

The Council adopted a budget recommendation in November 2005 that included \$3.5 million in 2007-08 in performance funding for the institutions to be distributed based on performance related to the goals of House Bill 1. Based on the comprehensive funding review, as approved by the Council, the performance funding component will be implemented beginning in the second year of the biennium.

**Draft indicators and weighting**

<i>Description/ Weighting</i>	<i>Indicator</i>
Benchmark Comparisons (50%)	(1) Production - degrees per FTE (2) Efficiency - Production/total public funds/FTE
Key Indicators: Goal Attainment (30%)	(3) Degree production or transfer (KCTCS) - progress toward key indicator goal (4) Minority degree production or transfer (KCTCS) - progress toward key indicator goal
Institution's Choice: Key Indicators Goal Attainment (20%)	(5) Selected by each institution from a list of institutional specific CPE - approved key indicators

One of the principal objectives of this new component of the funding model is that it be relatively simple with only a few focused indicators. These particular indicators were selected based on numerous discussions with the institutions to reward performance for efficiently

increasing the educational attainment rates of Kentuckians. All of the key indicators are important and will be monitored for performance each year; however, these five focused indicators have been selected for the performance funding component.

Degree production is defined as baccalaureate degrees for four-year institutions and awards greater than one year including associate degrees for two-year institutions. Half of the funds will be distributed based on performance relative to benchmark peer institutions and the remaining half based on improved performance relative to goals towards House Bill 1 key indicator progress.

The methodology for distribution of available funds is detailed in [Attachment A](#). If funds are appropriated, performance funding will be awarded in FY 2007-08 based on performance in FY 2005-06 and FY 2006-07.

Kentucky Council on Postsecondary Education  
Performance Funding System 2006-08

Indicators and Weighting

Indicators	Weight
(1) Productivity: Degrees / 100 UG Student FTE	25%
(2) Efficiency: Production / (Total Public Funds / UG Student FTE)*1,000	25%
(3) Number of Degrees (or Transfers-KCTCS)	20%
(4) Number of Minority Degrees (or Transfers-KCTCS)	10%
(5) Improving Institution Choice Key Indicator	20%
	100%

**BENCHMARK INDICATORS**

**(1) Productivity**

Points: 0 to 10 points

Purpose: This indicator is designed to improve degree production per 100 undergraduate student FTE relative to the average of its benchmark institutions.

Description: The degree productivity ratio is calculated by taking the number of bachelor's degrees or awards one year or greater, including associate degrees (KCTCS) produced in a given year per 100 undergraduate student FTE. The measure is scored based on a comparison of the benchmark institutions' productivity. Institutions already performing above 80 percent of the average of their benchmark institutions receive more points.

## **(2) Efficiency**

Points: 0 to 10 points

Purpose: This indicator is designed to enhance the efficient production of degrees relative to funding and undergraduate student FTE compared to benchmark institutions.

Description: The efficiency ratio is designed to measure degree production relative to the amount of funds available. This measure is scored based on a comparison of the benchmark institution's relative efficiency. Institutions already performing above 80 percent of the average of their benchmark institutions receive more points.

## **(3) Degrees**

Points: 0 to 10 points (0 to 5 points each for 2005-06 and 2006-07)

Purpose: This indicator is designed to emphasize improvement in the numbers of bachelor's and transfers (KCTCS) produced per year by institutions.

Description: At the state level, Kentucky needs an annual increase in bachelor's degree production of approximately 4.5 percent to significantly close the educational attainment gap over the next 15 years and get closer to the national average in terms of working adults with a bachelor's degree or higher. Historically over the past 15 years, annual bachelor's degree production has increased by approximately 2.5 percent per year. This measure will be scored based on progress on the key indicator.

## **(4) Minority Degrees**

Points: 0 to 10 points (0 to 5 points each for 2005-06 and 2006-07)

Purpose: This indicator is designed to emphasize improvement in the numbers of minority degrees produced per year.

Description: Kentucky is interested in increasing the number and proportion of bachelor's and associate degrees awarded to minorities. This indicator assesses the annual percentage increase in minority bachelor's degrees or transfers from the KCTCS. The minority population in the Commonwealth is approximately 10 percent. Although minorities makeup about 11 percent of the undergraduate population at four-year institutions, only 7 percent of bachelor's degrees are awarded to minorities.

## (5) Institution Choice Key Indicators - Performance

All institutions were given the option to “choose” a particular key indicator from the list of institutional key indicators under questions 3, 4, and 5 of the public agenda.

Choice: **Student Engagement in Undergraduate Experience** (NKU and WKU)

Points: 0 to 10 points

Purpose: This indicator is designed to focus on improving student engagement in the undergraduate experience.

Description: Student engagement in the undergraduate experience is assessed by the National Survey of Student Engagement (NSSE) at four-year institutions and the Community College Survey of Student Engagement (CCSSE) at KCTCS. These instruments measure the extent to which students engage in educational practices that have been empirically linked to high levels of learning and development in college.

The specific measures used are the benchmarks of effective educational practice that include: level of academic challenge, active and collaborative learning, student-faculty interaction, enriching educational experiences, and supportive campus environment for the four-year institutions. CCSSE has a similar set of benchmark indicators for two-year institutions. For the four-year institutions, five scores are reported for both first-year and senior students for a total of 10 indicators of engagement.

Choice: **Transfers from KCTCS to Four-year Institutions** (EKU, KSU, and Morehead)

Points: 0 to 10 points

Purpose: This indicator is designed to increase the number of transfers on an annual basis.

Description: Annual headcount of first-time transfers from KCTCS to all four-year institutions, public and independent. The number of transfers from KCTCS to four-year institutions will play a critical role in making progress toward increasing educational attainment in the state. At the state level, an annual 10 percent increase in transfers from KCTCS to the public four-year institutions is needed to make progress on 2020 educational attainment projections.

Choice: **Undergraduate Enrollment** (Murray and KCTCS)

Points: 0 to 10 points

Purpose: This indicator is designed to increase undergraduate enrollment on an annual basis.

Description: Total fall semester headcount undergraduate enrollment, includes full and part-time, degree and nondegree. At the state level, an annual increase in undergraduate enrollment of approximately 3.5 percent at the four-year public institutions is needed to start making significant progress in educational attainment goals over the next 15 years. Since 1998, undergraduate enrollment at the public four-year institutions has increased on average by 1.4 percent per year.

Choice: **Extramural Research & Development** (U of L)

Points: 0 to 10 points (0 to 5 points each for 2005-06 and 2006-07)

Purpose: This indicator is designed to increase the rate at which institutions capture additional extramural research and development funding.

Description: Extramural research and development funding is taken from the annual National Science Foundation Survey of Research and Development Expenditures.

Choice: **Six-year Graduation Rate** (UK)

Points: 0 to 10 points (0 to 5 points each for 2005-06 and 2006-07)

Purpose: This indicator is designed to emphasize improvement in six-year graduation rates on an annual basis.

Description: The percentage of bachelor's degree-seeking students who graduate within six years. Numerator: Number of graduates at institution--Denominator: Fall semester first-time, full-time, baccalaureate degree-seeking freshmen six years previous. The overall goal is to increase institution and state level graduation rates above benchmark institutions and the national average. The point distribution is relaxed for those institutions with graduation rates above benchmark or national averages.

## Appendix A

The table below is for illustrative purposes only and is based upon historical data. These data are still being reviewed and there are several cases where points are not fully allocated or are allocated based upon incomplete data or estimates. Of course this will not be the case when points are officially distributed.

### CPE Performance Funding System Draft Scenario #1: \$3.5 Million Allocation Using Sample Historical Data - January 25, 2006

	Base Year	Year 1	Base Yr to Yr 1	Year 1 Points	Year 2	Change from Yr 1 to Yr 2	Year 2 Points	Total Points	Weight	Weighted Points	Funding Allocation
<b>EKU</b>											
Productivity Ratio	71%	79%	8%	5	68%	-11%	0	5	25%	1.3	
Efficiency Ratio	74%	79%	5%	4	79%	0%	0	4	25%	1.0	
Degrees	1,664	1,678	1%	1	1,787	6%	5	6	20%	1.2	
Minority Degrees	93	84	-10%	0	97	15%	3	3	10%	0.3	
Choice Production - Transfers 2001-02 to 2002-03	408	392	-16	0	472	80	5	5	20%	1.0	
<b>Total</b>								23		4.8	\$350,369
<b>KSU</b>											
Productivity Ratio	70%	73%	3%	3	73%	0%	1	4	25%	1.0	
Efficiency Ratio	44%	42%	-2%	0	43%	1%	1	1	25%	0.3	
Degrees	210	214	2%	1	229	7%	5	6	20%	1.2	
Minority Degrees	151	149	-1%	0	162	9%	2	2	10%	0.2	
Choice Production - Transfers 2001-02 to 2002-03	19	17	-2	0	21	4	1	1	20%	0.2	
<b>Total</b>								14		2.9	\$210,221
<b>Morehead</b>											
Productivity Ratio	76%	68%	-8%	0	74%	6%	5	5	25%	1.3	
Efficiency Ratio	79%	76%	-3%	0	82%	6%	5	5	25%	1.3	
Degrees	887	991	12%	5	1,038	5%	5	10	20%	2.0	
Minority Degrees	39	35	-10%	0	40	14%	3	3	10%	0.3	
Choice Production - Transfers 2001-02 to 2002-03	265	272	7	1	221	-51	0	1	20%	0.2	
<b>Total</b>								24		5.0	\$368,809
<b>Murray</b>											
Productivity Ratio	95%	93%	-2%	3	101%	8%	5	8	25%	2.0	
Efficiency Ratio	88%	86%	-2%	3	94%	8%	5	8	25%	2.0	
Degrees	1,290	1,440	12%	5	1,372	-5%	0	5	20%	1.0	
Minority Degrees	77	109	42%	5	74	-32%	0	5	10%	0.5	
Choice Production - UG Enrollment 2002-04	8,088	8,371	3%	4	8,625	3%	4	8	20%	1.6	
<b>Total</b>								34		7.1	\$523,709
<b>NKU</b>											
Productivity Ratio	76%	76%	0%	1	76%	0%	1	2	25%	0.5	
Efficiency Ratio	95%	97%	2%	4	96%	-1%	3	7	25%	1.8	
Degrees	1,374	1,421	3%	3	1,529	8%	5	8	20%	1.6	
Minority Degrees	67	76	13%	3	78	3%	1	4	10%	0.4	
Choice Production - Student Engagement (est.)								4.5	20%	0.9	
<b>Total</b>								25.5		5.2	\$379,874
<b>UK</b>											
Productivity Ratio	96%	85%	-11%	3	83%	-2%	3	6	25%	1.5	
Efficiency Ratio	91%	84%	-7%	3	82%	-2%	3	6	25%	1.5	
Degrees	3,338	3,373	1%	1	3,285	-3%	0	1	20%	0.2	
Minority Degrees	244	221	-9%	0	257	16%	3	3	10%	0.3	
Choice Production - Graduation Rate 2002-04	61.1%	59.6%	-1.5%	0	60%	0.8%	3	3	20%	0.6	
<b>Total</b>								19		4.1	\$302,424
<b>U of L</b>											
Productivity Ratio	87%	75%	-12%	0	75%	0%	1	1	25%	0.3	
Efficiency Ratio	94%	88%	-6%	3	85%	-3%	3	6	25%	1.5	
Degrees	1,825	1,890	4%	4	2,148	14%	5	9	20%	1.8	
Minority Degrees	283	334	18%	3	341	2%	1	4	10%	0.4	
Choice Production - Ext. R&D Funding 2000-02	30615	34314	12%	4	57992	69%	5	9	20%	1.8	
<b>Total</b>								29		5.8	\$424,131
<b>WKU</b>											
Productivity Ratio	71%	65%	-6%	0	68%	3%	3	3	25%	0.8	
Efficiency Ratio	92%	86%	-6%	3	90%	4%	5	8	25%	2.0	
Degrees	1,878	2,116	13%	5	2,166	2%	1	6	20%	1.2	
Minority Degrees	137	173	26%	5	180	4%	1	6	10%	0.6	
Choice Production - Student Engagement (est.)								7	20%	1.4	
<b>Total</b>								30		6.0	\$438,883
<b>KCTCS</b>											
Productivity Ratio	77%	77%	0%	1	86%	9%	5	6	25%	1.5	
Efficiency Ratio	89%	89%	0%	3	100%	11%	5	8	25%	2.0	
Transfers	3,873	4,028	4%	2	4,349	8%	4	6	20%	1.2	
Minority Transfers	246	338	37%	5	362	7%	2	7	10%	0.7	
Choice Production - Undergraduate Enrollment*	80,695	81,990	2%	3	84,197	3%	4	7	20%	1.4	
<b>Total</b>								34		6.8	\$501,581

47.5 \$3,500,000

**Notes:**

Productivity Ratio data are comparing 2002-03 and 2003-04

Efficiency ratio data are comparing 2002-03 and 2003-04

Degrees data are from 2003-05

Minority degrees data are from 2003-05

Choice production data are most recent data depending on indicator chosen - NSSE data are estimates at this time due to lack of standard error data from previous year.

Productivity and efficiency data for KCTCS in base year and year 1 are the same because we are still capturing the earlier year data.



**Council on Postsecondary Education**  
**January 30, 2006**

**Analysis of the 2006-08**  
**Executive Budget Recommendation**

The Executive Budget for 2006-08 recommended just under \$55 million in funding increases for operating and incentive funding for postsecondary education. This increase is approximately 25 percent of the Council recommendation. **Attachment A** itemizes the recommendation and compares it to the Council recommendation.

In addition, the Executive Budget includes General Fund debt service for \$260 million in state funded projects (**Attachment B**) and allows the institutions to fund with agency bonds another \$205 million in capital projects (**Attachment C**). The appropriations recommended for state funded projects constitutes about 51 percent of the Council recommendation, and the agency funded projects about 40 percent of the Council request.

Major components of the Executive Budget recommendation (biennial increases):

- Benchmark Funding - \$30 million (3 percent increase)
- Performance Funding - \$1 million
- Adult Education - \$3 million (13.6 percent increase)
- Research Support (UK and UofL) - \$9 million
- Regional Stewardship - \$3.6 million
- Workforce/Transfer (KCTCS) - \$1.5 million

In addition, there were several special initiatives that received increases or new funding in the Executive Budget. The programs and funding increases over the biennium are as follows:

- Virtual University databases (\$350,000)
- College Access Initiative (\$717,000)
- P-16 Engineering Pipeline (\$350,000)
- College-Level Learning Assessment (\$150,000)
- Academic Innovation and Collaborative Grants (\$250,000)
- Faculty Development (\$35,500)
- Public Health Initiative (\$150,000)
- Principal Leadership Institute (\$1 million)
- Virtual Library-Inter-Library Loan Courier Service (\$85,000)
- Minority Student College Preparation Program (\$67,500)
- SREB Doctoral Minority Scholars Program (\$45,000)
- Contract Spaces (\$922,300)
- Professional Development P-16 (\$500,000)
- Mining Engineering (\$200,000)

**Analysis of HB 380 - 2006-08 Executive Budget  
State General Fund Appropriations**

	Enacted <u>FY 2005-06 Base</u>	2006-08 Biennial Total Increase				Difference <u>Executive &amp; CPE</u>
		<u>Council Recommendation</u>	<u>Percent Increase</u>	<u>Executive Budget</u>	<u>Percent Increase</u>	
<b>Base Funding</b>						
EKU	\$ 73,622,800	\$ 7,362,200	10.0%	\$ 1,954,700	2.7%	\$ (5,407,500)
KCTCS	201,776,300	39,104,200	19.4%	7,362,900	3.6%	(31,741,300)
KSU	24,374,800	1,920,500	7.9%	1,883,700	7.7%	(36,800)
MOSU	43,428,300	4,342,800	10.0%	960,100	2.2%	(3,382,700)
MUSU	53,044,600	5,159,800	9.7%	958,800	1.8%	(4,201,000)
NKU	46,601,800	11,173,600	24.0%	1,943,100	4.2%	(9,230,500)
UK	306,341,800	27,346,600	8.9%	7,075,600	2.3%	(20,271,000)
UofL	154,261,900	27,556,700	17.9%	5,218,600	3.4%	(22,338,100)
WKU	74,836,600	13,723,400	18.3%	2,642,500	3.5%	(11,080,900)
Total Institutional Base Funding	978,288,900	137,689,800	14.1%	30,000,000	3.1%	(107,689,800)
Other Institutional	-	-		700,000		(700,000)
Performance Funding	-	3,500,000		1,000,000		(2,500,000)
Council Operations	10,844,700	3,431,300	31.6%	1,145,000	10.6%	(2,286,300)
Adult Education	22,026,000	6,000,000	27.2%	3,000,000	13.6%	(3,000,000)
<b>Subtotal</b>	<b>\$ 1,011,159,600</b>	<b>\$ 150,621,100</b>	<b>14.9%</b>	<b>\$ 35,845,000</b>	<b>3.5%</b>	<b>\$ (116,176,100)</b>
<b>Trust Funds / Incentive Funding Programs</b>						
Endowment Match	-	12,000,000		-		(12,000,000)
Research Support (Nonrecurring)	-	18,000,000		6,000,000		(18,000,000)
Research Support (Recurring)	-	4,000,000		3,000,000		(2,500,000)
Science and Technology	10,005,900	850,000	8.5%	350,000	3.5%	(500,000)
Regional Stewardship	-	18,000,000		3,600,000		(14,400,000)
Technology Trust Fund	2,050,500	3,801,600	185.4%	2,002,500	97.7%	(1,799,100)
Workforce / Transfer Nonrecurring	-	500,000		300,000		(200,000)
Workforce / Transfer Recurring	-	3,500,000		1,200,000		(3,500,000)
<b>Subtotal</b>	<b>\$ 12,056,400</b>	<b>\$ 60,651,600</b>	<b>503.1%</b>	<b>\$ 16,452,500</b>	<b>136.5%</b>	<b>\$ (44,199,100)</b>
<b>Special Initiatives / Pass-Through</b>						
Council Initiatives / Pass-Through	6,228,300	7,496,200	120.4%	2,647,300	42.5%	4,848,900
Institutional Special Initiatives	-	4,800,000		-		(4,800,000)
<b>Subtotal</b>	<b>\$ 6,228,300</b>	<b>\$ 12,296,200</b>	<b>197.4%</b>	<b>\$ 2,647,300</b>	<b>42.5%</b>	<b>\$ (9,648,900)</b>
<b>TOTAL</b>	<b>\$ 1,029,444,300</b>	<b>\$ 223,568,900</b>	<b>21.7%</b>	<b>\$ 54,944,800</b>	<b>5.3%</b>	<b>\$ (170,024,100)</b>

**CPE v Executive Budget Recommendations  
General Fund Capital Projects Priorities  
2006-08**

System Priority	Institution/Project Name	CPE Recommendation			Executive Budget			
		Total Scope	Bonds or State Funds	Agency Bonds Other Funds	Total Scope	State Bonds	Agency Bonds	Institution Federal Funds
<b>Project Category: Current Infrastructure Repairs/Replacement/Improvements</b>								
1	Capital Renewal, Replacement, and Maintenance Pool	\$ 15,000,000	\$ 15,000,000		\$ 13,000,000	\$ 13,000,000		
2	Information Technology/Instructional Equipment Purchase Pool	25,000,000	25,000,000		Project not in Executive Budget.			
	<i>Total - Infrastructure, Repairs, Replacement, &amp; Improvements</i>	\$ 40,000,000	\$ 40,000,000	\$ -	\$ 13,000,000	\$ 13,000,000	\$ -	\$ -
<b>Project Category: E&amp;G and Postsecondary Ed Center Projects</b>								
1	MoSU Construct Center for Health, Education, and Research (1)	\$ 20,000,000	\$ 15,000,000	\$ 5,000,000	\$ 20,000,000	\$ 15,000,000		\$ 5,000,000
2	KCTCS Construct Science/Allied Health Bldg Jefferson Community (2)	25,557,000	25,557,000		Project not in Executive Budget.			
3	KCTCS Construct Allied Health/Tech Ed Bldg, Somerset CC Laurel (3)	13,815,000	13,815,000		13,200,000	13,200,000		
4	NKU Renovate Old Science Building (1)	15,000,000	15,000,000		14,192,000	14,192,000		
5	MuSU Construct New Science Complex Phase III (1)	15,000,000	15,000,000		Project not in Executive Budget.			
6	WKU Renovate Science Campus, Phase III (2)	7,000,000	7,000,000		6,700,000	6,700,000		
7	NKU Construct Health Innovation Center (3)	20,085,000	20,085,000		Project not in Executive Budget.			
8	KSU Hathaway Hall Renovation, Phase III (1)	4,920,000	4,920,000		4,707,000	4,707,000		
9	EKU Construct Science Building (1)	54,107,950	54,107,950		Project not in Executive Budget.			
10	NKU Construct Center for Informatics (2)	23,075,000	23,075,000		Project not in Executive Budget.			
11	UK Construct Gatton Building Complex (2)	79,289,750	40,452,750	38,837,000	Project not in Executive Budget.			
12	EKU/UK Dairy Research Project (Meadowbrook) (2)	5,300,000	5,300,000		5,121,000	5,121,000		
13	UofL Renovate Life Sciences Building (4)	18,240,000	18,240,000		Project not in Executive Budget.			
14	KCTCS Construct Emerging Tech Cntr West KY Comm & Tech (1)	16,518,000	16,518,000		15,473,000	15,473,000		
15	WKU Replace College of Education - Tate Page Hall Building (1)	35,000,000	22,750,000	12,250,000	Project not in Executive Budget.			
*NEW	KCTCS Construct Advanced Manufacturing Tech - Gateway C&TC	Project not recommended by CPE.			26,607,000	26,607,000		
	<i>Total - (E&amp;G) General Fund Projects Requested</i>	\$ 352,907,700	\$ 296,820,700	\$ 56,087,000	\$ 106,000,000	\$ 101,000,000	\$ -	\$ 5,000,000
<b>Project Category: Research &amp; Economic Development Projects @ 100%</b>								
1	UK Construct Biological/Pharmaceutical Complex, Phase II (1)	\$ 79,892,000	\$ 79,892,000		\$ 75,968,000	\$ 75,968,000		
2	UofL Construct HSC Research Facility IV (1)	69,680,000	69,680,000		65,997,000	65,997,000		
3	WKU Construct Materials Characteristics, Phase II (4)	4,500,000	4,500,000		4,311,000	4,311,000		
4	MuSU Construct New Breathitt Veterinary Center (3)	16,250,000	16,250,000		Project not in Executive Budget.			
	<i>Total - (R&amp;ED) General Fund Projects Requested</i>	\$ 170,322,000	\$ 170,322,000	\$ -	\$ 146,276,000	\$ 146,276,000	\$ -	\$ -
<b>Project Category: Project Planning and Design</b>								
2	UK Construct Bio-Medical Research Building (4)	\$ 95,000,000			Project not in Executive Budget.			
	<i>Total - Planning &amp; Design</i>	\$ 95,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>System Total - General Fund Projects Recommendation</b>		\$ 658,229,700	\$ 507,142,700	\$ 56,087,000	\$ 265,276,000	\$ 260,276,000	\$ -	\$ 5,000,000
<b>Percent CPE Request Funded</b>					<b>40.30%</b>		<b>51.32%</b>	

**CPE v. Executive Budget Recommendations**  
**Capital Projects - Agency Bond Authority**  
**2006-08**

Institution and Project Title	CPE Recommendation			Executive Budget			
	Project Scope	Agency Bonds	Inst/Other Funds	Project Scope	Agency Bonds	Rest/Federal	Other
<b>Eastern Kentucky University</b>							
1 Construct New Student Housing	\$ 10,520,000	\$ 10,520,000		\$ 9,961,000	\$ 9,961,000		
<b>Subtotal - EKU</b>	\$ 10,520,000	\$ 10,520,000	\$ -	\$ 9,961,000	\$ 9,961,000	\$ -	\$ -
<b>Kentucky State University</b>							
1 Construct Parking Structure	\$ 7,000,000	\$ 7,000,000				Project not in Executive Budget.	
2 Construct New Residence Hall (Privatized)	20,000,000	20,000,000				Project not in Executive Budget.	
<b>Subtotal - KSU</b>	\$ 27,000,000	\$ 27,000,000	\$ -				
<b>Morehead State University</b>							
1 Construct Student Recreation Center	\$ 17,000,000	\$ 17,000,000				Project not in Executive Budget.	
2 Construct Apartment Housing Complexes - Phase II	6,000,000	6,000,000				Project not in Executive Budget.	
3 Construct Parking Structure	7,000,000	7,000,000				Project not in Executive Budget.	
4 Renovate Student Housing Facilities	10,000,000	10,000,000				Project not in Executive Budget.	
<b>Subtotal - MoSU</b>	\$ 40,000,000	\$ 40,000,000	\$ -				
<b>Murray State University</b>							
1 New Residential College (Replace Richmond Hall)	\$ 13,077,000	\$ 13,077,000		\$ 12,106,000	\$ 12,106,000		
2 Renovate Waterfield Library	8,000,000	4,000,000	\$ 4,000,000			Project not in Executive Budget.	
3 Replace Franklin Hall	13,077,000	13,077,000				Project not in Executive Budget.	
4 Renovate Curris Center and T-Room	750,000	750,000				Project not in Executive Budget.	
<b>Subtotal - MuSU</b>	\$ 34,904,000	\$ 30,904,000	\$ 4,000,000	\$ 12,106,000	\$ 12,106,000	\$ -	\$ -
<b>Northern Kentucky University</b>							
1 Construct New Student Union	\$ 16,250,000	\$ 16,250,000		\$ 17,360,000	\$ 17,360,000		
2 Construct Parking Garage #3	15,400,000	15,400,000				Project not in Executive Budget.	
3 Construct Parking Garage #4	9,200,000	9,200,000				Project not in Executive Budget.	
4 Expand Norse Commons	1,400,000	1,400,000				Project not in Executive Budget.	
5 Construct Student Housing	23,000,000	23,000,000				Project not in Executive Budget.	
<b>Subtotal - NKU</b>	\$ 65,250,000	\$ 65,250,000	\$ -	\$ 17,360,000	\$ 17,360,000	\$ -	\$ -

**CPE v. Executive Budget Recommendations  
Capital Projects - Agency Bond Authority  
2006-08**

Institution and Project Title	CPE Recommendation			Executive Budget			
	Project Scope	Agency Bonds	Inst/Other Funds	Project Scope	Agency Bonds	Rest/Federal	Other
<b>University of Kentucky</b>							
1 Construct Patient Care Facility Phase II	\$ 175,000,000	\$ 150,000,000	\$ 25,000,000	\$ 155,000,000	\$ 130,000,000	\$ 25,000,000	
2 Renovate Blazer Hall Cafeteria	3,010,000	3,010,000			Project not in Executive Budget.		
3 Install HVAC in Keeneland Hall	7,013,000	7,013,000			Project not in Executive Budget.		
4 Renovate Student Center Food Court	1,643,000	1,643,000			Project not in Executive Budget.		
5 Renovate K-Lair Building	4,650,000	4,650,000			Project not in Executive Budget.		
<b>Subtotal - UK</b>	<b>\$ 191,316,000</b>	<b>\$ 166,316,000</b>	<b>\$ 25,000,000</b>	<b>\$ 155,000,000</b>	<b>\$ 130,000,000</b>	<b>\$ 25,000,000</b>	<b>\$ -</b>
<b>University of Louisville</b>							
1 Construct Center for Predictive Medicine	\$ 35,200,000	\$ 13,000,000	\$ 22,200,000	\$ 33,749,000	\$ 11,549,000	\$ 22,200,000	
2 Construct HSC Parking Structure II	26,113,000	26,113,000			Project not in Executive Budget.		
3 Construct Residence Hall, 500 Bed	33,172,000	33,172,000			Project not in Executive Budget.		
4 Construct Basketball Practice Facility, Phase II	16,140,000	16,140,000			Project not in Executive Budget.		
5 Renovate Medical Dental Research Building - Phase IV	19,800,000	19,800,000			Project not in Executive Budget.		
<b>Subtotal - UofL</b>	<b>\$ 130,425,000</b>	<b>\$ 108,225,000</b>	<b>\$ 22,200,000</b>	<b>\$ 33,749,000</b>	<b>\$ 11,549,000</b>	<b>\$ 22,200,000</b>	<b>\$ -</b>
<b>Western Kentucky University</b>							
1 Renovate Academic/Athletic #2	\$ 28,500,000	\$ 25,500,000	\$ 3,000,000	\$ 27,156,000	\$ 24,156,000	\$ 2,000,000	\$ 1,000,000
2 Renovate Van Meter Hall	16,000,000	16,000,000			Project not in Executive Budget.		
3 Renovate Ivan Wilson Center	8,000,000	8,000,000			Project not in Executive Budget.		
4 Expand Preston Center	10,000,000	10,000,000			Project not in Executive Budget.		
5 Acquire Prop. & Con. Parking	4,000,000	4,000,000			Project not in Executive Budget.		
<b>Subtotal - WKU</b>	<b>\$ 66,500,000</b>	<b>\$ 63,500,000</b>	<b>\$ 3,000,000</b>	<b>\$ 27,156,000</b>	<b>\$ 24,156,000</b>	<b>\$ 2,000,000</b>	<b>\$ 1,000,000</b>
<b>System Total</b>	<b>\$ 565,915,000</b>	<b>\$ 511,715,000</b>	<b>\$ 54,200,000</b>	<b>\$ 255,332,000</b>	<b>\$ 205,132,000</b>	<b>\$ 49,200,000</b>	<b>\$ 1,000,000</b>
<b>Percent of CPE Agency Bond Recommendation Funded</b>				<b>45.12%</b>	<b>40.09%</b>		

**Council on Postsecondary Education  
January 30, 2006**

**Legislative Update**

A list of bills that relate to postsecondary education will be distributed at the January 30 meeting. The Council staff will be available for discussion.

**Council on Postsecondary Education**  
**January 30, 2006**

**2004-05 Accountability Report**

The Council submits an annual accountability report to the Office of the Governor and the Legislative Research Commission as directed by KRS 164.020(3). The purpose of the report is to inform policymakers and the public of systemwide and institution progress toward achieving the goals of the *Kentucky Postsecondary Education Improvement Act of 1997*(HB 1) and the public agenda for adult and postsecondary education.

The structure of this year's report was changed to provide a more concise analysis of year-to-year, comparative, and historical progress on key indicators of reform that originate from state needs as defined by the five questions of the public agenda and HB 1.

The 2004-05 accountability report includes an executive summary that provides a statewide snapshot of progress being made on the state's performance indicators. It provides detailed data and analysis on the revised state and institution key indicators approved by the Council in 2005. Brief descriptions of various state and institution initiatives, broken down by key indicator, highlight efforts being made to move the public agenda forward. The last section of the 2004-05 accountability report is organized by the goals of HB1 and provides a summary of efforts undertaken by the Council and institutions in the past year intended to improve the quality of life and economy of the Commonwealth. A list of various Council and institutional resources also is provided in the report appendices.

The full report will be distributed at the Council meeting and will be made available on the Council's Web site as well.

**Council on Postsecondary Education  
January 30, 2006**

## **Kentucky State Assessment of Adult Literacy**

The initial reports on the 2003 National Assessment of Adult Literacy and the Kentucky State Assessment of Adult Literacy were released December 15, 2005, by the National Center of Education Statistics. Kentucky was one of six states to commission a state-level assessment. (Other states are Maryland, Massachusetts, Missouri, New York, and Oklahoma.) Kentucky's comprehensive report, which will be the only one in the nation to include county-level information, is expected to be released in spring 2006.

Because of changes in the survey methodology, these results are not comparable to the results of the Kentucky Adult Literacy Survey conducted in 1995; however, Kentucky Adult Education (KYAE) has requested that the comprehensive report include comparisons between the 1995 and 2003 reports.

The Kentucky sample was limited to adults 16 and older residing in households; the national assessment sampled adults 16 and older living in households or prisons. To allow comparisons, the national literacy results in the Kentucky report are based only on the national household sample.

Definitions of the four literacy levels – Proficient, Intermediate, Basic, and Below Basic – and the three literacy areas – Prose, Document, and Quantitative – are available in the attached Kentucky State Assessment of Adult Literacy, pages 6-7.

The literacy survey contained both encouraging and sobering news for the Commonwealth. Highlights include:

### **All Adults**

- Kentucky's literacy skills in prose, document, and quantitative are on par with the literacy skills of the nation.

### **Race/Ethnicity**

- The literacy of African Americans in Kentucky is similar to the literacy of African Americans in the nation.
- However, as many other studies have shown, the literacy assessments show a significant achievement gap in Kentucky – and the nation. As in the nation, African Americans lag behind whites in Kentucky.



## **Age**

- Literacy skills of Kentucky's working-age population compare favorably to the nation's working-age adults, 16-64 years old, demonstrating that the Commonwealth's workforce is competitive with that of the nation.
- Most notably, in the 25-39 age group, the percentage of Kentuckians in Below Basic (Prose and Quantitative) is significantly less than the nation. This is an important finding because this age group will be in the workforce for many years.
- Kentucky's older adults (65+) have lower literacy scores than younger age groups. This finding illustrates implications for health care and independent living for senior citizens. More information about health literacy will be included in the comprehensive Kentucky report in the spring.

## **Educational Attainment**

- In both the nation and Kentucky, increasing educational attainment is associated with higher average literacy.
- GED graduates have literacy skills similar to high school graduates.

## **Employment Status**

- In Kentucky and the nation, at least half of the adults with Below Basic literacy were not employed.

While Kentucky's population compares favorably with the nation, the Commonwealth still has much work to do. For example, 42 percent of Kentuckians are at the Basic and Below Basic levels in prose; this compares to 43 percent of the nation in those two levels. While it is tempting to interpret the comparison as positive, 42 percent at those two levels is not acceptable for the Commonwealth of Kentucky.

The Council has set a goal of 800,000 Kentuckians with bachelor's degrees by 2020. The Commonwealth cannot meet that goal when 42 percent of Kentuckians do not have the literacy skills that position them to be successful in college. Kentucky will not advance as a state and a society without significant improvement in educational attainment. Obviously, the Commonwealth still has great challenges ahead.



Highlights  
From the 2003



# Kentucky



State Assessment of Adult Literacy







Highlights  
From the 2003 **Kentucky**  
State Assessment of Adult Literacy



Justin D. Baer

Christine Leow

AMERICAN INSTITUTES FOR RESEARCH

*Highlights From the 2003 Kentucky State Assessment of Adult Literacy* was prepared by the American Institutes for Research under funding from the Commonwealth of Kentucky. The National Center for Education Statistics (NCES) supported the design of the assessment. Sampling and data collection were conducted by Westat, under the direction of Martha Berlin. Design and layout of the report was executed by Heather Block and Sanjay Seth and editorial support was provided by Holly Baker. Additional assistance in preparing the report was provided by Rachel Greenberg.

The authors wish to thank all those who contributed to this report. Special thanks go to Dr. Mark Kutner, who provided valuable input at critical stages of the project, Dr. Stéphane Baldi, who served as the project's Technical Advisor, and to Dr. Sheida White of the National Center for Education Statistics (NCES), the Project Officer for the 2003 National Assessment of Adult Literacy (NAAL).



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## Introduction

This report summarizes key findings from the 2003 Kentucky State Assessment of Adult Literacy (SAAL). Administered in Kentucky in 2003 and early 2004, the assessment measures the prose, document, and quantitative literacy of Kentucky's adults. The Kentucky SAAL was conducted in conjunction with the National Assessment of Adult Literacy (NAAL), a national literacy assessment sponsored by the National Center for Education Statistics of the United States Department of Education.

This introduction provides an overview of the 2003 Kentucky SAAL, including the relationship between NAAL and SAAL, the definition of literacy used by SAAL and NAAL, a description of the literacy levels used in the report, and the design of the SAAL assessment. The following section compares the literacy of adults in Kentucky with the literacy of adults in the nation across six important background characteristics: race/ethnicity, gender, age, language spoken before starting school, educational attainment, and employment status. A subsequent Kentucky SAAL report will explore the literacy of Kentucky's adults across workplace, family, and community settings, as well as health literacy, and will provide county-level estimates of literacy.

### Relationship Between NAAL and SAAL

The National Assessment of Adult Literacy (NAAL) measures the English literacy of America's adults for the first time since the 1992 National Adult Literacy Survey. The NAAL was administered to a representative sample of adults age 16 and older residing in households or prisons in 2003 and early 2004. Prior to the administration of the NAAL, all states were invited to participate in the 2003 State Assessment of Adult Literacy (SAAL). Just as the NAAL was designed to provide literacy estimates of the national population, the SAAL was designed to provide literacy estimates of state populations.

Kentucky, along with Maryland, Massachusetts, Missouri, New York, and Oklahoma, elected to participate in the 2003 SAAL. A sample of Kentucky adults was selected for the Kentucky literacy assessment, which was administered concurrently with the



national assessment.<sup>1</sup> Kentucky adults selected for the SAAL took the same assessment as adults selected for the national sample (see Appendix B for details). The sole difference between the NAAL and the Kentucky SAAL was that the Kentucky sample was limited to adults residing in households, while the NAAL sampled adults in households or prisons. To allow appropriate comparisons between Kentucky and the nation, the national literacy results presented in this report are based only on the national household sample.<sup>2</sup>

Although the NAAL is representative of the U.S. population and many population groups within the nation, it is not designed to provide state-level estimates of literacy. Only Kentucky and the other five states that participated in the SAAL have literacy data that are representative of the adults in their states. These data provide a powerful tool for assessing the current literacy of Kentucky's adults, as well as for making comparisons between Kentucky and the nation.

## Defining Literacy

The NAAL and SAAL define literacy as "using printed and written information to function in society, to achieve one's goals, and to develop one's knowledge and potential." Results are reported on three literacy scales (see table 1 for details):

- **Prose Literacy:** The knowledge and skills needed to perform prose tasks (i.e., to search, comprehend, and use information from continuous texts). Prose examples include editorials, news stories, brochures, and instructional materials.
- **Document Literacy:** The knowledge and skills needed to perform document tasks (i.e., to search, comprehend, and use information from noncontinuous texts in vari-

ous formats). Document examples include job applications, payroll forms, transportation schedules, maps, tables, and drug and food labels.

- **Quantitative Literacy:** The knowledge and skills required to perform quantitative literacy tasks (i.e., to identify and perform computations, either alone or sequentially, using numbers embedded in printed materials). Examples include balancing a checkbook, figuring out a tip, completing an order form, or determining from an advertisement the amount of interest on a loan.

## Description of Literacy Levels

Literacy scores from the NAAL and SAAL are reported in two formats: (1) as averages and (2) as the percentage of adults within different literacy levels. The literacy levels divide adults into different groups on the basis of their performance on the assessment, providing a context for interpreting the literacy scores.

The National Center for Education Statistics (NCES) asked the National Research Council's Board on Testing and Assessment (BOTA) to recommend a set of literacy levels for the national assessment. The state assessments use the same literacy levels as the national study. Drawing on recommendations from BOTA's Committee on Performance Levels for Adults, NCES decided to report the assessment results using four literacy levels. Descriptions of the abilities associated with each level and the types of tasks that adults in the levels could complete are presented in table 1.

## Assessment Design

Unlike indirect measures of literacy, which rely on self-reports or educational attainment, the NAAL and the SAAL measure literacy by asking respondents to demonstrate that they understand the meaning of information found in texts they are asked to read. The literacy tasks in the assessments were drawn from actual texts and documents, which were either used in their

<sup>1</sup> Adults from Kentucky who were selected as part of the NAAL sample were added to the Kentucky SAAL sample to increase the power of the analyses, resulting in a total sample size of 1,526 Kentucky adults.

<sup>2</sup> Thus, the national results presented in this report are slightly different from the national results presented in the NAAL reports, which include both the household and prison samples.

Table 1 Overview of the literacy levels

Level and definition	Key abilities associated with level	Sample tasks typical of level
<p><b>Below Basic</b> indicates no more than the most simple and concrete literacy skills.</p> <p><b>Score ranges for <i>Below Basic</i>:</b>            Prose: 0–209            Document: 0–204            Quantitative: 0–234</p>	<ul style="list-style-type: none"> <li>■ locating easily identifiable information in short, commonplace <b>prose</b> texts</li> <li>■ locating easily identifiable information and following written instructions in simple <b>documents</b> (e.g., charts or forms)</li> <li>■ locating numbers and using them to perform simple <b>quantitative</b> operations (primarily addition) when the mathematical information is very concrete and familiar</li> </ul>	<ul style="list-style-type: none"> <li>■ searching a short, simple text to find out what a patient is allowed to drink before a medical test</li> <li>■ signing a form</li> <li>■ adding the amounts on a bank deposit slip</li> </ul>
<p><b>Basic</b> indicates skills necessary to perform simple and everyday literacy activities.</p> <p><b>Score ranges for <i>Basic</i>:</b>            Prose: 210–264            Document: 205–249            Quantitative: 235–289</p>	<ul style="list-style-type: none"> <li>■ reading and understanding information in short, commonplace <b>prose</b> texts</li> <li>■ reading and understanding information in simple <b>documents</b></li> <li>■ locating easily identifiable <b>quantitative</b> information and using it to solve simple, one-step problems when the arithmetic operation is specified or easily inferred</li> </ul>	<ul style="list-style-type: none"> <li>■ finding in a pamphlet for prospective jurors an explanation of how people were selected for the jury pool</li> <li>■ using a television guide to find out what programs are on at a specific time</li> <li>■ comparing the ticket prices for two events</li> </ul>
<p><b>Intermediate</b> indicates skills necessary to perform moderately challenging literacy activities.</p> <p><b>Score ranges for <i>Intermediate</i>:</b>            Prose: 265–339            Document: 250–334            Quantitative: 290–349</p>	<ul style="list-style-type: none"> <li>■ reading and understanding moderately dense, less commonplace <b>prose</b> texts as well as summarizing, making simple inferences, determining cause and effect, and recognizing the author's purpose</li> <li>■ locating information in dense, complex <b>documents</b> and making simple inferences about the information</li> <li>■ locating less familiar <b>quantitative</b> information and using it to solve problems when the arithmetic operation is not specified or easily inferred</li> </ul>	<ul style="list-style-type: none"> <li>■ consulting reference materials to determine which foods contain a particular vitamin</li> <li>■ identifying a specific location on a map</li> <li>■ calculating the total cost of ordering specific office supplies from a catalog</li> </ul>
<p><b>Proficient</b> indicates skills necessary to perform more complex and challenging literacy activities.</p> <p><b>Score ranges for <i>Proficient</i>:</b>            Prose: 340–500            Document: 335–500            Quantitative: 350–500</p>	<ul style="list-style-type: none"> <li>■ reading lengthy, complex, abstract <b>prose</b> texts as well as synthesizing information and making complex inferences</li> <li>■ integrating, synthesizing, and analyzing multiple pieces of information located in complex <b>documents</b></li> <li>■ locating more abstract <b>quantitative</b> information and using it to solve multistep problems when the arithmetic operations are not easily inferred and the problems are more complex</li> </ul>	<ul style="list-style-type: none"> <li>■ comparing viewpoints in two editorials</li> <li>■ interpreting a table about blood pressure, age, and physical activity</li> <li>■ computing and comparing the cost per ounce of food items</li> </ul>

NOTE: Adults at the *Below Basic* level range from being unable to read and understand any written information in English to having the abilities listed and typically succeeding at the types of tasks listed. For each of the other levels, the abilities and tasks listed are typical of adults at that level. Although the literacy levels share common names with the NAEP levels, they do not correspond to the NAEP levels.

SOURCE: Hauser, R.M., Edley, C.F. Jr., Koenig, J.A., and Elliott, S.W. (Eds.). (2005). *Measuring Literacy: Performance Levels for Adults, Interim Report*. Washington, DC: National Academies Press; White, S. and Dillow, S. (2005). *Key Concepts and Features of the 2003 National Assessment of Adult Literacy* (NCES 2006-471). U.S. Department of Education. Washington, DC: National Center for Education Statistics.

original format or reproduced in the assessment booklets. Each question appeared before the materials needed to answer it, thus encouraging respondents to read with purpose.

Respondents could correctly answer many assessment questions by skimming the text or document for the information necessary to perform a given literacy task. All tasks were open-ended, and respondents wrote their answers directly in their assessment booklets.

A total of 152 prose, document, and quantitative literacy tasks were included in the NAAL and SAAL assessments. Asking each respondent to complete all the tasks would have been too time-consuming and tiring, so the tasks were organized into 13 unique blocks of tasks. Each block included approximately 11 literacy tasks distributed across the prose, document, and quantitative scales. Respondents were asked to complete an assessment booklet that included seven literacy screening tasks common to all booklets, followed by three blocks of tasks. Respondents who completed the assessment attempted approximately 40 literacy tasks in about 50 minutes.

## Interpreting Results

The average scores and percentages presented in this report are estimates based on a sample of Kentucky's adults. Like

all samples, the results are subject to a measure of uncertainty (i.e., sampling error), reflected in the standard errors of the estimates. Standard errors for the prose, document, and quantitative scale scores and the percentage of adults in each literacy level are presented in Appendix C.

The discussion of results in the following section takes into account the standard errors associated with the estimates. All differences discussed in this report, whether between Kentucky and the nation or between members of a population group (e.g. men and women), are statistically significant at the .05 level. This means that observed differences between groups are unlikely to be due to chance factors associated with sampling variability. Hence, the term "significant" does not reflect any judgment about the absolute magnitude of differences.

Statistically significant differences between Kentucky's adults and adults in the nation are noted in the tables and figures in this report. Differences between population groups are not identified in the tables or figures, but are discussed in the text. Although average scores are presented for each population group, space limitations prevented displaying results by literacy levels for all three scales. Full results for all literacy scales, with estimates and standard errors, can be found in Appendix C.



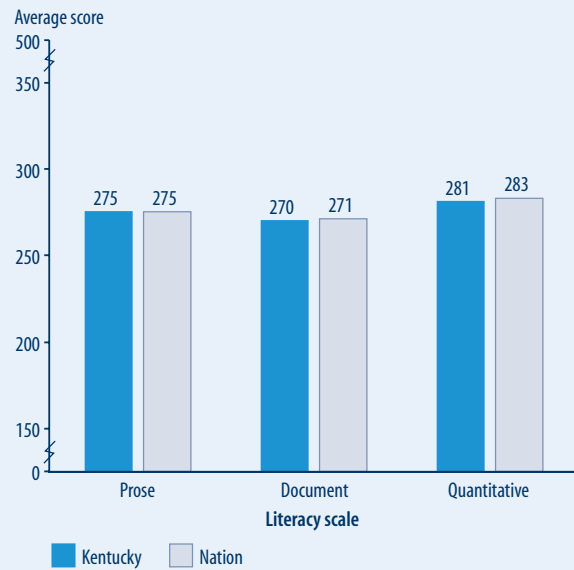
## Adult Literacy in Kentucky and the Nation, 2003

This section examines the relationship between important demographic characteristics, including education and employment, and literacy. Specifically, the analyses compare the literacy of adults in Kentucky and the nation across different demographic groups, providing a glimpse of the state's relative performance on prose, document, and quantitative literacy.

## Adult Literacy in Kentucky Similar to Adult Literacy in the Nation

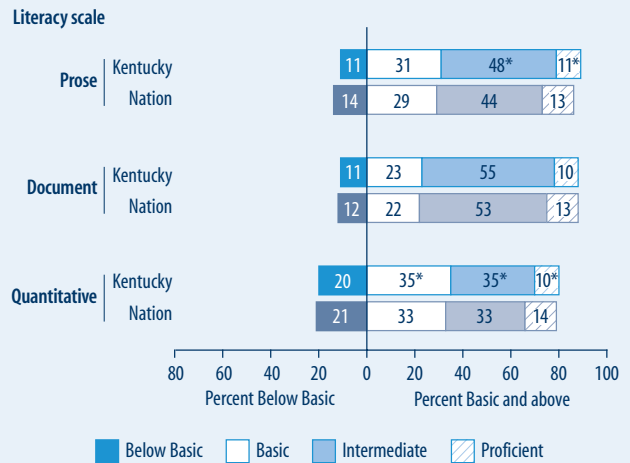
The average prose, document, and quantitative literacy of adults in Kentucky did not differ significantly from the average literacy of the nation's adults. Although the average literacy of Kentucky's and the nation's adults was similar, the percentage of adults with *Proficient* prose and quantitative literacy was lower in Kentucky than in the nation.

Figure 1. Average prose, document, and quantitative literacy of adults in Kentucky and the nation: 2003



Source: 2003 State Assessment of Adult Literacy and 2003 National Assessment of Adult Literacy.

Figure 2. Percentage of adults in Kentucky and the nation in each prose, document, and quantitative literacy level: 2003



\* Significantly different from the nation.

Note: Percentages may not add to 100 because of rounding.

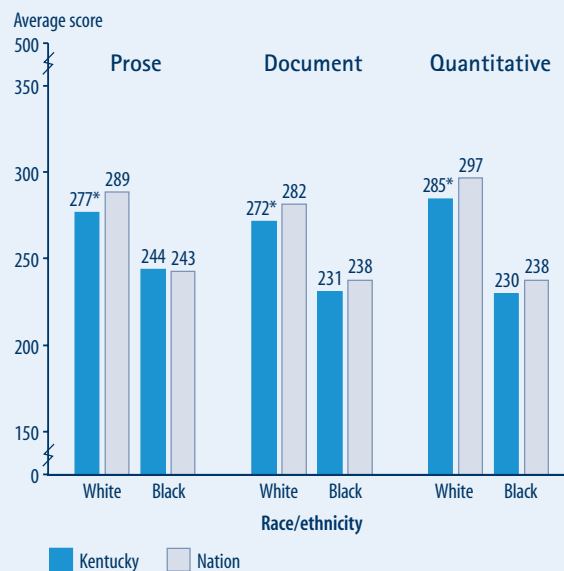
Source: 2003 State Assessment of Adult Literacy and 2003 National Assessment of Adult Literacy.

## Average Literacy Lower for Whites in Kentucky Than for Whites in the Nation

The average prose, document, and quantitative literacy of Whites in Kentucky was lower than the average literacy of Whites in the nation. The percentage of Whites in Kentucky with *Below Basic* prose and quantitative literacy was also greater than the percentage of Whites in the nation. In addition, a smaller percentage of Whites in Kentucky had *Proficient* prose, document, and quantitative literacy compared with the percentage of Whites in the nation with *Proficient* literacy.

Similar to in the nation, the average prose, document, and quantitative literacy of Blacks in Kentucky was lower than the literacy of Whites (the literacy of Hispanics and Asians/Pacific Islanders in Kentucky could not be estimated because of the small sample sizes). The percentage of Blacks in Kentucky with *Below Basic* literacy was also greater than the percentage of Whites with *Below Basic* literacy across the three literacy scales. On the quantitative scale, for example, more than half of Blacks in Kentucky had *Below Basic* quantitative literacy, compared with 17 percent of Whites.

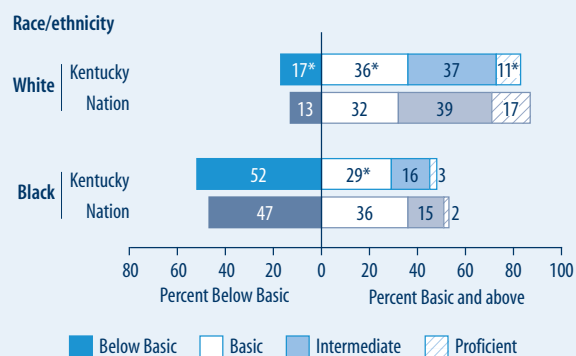
Figure 3. Average prose, document, and quantitative literacy of adults in Kentucky and the nation, by race/ethnicity: 2003



\* Significantly different from the nation.

Source: 2003 State Assessment of Adult Literacy and 2003 National Assessment of Adult Literacy.

Figure 4. Percentage of adults in Kentucky and the nation in each quantitative literacy level, by race/ethnicity: 2003



\* Significantly different from the nation.

Note: Percentages may not add to 100 because of rounding.

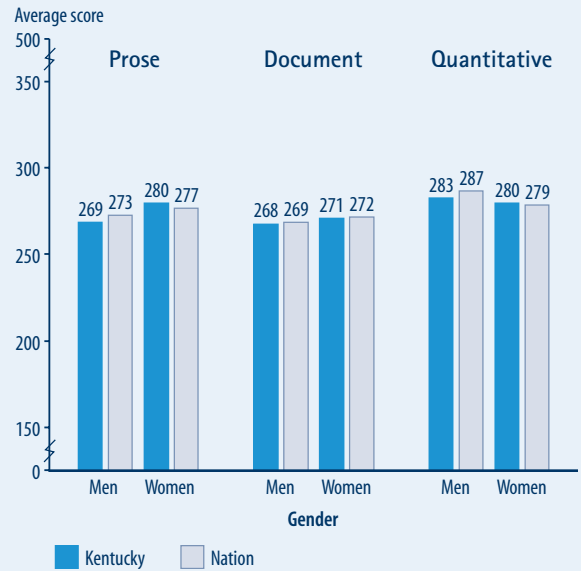
Source: 2003 State Assessment of Adult Literacy and 2003 National Assessment of Adult Literacy.

## Literacy of Men and Women in Kentucky Comparable to the Nation

The average prose, document, and quantitative literacy of men and women in Kentucky did not differ significantly from the average literacy of men and women in the nation. Although average literacy between men and women in Kentucky and the nation was comparable, the percentage of women in the state with *Below Basic* prose literacy was lower than the percentage of women in the nation with *Below Basic* prose literacy. In contrast, the percentage of men in Kentucky with *Proficient* prose and quantitative literacy was lower than the percentage of men in the nation with *Proficient* prose and quantitative literacy.

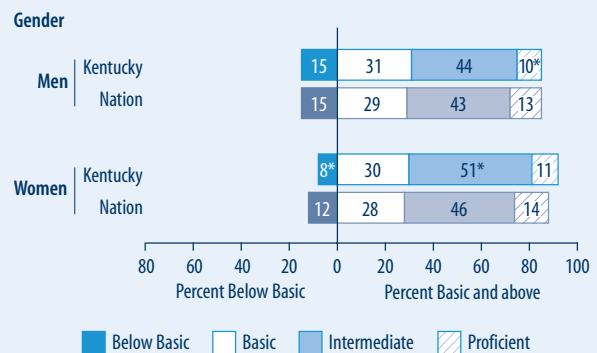
Unlike in the nation, the average quantitative literacy of women in Kentucky was not significantly different from the average quantitative literacy of men in the state. The gap in prose literacy between men and women in the nation remained between men and women in Kentucky, with the average prose literacy of women 11 points higher than the average prose literacy of men.

Figure 5. Average prose, document, and quantitative literacy of adults in Kentucky and the nation, by gender: 2003



Source: 2003 State Assessment of Adult Literacy and 2003 National Assessment of Adult Literacy.

Figure 6. Percentage of adults in Kentucky and the nation in each prose literacy level, by gender: 2003



\* Significantly different from the nation.

Note: Percentages may not add to 100 because of rounding.

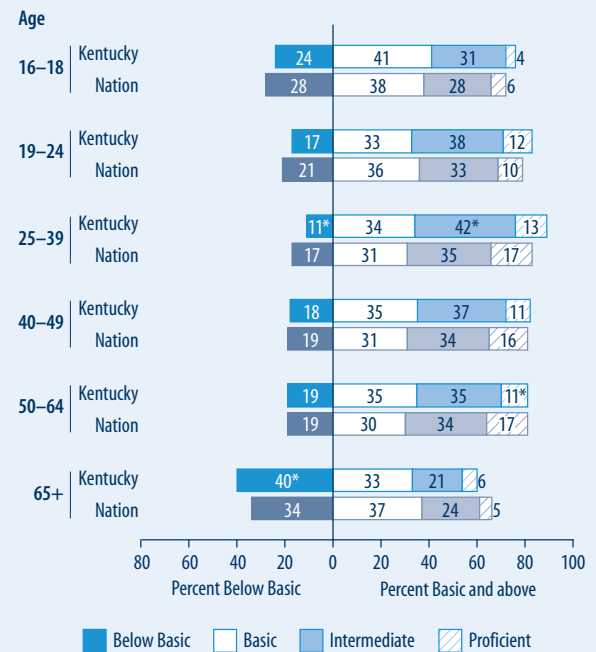
Source: 2003 State Assessment of Adult Literacy and 2003 National Assessment of Adult Literacy.

## Average Literacy in Kentucky and the Nation Lowest for the Oldest Adults

The average prose, document, and quantitative literacy of adults in Kentucky did not differ significantly from the literacy of adults in the nation for any age groups, with the exception of the oldest adults. In Kentucky, the document literacy of the oldest adults (those age 65 and older) was significantly lower than the document literacy of adults in the same age group in the nation. Like in the nation, average literacy was lowest for the oldest adults in Kentucky across the three literacy scales.

The percentage of adults in Kentucky age 65 and older with *Below Basic* prose, document, and quantitative literacy was significantly higher than the percentage of adults in other age groups in the state in the lowest literacy level. On the quantitative scale, for example, 40 percent of adults age 65 and older in Kentucky had *Below Basic* literacy.

Figure 8. Percentage of adults in Kentucky and the nation in each quantitative literacy level, by age: 2003

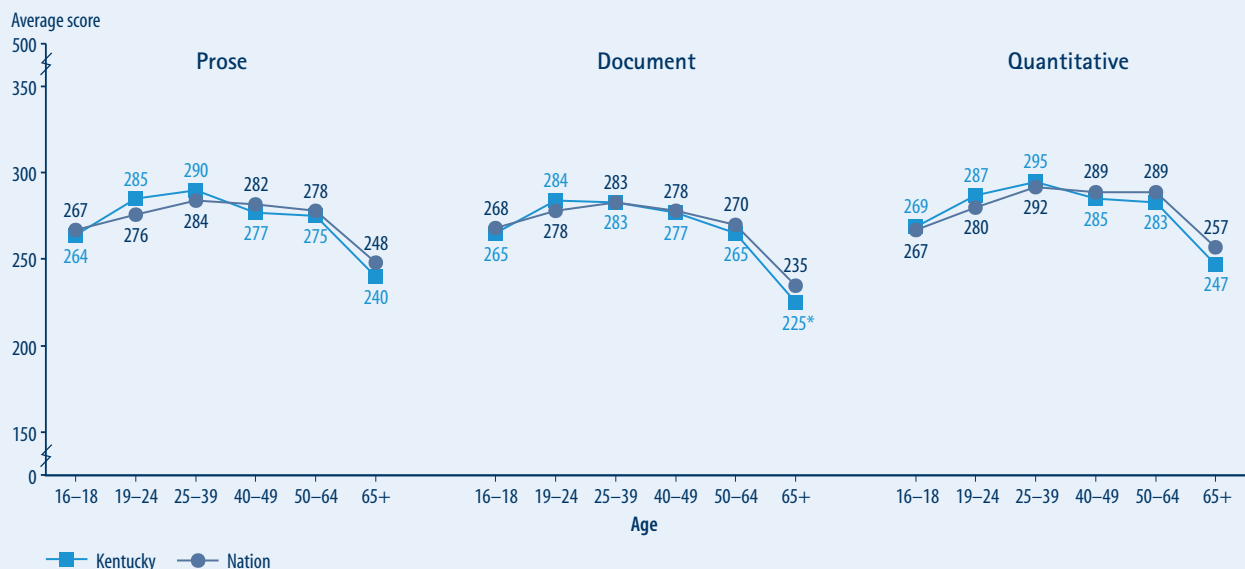


\* Significantly different from the nation.

Note: Percentages may not add to 100 because of rounding.

Source: 2003 State Assessment of Adult Literacy and 2003 National Assessment of Adult Literacy.

Figure 7. Average prose, document, and quantitative literacy of adults in Kentucky and the nation, by age: 2003



\* Significantly different from the nation.

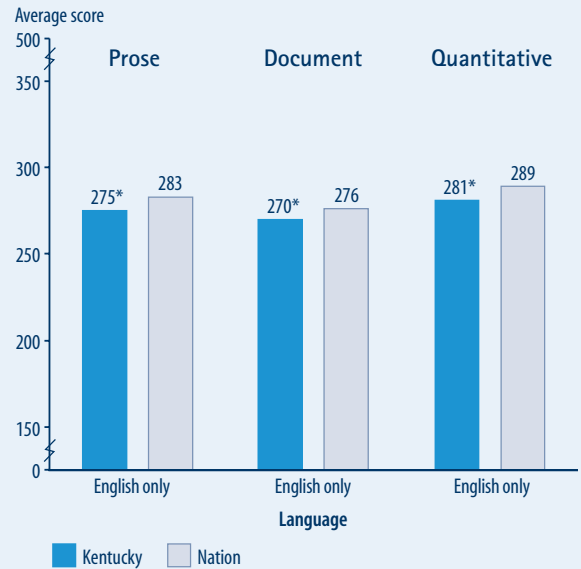
Source: 2003 State Assessment of Adult Literacy and 2003 National Assessment of Adult Literacy.



## Average Literacy of Adults Who Spoke Only English Before Starting School Lower in Kentucky Than in the Nation

The average prose, document, and quantitative literacy of adults in Kentucky who spoke only English before starting school was lower than the average literacy of adults with the same language background in the nation (the literacy of adults in Kentucky from other language groups could not be estimated because of the small sample sizes). Across the literacy scales, adults in Kentucky who spoke only English before starting school scored 6 to 8 points lower than adults in the same language group in the nation. The percentage of adults in Kentucky who spoke only English before starting school and had *Proficient* prose and quantitative literacy was also lower than the percentage of adults with an English-only language background in the nation with *Proficient* prose and quantitative literacy.

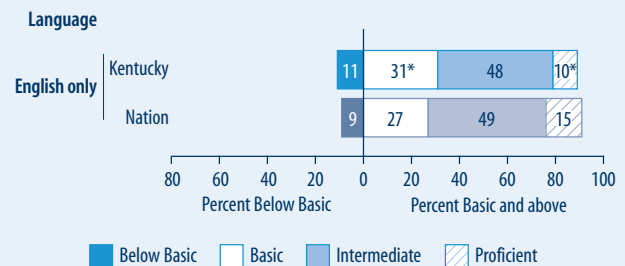
Figure 9. Average prose, document, and quantitative literacy of adults in Kentucky and the nation, by language spoken before starting school: 2003



\* Significantly different from the nation.

Source: 2003 State Assessment of Adult Literacy and 2003 National Assessment of Adult Literacy.

Figure 10. Percentage of adults in Kentucky and the nation in each prose literacy level, by language spoken before starting school: 2003



\* Significantly different from the nation.

Note: Percentages may not add to 100 because of rounding.

Source: 2003 State Assessment of Adult Literacy and 2003 National Assessment of Adult Literacy.

## Average Literacy by Educational Attainment Similar in Kentucky and the Nation

In both the nation and Kentucky, increasing educational attainment was associated with higher average prose, document, and quantitative literacy. Across the three literacy scales, literacy was lowest for adults who did not complete high school. In Kentucky and the nation, adults who stopped their schooling before graduating high school also accounted for the largest group with *Below Basic* prose, document, and

quantitative literacy. The average literacy of adults in Kentucky and the nation who received a GED was not significantly different from the literacy of adults who ended their education after high school graduation.

For the nation, average prose, document, and quantitative literacy was highest among adults who attended graduate school or received a graduate degree. In contrast, differences in literacy between Kentucky college graduates and Kentucky adults who attended or completed graduate studies were not significant.

**Table 1. Average prose, document, and quantitative literacy of adults in Kentucky and the nation, by educational attainment: 2003**

Educational attainment	Prose		Document		Quantitative	
	Kentucky	Nation	Kentucky	Nation	Kentucky	Nation
Still in high school	269	262	272	265	278	261
Less than/some high school	215	206	209	208	215	211
GED/high school equivalency	261	260	251	257	272	266
High school graduate	265	262	264	258	273	269
Vocational/trade/business school	277	268	278	267	283	279
Some college	289	287	278	280	297	295
Associate's/2-year degree	300	298	298	291	305	305
College graduate	322	314	302	303	320	323
Graduate studies/degree	319	327	309	311	323	332

Source: 2003 State Assessment of Adult Literacy and 2003 National Assessment of Adult Literacy.

Table 2. Percentage of adults in Kentucky and the nation in each prose, document, and quantitative literacy level, by educational attainment: 2003

Literacy scale and educational attainment	<i>Below Basic</i>		<i>Basic</i>		<i>Intermediate</i>		<i>Proficient</i>	
	Kentucky	Nation	Kentucky	Nation	Kentucky	Nation	Kentucky	Nation
<b>Prose</b>								
Still in high school	8	14	40	37	45	45	7	4
Less than/some high school	45	51	41*	32	14	16	0*	1
GED/high school equivalency	14	11	41	45	40	42	5	3
High school graduate	8	13	41	39	49	44	2	4
Vocational/trade/business school	6	10	32	36	56	49	7	5
Some college	3	5	23	25	64	59	10	12
Associate's/2-year degree	2	4	19	20	60	56	18	19
College graduate	1	3	9	14	56	53	35	31
Graduate studies/degree	0	1	8	10	63	48	29	41
<b>Document</b>								
Still in high school	4	13	27	24	61	54	7	9
Less than/some high school	43	45	30	29	26	25	1	2
GED/high school equivalency	14	13	35	30	49	53	3	4
High school graduate	8	13	28	29	61	52	4	5
Vocational/trade/business school	3	9	22	26	67	59	8	7
Some college	4	5	20	19	69	65	7	11
Associate's/2-year degree	3	3	12	15	65	66	21	16
College graduate	1	2	9	11	71	62	19	25
Graduate studies/degree	3	1	11	9	54	59	32	31
<b>Quantitative</b>								
Still in high school	19	31	40	38	34	25	7	5
Less than/some high school	60	64	28	25	11	10	1	1
GED/high school equivalency	19	26	45	43	34	28	2	3
High school graduate	21	24	41	42	33	29	5	5
Vocational/trade/business school	12	18	44	41	39	35	5	6
Some college	7	10	36	36	46	43	11	11
Associate's/2-year degree	6	7	32	30	47	45	16	18
College graduate	2	4	21	22	55	44	22	31
Graduate studies/degree	2	3	20	18	52	43	26	36

\* Significantly different from the nation.

Note: Percentages may not add to 100 because of rounding.

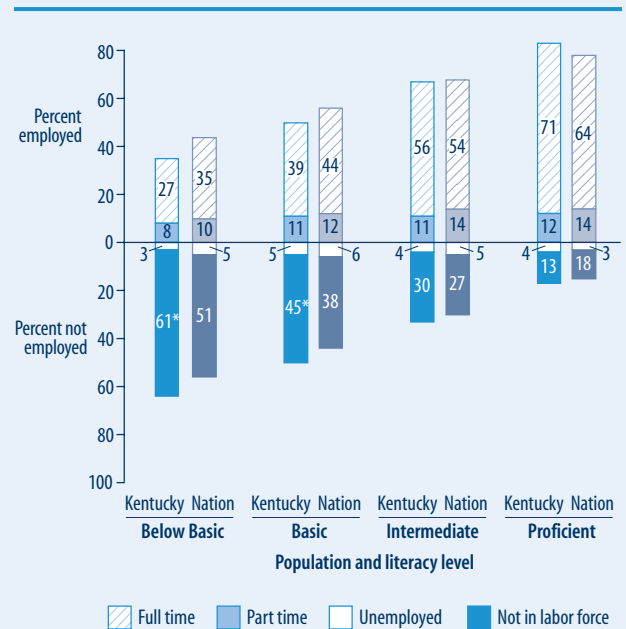
Source: 2003 State Assessment of Adult Literacy and 2003 National Assessment of Adult Literacy.

## Literacy of Adults in Kentucky Similar to Literacy of Adults in the Nation by Employment Status

The average literacy of Kentucky adults both in and out of the labor force was comparable to the average literacy of similar adults in the nation. In Kentucky, average prose and document literacy was highest among adults employed full time or part time (the differences between the groups were not significant), and average quantitative literacy was highest for adults employed full time.

In Kentucky and the nation, at least half of the adults with *Below Basic* prose, document, and quantitative literacy were not in the labor force. A higher percentage of Kentucky adults with *Below Basic* prose literacy was not in the labor force compared with adults in the nation (61 percent for Kentucky and 51 percent for the nation).

Figure 12. Percentage of adults in Kentucky and the nation in each employment category, by prose literacy level: 2003

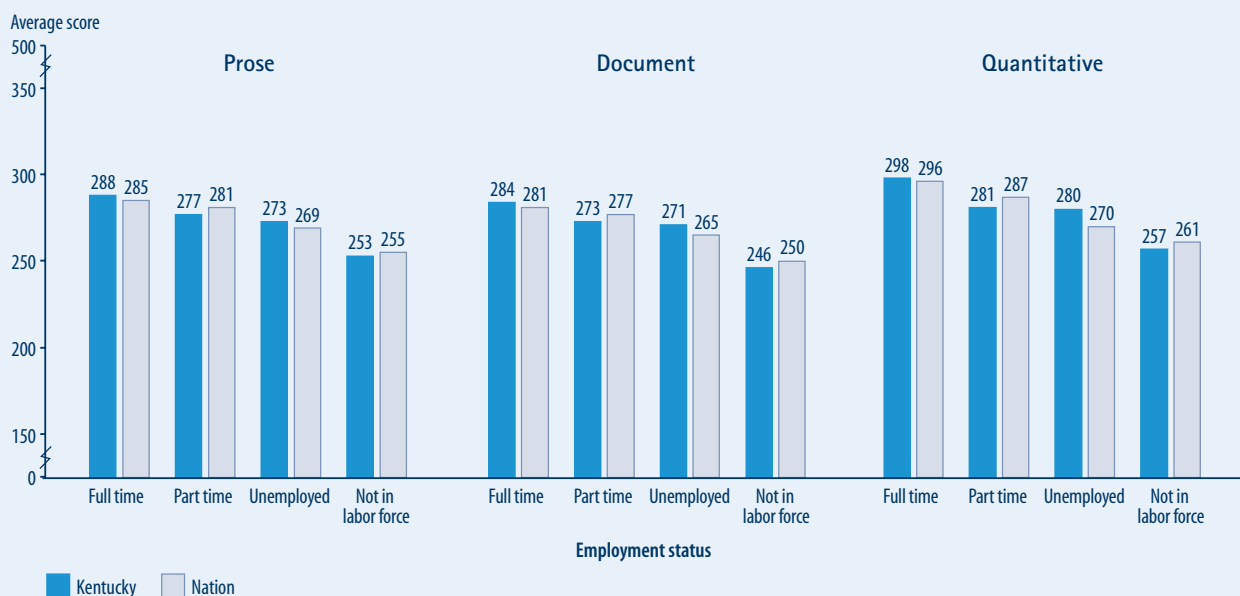


\* Significantly different from the nation.

Note: Percentages may not add to 100 because of rounding.

Source: 2003 State Assessment of Adult Literacy and 2003 National Assessment of Adult Literacy.

Figure 11. Average prose, document, and quantitative literacy of adults in Kentucky and the nation, by employment status: 2003



Source: 2003 State Assessment of Adult Literacy and 2003 National Assessment of Adult Literacy.





## Appendix A: Technical Notes

This section provides an overview of key technical aspects of the Kentucky SAAL, including sample size and data collection procedures, statistical testing, and the definition of variables used in this report. Further information about the design, administration, and analysis of the NAAL and SAAL can be found in the forthcoming *2003 National Assessment of Adult Literacy Technical Report*.<sup>1</sup>

### Sample Size and Data Collection Procedures

As noted in the Introduction, the Kentucky State Assessment of Adult Literacy (SAAL) was administered concurrently with the National Assessment of Adult Literacy (NAAL). The 2003 NAAL was administered to a nationally representative sample of 19,714 adults ages 16 and older residing in households or prisons. In Kentucky, 1,945 adults residing in households were originally sampled to participate in the Kentucky SAAL. Valid assessment data were collected from 1,526 adults. This sample includes adults in the national NAAL sample, as well as adults selected specifically for the Kentucky SAAL sample. Adults in Kentucky who were selected as part of the NAAL sample were added to the Kentucky SAAL sample to increase the power of the analyses. Data collection was conducted between May 2003 and February 2004.

The final household sample response rate for the NAAL and SAAL was 62 percent. The National Center for Education Statistics (NCES), which sponsored the NAAL, requires a nonresponse bias analysis when the unit response rate for a sample is less than 85 percent. The nonresponse bias analysis revealed differences in the background characteristics of respondents who participated in the assessment compared with those who refused. A nonresponse bias adjustment was performed to reduce the bias due to respondent refusal. The adjustment corrected for the initial nonresponse bias, resulting in negligible bias for the household sample. The analyses presented in this report are based on data from the corrected household sample.

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<sup>1</sup> U.S. Department of Education, National Center for Education Statistics. (forthcoming). *2003 National Assessment of Adult Literacy Technical Report*. Washington, DC: U.S. Government Printing Office.

## Statistical Testing

All comparisons discussed in this report are **statistical** comparisons based on the  $t$  statistic, using a 95 percent confidence interval (two-tailed). The formula used to compute the  $t$  statistic was

$$t = \frac{(P_1 - P_2)}{\sqrt{(SE_1^2 + SE_2^2)}}, \text{ where } P_1 \text{ and } P_2 \text{ are the estimates to be compared and } SE_1 \text{ and } SE_2 \text{ are their corresponding standard errors.}$$

## Variable Definitions

### Age

All respondents were asked to report their birth dates, and this information was used to calculate their age. Age groups reported are 16 to 18, 19 to 24, 25 to 39, 40 to 49, 50 to 64, and 65 and older. Age groups were selected to correspond to key life stages of adults, although stages will vary from person to person:

- 16–18: Completion of secondary education
- 19–24: College or job training
- 25–39: Early career
- 40–49: Mid career
- 50–64: Late career
- 65+: Retirement

### Educational Attainment

All respondents were asked to indicate the highest level of education they had completed in the United States. Respondents who went to school outside the United States were probed for the equivalent level of educational attainment. The following options were provided:

- Still in high school
- Less than high school
- Some high school
- GED or high school equivalency
- High school graduate
- Attended a vocational, trade, or business school after high school
- College: less than 2 years
- College: associate's degree (A.A.)
- College: 2 or more years, no degree
- College graduate (B.A. or B.S.)
- Postgraduate, no degree
- Postgraduate degree (M.S., M.A., Ph.D., M.D., etc.)

Respondents who reported less than high school or some high school were asked how many years of education they completed. For certain analyses, some of these groups were collapsed. For example, respondents who had completed postgraduate studies but had not received a degree were generally combined with those who had completed a postgraduate degree.

### *Employment Status*

Employment status was coded as one of the following:

- Full time or working two or more part time jobs
- Part time
- Unemployed, laid off, or looking for work
- Not in the labor force (retired, in school, keeping house, or doing volunteer work)

### *Language Spoken Before Starting School*

All respondents were asked what language or languages they learned to speak before starting school. For the SAAL reports, responses to this question were coded into one of three categories:

- English only
- English and other language
- Non-English language

### *Race/ethnicity*

All respondents were asked two questions about their race and ethnicity. The first question asked them to indicate whether they were Hispanic or Latino. The second question asked them to choose one or more of the following groups to describe themselves:

- White
- Black or African American
- Asian
- American Indian or Alaskan Native
- Native Hawaiian or other Pacific Islander

Individuals who responded "yes" to the first question were coded as Hispanic, regardless of their answer to the second question.

If the respondent was non-Hispanic and indicated only one race, then he or she was grouped as the race indicated. If the respondent was non-Hispanic and indicated multiple races, then he or she was coded as "other/multiracial." For reporting purposes, "Asian" and "Native Hawaiian or other Pacific Islander" were collapsed into one category. There were too few cases in the "other/multiracial" category to reliably estimate their literacy proficiencies.

### *Sex*

Interviewers recorded the sex of each respondent.







## Appendix B: Sample Assessment Questions

Respondents who participated in the 2003 Kentucky State Assessment of Adult Literacy and the 2003 National Assessment of Adult Literacy were asked to complete prose, document, and quantitative literacy tasks of varying levels of difficulty. The sample questions on the following pages illustrate the types of tasks used to measure the literacy of America's adults. These questions were originally developed for the 1992 National Adult Literacy Survey and were reused in 2003.

Consistent with the design of the assessment, each sample question appears before the text or document needed to answer the question. The percentage of respondents who answered the questions correctly is reported, as well as the percentage of correct responses for each of the four literacy assessment levels.

More information about the sample assessment questions can be found on the Internet at <http://nces.ed.gov/naal>.

## Prose Literacy Question

Refer to the article on the next page to answer the following question.

According to the brochure, why is it difficult for people to know if they have high blood pressure?

---

### Correct answer

Any statement such as the following:

Symptoms are not usually present

High blood pressure is silent

Percentage of adults who answered the question correctly, 2003

All Adults		<i>Below Basic</i>		<i>Basic</i>		<i>Intermediate</i>		<i>Proficient</i>	
Kentucky	Nation	Kentucky	Nation	Kentucky	Nation	Kentucky	Nation	Kentucky	Nation
76 (2.2)	76 (1.0)	14 (7.7)	14 (2.0)	66 (5.4)	71 (1.9)	93 (1.9)	95 (0.6)	99 (1.4)	99 (0.4)

Note: Standard errors are in parentheses.

Source: 2003 State Assessment of Adult Literacy and 2003 National Assessment of Adult Literacy.

## TOO MANY BLACK ADULTS DIE FROM THE EFFECTS OF HIGH BLOOD PRESSURE

### DID YOU KNOW?

More than one out of every four Black adults has high blood pressure, according to a two-year survey by Public Health Service in the 1960's. Other studies show as many as one out of three Black adults has high blood pressure.

High blood pressure is the most common chronic disease treated by practitioners in the Black community.

More Black people die as a result of high blood pressure than any other disease.

For every Black person who dies of sickle-cell anemia, at least 100 others die from the effects of high blood pressure.

The rate of death from the effects of high blood pressure for Black people is nearly one and one-half times the rate for White people.

High blood pressure, along with cigarette smoking, contributes greatly to the apparent increased number of heart attacks among Black adults.

If high blood pressure is controlled, strokes, heart attacks and kidney disease can be substantially reduced.

**YES, HIGH BLOOD PRESSURE CAN BE TREATED... AND CONTROLLED.**

### WHAT YOU CAN DO

#### Have your blood pressure checked regularly

Unfortunately, high blood pressure is a silent killer and crippler. At least half of the people who have high blood pressure don't know it because symptoms usually are not present. The only way you can be sure is to have the doctor check your blood pressure. You should have your blood pressure checked at least once a year, especially if: (1) you are Black, (2) if you are over 40, (3) if members of your family or close relatives have had high blood pressure or the complications of high blood pressure (stroke, heart attack, or kidney disease), or (4) if you have frequent headaches, dizziness, or other symptoms that may occasionally be related to high blood pressure.

#### Follow your doctor's instructions

High blood pressure can't be cured, but it can be kept under control. Control means keeping your blood pressure as close to normal as possible. That's very important to you — it can prevent a crippling stroke or other serious illness in the future.

The doctor will find a way to control your blood pressure that's most comfortable for you. Then it will be up to you — to take the medicine and follow the prescribed diet, to follow the instructions carefully and to come back regularly for checkups.

Yes, high blood pressure can be controlled, but only if *you* cooperate fully with your doctor.

## Prose Literacy Question

Refer to the article on the next page to answer the following question.

What is the purpose of the *Se Habla Español* expo?

---

### Correct answer

Any statement such as the following:

- To enable people to better serve and sell to the Hispanic community
- To improve marketing strategies to the Hispanic community
- To enable people to establish contacts to serve the Hispanic community

Percentage of adults who answered the question correctly, 2003

All Adults		<i>Below Basic</i>		<i>Basic</i>		<i>Intermediate</i>		<i>Proficient</i>	
Kentucky	Nation	Kentucky	Nation	Kentucky	Nation	Kentucky	Nation	Kentucky	Nation
12 (1.5)	17 (0.8)	0 (0.4)	0 (0.3)	1 (3.1)	3 (0.7)	12 (5.9)	16 (1.4)	50 (14.9)	60 (2.9)

Note: Standard errors are in parentheses.

Source: 2003 State Assessment of Adult Literacy and 2003 National Assessment of Adult Literacy.

## MARKETING

# **S**e Habla Español Hits Chicago

*September 25, 26, and 27 are three days that will change your marketing.*

"To some advertisers, the Hispanic market's like the weather—you hear a lot about it, but you can't do much about it," says veteran marketer Tony Martinez. "And other companies think Hispanics will buy their products anyway, so they don't need to do anything special.

"Both attitudes are way off base," Mr. Martinez says briskly, "and they'll both make the competition ecstatic. Because there's a lot of money to be made in the Hispanic market. Its spending power will be \$160 billion this year, and that's growing maybe \$1.4 billion a month," he exclaims, peering intensely over his glasses. "For example, we Hispanics buy 9 percent of all new automobiles.

"This is definitely a special market...you do have to have a special understanding of it," Mr. Martinez goes on, "because as one research firm said, it's 'a market with currents that are going in many directions.' But the rewards will be fantastic. Hispanics are very brand conscious and they tend to become brand loyal very quickly."

It's Mr. Martinez's job—his mission in life—to make sure companies learn how they can serve and sell to America's Hispanics. He has been marketing to the community for many years, working with the best in the business, including Coca-Cola and the advertising firm of Castor GS&B. Now his staff is organizing the largest annual Hispanic market trade show in the business—*Se Habla Español*.

The three-day *Se Habla Español* expo, put on by HISPANIC BUSINESS magazine, is in Chicago this year, at the Hyatt Regency. As in the two previous years in New York and Los Angeles, this conference will host a "big top"-like mix of activities.

The show draws thousands of the country's top marketers, media people, advertisers, researchers, and Hispanic contractors—all intent on gathering as much information as possible, and all hoping to explore new business opportunities. As in any really good big-top show, a hundred different things are happening all at once.

More than 60 Hispanic market specialists conduct fact-heavy seminars. Companies promoting everything from cars to demographic information to career opportunities for Hispanic professionals display and discuss their products in 30,000 square feet of exhibit space. Major exhibitors this year include Ford Motor Co., Lincoln-Mercury, Chevrolet, American Airlines, Telemundo, the Bureau of the Census, and many, many more.

"It's all contacts . . . contacts . . . contacts!" Mr. Martinez exclaims in his best marketing ringmaster style.

Each of the major media hosts its own luncheon or reception, playing to sold-out crowds. Leading participants in last year's Print Reception, for example, included *La Opinion* of Los Angeles, *Vista* magazine, *The Miami Herald*, and the *Los Angeles*

*Times*. Some participants in the 1989 Radio Luncheon included Katz Hispanic Radio and Caballero Spanish Media. "We still have a few events open to corporate sponsors," Mr. Martinez mentions, not without interest. "They'll be able to count on considerable media play both in preliminary press coverage and during the events themselves."

Another opportunity for sponsor visibility is the *Se Habla Español* Scholarship Fund, which will publicly award scholarships to talented Hispanic students in the various communications fields.

A grand finale black tie banquet spotlights the leading figures in America's Hispanic media world, recognizing outstanding work in each medium with the *Se Habla Español Awards in Communication*. In 1989, Mr. Martinez recalls, almost 400 entries were submitted. Publicidad Siboney swept the top honors for "Ad of the Year" and "TV Ad of the Year" with its commercial for Pepsi-Cola.

One problem attendees find is that the conference offers more information than any one person can gather during just three days. "They should know their priorities," Mr. Martinez advises, "to ensure they focus on the events that will be of most value to their employers."

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## Document Literacy Question

Seventy-eight percent of what specific group agree that their school does a good job of encouraging parental involvement in educational areas?

### Parents and Teachers Evaluate Parental Involvement at Their School

*Do you agree or disagree that...?*

	Total	Level of School		
		Elementary	Junior High	High School

Our school does a good job of encouraging parental involvement in sports, arts, and other nonsubject areas

<b>Parents</b>	77	76	74	79
<b>Teachers</b>	77	73	77	85

Our school does a good job of encouraging parental involvement in educational areas

<b>Parents</b>	73	82	71	64
<b>Teachers</b>	80	84	78	70

Our school only contacts parents when there is a problem with their child

<b>Parents</b>	55	46	62	63
<b>Teachers</b>	23	18	22	33

Our school does not give parents the opportunity for any meaningful roles

<b>Parents</b>	22	18	22	28
<b>Teachers</b>	8	8	12	7

Source: The Metropolitan Life Survey of the American Teacher. 1987

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## Correct answer

Junior high teachers

Percentage of adults who answered the question correctly, 2003

All Adults		<i>Below Basic</i>		<i>Basic</i>		<i>Intermediate</i>		<i>Proficient</i>	
Kentucky	Nation	Kentucky	Nation	Kentucky	Nation	Kentucky	Nation	Kentucky	Nation
30 (2.4)	37 (1.2)	0 (2.4)	0 (0.4)	4 (7.8)	4 (2.1)	38 (9.5)	46 (3.4)	90 (8.7)	97 (1.4)


Note: Standard errors are in parentheses.

Source: 2003 State Assessment of Adult Literacy and 2003 National Assessment of Adult Literacy.

## Quantitative Literacy Question

Suppose that you had your oil tank filled with 140.0 gallons of oil, as indicated on the bill, and you wanted to take advantage of the five cents (\$.05) per gallon deduction.

- Figure out how much the deduction would be if you paid the bill within 10 days. Enter the amount of the deduction on the bill in the space provided.

		<b>ASHLAND OIL, INC.</b>		18609			
Ashland, Kentucky		41114 (606) 392-3333		DATE		2/2/02	
ROBERT NELSON DIVERTY ROAD ASHLAND, KY 41114		P/R 4TH HOUSE ON LEFT FILL REAR IN DRIVEWAY		CUSTOMER NO.		002316	
TANK SIZE	GALLONS	ZONE	STOP LOC.	DELIVERY TYPE	DEGREE DAYS	K. FACTOR	PRODUCT CODE
275	180	28	0	AU HO	3247	8.30	2
				CUSTOMER'S SIGNATURE			
				TANK TRUCK SALESMAN		TRUCK NO.	
METER READING – BEFORE AND AFTER DELIVERY							
A A 0 0 3		0 0 1 4 0 <sup>0</sup>					
A A 0 0 2		0 0 0 0 0 <sup>0</sup>					
PRODUCT	PRICE	GALLONS	10TH	AMOUNT			
FUEL OIL	97.9	140	0	137 06			
SAVE if no outstanding balance due and you pay within 10 days				DEDUCT \$.05 per gal.			
				NET TOTAL ↓			
WEMOFORMS • (800) 221-1209 • (201) 636-0080							

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### Correct answer

\$7.00

Percentage of adults who answered the question correctly, 2003

All Adults		Below Basic		Basic		Intermediate		Proficient	
Kentucky	Nation	Kentucky	Nation	Kentucky	Nation	Kentucky	Nation	Kentucky	Nation
54 (2.3)	54 (1.1)	3 (5.1)	1 (1.2)	48 (10.3)	39 (5.1)	82 (4.0)*	91 (1.7)	95 (4.6)	100 (0.5)

\* Significantly different from the nation.

Note: Standard errors are in parentheses.

Source: 2003 State Assessment of Adult Literacy and 2003 National Assessment of Adult Literacy.



## Document and Quantitative Literacy Questions

This is an example of a task that was scored in three separate parts and treated as three separate questions. The first two questions were included on the document scale and the third question was included on the quantitative scale.

Refer to the form on the next page to answer the following question.

Use the following information to fill in the receipt for certified mail. Then fill in the “TOTAL Postage and Fees” line.

- You are sending a package to Doris Carter.
- Her address is 19 Main Street, Augusta, GA 30901.
- The postage for the package is \$1.86.
- The fee for certified mail is \$0.75.

### Correct answer

Question 1 (Document): Enters name and address correctly. No penalty for misspelling.

Percentage of adults who answered the question correctly, 2003

All Adults		<i>Below Basic</i>		<i>Basic</i>		<i>Intermediate</i>		<i>Proficient</i>	
Kentucky	Nation	Kentucky	Nation	Kentucky	Nation	Kentucky	Nation	Kentucky	Nation
72 (2.6)	68 (1.3)	14 (11.0)	12 (2.7)	56 (9.1)	50 (3.0)	86 (2.9)	83 (1.3)	91 (8.8)	97 (0.9)

Note: Standard errors are in parentheses.

Source: 2003 State Assessment of Adult Literacy and 2003 National Assessment of Adult Literacy.

### Correct answer

Question 2 (Document): Enters \$1.86 and \$0.75 on the postage and certified fees lines respectively.

Percentage of adults who answered the question correctly, 2003

All Adults		<i>Below Basic</i>		<i>Basic</i>		<i>Intermediate</i>		<i>Proficient</i>	
Kentucky	Nation	Kentucky	Nation	Kentucky	Nation	Kentucky	Nation	Kentucky	Nation
80 (2.3)	78 (1.1)	21 (11.0)	18 (3.1)	73 (5.9)	70 (2.5)	91 (2.0)	94 (0.7)	95 (4.6)	99 (0.4)

Note: Standard errors are in parentheses.

Source: 2003 State Assessment of Adult Literacy and 2003 National Assessment of Adult Literacy.

### Correct answer

Question 3 (Quantitative): Either of the following:

Correctly totals postage and fees: \$2.61

Correctly totals incorrect fees entered on form

Percentage of adults who answered the question correctly, 2003

All Adults		<i>Below Basic</i>		<i>Basic</i>		<i>Intermediate</i>		<i>Proficient</i>	
Kentucky	Nation	Kentucky	Nation	Kentucky	Nation	Kentucky	Nation	Kentucky	Nation
77 (2.5)	81 (0.9)	25 (8.9)	41 (2.5)	81 (3.5)	85 (1.1)	91 (2.0)	94 (0.7)	90 (4.3)	98 (0.6)

Note: Standard errors are in parentheses.

Source: 2003 State Assessment of Adult Literacy and 2003 National Assessment of Adult Literacy.

## What may be Certified?

Only items of no intrinsic value such as letters, files, records, etc., that are sent Priority First-Class Mail may be sent by certified mail. No insurance coverage is provided against loss or damage for this service. (For valuables and irreplaceable items, you should use insured or registered mail.)



## How to use Certified Mail.

Simply fill out Form 3800, *Receipt for Certified Mail*, and attach (to the address side of the mail) the numbered label portion and the required postage and fee. You may obtain these forms at post offices or from rural carriers. Many customers find it convenient and a “time-saver” to have the form completed before approaching the window. Certified mail, with proper postage and fees affixed, may be dropped in a mailbox unless an official dated receipt is required.

## Restricted Delivery

If you want to restrict the delivery of certified mail, you must endorse the mail “Restricted Delivery.” This service is available for a \$1.00 fee and can only be used for items addressed to specific individuals by name. However, the addressee can and often does authorize an agent to receive his or her restricted mail.

## Fees

The fee for certified mail is 75 cents (in addition to your postage). For an additional fee, you also may purchase a return receipt which provides you proof of delivery.

P 138 573 931

**RECEIPT FOR CERTIFIED MAIL**  
NO INSURANCE COVERAGE PROVIDED  
NOT FOR INTERNATIONAL MAIL

Sent to	
Street and No.	
P.O., State and ZIP Code	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$
Postmark or Date	

PS FORM 3800, June 1985

*Fold at line over top of envelope to the right of the return address.*

**CERTIFIED**

P 138 573 931

**MAIL**





## Appendix C: Standard Errors for Tables and Figures

Table C1. Average prose, document, and quantitative literacy of adults in Kentucky and the nation: 2003

Literacy scale	Kentucky	Nation
Prose	275 (2.1)	275 (1.3)
Document	270 (2.7)	271 (1.2)
Quantitative	281 (1.6)	283 (1.2)

Note: Standard errors are in parentheses.

Source: 2003 State Assessment of Adult Literacy and 2003 National Assessment of Adult Literacy.

Table C2. Percentage of adults in Kentucky and the nation in each prose, document, and quantitative literacy level: 2003

Literacy scale	<i>Below Basic</i>		<i>Basic</i>		<i>Intermediate</i>		<i>Proficient</i>	
	Kentucky	Nation	Kentucky	Nation	Kentucky	Nation	Kentucky	Nation
Prose	11 (1.0)	14 (0.6)	31 (1.3)	29 (0.6)	48 (1.3)*	44 (0.7)	11 (1.0)*	13 (0.5)
Document	11 (1.2)	12 (0.5)	23 (1.3)	22 (0.5)	55 (1.7)	53 (0.7)	10 (1.5)	13 (0.6)
Quantitative	20 (0.9)	21 (0.6)	35 (0.9)*	33 (0.5)	35 (1.0)*	33 (0.5)	10 (0.9)*	14 (0.5)

\* Significantly different from the nation.

Note: Percentages may not add to 100 because of rounding. Standard errors are in parentheses.

Source: 2003 State Assessment of Adult Literacy and 2003 National Assessment of Adult Literacy.

Table C3. Average prose, document, and quantitative literacy of adults in Kentucky and the nation, by race/ethnicity: 2003

Race/ethnicity	Prose		Document		Quantitative	
	Kentucky	Nation	Kentucky	Nation	Kentucky	Nation
White	277 (2.5)*	289 (1.5)	272 (3.1)*	282 (1.5)	285 (1.6)*	297 (1.3)
Black	244 (3.5)	243 (1.8)	231 (4.0)	238 (2.2)	230 (3.9)	238 (2.2)

\* Significantly different from the nation.

Note: Standard errors are in parentheses.

Source: 2003 State Assessment of Adult Literacy and 2003 National Assessment of Adult Literacy.

Table C4. Percentage of adults in Kentucky and the nation in each prose, document, and quantitative literacy level, by race/ethnicity: 2003

Literacy scale and race/ethnicity	<i>Below Basic</i>		<i>Basic</i>		<i>Intermediate</i>		<i>Proficient</i>	
	Kentucky	Nation	Kentucky	Nation	Kentucky	Nation	Kentucky	Nation
<b>Prose</b>								
White	10 (1.2)*	7 (0.5)	30 (1.5)*	25 (0.8)	49 (1.6)	51 (0.9)	11 (1.3)*	17 (0.9)
Black	22 (3.0)	24 (1.4)	46 (3.4)	43 (1.2)	31 (3.2)	31 (1.4)	2 (1.0)	2 (0.5)
<b>Document</b>								
White	10 (1.4)	8 (0.5)	23 (1.6)*	19 (0.7)	57 (2.1)	58 (1.0)	11 (1.8)*	15 (1.0)
Black	31 (3.7)	24 (1.8)	31 (2.3)	35 (1.4)	36 (2.3)	40 (1.9)	3 (0.8)	2 (0.5)
<b>Quantitative</b>								
White	17 (1.1)*	13 (0.7)	36 (1.1)*	32 (0.8)	37 (1.2)	39 (0.8)	11 (1.0)*	17 (0.8)
Black	52 (1.7)	47 (1.8)	29 (2.3)*	36 (1.3)	16 (1.6)	15 (1.1)	3 (1.1)	2 (0.4)

\* Significantly different from the nation.

Note: Percentages may not add to 100 because of rounding. Standard errors are in parentheses.

Source: 2003 State Assessment of Adult Literacy and 2003 National Assessment of Adult Literacy.

Table C5. Average prose, document, and quantitative literacy of adults in Kentucky and the nation, by gender: 2003

Gender	Prose		Document		Quantitative	
	Kentucky	Nation	Kentucky	Nation	Kentucky	Nation
Female	280 (2.2)	277 (1.4)	271 (2.5)	272 (1.2)	280 (2.3)	279 (1.3)
Male	269 (3.5)	273 (1.6)	268 (4.5)	269 (1.5)	283 (3.5)	287 (1.3)

Note: Standard errors are in parentheses.

Source: 2003 State Assessment of Adult Literacy and 2003 National Assessment of Adult Literacy.

Table C6. Percentage of adults in Kentucky and the nation in each prose, document, and quantitative literacy level, by gender: 2003

Literacy scale and gender	<i>Below Basic</i>		<i>Basic</i>		<i>Intermediate</i>		<i>Proficient</i>	
	Kentucky	Nation	Kentucky	Nation	Kentucky	Nation	Kentucky	Nation
<b>Prose</b>								
Female	8 (1.1)*	12 (0.6)	30 (1.6)	28 (0.6)	51 (1.7)*	46 (0.8)	11 (1.4)	14 (0.6)
Male	15 (1.6)	15 (0.6)	31 (1.8)	29 (0.7)	44 (2.0)	43 (0.7)	10 (1.4)*	13 (0.6)
<b>Document</b>								
Female	10 (1.3)	11 (0.6)	23 (1.4)	22 (0.6)	57 (1.9)	54 (0.8)	10 (1.5)	13 (0.6)
Male	12 (1.9)	14 (0.6)	24 (1.9)	23 (0.5)	54 (2.4)	51 (0.8)	10 (2.2)	13 (0.6)
<b>Quantitative</b>								
Female	20 (1.5)	22 (0.8)	36 (1.5)	35 (0.7)	35 (1.6)	32 (0.7)	9 (1.2)	11 (0.6)
Male	19 (1.7)	21 (0.6)	34 (1.7)*	31 (0.5)	35 (1.7)	33 (0.5)	12 (1.8)*	16 (0.6)

\* Significantly different from the nation.

Note: Percentages may not add to 100 because of rounding. Standard errors are in parentheses.

Source: 2003 State Assessment of Adult Literacy and 2003 National Assessment of Adult Literacy.

Table C7. Average prose, document, and quantitative literacy of adults in Kentucky and the nation, by age: 2003

Age	Prose		Document		Quantitative	
	Kentucky	Nation	Kentucky	Nation	Kentucky	Nation
16–18	264 (6.5)	267 (2.8)	265 (5.3)	268 (2.9)	269 (7.2)	267 (3.1)
19–24	285 (4.2)	276 (2.4)	284 (7.1)	278 (2.5)	287 (6.3)	280 (2.3)
25–39	290 (3.3)	284 (1.7)	283 (4.9)	283 (1.8)	295 (3.7)	292 (1.8)
40–49	277 (4.0)	282 (2.3)	277 (4.7)	278 (1.8)	285 (5.2)	289 (1.9)
50–64	275 (3.4)	278 (1.9)	265 (5.3)	270 (2.1)	283 (4.2)	289 (1.9)
65+	240 (5.1)	248 (2.0)	225 (4.8)*	235 (2.0)	247 (5.3)	257 (2.2)

\* Significantly different from the nation.

Note: Standard errors are in parentheses.

Source: 2003 State Assessment of Adult Literacy and 2003 National Assessment of Adult Literacy.

Table C8. Percentage of adults in Kentucky and the nation in each prose, document, and quantitative literacy level, by age: 2003

Literacy scale and age	<i>Below Basic</i>		<i>Basic</i>		<i>Intermediate</i>		<i>Proficient</i>	
	Kentucky	Nation	Kentucky	Nation	Kentucky	Nation	Kentucky	Nation
<b>Prose</b>								
16–18	11 (4.1)	11 (1.7)	40 (6.6)	37 (2.5)	45 (6.7)	48 (2.7)	4 (3.6)	5 (1.4)
19–24	6 (1.6)*	11 (1.1)	28 (3.2)	29 (1.3)	54 (3.7)	48 (1.5)	13 (3.0)	12 (1.2)
25–39	6 (1.1)*	12 (0.6)	24 (2.2)	25 (0.7)	54 (2.4)*	45 (0.8)	16 (2.3)	18 (0.8)
40–49	11 (1.8)	11 (0.9)	30 (2.2)	26 (1.1)	46 (2.5)	47 (1.2)	13 (2.0)	16 (1.1)
50–64	11 (1.9)	13 (0.8)	29 (2.4)	27 (0.9)	53 (3.0)*	44 (1.1)	8 (1.7)*	15 (0.8)
65+	27 (3.5)	23 (1.3)	42 (3.3)	38 (1.2)	29 (3.4)	34 (1.4)	3 (1.3)	4 (0.6)
<b>Document</b>								
16–18	5 (4.0)	11 (1.4)	30 (8.2)	24 (1.8)	62 (9.6)	56 (2.4)	4 (4.4)	9 (1.7)
19–24	6 (2.1)	9 (1.1)	20 (3.8)	20 (1.2)	59 (5.6)	58 (1.7)	16 (5.4)	14 (1.5)
25–39	5 (2.0)	8 (0.7)	19 (3.5)	19 (0.7)	63 (4.7)	56 (1.1)	13 (4.5)	17 (1.1)
40–49	7 (2.0)	10 (0.7)	20 (2.7)	20 (0.8)	61 (3.6)	54 (1.1)	11 (3.3)	16 (0.9)
50–64	13 (2.5)	12 (0.9)	24 (2.5)	23 (0.9)	54 (3.3)	54 (1.3)	9 (2.6)	12 (1.1)
65+	34 (3.0)	27 (1.5)	31 (1.9)	33 (1.0)	33 (2.5)	38 (1.4)	3 (0.9)	3 (0.4)
<b>Quantitative</b>								
16–18	24 (6.4)	28 (2.3)	41 (6.7)	38 (2.1)	31 (6.0)	28 (2.1)	4 (3.4)	6 (1.3)
19–24	17 (3.4)	21 (1.4)	33 (3.9)	36 (1.3)	38 (3.8)	33 (1.4)	12 (3.3)	10 (1.1)
25–39	11 (2.3)*	17 (0.8)	34 (3.3)	31 (0.8)	42 (3.4)*	35 (0.8)	13 (3.1)	17 (1.0)
40–49	18 (3.0)	19 (1.0)	35 (3.1)	31 (0.8)	37 (3.3)	34 (0.9)	11 (2.8)	16 (0.9)
50–64	19 (2.5)	19 (1.0)	35 (2.6)	30 (0.8)	35 (2.6)	34 (0.9)	11 (2.1)*	17 (0.8)
65+	40 (2.6)*	34 (1.6)	33 (1.8)	37 (1.2)	21 (2.0)	24 (1.2)	6 (1.3)	5 (0.6)

\* Significantly different from the nation.

Note: Percentages may not add to 100 because of rounding. Standard errors are in parentheses.

Source: 2003 State Assessment of Adult Literacy and 2003 National Assessment of Adult Literacy.

Table C9. Average prose, document, and quantitative literacy of adults in Kentucky and the nation, by language spoken before starting school: 2003

Language	Prose		Document		Quantitative	
	Kentucky	Nation	Kentucky	Nation	Kentucky	Nation
English only	275 (2.2)*	283 (1.4)	270 (2.8)*	276 (1.3)	281 (1.6)*	289 (1.2)

\* Significantly different from the nation.

Note: Standard errors are in parentheses.

Source: 2003 State Assessment of Adult Literacy and 2003 National Assessment of Adult Literacy.

Table C10. Percentage of adults in Kentucky and the nation in each prose, document, and quantitative literacy level, by language spoken before starting school: 2003

Literacy scale and language	<i>Below Basic</i>		<i>Basic</i>		<i>Intermediate</i>		<i>Proficient</i>	
	Kentucky	Nation	Kentucky	Nation	Kentucky	Nation	Kentucky	Nation
<b>Prose</b>								
English only	11 (1.0)	9 (0.5)	31 (1.4)*	27 (0.7)	48 (1.4)	49 (0.8)	10 (1.1)*	15 (0.7)
<b>Document</b>								
English only	11 (1.3)	9 (0.5)	23 (1.4)	21 (0.6)	56 (1.8)	56 (0.8)	10 (1.5)	14 (0.7)
<b>Quantitative</b>								
English only	20 (0.9)*	18 (0.6)	35 (0.9)*	33 (0.6)	35 (1.0)	35 (0.6)	10 (0.9)*	15 (0.6)

\* Significantly different from the nation.

Note: Percentages may not add to 100 because of rounding. Standard errors are in parentheses.

Source: 2003 State Assessment of Adult Literacy and 2003 National Assessment of Adult Literacy.

Table C11. Average prose, document, and quantitative literacy of adults in Kentucky and the nation, by educational attainment: 2003

Educational attainment	Prose		Document		Quantitative	
	Kentucky	Nation	Kentucky	Nation	Kentucky	Nation
Still in high school	269 (7.2)	262 (3.7)	272 (7.5)	265 (4.3)	278 (8.5)	261 (4.2)
Less than/some high school	215 (4.3)	206 (2.4)	209 (5.8)	208 (2.6)	215 (8.0)	211 (2.3)
GED/Equivalency	261 (7.2)	260 (2.2)	251 (7.1)	257 (2.6)	272 (6.5)	266 (3.2)
High school graduate	265 (3.2)	262 (1.3)	264 (3.6)	258 (1.5)	273 (2.8)	269 (1.6)
Vocational degree	277 (7.5)	268 (2.7)	278 (8.1)	267 (2.6)	283 (7.1)	279 (2.2)
Some college	289 (4.7)	287 (1.6)	278 (3.7)	280 (1.7)	297 (3.8)	295 (1.7)
Associate's/2-year degree	300 (5.7)	298 (2.4)	298 (5.0)	291 (2.0)	305 (4.2)	305 (2.1)
College graduate	322 (4.3)	314 (2.1)	302 (5.5)	303 (2.2)	320 (4.4)	323 (1.8)
Graduate studies/degree	319 (4.4)	327 (2.8)	309 (8.3)	311 (2.2)	323 (6.1)	332 (2.1)

Note: Standard errors are in parentheses.

Source: 2003 State Assessment of Adult Literacy and 2003 National Assessment of Adult Literacy.



Table C12. Percentage of adults in Kentucky and the nation in each prose, document, and quantitative literacy level, by educational attainment: 2003

Literacy scale and educational attainment	<i>Below Basic</i>		<i>Basic</i>		<i>Intermediate</i>		<i>Proficient</i>	
	Kentucky	Nation	Kentucky	Nation	Kentucky	Nation	Kentucky	Nation
<b>Prose</b>								
Still in high school	8 (5.1)	14 (2.5)	40 (7.8)	37 (2.8)	45 (8.1)	45 (3.1)	7 (5.4)	4 (1.5)
Less than/some high school	45 (4.4)	51 (1.5)	41 (3.5)*	32 (1.0)	14 (2.9)	16 (0.9)	0 (0.3)*	1 (0.2)
GED/Equivalency	14 (4.7)	11 (1.9)	41 (6.4)	45 (2.9)	40 (6.4)	42 (3.0)	5 (3.4)	3 (1.1)
High school graduate	8 (3.0)	13 (1.0)	41 (5.2)	39 (1.2)	49 (5.5)	44 (1.3)	2 (1.9)	4 (0.6)
Vocational degree	6 (4.6)	10 (1.8)	32 (9.2)	36 (2.6)	56 (10.0)	49 (2.7)	7 (6.4)	5 (1.5)
Some college	3 (2.2)	5 (0.7)	23 (6.2)	25 (1.4)	64 (6.9)	59 (1.7)	10 (5.6)	12 (1.4)
Associate's/2-year degree	2 (2.1)	4 (0.7)	19 (5.3)	20 (1.6)	60 (6.6)	56 (2.0)	18 (6.4)	19 (2.0)
College graduate	1 (0.9)	3 (0.5)	9 (3.0)	14 (1.0)	56 (5.9)	53 (1.7)	35 (6.2)	31 (1.8)
Graduate studies/degree	0 (0.5)	1 (0.4)	8 (4.6)	10 (1.2)	63 (9.9)	48 (2.3)	29 (10.2)	41 (2.6)
<b>Document</b>								
Still in high school	4 (5.1)	13 (2.3)	27 (8.6)	24 (2.2)	61 (11.3)	54 (3.0)	7 (7.4)	9 (1.9)
Less than/some high school	43 (2.9)	45 (1.4)	30 (1.7)	29 (0.7)	26 (2.5)	25 (1.1)	1 (0.6)	2 (0.3)
GED/Equivalency	14 (6.5)	13 (2.0)	35 (7.3)	30 (2.4)	49 (9.5)	53 (2.9)	3 (3.3)	4 (1.3)
High school graduate	8 (2.7)	13 (1.0)	28 (4.8)	29 (1.1)	61 (5.5)	52 (1.4)	4 (2.4)	5 (0.7)
Vocational degree	3 (6.2)	9 (1.5)	22 (13.3)	26 (2.3)	67 (16.4)	59 (2.8)	8 (11.9)	7 (1.7)
Some college	4 (2.1)	5 (0.8)	20 (4.4)	19 (1.3)	69 (5.4)	65 (1.8)	7 (3.8)	11 (1.5)
Associate's/2-year degree	3 (1.7)	3 (0.7)	12 (3.4)	15 (1.5)	65 (6.0)	66 (2.3)	21 (6.6)	16 (2.2)
College graduate	1 (1.8)	2 (0.6)	9 (6.1)	11 (1.2)	71 (12.6)	62 (2.5)	19 (13.1)	25 (2.7)
Graduate studies/degree	3 (1.6)	1 (0.4)	11 (2.8)	9 (1.1)	54 (6.1)	59 (2.6)	32 (6.5)	31 (2.8)
<b>Quantitative</b>								
Still in high school	19 (7.3)	31 (2.9)	40 (7.8)	38 (2.5)	34 (7.0)	25 (2.3)	7 (5.2)	5 (1.4)
Less than/some high school	60 (4.3)	64 (1.3)	28 (2.5)	25 (0.8)	11 (2.4)	10 (0.7)	1 (0.8)	1 (0.2)
GED/Equivalency	19 (8.9)	26 (3.2)	45 (9.9)	43 (3.1)	34 (10.0)	28 (3.0)	2 (2.9)	3 (1.3)
High school graduate	21 (2.3)	24 (1.4)	41 (2.4)	42 (1.3)	33 (2.5)	29 (1.4)	5 (1.5)	5 (0.7)
Vocational degree	12 (13.0)	18 (2.1)	44 (18.5)	41 (2.3)	39 (18.2)	35 (2.3)	5 (8.9)	6 (1.4)
Some college	7 (3.3)	10 (1.2)	36 (5.5)	36 (1.8)	46 (5.6)	43 (1.8)	11 (4.5)	11 (1.6)
Associate's/2-year degree	6 (2.7)	7 (1.1)	32 (5.5)	30 (1.9)	47 (5.7)	45 (2.1)	16 (5.4)	18 (2.1)
College graduate	2 (2.4)	4 (0.6)	21 (8.0)	22 (1.2)	55 (10.3)	44 (1.5)	22 (11.1)	31 (1.9)
Graduate studies/degree	2 (3.2)	3 (0.6)	20 (9.0)	18 (1.5)	52 (11.6)	43 (2.1)	26 (13.4)	36 (2.6)

\* Significantly different from the nation.

Note: Percentages may not add to 100 because of rounding. Standard errors are in parentheses.

Source: 2003 State Assessment of Adult Literacy and 2003 National Assessment of Adult Literacy.

Table C13. Average prose, document, and quantitative literacy of adults in Kentucky and the nation, by employment status: 2003

Employment	Prose		Document		Quantitative	
	Kentucky	Nation	Kentucky	Nation	Kentucky	Nation
Employed full time	288 (3.5)	285 (1.5)	284 (4.0)	281 (1.2)	298 (2.8)	296 (1.1)
Employed part time	277 (5.3)	281 (2.2)	273 (4.8)	277 (2.2)	281 (4.1)	287 (2.2)
Unemployed	273 (10.3)	269 (2.8)	271 (12.3)	265 (3.3)	280 (13.7)	270 (3.6)
Not in labor force	253 (2.8)	255 (1.7)	246 (3.6)	250 (1.9)	257 (2.6)	261 (1.8)

Note: Standard errors are in parentheses.

Source: 2003 State Assessment of Adult Literacy and 2003 National Assessment of Adult Literacy.

Table C14. Percentage of adults in Kentucky and the nation in each employment category, by prose, document, and quantitative literacy level: 2003

Literacy scale and literacy level	Not in labor force		Unemployed		Part time		Full time	
	Kentucky	Nation	Kentucky	Nation	Kentucky	Nation	Kentucky	Nation
<b>Prose</b>								
<i>Below Basic</i>	61 (4.9)*	51 (1.8)	3 (1.7)	5 (0.6)	8 (2.3)	10 (0.9)	27 (4.8)	35 (1.8)
<i>Basic</i>	45 (2.7)*	38 (1.1)	5 (1.2)	6 (0.4)	11 (1.7)	12 (0.6)	39 (2.8)	44 (1.1)
<i>Intermediate</i>	30 (1.9)	27 (0.9)	4 (0.9)	5 (0.3)	11 (1.4)	14 (0.6)	56 (2.2)	54 (0.9)
<i>Proficient</i>	13 (3.3)	18 (1.3)	4 (1.9)	3 (0.5)	12 (3.3)	14 (1.1)	71 (4.9)	64 (1.6)
<b>Document</b>								
<i>Below Basic</i>	68 (5.2)*	55 (1.9)	3 (2.0)	5 (0.6)	6 (2.5)	9 (1.0)	23 (5.1)	32 (1.7)
<i>Basic</i>	47 (3.3)	40 (1.1)	4 (1.4)	6 (0.5)	12 (2.2)	12 (0.7)	38 (3.8)	42 (1.1)
<i>Intermediate</i>	29 (1.8)*	27 (0.8)	4 (0.9)	5 (0.3)	12 (1.5)	14 (0.6)	56 (2.3)	55 (0.9)
<i>Proficient</i>	20 (4.8)	19 (1.5)	4 (3.0)	4 (0.7)	9 (4.3)	15 (1.4)	67 (7.2)	63 (1.9)
<b>Quantitative</b>								
<i>Below Basic</i>	61 (3.3)*	50 (1.4)	5 (1.5)	7 (0.5)	10 (1.8)	10 (0.8)	25 (3.3)*	34 (1.3)
<i>Basic</i>	39 (2.2)*	34 (1.0)	3 (0.8)*	5 (0.4)	12 (1.5)	14 (0.7)	46 (2.4)	47 (1.0)
<i>Intermediate</i>	26 (1.8)	25 (0.9)	4 (0.9)	4 (0.3)	11 (1.4)	14 (0.7)	60 (2.3)	57 (1.0)
<i>Proficient</i>	18 (3.4)	17 (1.3)	5 (2.0)	4 (0.6)	10 (2.6)	13 (1.2)	68 (4.9)	66 (1.6)

\* Significantly different from the nation.

Note: Percentages may not add to 100 because of rounding. Standard errors are in parentheses.

Source: 2003 State Assessment of Adult Literacy and 2003 National Assessment of Adult Literacy.

**Council on Postsecondary Education**  
**January 30, 2006**

## **Mandatory Placement Report**

Ensuring that Kentucky's college students have the skills they need to succeed requires close collaboration between P-12, adult, and postsecondary education. The Council report, *Underprepared Students in Kentucky: A First Look at the 2001 Mandatory Placement Policy Implications for Kentucky's Public Postsecondary Education Policy*, summarizes the preparation level of the fall 2002 freshmen and their subsequent placement and retention patterns. This is the first review of the placement of underprepared students as mandated in Section 6 Assessment and Placement of the Kentucky administrative regulation (13 KAR 2:020) Guidelines for Admission to the State-supported Postsecondary Education Institutions. The complete report is now available on the Council's Web site at <http://cpe.ky.gov/research/special>. The executive summary highlighting the main findings is attached to this agenda item.

The findings indicate that there is substantial room for improvement in preparing and serving academically underprepared students in the public postsecondary institutions. Specifically, 54 percent of students who entered certificate and degree programs at Kentucky's public institutions of postsecondary education in fall 2002 were underprepared for college-level study in math, English, or reading. KCTCS had very high rates of underprepared entering students – 76 percent overall, compared to 39 percent of those entering four-year institutions. Student preparation has implications for degree production since underprepared students were twice as likely to drop out of any postsecondary institution as prepared students. Because of data limitations, the figures of remediation course-taking by underprepared students are low. It is important to note that this first look report tracked first-time students entering in fall 2002, and some institutions have made substantial changes in their remediation policies since the academic year covered in this report.

The Council staff is using the release of the report as an opportunity to re-engage education partners in a conversation about meeting the needs of students who enter college underprepared for college-level work. The following list of implications for postsecondary education policy was drafted as a starting point for discussion with the Quality and Accountability Policy Group and the Council of Chief Academic Officers. These suggested policies encompass both the preparation of college applicants and the support needed for enrolled undergraduates.

- Align high school graduation and adult education requirements with the skills needed for postsecondary success, using the standards developed by the American Diploma Project and contained within the Kentucky Statewide Public Postsecondary Placement Policy in English and Mathematics approved by the Council in November 2004.

- Minimize achievement gaps between racial-ethnic groups at all levels.
- Create a single, rigorous, high school curriculum that prepares all students for postsecondary education and the skilled workplace.
- Create a P-12 assessment system that tracks how well individual students are progressing toward college readiness, starting in middle school.
- Ensure that all underprepared students entering college receive the supplemental instruction they require to succeed.
- Work with institutions to improve remediation strategies, including student assessment and advising, registration, and course sequencing, e.g., not allowing underprepared students in reading to take reading intensive history courses without first successfully completing developmental reading courses or courses with supplemental help.
- Study the replacement of traditional remediation with supplemented courses and flexible content delivery systems.
- Improve the quality of data collection so that remediation can be better tracked, especially the results of on-campus placement exams.

In addition to these important policy issues, existing efforts will be reviewed for additional opportunities to support the preparation of all freshmen entering Kentucky's postsecondary education system. The Council is involved in a wide array of projects to enrich student success with middle and high school programs, with college freshmen, and through the professional development of Kentucky's teacher workforce.

### **Student Preparation**

The renewal of GEAR UP grant program funds will provide enrichment activities for significantly more low income middle school students through collaborations with multiple state partners including education agencies, postsecondary institutions, businesses, and other organizations.

The Kentucky Statewide Public Postsecondary Placement Policy in English and Mathematics clearly documents the preparation needed to place in credit-bearing courses in a Kentucky public college or university. High school guidance counselors and teachers can use these guidelines as measures of secondary student preparation for college.

The Council will continue to work at all levels to support the Kentucky Department of Education's recent efforts to implement a more rigorous high school curriculum and college readiness assessment plans for middle and high school students.

Finally, the Council has included several additional initiatives in its 2006-08 budget request designed to improve the preparation of P-12 students for college (e.g., additional funding for the Kentucky Early Math Placement Test, the Kentucky Academy of Math and Science, and funding for the joint budget proposals with the Kentucky Department of Education and the Education Professional Standards Board).

### **College Student Development**

The 2006 Kentucky Conference on Developmental Education will take place in Lexington March 13 and 14 making national level experts available to institutional teams for review and planning for underprepared student programs. A State ACT Council is being organized with membership from several education partners to provide another communication forum to address critical P-16 education transition issues.

### **Teacher Preparation**

The Teacher Quality Summit continues to be a highly successful statewide meeting of deans and faculty from the colleges of arts and sciences and education that provides access to best practice teacher preparation initiatives. In 2005, over 225 Kentucky educators attended the summit to focus on the recruitment, preparation, and professional development of mathematics, science, and world language teachers, as well as the preparation and professional development of educational leaders.

Council and university representatives are participating in the Governor's Educator Work Group to develop high-quality professional development programs for P-12 educators along with activities currently underway, in consultation with EPSB and the Southern Regional Education Board, to follow up on the Commonwealth Collaborative of School Leadership Program recommendations for effective education leadership development.

Research has shown that an effective principal is a key component of achieving a high-performing school. As part of the Council's 2006-08 budget priorities, \$2 million were requested to fund the Kentucky Principal Leadership Institute. This program is a unique opportunity to prepare a new generation of school leaders, committed to effective teaching and enhancing student learning.

Additionally, the Council continues to manage the Improving Educator Quality grant program focused on increasing the academic achievement of all students through professional development initiatives that ensure P-12 teachers and administrators are highly qualified in math, science, and world languages.

# Underprepared Students in Kentucky: A First Look at the 2001 Mandatory Placement Policy

## EXECUTIVE SUMMARY

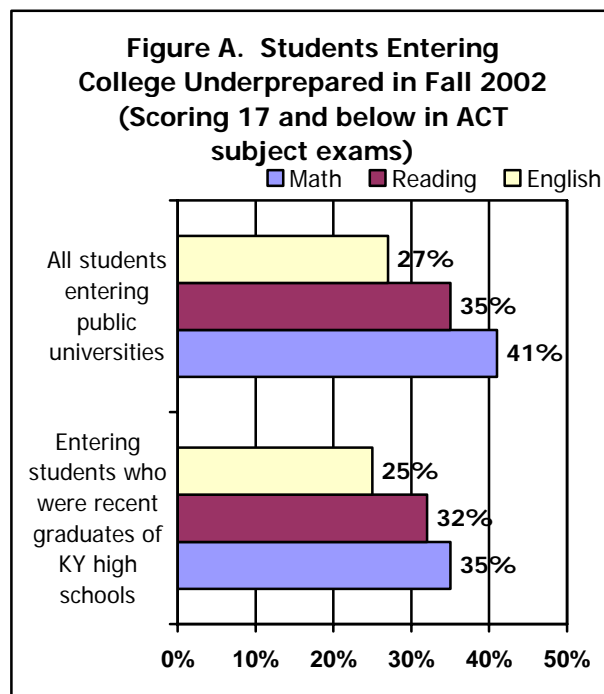
Kentucky Council on Postsecondary Education  
November, 2005

In fall 2001, Kentucky instituted a placement policy mandating that all students entering undergraduate programs at public institutions who receive a score of 17 or below on ACT subject exams in math, English or reading be placed in remedial coursework or receive supplemental help in those subjects. This study examines the incoming class from fall 2002 and follows them through their first two years of postsecondary study, examining their remedial needs, their remedial course-taking, and their retention to the second year.

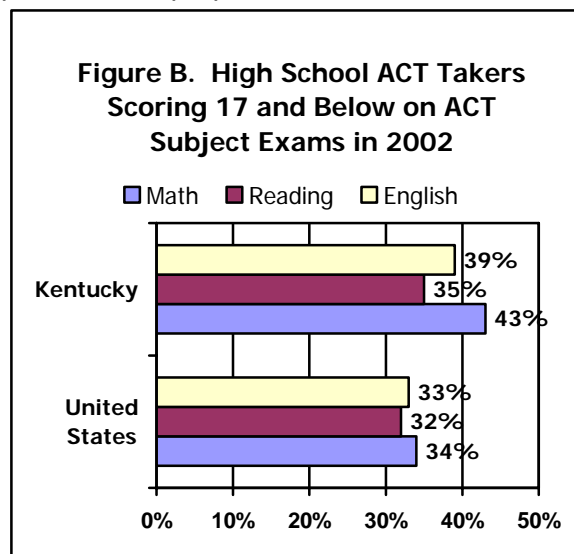
The data used in this report are administrative data submitted as student-unit records by the public postsecondary institutions to the Council's Comprehensive Database during the 2002-03 and 2003-04 academic years. The report is based on descriptive statistics about the 26,646 students who entered Kentucky's public two and four-year institutions in the fall of 2002 as full or part-time students seeking degrees or other credentials, and for whom CPE received the ACT, SAT or on-campus placement exam scores needed to classify their preparation level.

### How underprepared for postsecondary study was Kentucky's college entry cohort of 2002?

This question helps gauge the degree of remedial services that postsecondary institutions need to provide for their students. The number of entering students needing remediation is also seen as a measure of the quality of Kentucky's P-12 education system, although this is not quite true. An incoming college class includes students who graduated from high schools in other states,

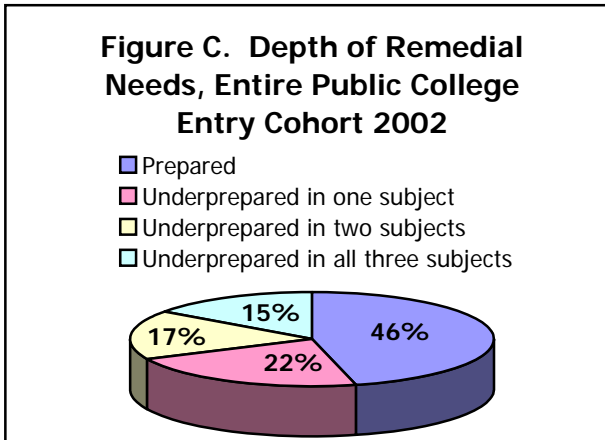


earned GEDs, or were adult students who graduated from Kentucky high schools before recent educational reforms. To help answer this important policy question, Figure A above presents the preparation levels of the entire



fall 2002 entry cohort and of the subset who graduated from Kentucky high schools in 2001 or 2002. These recent high school graduates make up 63 percent of the total entry cohort. National data is also presented for comparison in Figure B.

Overall, a slim majority of 54 percent of students who entered certificate and degree programs at Kentucky's public institutions of higher education in fall 2002 were under-prepared for college-level study in at least one subject. Many of these under-prepared students were underprepared in more than one subject as can be seen below.



There was wide variation in preparation level among the institutions due to their differing missions and student selectivity, ranging from 15 percent at UK to 85 percent at KSU. Demographically, non-traditional students and students from some racial-ethnic minority groups were much less well prepared for college-level study than their peers (see table 4 in the full report for details).

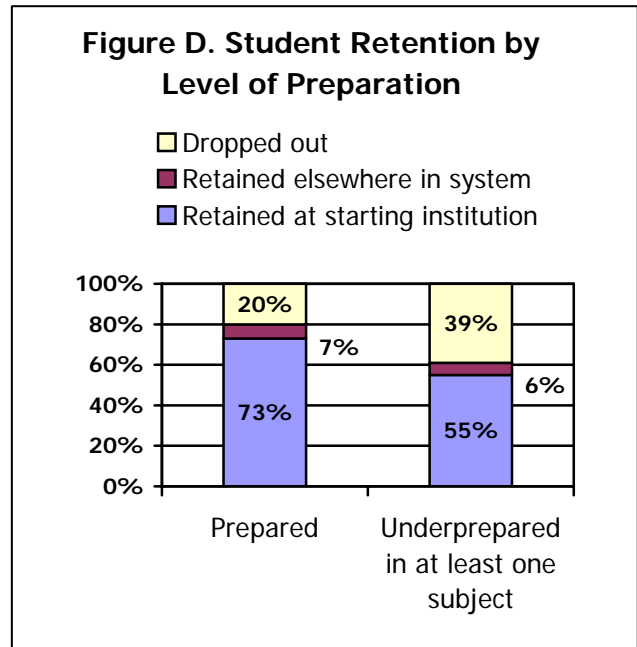
**How underprepared were recent graduates of Kentucky high schools?**

Recent graduates of Kentucky high schools were slightly better prepared for college than was the entire entry cohort in 2002. Overall, slightly less than half (48 percent) were underprepared in at least one

subject, and 29 percent were underprepared in two or three subjects, compared to 32 percent in the college entry cohort as whole. Looking at Figure B, college entrants who were recent graduates of Kentucky high schools compared favorably to ACT takers nationally, although ACT, Inc. counsels against making this kind of comparison given the wide demographic differences between states.

**Were underprepared students retained?**

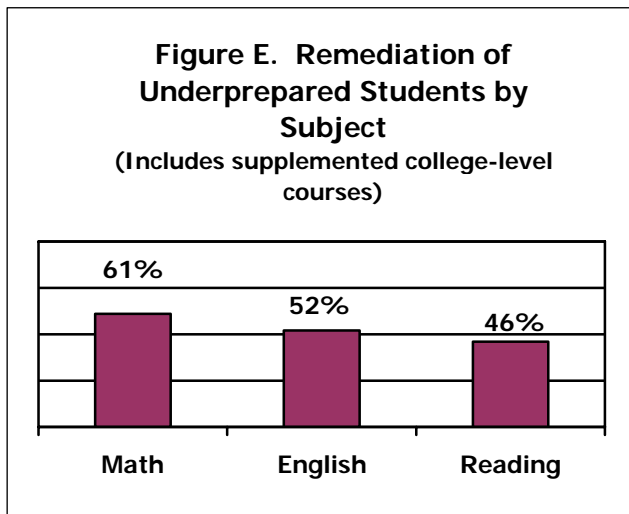
Students who came to college underprepared were less likely to return for their second year. Systemwide, nearly three-quarters of prepared students came back for a second year of study at the institution where they started, compared to slightly over half of those who were underprepared in at least one subject (Figure D). Also, underprepared students were twice as likely to drop out of college altogether as were those who were prepared: 39 percent compared to 20 percent.



Students who were underprepared in all three subjects were even less likely to be retained – only 50 percent returned for a second year of study.

## Did underprepared students take remedial courses?

Systemwide, only a slim majority of underprepared students were remediated in a given subject (Figure E). The leaders in remediation were Morehead State University, Kentucky State University and Eastern Kentucky University, who each remediated between 82 – 95 percent of their underprepared students. Other schools had lower remediation rates, the lowest remediating only 40 percent of their retained, underprepared students in a given subject by the end of their second year. These numbers do not include students who received tutoring and



other forms of academic support not tracked in remedial course data. Supplemented college-level courses that meet the requirements of the Mandatory Placement Policy are included where that data was available.

While this remediation picture looks poor, it is important to note that these numbers undercount the actual remediation rates because this report does not include on-campus placement exam data from the four-year institutions. Students who enter

with low ACT or SAT scores have an opportunity to place out of remediation by passing on-campus placement exams, which would reclassify them as “prepared.” Institutions were not required to collect and submit the results of these exams in the 2002 reporting year. Consequently, this analysis does not reflect the reclassification of students who placed out of remediation by taking on-campus placement exams. Also, some schools did not report supplemented college-level courses in 2002, so these remedial efforts are not included here.

Despite the limitations of this data, Council staff believes it is necessary to highlight these remediation rates because they measure the crux of the Council’s mandatory placement policy: are underprepared students receiving the help they need to succeed? The Council is committed to pursuing excellence in the provision of services to academically at-risk students, and accountability is essential to this endeavor.

This report examines the college preparation level and remediation of the postsecondary entering class of fall 2002. Some institutions have made substantial changes in their remediation policies since the academic years covered in this report. Also, CPE has been working to improve its data collection concerning remediation and academic supplementation. The Council will continue to evaluate these remedial policies and programs, and hopes to look in more depth at the outcomes of underprepared students in the future.



# Underprepared Students in Kentucky: A First Look at the 2001 Mandatory Placement Policy

## EXECUTIVE SUMMARY

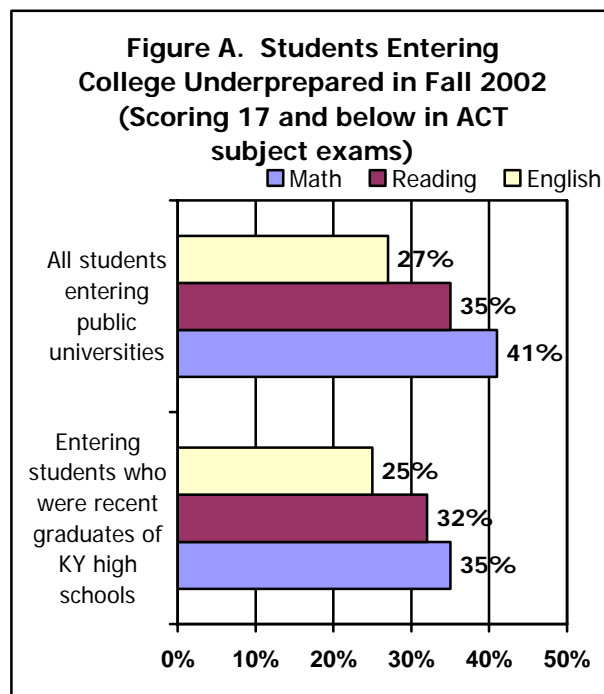
Kentucky Council on Postsecondary Education  
November, 2005

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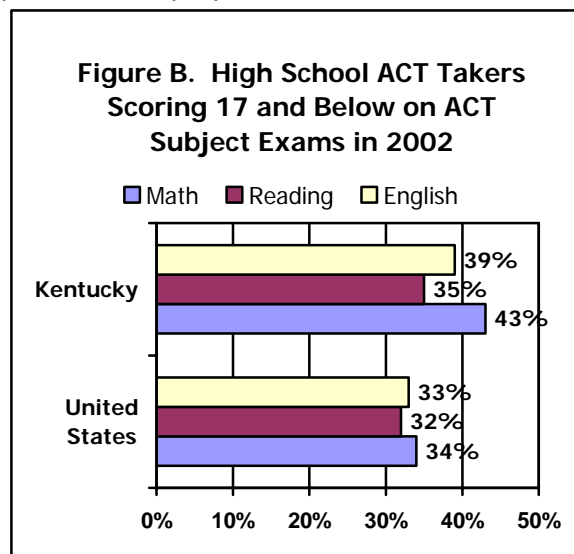
The data used in this report are administrative data submitted as student-unit records by the public postsecondary institutions to the Council's Comprehensive Database during the 2002-03 and 2003-04 academic years. The report is based on descriptive statistics about the 26,646 students who entered Kentucky's public two and four-year institutions in the fall of 2002 as full or part-time students seeking degrees or other credentials, and for whom CPE received the ACT, SAT or on-campus placement exam scores needed to classify their preparation level.

### How underprepared for postsecondary study was Kentucky's college entry cohort of 2002?

This question helps gauge the degree of remedial services that postsecondary institutions need to provide for their students. The number of entering students needing remediation is also seen as a measure of the quality of Kentucky's P-12 education system, although this is not quite true. An incoming college class includes students who graduated from high schools in other states,

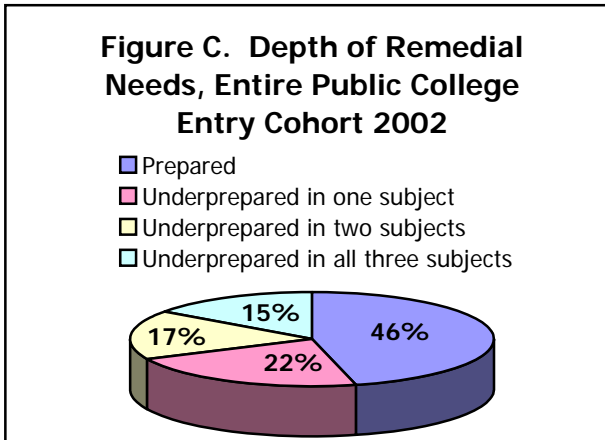


earned GEDs, or were adult students who graduated from Kentucky high schools before recent educational reforms. To help answer this important policy question, Figure A above presents the preparation levels of the entire



fall 2002 entry cohort and of the subset who graduated from Kentucky high schools in 2001 or 2002. These recent high school graduates make up 63 percent of the total entry cohort. National data is also presented for comparison in Figure B.

Overall, a slim majority of 54 percent of students who entered certificate and degree programs at Kentucky's public institutions of higher education in fall 2002 were under-prepared for college-level study in at least one subject. Many of these under-prepared students were underprepared in more than one subject as can be seen below.



There was wide variation in preparation level among the institutions due to their differing missions and student selectivity, ranging from 15 percent at UK to 85 percent at KSU. Demographically, non-traditional students and students from some racial-ethnic minority groups were much less well prepared for college-level study than their peers (see table 4 in the full report for details).

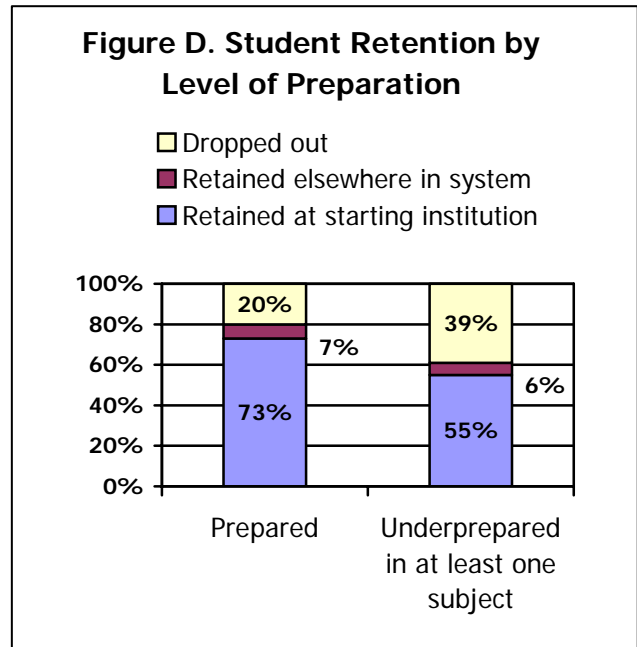
**How underprepared were recent graduates of Kentucky high schools?**

Recent graduates of Kentucky high schools were slightly better prepared for college than was the entire entry cohort in 2002. Overall, slightly less than half (48 percent) were underprepared in at least one

subject, and 29 percent were underprepared in two or three subjects, compared to 32 percent in the college entry cohort as whole. Looking at Figure B, college entrants who were recent graduates of Kentucky high schools compared favorably to ACT takers nationally, although ACT, Inc. counsels against making this kind of comparison given the wide demographic differences between states.

**Were underprepared students retained?**

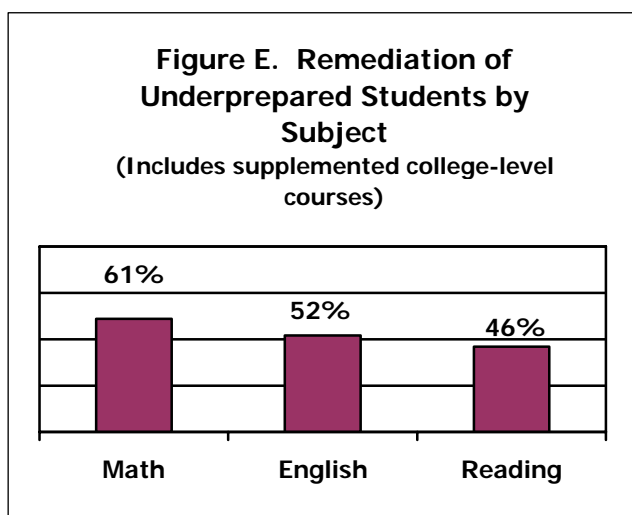
Students who came to college underprepared were less likely to return for their second year. Systemwide, nearly three-quarters of prepared students came back for a second year of study at the institution where they started, compared to slightly over half of those who were underprepared in at least one subject (Figure D). Also, underprepared students were twice as likely to drop out of college altogether as were those who were prepared: 39 percent compared to 20 percent.



Students who were underprepared in all three subjects were even less likely to be retained – only 50 percent returned for a second year of study.

## Did underprepared students take remedial courses?

Systemwide, only a slim majority of underprepared students were remediated in a given subject (Figure E). The leaders in remediation were Morehead State University, Kentucky State University and Eastern Kentucky University, who each remediated between 82 – 95 percent of their underprepared students. Other schools had lower remediation rates, the lowest remediating only 40 percent of their retained, underprepared students in a given subject by the end of their second year. These numbers do not include students who received tutoring and



other forms of academic support not tracked in remedial course data. Supplemented college-level courses that meet the requirements of the Mandatory Placement Policy are included where that data was available.

While this remediation picture looks poor, it is important to note that these numbers undercount the actual remediation rates because this report does not include on-campus placement exam data from the four-year institutions. Students who enter

with low ACT or SAT scores have an opportunity to place out of remediation by passing on-campus placement exams, which would reclassify them as “prepared.” Institutions were not required to collect and submit the results of these exams in the 2002 reporting year. Consequently, this analysis does not reflect the reclassification of students who placed out of remediation by taking on-campus placement exams. Also, some schools did not report supplemented college-level courses in 2002, so these remedial efforts are not included here.

Despite the limitations of this data, Council staff believes it is necessary to highlight these remediation rates because they measure the crux of the Council’s mandatory placement policy: are underprepared students receiving the help they need to succeed? The Council is committed to pursuing excellence in the provision of services to academically at-risk students, and accountability is essential to this endeavor.

This report examines the college preparation level and remediation of the postsecondary entering class of fall 2002. Some institutions have made substantial changes in their remediation policies since the academic years covered in this report. Also, CPE has been working to improve its data collection concerning remediation and academic supplementation. The Council will continue to evaluate these remedial policies and programs, and hopes to look in more depth at the outcomes of underprepared students in the future.

**Council on Postsecondary Education**  
**January 30, 2006**

## **P-16 Council Update**

At its December 14 meeting, the P-16 Council continued to address the policy issues it had identified in September as priority foci for the year: establishing a more rigorous high school curriculum, providing an adequate supply of qualified educators to teach this more rigorous curriculum, developing a consistent system for high school-college dual enrollment, creating an integrated P-16 data system, and ensuring that students have affordable access to quality education through college.

Council on Postsecondary Education staff presented the results of several of its research projects pertinent to these policy issues. The *Underprepared Students in Kentucky* report showed that nearly half of recent Kentucky high school graduates who enrolled in a public postsecondary institution in the fall of 2002 were not prepared for college-level work in English, reading, or mathematics. The CPE will follow up this spring with a conference on best practices for the remediation and retention of underprepared undergraduates. These and other findings from the study framed the P-16 Council members' discussion of the Kentucky Department of Education's proposed changes to minimum high school graduation requirements. The P-16 Council formally approved a recommendation to the Kentucky Board of Education supporting revision of Kentucky's high school graduation requirements, without an "opt out" option, to meet postsecondary entrance expectations, including more rigorous mathematics requirements and the addition of a world languages requirement. P-16 Council Chair Dorie Combs communicated this recommendation in a letter to members of the KBE.

Preliminary results of a CPE study of dual enrollment in Kentucky showed, among other findings, that students taking college courses within the categories of the pre-college curriculum, such as English and mathematics, matriculate into postsecondary programs at a higher rate than high school students taking occupational and technical courses at the college level. The CPE also is conducting a survey of postsecondary institutions regarding their dual enrollment and dual credit policies and practices. The P-16 Council plans to use these findings to make policy recommendations for dual enrollment in Kentucky within the year and in time for the 2007 General Assembly.

The CPE's affordability study, *Changing Direction: Higher Education Financial Aid and Financing Policy*, targeted key populations needing additional financial aid resources: low-income and minority students, as well as low-income independent students who do not receive as much state aid as dependent students. These findings (as well as those from the previously mentioned studies) have shaped discussions undertaken by the KEES Policy Issues Work Group, which has focused attention on the issues of revising the KEES curriculum to

meet college preparatory standards, the development of a separate financial aid program for adult students, and the need for increased need-based aid.

The CPE also shared its five-step policy intervention plan to attain the national average in educational objectives by 2020. This was the first time that some members of the P-16 Council partner agencies had seen the statewide goals of baccalaureate attainment and had been presented with the concerted effort it would take to reach them.

The Council funded two new local P-16 councils and two additional initiatives at existing councils, and local council representatives shared their commitment to work with the state council and its partner staffs to advocate not only for funding local councils but also for the many other P-16 initiatives in the 2006-08 budget designed to improve Kentucky's level of educational attainment.

Education Cabinet Secretary Ginni Fox reported on Governor Fletcher's educational priorities. Many recommendations emerged from the Governor's P-12 Advisory Group made up of superintendents, principals, and teachers. The group met with the state's chief academic officers and key administrators to recommend policy changes for professional development and certification of P-12 teachers. These recommendations align with those issued in the final report of The Business Forum. Secretary Fox praised the role that Kentucky's state and local P-16 councils play in raising Kentucky's level of educational attainment and increasing its economic competitiveness. She also described the key initiatives of the Cabinet's joint budget request: funding local P-16 councils, integrating P-16 learning delivery systems, developing a cross-agency P-16 data warehouse, and creating a shared P-16 high-speed telecommunications network.

The State P-16 Council will next meet March 29.

**Council on Postsecondary Education  
January 30, 2006**

## **GEAR UP Kentucky Update**

The U.S. Department of Education approved funding to the Council on Postsecondary Education for the new GEAR UP (Gaining Early Awareness and Readiness for Undergraduate Programs) state award in September 2005. A larger grant than the first in 2000, the Council will receive \$21 million over the next six years to provide college awareness and preparation activities for middle school students. GEAR UP partners across the state will provide \$21 million in matching funds for a total program support of \$42 million. This grant follows the initial 2000 GEAR UP grant given the Council, which funded a partnership of 50 middle and high schools and more than 25 postsecondary education institutions and community organizations.

GEAR UP provides services to cohorts of seventh grade students and continues this support through high school. Activities include coordinating an array of enrichment activities for students, involving families in pre-college planning, providing supplemental scholarships, assisting schools in providing access to rigorous college preparatory curricula for all students, and providing professional development to teachers.

GEAR UP is the only initiative the Council administers focused on middle school students and is part of an effort to prepare more Kentucky students for postsecondary education. GEAR UP supports the Council's overall goal to increase the level of educational attainment in Kentucky to the national average by 2020.

### **GEAR UP Kentucky-II (2005-11): Final Selection of Schools<sup>1</sup>**

Fifty-two Kentucky schools will participate in the new GEAR UP state grant. With a higher than expected demand, the Council sought and received approval from the U.S. Department of Education to increase enrollment to 6,000 students rather than 4,500 originally planned for each year. Three groups of seventh grade students\* from each participating school will receive services. A new cohort of seventh graders will begin the program in each of the first three years – over the life of the grant.

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<sup>1</sup> Six of the original schools in the 2000 grant also will participate in the new grant: Winburn and Crawford Middle Schools in Fayette County, Whitley and Leslie County Middle Schools, and Two Rivers and Holmes Jr./Sr. High Schools in the Covington Independent District.

\* Federal regulations require GEAR UP programs to begin working with students no later than the seventh grade.

- Only new schools were selected to participate, except for six from the previous grant.
- Middle schools are expected to participate for the duration of the project with full support until the last cohort of seventh graders begins high school in 2007-08.
- Only seventh grade students will receive services in 2005-06.

GEAR UP staff at the Council engaged in a deliberate process to identify and select the schools for the new project. The process addressed various factors including GEAR UP goals, state and federal requirements for achievement, and the Council's public agenda for postsecondary and adult education. The selection included reviewing a substantial list of eligible schools, rating and ranking schools, and conducting meetings to gauge schools' interest and commitment to program expectations.

Eligible schools were prioritized using a weighted scale that was based on five criteria: free/reduced-priced lunch, CATS school performance accountability index, CATS student performance – percent of students at *proficient* & *distinguished* level, county with low socio-economic status, county with low postsecondary education attainment.

### **Assessing Academic Need**

Each year GEAR UP staff will analyze the results of assessments to measure student achievement. The program uses the ACT suite of assessment to measure student readiness for college. Each school must administer the EXPLORE™ in middle school, the first of three assessments, to gauge student skills in mathematics, reading, and science reasoning. The assessment will be done in the seventh grade and again in the eighth grade for comparison. Additionally, students will take the PLAN™ assessment in high school so the program and schools can identify academic weaknesses, review student course taking patterns, and begin to understand what improves student achievement. Both the EXPLORE and PLAN were designed by ACT to assess whether a student is on track to achieve scores on the ACT test itself that predict college readiness.

All schools notified for selection in the program are presently administering the EXPLORE assessments to seventh grade students. The information also will be used to plan interventions for students based on needs identified from the assessment. GEAR UP Kentucky-II, in partnership with host institutions and others, will provide technical assistance through professional development, training, and resources when the program convenes its first annual *Institute for a College-Going Culture* in early March 2006.

### **College Awareness**

Awareness activities are an important component of all GEAR UP programs. Therefore, GEAR UP staff is developing a more comprehensive communications strategy to ensure that parents, school personnel, and the community at-large understand the importance of postsecondary education and the opportunities that are available for low-income students. A variety of formats and partnerships will be used to address hard-to-reach audiences including

weekly publication of feature topics in the *Courier Journal's* Newspaper in Education Program, a partnership with the Kentucky Higher Education Assistance Authority to establish regional and school-based college awareness centers, and an awareness initiative under way at the Kentucky Department of Education.

### **GEAR UP Kentucky-II Host Institutions**

Host institutions help the Council conduct GEAR UP activities linked to state and national goals that are then drilled down into each local community through the lenses of the public agenda. Seven host institutions and principal investigators have been identified: Dr. Dan Connell, Associate Provost at Morehead State University; Mr. Ralph Kidd, Office of Student Affairs at Hazard Community and Technical College; Dr. John Settle, College of Education at Murray State University; Dr. Barbara Stonewater, Executive Director of the Northern Kentucky Council of Partners; Dr. Kirsten Sundell, Assistant Director of Special Projects at the Nystrand Center, University of Louisville; Dr. Linda Thomas-Glover, Provost/CAO at Elizabethtown Community and Technical College; and the Fayette County Public Schools District Office.

### **GEAR UP Kentucky 2000: Transition to Sustainability**

GEAR UP has provided an excellent framework for sustaining college-going activities. Participating schools are now linked to postsecondary institutions that can support classroom teachers and provide academic enrichment, tutoring, and mentoring for secondary school students. In particular, the partnerships involving GEAR UP have allowed postsecondary institutions to rethink how they cultivate student interest by reaching down to students as early as middle school.

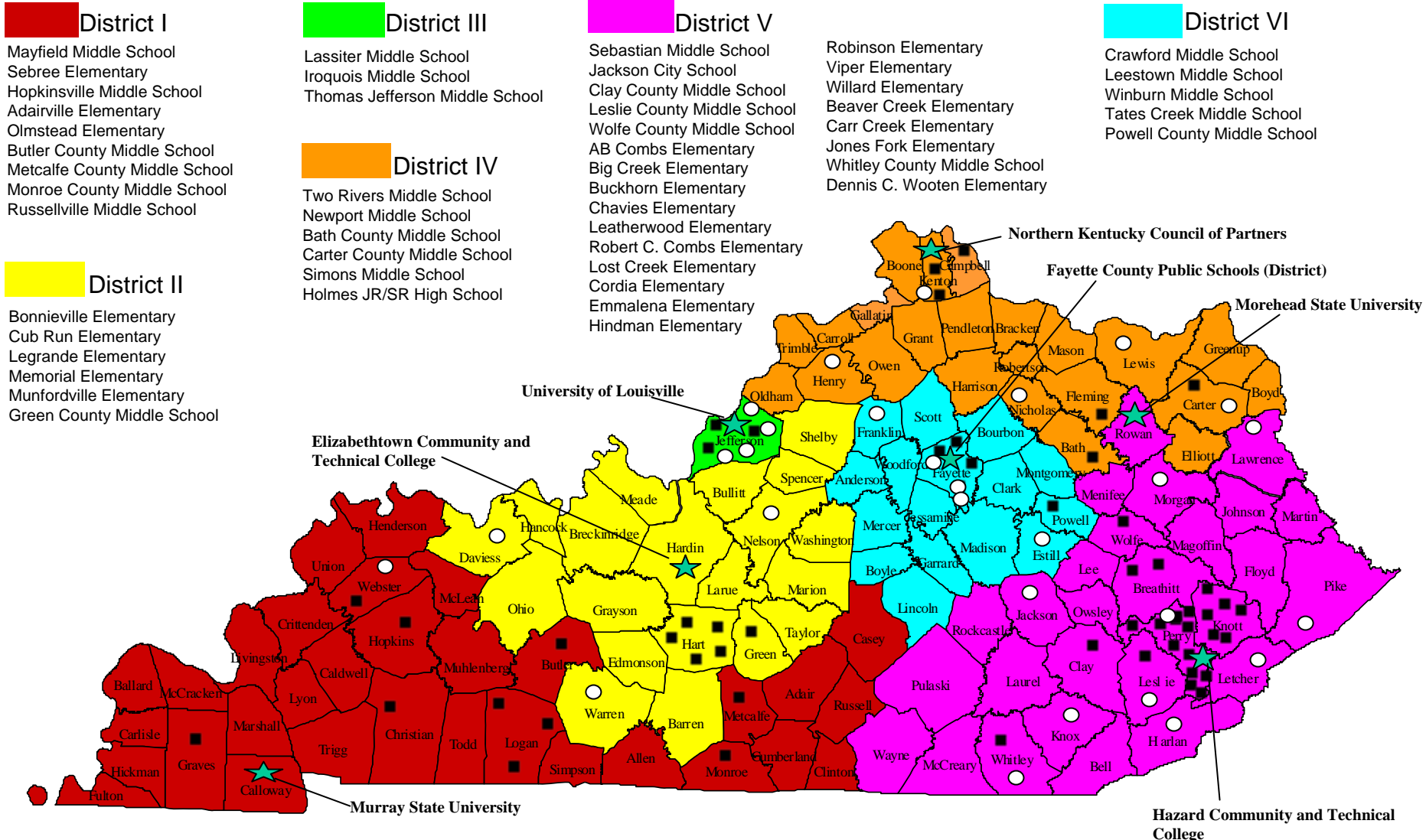
In September 2005, the Council received its final year of federal GEAR UP funding. Although the Council no longer receives federal funds from the U.S. Department of Education, GEAR UP Kentucky staff has continued working with schools and program partners to transition activities into more sustainable efforts within the school community. Many GEAR UP college partners have taken more active roles in providing college awareness activities for seventh and eighth grade students. In addition, the Council is seeking funding in its new 2006-08 biennial budget to continue support of limited activities for these GEAR UP schools.

Without new external funding, GEAR UP staff will complete their work with the original 2000 schools in June 2006. At the conclusion of all activities, the Council will report on the impact of the program over these last six years. Included in this report will be the results of exit interviews conducted by an external contractor with students, parents and staff to gauge their impression of the impact and benefits derived from the program. The full report is expected to be available in fall 2006.



# GEAR UP Kentucky II by Congressional Districts

## 2005 - 2011 Participating Schools



■ Participating GUK-II Schools (52) - Total Enrollment 5,818

○ 2000 GEAR UP Kentucky Middle Schools (First Grant)

★ 2005 Host Institutions

**Kentucky Board of Education Report**  
**Commissioner Gene Wilhoit**  
**For**  
**January 30, 2006 Council on Postsecondary Education Meeting**

**December 7-8, 2005 Kentucky Board of Education Highlights:**

- **State Board Supports Publishing of Administration Guidelines For Writing Instruction** -- As one way to improve instructional practices in writing and reduce inappropriate practices, the Kentucky Board of Education agreed at the December meeting that the “Administration Guidelines for Writing Instruction” could have the word “Draft” removed and that the document could be officially released to schools following a few final edits, one of which is to clarify the amount of time spent on writing portfolios. The Board also asked that Department staff add a “Question and Answer” document, clarifying what is appropriate versus what is not appropriate relative to the writing assessment, as an accompanying piece to the Administration Guidelines.

As part of the professional development opportunities on appropriate writing practices, Department staff showed excerpts from a newly produced video program titled “Writing Portfolio Update: Administration Guidelines for Writing Instruction.” The Board learned that it was shown over KET 3, November 28 through December 15, so that schools could tape it for training purposes.

- **Board Supports Approach to Intervene in Low-Performing Schools and Districts and Those With Significant Achievement Gaps** -- The Kentucky Board of Education indicated its support of the Kentucky Department of Education’s approach to create more direct intervention and support for low-performing schools and districts and those with significant achievement gaps. The goal is to have systemic improvement plans implemented with school, district, local board and Department personnel collaborating intensively for improved student performance.

The interventions will become effective in fall 2006. A voluntary, targeted assistance team approach was recommended by the Department. The team would be made up of the local superintendent, an assigned superintendent mentor from the Kentucky Association of School Superintendents, a representative of the Kentucky School Boards Association, a Highly Skilled Educator, and a Kentucky Department of Education administrator. The team would be charged with developing and implementing a district/school improvement plan tailored to the district’s and school’s specific needs.

The districts that will be targeted for this intervention are moving toward Tiers 3, 4 or 5 under *No Child Left Behind*.

- **Regulations On Refocusing Secondary Education To Come Back For Final Action In February** -- After in-depth discussions on 704 KAR 3:305, Minimum Requirements for High School Graduation, and 704 KAR 3:340, Commonwealth Diploma Program, the Kentucky Board of Education chose to postpone final action until the February 1-2 meeting. Additionally, issues within these regulations will be the focus of the Board's January 4, 2006, meeting.

#### **January 4, 2006 Kentucky Board of Education Highlights:**

- **Consideration of 704 KAR 3:305, Minimum Requirements For High School Graduation** -- The Kentucky Board of Education agreed on the following guidance relative to language in this regulation and asked that it be brought back for final approval to the February 1-2 meeting:
  - Designate the effective implementation date for the new requirements as 2012.
  - Require Algebra II as a requirement for all students.
  - Allow an integrated, applied, interdisciplinary or technical/occupational course that prepares a student for a career path based on the student's individual graduation plan to be substituted for a traditional Algebra II course on an individual student basis if it meets the same standards as defined in the Program of Studies.
  - Require mathematics every year of high school.
  - Reference the specific courses of English I, II, III and IV but not include a required sequence for the courses.
  - Include language to clarify that the content of U.S. History continues to be an important component of social studies.
  - Develop the capacity for the opportunity to learn a world language by 2012 through working with partners and move toward the goal of students demonstrating competency by 2016. This will not yet be included as a minimum high school graduation requirement.
  - Request that Department staff provide clarification at the February 1-2 meeting on the role of the IEP relative to high school graduation requirements.
- **Consideration of 704 KAR 3:340, Commonwealth Diploma** -- Due to significant issues yet to be resolved and the need for further analysis of this program, the Board voted to table the regulation until the analysis could be completed and different recommendations could be brought back to the Board.

#### **Upcoming Agenda Items for the February 1-2, 2006 Kentucky Board of Education Meeting Include:**

- 704 KAR 3:305, Minimum Requirements for High School Graduation (Final)
- 702 KAR 7:125, Pupil attendance (Final)
- 703 KAR 5:010, Writing portfolio procedures (Review)
- 703 KAR 5:140, Requirements for school and district report cards (Final)

- 704 KAR 3:530, Mathematics Achievement Fund and 704 KAR 3:490, Teacher's Professional Growth Fund (Review)
- Update on assessment contract

**Council on Postsecondary Education**  
**January 30, 2006**

## **Academic Program Productivity Review**

*The following recommendation will change the Guidelines for Review of Academic Program Productivity by specifying that productivity reviews occur once every four years and that an interim productivity consultation be conducted between reviews.*

**ACTION: The staff recommends that the Council amend the Guidelines for Review of Academic Program Productivity to specify a four-year review cycle with an interim productivity consultation.**

The Council reviewed the results of three rounds of university program productivity reviews at the November 2005 meeting. It was determined that a smaller proportion of eligible programs fell below the established productivity thresholds with each round of productivity reviews. This finding indicates that, overall, the reviews have reduced the number of low-productivity programs. Consequently, the Council staff was directed to revise the Guidelines for Review of Academic Program Productivity to reduce the frequency of the quantitative productivity reviews. A campus consultation will be used in the interim years to identify new issues related to program productivity.

Productivity criteria collected from other states were compared to the Kentucky thresholds. A wide variety of review processes are used to identify inefficient programs. The University of Wisconsin System no longer monitors productivity but allows individual campuses to identify their own low-productivity programs. South Dakota monitors small course sections rather than program degree output. Additionally, state higher education agencies that monitor degree output may use a variety of additional measures and criteria to validate the low-productivity programs. The following table summarizes similar degree output thresholds of the productivity review processes from selected states.

## Academic Program Annual Average Productivity Standards for Selected States

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State	AA	BA/BS	MA/MS	PhD
KY	12	12	7	5
AL	7.5	7.5	3.75	2.25
LA	-	8	5	2
MD	5	5	2	1
NE	10	7	5	3
OK	5	5	3	2
VA	10	5	3	2

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Additional program productivity review issues raised in the November 2005 outcome report presentation will be addressed by the Council staff in cooperation with the institutions. Detailed steps and timelines for future productivity reviews will be developed with procedures for recognition of certifications within degree programs and productivity measurements of collaborative programs.

## **Guidelines for Review of Academic Program Productivity**

That the Council [*Kentucky Council on Postsecondary Education*] staff review the status of all existing programs in operation for more than four years and identify those that do not appear to be sufficiently and effectively contributing to the needs of the statewide system of postsecondary education in Kentucky. This review will occur once every four years. Institutions will be asked to review each identified program at their respective institution and make a written recommendation about its continuation, modification, elimination, or consolidation into a cooperative program. The Council staff will consult with individual institutions and make recommendations to the Council on the most appropriate action for each program initially identified. Institutions can submit other evidence of the value of individual programs (for instance, research funding, number of declared candidates for the degree, or courses that service other programs), but this must be well documented.

That the following thresholds will be used to identify programs:

- Associate programs will be identified if they average fewer than 12 degrees awarded during the five-year period beginning with the 1994-95 academic year.
- Baccalaureate programs will be identified if they average fewer than 12 degrees awarded during the five-year period beginning with the 1994-95 academic year.
- Master's and specialist programs will be identified if they average fewer than seven degrees awarded during the five-year period beginning with the 1994-95 academic year.
- Doctoral programs will be identified if they average fewer than five degrees awarded during the five-year period beginning with the 1994-95 academic year.

Between program productivity reviews Council staff will meet with campus representatives to discuss productivity issues and verify existing program structures ahead of the formal review.

**Council on Postsecondary Education  
January 30, 2006**

**Fall 2005 Enrollments and 2004-05 Completions**

Enrollment data from fall 2005 indicates that Kentucky's public colleges and universities reached a record high of 203,741 students. This represents an overall increase of 1.5 percent over fall 2004 including a growth of 2.1 percent for undergraduates and a 2.8 percent decline of graduate enrollments.

During 2004-05, a record number of 13,554 baccalaureate degrees were awarded by Kentucky's public universities. This represents a 3.2 percent increase over the number awarded during the 2003-04 academic year.

Enrollments and completions from the independent institutions are not yet complete. Updates will be distributed as that data becomes available.



DEGREES AND OTHER FORMAL AWARDS CONFERRED BY LEVEL  
KENTUCKY STATE-SUPPORTED INSTITUTIONS  
1995/96 - 2004/05

INSTITUTION/LEVEL	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05
<b>UNIVERSITIES:</b>										
<b>EASTERN KENTUCKY UNIVERSITY</b>										
Certificates			1		2	17	18	5	2	1
Associate	254	267	225	237	226	201	181	195	241	241
Baccalaureate	1,714	1,786	1,717	1,762	1,663	1,639	1,572	1,664	1,678	1,787
Post-Baccalaureate Certificate								4	7	5
Master's/Specialist	408	449	442	405	437	390	373	462	623	657
<i>Total Degrees Conferred</i>	<i>2,376</i>	<i>2,502</i>	<i>2,385</i>	<i>2,404</i>	<i>2,328</i>	<i>2,247</i>	<i>2,144</i>	<i>2,330</i>	<i>2,551</i>	<i>2,691</i>
<b>KENTUCKY STATE UNIVERSITY</b>										
Associate	67	73	92	69	71	62	74	70	66	50
Baccalaureate	192	183	226	193	222	207	219	210	214	229
Master's/Specialist	23	21	25	29	23	29	40	41	42	52
<i>Total Degrees Conferred</i>	<i>282</i>	<i>277</i>	<i>343</i>	<i>291</i>	<i>316</i>	<i>298</i>	<i>333</i>	<i>321</i>	<i>322</i>	<i>331</i>
<b>MOREHEAD STATE UNIVERSITY</b>										
Associate	154	127	146	137	136	136	143	145	123	125
Baccalaureate	1,021	1,026	954	911	971	927	907	887	991	1,038
Master's/Specialist	336	268	283	267	288	319	322	398	359	373
<i>Total Degrees Conferred</i>	<i>1,511</i>	<i>1,421</i>	<i>1,383</i>	<i>1,315</i>	<i>1,395</i>	<i>1,382</i>	<i>1,372</i>	<i>1,430</i>	<i>1,473</i>	<i>1,536</i>
<b>MURRAY STATE UNIVERSITY</b>										
Certificates	1						3	1	1	
Associate	46	29	30	27	31	31	22	31	32	38
Baccalaureate	1,059	1,014	1,064	1,057	1,274	1,225	1,284	1,290	1,440	1,372
Master's/Specialist	375	448	446	478	458	502	550	583	573	570
<i>Total Degrees Conferred</i>	<i>1,481</i>	<i>1,491</i>	<i>1,540</i>	<i>1,562</i>	<i>1,763</i>	<i>1,758</i>	<i>1,859</i>	<i>1,905</i>	<i>2,046</i>	<i>1,980</i>
<b>NORTHERN KENTUCKY UNIVERSITY</b>										
Certificates		1	1	1	2			1		1
Associate	310	240	234	223	202	222	267	287	214	237
Baccalaureate	1,093	1,082	1,122	1,163	1,142	1,186	1,259	1,374	1,421	1,529
Post-Baccalaureate Certificate									8	3
Master's/Specialist	181	212	207	211	229	196	210	292	352	380
Post-Master's Certificate									7	14
<i>Subtotal</i>	<i>1,584</i>	<i>1,535</i>	<i>1,564</i>	<i>1,598</i>	<i>1,575</i>	<i>1,604</i>	<i>1,736</i>	<i>1,954</i>	<i>2,002</i>	<i>2,164</i>
Law	128	106	111	112	112	81	93	101	102	137
<i>Total Degrees Conferred</i>	<i>1,712</i>	<i>1,641</i>	<i>1,675</i>	<i>1,710</i>	<i>1,687</i>	<i>1,685</i>	<i>1,829</i>	<i>2,055</i>	<i>2,104</i>	<i>2,301</i>
<b>UNIVERSITY OF KENTUCKY</b>										
Baccalaureate	3,003	3,133	3,247	3,285	3,187	3,239	3,488	3,338	3,373	3,285
Master's/Specialist	1,033	1,032	1,133	1,134	1,067	1,055	924	1,061	1,269	1,358
Doctoral	236	240	232	204	249	219	216	208	233	276
<i>Subtotal</i>	<i>4,272</i>	<i>4,405</i>	<i>4,612</i>	<i>4,623</i>	<i>4,503</i>	<i>4,513</i>	<i>4,628</i>	<i>4,607</i>	<i>4,875</i>	<i>4,919</i>
Law	137	144	141	134	139	129	108	126	127	137
Medicine	89	88	92	93	90	103	88	88	86	96
Dentistry	50	46	45	48	47	45	49	52	49	51
Pharm D	77	74	85	90	93	98	98	97	110	110
<i>Subtotal</i>	<i>353</i>	<i>352</i>	<i>363</i>	<i>365</i>	<i>369</i>	<i>375</i>	<i>343</i>	<i>363</i>	<i>372</i>	<i>394</i>
<i>Total Degrees Conferred</i>	<i>4,625</i>	<i>4,757</i>	<i>4,975</i>	<i>4,988</i>	<i>4,872</i>	<i>4,888</i>	<i>4,971</i>	<i>4,970</i>	<i>5,247</i>	<i>5,313</i>

DEGREES AND OTHER FORMAL AWARDS CONFERRED BY LEVEL  
 KENTUCKY STATE-SUPPORTED INSTITUTIONS  
 1995/96 - 2004/05 (continued)

INSTITUTION/LEVEL	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05
<b>UNIVERSITY OF LOUISVILLE</b>										
Certificates	98	11	108	116	117	117	118	117	112	109
Associate	101	93	73	77	80	63	70	38	45	48
Baccalaureate	1,818	1,836	1,694	1,734	1,750	1,819	1,851	1,825	1,890	2,148
Post-Baccalaureate Certificate	14		24	16	11	12	32	31	25	16
Master's/Specialist	951	1,015	1,127	1,209	1,122	1,357	1,313	1,206	1,322	1,373
Post-Master's Certificate									3	4
Doctoral	69	63	76	78	76	65	90	89	106	112
<i>Subtotal</i>	<i>3,051</i>	<i>3,018</i>	<i>3,102</i>	<i>3,230</i>	<i>3,156</i>	<i>3,433</i>	<i>3,474</i>	<i>3,306</i>	<i>3,503</i>	<i>3,810</i>
Law	117	154	152	136	123	103	114	111	120	115
Medicine	130	140	130	133	127	145	131	133	137	145
Dentistry	57	60	63	71	60	67	76	79	73	73
<i>Subtotal</i>	<i>304</i>	<i>354</i>	<i>345</i>	<i>340</i>	<i>310</i>	<i>315</i>	<i>321</i>	<i>323</i>	<i>330</i>	<i>333</i>
<i>Total Degrees Conferred</i>	<i>3,355</i>	<i>3,372</i>	<i>3,447</i>	<i>3,570</i>	<i>3,466</i>	<i>3,748</i>	<i>3,795</i>	<i>3,629</i>	<i>3,833</i>	<i>4,143</i>
<b>WESTERN KENTUCKY UNIVERSITY</b>										
Certificates	2		1				2		44	73
Associate	286	293	322	248	273	273	270	276	315	299
Baccalaureate	1,709	1,630	1,716	1,909	1,753	1,695	1,903	1,878	2,116	2,166
Master's/Specialists	537	543	528	527	514	514	517	658	774	797
<i>Total Degrees Conferred</i>	<i>2,534</i>	<i>2,466</i>	<i>2,567</i>	<i>2,684</i>	<i>2,540</i>	<i>2,482</i>	<i>2,692</i>	<i>2,812</i>	<i>3,249</i>	<i>3,335</i>
<b>TOTAL UNIVERSITIES</b>										
Certificates	101	12	111	117	121	134	141	124	159	184
Associate	1,218	1,122	1,122	1,018	1,019	988	1,027	1,042	1,036	1,038
Baccalaureate	11,609	11,690	11,740	12,014	11,962	11,937	12,483	12,466	13,123	13,554
Post-Baccalaureate Certificate	14		24	16	11	12	32	35	40	24
Master's/Specialist	3,844	3,988	4,191	4,260	4,138	4,362	4,249	4,701	5,314	5,560
Post-Master's Certificate									10	18
Doctoral	305	303	308	282	325	284	306	297	339	388
<i>Subtotal</i>	<i>17,091</i>	<i>17,115</i>	<i>17,496</i>	<i>17,707</i>	<i>17,576</i>	<i>17,717</i>	<i>18,238</i>	<i>18,665</i>	<i>20,021</i>	<i>20,766</i>
Law	382	404	404	382	374	313	315	338	349	389
Medicine	219	228	222	226	217	248	219	221	223	241
Dentistry	107	106	108	119	107	112	125	131	122	124
Pharm D	77	74	85	90	93	98	98	97	110	110
<i>Subtotal</i>	<i>785</i>	<i>812</i>	<i>819</i>	<i>817</i>	<i>791</i>	<i>771</i>	<i>757</i>	<i>787</i>	<i>804</i>	<i>864</i>
<i>Total Degrees Conferred</i>	<i>17,876</i>	<i>17,927</i>	<i>18,315</i>	<i>18,524</i>	<i>18,367</i>	<i>18,488</i>	<i>18,995</i>	<i>19,452</i>	<i>20,825</i>	<i>21,630</i>

DEGREES AND OTHER FORMAL AWARDS CONFERRED BY LEVEL  
 KENTUCKY STATE-SUPPORTED INSTITUTIONS  
 1995/96 - 2004/05 (continued)

INSTITUTION/LEVEL	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05
<b>LEXINGTON COMMUNITY COLLEGE</b>										
Certificate									5	
Associate	305	353	363	396	384	438	488	601	656	
<i>Total</i>	<i>305</i>	<i>353</i>	<i>363</i>	<i>396</i>	<i>384</i>	<i>438</i>	<i>488</i>	<i>601</i>	<i>661</i>	
<b>UK COMMUNITY COLLEGES</b>										
ASHLAND	158	161	159	121	122					
ELIZABETHTOWN	339	330	315	309	303					
HAZARD	217	258	250	272	271					
HENDERSON	167	165	131	127	116					
HOPKINSVILLE	223	224	186	245	185					
JEFFERSON	630	629	559	496	513					
MADISONVILLE	265	220	218	194	175					
MAYSVILLE	148	180	108	116	107					
OWENSBORO	206	269	201	205	250					
PADUCAH	269	331	324	327	312					
PRESTONSBURG	180	204	216	177	129					
SOMERSET	215	231	236	229	258					
SOUTHEAST	386	401	343	320	321					
<i>TOTAL UK COMMUNITY COLLEGES</i>	<i>3,403</i>	<i>3,603</i>	<i>3,246</i>	<i>3,138</i>	<i>3,062</i>					
<b>KENTUCKY COMMUNITY AND TECHNICAL COLLEGE SYSTEM</b>										
<b>ASHLAND COMMUNITY AND TECHNICAL COLLEGE</b>										
Diploma						101	112	115	143	108
Certificate						100	108	172	137	252
Associate						156	188	195	227	231
<i>Total</i>						<i>357</i>	<i>408</i>	<i>482</i>	<i>507</i>	<i>591</i>
<b>BIG SANDY COMMUNITY AND TECHNICAL COLLEGE</b>										
Diploma						116	133	43	240	178
Certificate						526	1,310	365	722	676
Associate						157	105	181	198	282
<i>Total</i>						<i>799</i>	<i>1,548</i>	<i>589</i>	<i>1,160</i>	<i>1,136</i>
<b>BLUEGRASS COMMUNITY AND TECHNICAL COLLEGE</b>										
Diploma										433
Certificate										754
Associate										895
<i>Total</i>										<i>2,082</i>
<b>CENTRAL KENTUCKY TECHNICAL COLLEGE</b>										
Diploma						222	158	183	317	
Certificate						13	46	329	493	
Associate						48	70	124	203	
<i>Total</i>						<i>283</i>	<i>274</i>	<i>636</i>	<i>1,013</i>	
<b>BOWLING GREEN TECHNICAL COLLEGE</b>										
Diploma						103	168	203	199	243
Certificate						151	92	324	281	260
Associate						2	12	48	94	115
<i>Total</i>						<i>256</i>	<i>272</i>	<i>575</i>	<i>574</i>	<i>618</i>

KENTUCKY STATE-SUPPORTED INSTITUTIONS  
1995/96 - 2004/05 (continued)

INSTITUTION/LEVEL	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05
<b>ELIZABETHTOWN COMMUNITY AND TECHNICAL COLLEGE</b>										
Diploma						81	93	86	77	73
Certificate						379	349	416	161	411
Associate						304	352	368	408	432
<i>Total</i>						<i>764</i>	<i>794</i>	<i>870</i>	<i>646</i>	<i>916</i>
<b>GATEWAY COMMUNITY AND TECHNICAL COLLEGE</b>										
Diploma						111	132	77	102	72
Certificate						99	177	94	189	389
Associate						11	21	22	23	43
<i>Total</i>						<i>221</i>	<i>330</i>	<i>193</i>	<i>314</i>	<i>504</i>
<b>HAZARD COMMUNITY AND TECHNICAL COLLEGE</b>										
Diploma						83	79	41	93	89
Certificate						47	63	106	399	533
Associate						259	313	272	306	336
<i>Total</i>						<i>389</i>	<i>455</i>	<i>419</i>	<i>798</i>	<i>958</i>
<b>HENDERSON COMMUNITY COLLEGE</b>										
Diploma									1	
Certificate							18	43	81	72
Associate						87	124	139	165	154
<i>Total</i>						<i>87</i>	<i>142</i>	<i>182</i>	<i>247</i>	<i>226</i>
<b>HOPKINSVILLE COMMUNITY COLLEGE</b>										
Diploma							14	26	11	29
Certificate						36	205	114	207	251
Associate						200	238	322	298	327
<i>Total</i>						<i>236</i>	<i>457</i>	<i>462</i>	<i>516</i>	<i>607</i>
<b>JEFFERSON COMMUNITY AND TECHNICAL COLLEGE DISTRICT</b>										
Diploma						54	117	159	165	268
Certificate						72	178	427	586	982
Associate						392	422	470	631	691
<i>Total</i>						<i>518</i>	<i>717</i>	<i>1,056</i>	<i>1,382</i>	<i>1,941</i>
<b>MADISONVILLE COMMUNITY COLLEGE</b>										
Diploma						114	28	132	67	73
Certificate						12	56	198	384	297
Associate						231	263	312	336	348
<i>Total</i>						<i>357</i>	<i>347</i>	<i>642</i>	<i>787</i>	<i>718</i>
<b>MAYSVILLE COMMUNITY AND TECHNICAL COLLEGE</b>										
Diploma						129	100	64	145	138
Certificate						16	62	270	432	550
Associate						110	154	156	186	157
<i>Total</i>						<i>255</i>	<i>316</i>	<i>490</i>	<i>763</i>	<i>845</i>
<b>OWENSBORO COMMUNITY AND TECHNICAL COLLEGE</b>										
Diploma						83	73	38	91	100
Certificate						60	274	160	250	269
Associate						225	224	251	259	350
<i>Total</i>						<i>368</i>	<i>571</i>	<i>449</i>	<i>600</i>	<i>719</i>

DEGREES AND OTHER FORMAL AWARDS CONFERRED BY LEVEL  
 KENTUCKY STATE-SUPPORTED INSTITUTIONS  
 1995/96 - 2004/05 (continued)

INSTITUTION/LEVEL	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05
<b>SOMERSET COMMUNITY COLLEGE</b>										
Diploma						133	110	153	140	122
Certificate						40	122	252	456	555
Associate						405	416	484	446	435
<i>Total</i>						<i>578</i>	<i>648</i>	<i>889</i>	<i>1,042</i>	<i>1,112</i>
<b>SOUTHEAST COMMUNITY AND TECHNICAL COLLEGE</b>										
Diploma						126	88	151	107	141
Certificate						48	333	259	250	648
Associate						345	371	419	417	445
<i>Total</i>						<i>519</i>	<i>792</i>	<i>829</i>	<i>774</i>	<i>1,234</i>
<b>WEST KENTUCKY COMMUNITY AND TECHNICAL COLLEGE</b>										
Diploma						153	203	234	328	243
Certificate						240	315	400	720	809
Associate						390	433	466	567	482
<i>Total</i>						<i>783</i>	<i>951</i>	<i>1,100</i>	<i>1,615</i>	<i>1,534</i>
<b>TOTAL KCTCS</b>										
Diploma						1,609	1,608	1,705	2,226	2,310
Certificate						1,839	3,708	3,929	5,748	7,708
Associate						3,322	3,706	4,229	4,764	5,723
<i>Total</i>						<i>6,770</i>	<i>9,022</i>	<i>9,863</i>	<i>12,738</i>	<i>15,741</i>
<b>TOTAL STATE-SUPPORTED</b>										
Diploma						1,609	1,608	1,705	2,226	2,310
Certificates	101	12	111	117	121	1,973	3,849	4,053	5,912	7,892
Associate	4,926	5,078	4,731	4,552	4,465	4,748	5,221	5,872	6,456	6,761
Baccalaureate	11,609	11,690	11,740	12,014	11,962	11,937	12,483	12,466	13,123	13,554
Post-Baccalaureate Certificate	14		24	16	11	12	32	35	40	24
Master's/Specialists	3,844	3,988	4,191	4,260	4,138	4,362	4,249	4,701	5,314	5,560
Post-Master's Certificate						0	0	0	10	18
Doctoral	305	303	308	282	325	284	306	297	339	388
<i>Subtotal</i>	<i>20,799</i>	<i>21,071</i>	<i>21,105</i>	<i>21,241</i>	<i>21,022</i>	<i>24,925</i>	<i>27,748</i>	<i>29,129</i>	<i>33,420</i>	<i>36,507</i>
Law	382	404	404	382	374	313	315	338	349	389
Medicine	219	228	222	226	217	248	219	221	223	241
Dentistry	107	106	108	119	107	112	125	131	122	124
Pharm D	77	74	85	90	93	98	98	97	110	110
<i>Subtotal</i>	<i>785</i>	<i>812</i>	<i>819</i>	<i>817</i>	<i>791</i>	<i>771</i>	<i>757</i>	<i>787</i>	<i>804</i>	<i>864</i>
<i>Total Degrees Conferred</i>	<i>21,584</i>	<i>21,883</i>	<i>21,924</i>	<i>22,058</i>	<i>21,813</i>	<i>25,696</i>	<i>28,505</i>	<i>29,916</i>	<i>34,224</i>	<i>37,371</i>

Notes:

- Includes certificates of less than one year, one but less than two years, and two but less than four years.
- The UK Community Colleges awarded only Associate degrees.
- Data for the Technical Colleges was not available prior to 2000/01.
- Beginning with 2004/05, Lexington Community College and Central Kentucky Technical College are reported as Bluegrass Community and Technical College.

Source: Kentucky Council on Postsecondary Education Data Base.

November 22, 2005

TOTAL HEADCOUNT ENROLLMENT BY LEVEL  
KENTUCKY STATE-SUPPORTED INSTITUTIONS  
FALL 1996 - FALL 2005

INSTITUTION/LEVEL	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
<b>UNIVERSITIES</b>										
<b>EASTERN KENTUCKY UNIVERSITY</b>										
Undergraduate	13,175	13,437	13,480	13,274	12,909	13,023	13,053	13,567	13,837	13,942
Graduate	1,986	1,988	1,922	1,914	1,748	1,890	2,195	2,384	2,346	2,277
<i>Total Headcount</i>	<i>15,161</i>	<i>15,425</i>	<i>15,402</i>	<i>15,188</i>	<i>14,657</i>	<i>14,913</i>	<i>15,248</i>	<i>15,951</i>	<i>16,183</i>	<i>16,219</i>
<b>KENTUCKY STATE UNIVERSITY</b>										
Undergraduate	2,280	2,203	2,205	2,277	2,129	2,165	2,107	2,138	2,183	2,228
Graduate	76	85	98	116	125	149	146	168	152	158
<i>Total Headcount</i>	<i>2,356</i>	<i>2,288</i>	<i>2,303</i>	<i>2,393</i>	<i>2,254</i>	<i>2,314</i>	<i>2,253</i>	<i>2,306</i>	<i>2,335</i>	<i>2,386</i>
<b>MOREHEAD STATE UNIVERSITY</b>										
Undergraduate	6,830	6,690	6,743	6,645	6,755	7,268	7,712	7,929	7,762	7,549
Graduate	1,514	1,518	1,520	1,526	1,572	1,759	1,678	1,580	1,531	1,513
<i>Total Headcount</i>	<i>8,344</i>	<i>8,208</i>	<i>8,263</i>	<i>8,171</i>	<i>8,327</i>	<i>9,027</i>	<i>9,390</i>	<i>9,509</i>	<i>9,293</i>	<i>9,062</i>
<b>MURRAY STATE UNIVERSITY</b>										
Undergraduate	7,122	7,210	7,349	7,299	7,492	7,776	8,088	8,385	8,371	8,585
Graduate	1,514	1,601	1,554	1,615	1,649	1,872	1,832	1,715	1,757	1,689
<i>Total Headcount</i>	<i>8,636</i>	<i>8,811</i>	<i>8,903</i>	<i>8,914</i>	<i>9,141</i>	<i>9,648</i>	<i>9,920</i>	<i>10,100</i>	<i>10,128</i>	<i>10,274</i>
<b>NORTHERN KENTUCKY UNIVERSITY</b>										
Undergraduate	10,269	10,625	10,643	10,672	10,859	11,288	12,164	12,223	12,070	12,107
Graduate	794	758	764	746	871	884	1,107	1,196	1,272	1,335
First-Professional	410	402	392	358	371	376	472	526	579	583
<i>Total Headcount</i>	<i>11,473</i>	<i>11,785</i>	<i>11,799</i>	<i>11,776</i>	<i>12,101</i>	<i>12,548</i>	<i>13,743</i>	<i>13,945</i>	<i>13,921</i>	<i>14,025</i>
<b>UNIVERSITY OF KENTUCKY</b>										
Undergraduate	17,041	17,014	17,157	16,847	16,899	17,284	17,878	18,190	18,492	18,732
Graduate	5,042	5,142	5,142	4,822	4,837	5,399	5,767	5,881	5,825	5,485
Post-Doctoral	145	147	197	209	256	240	232	284	295	224
First-Professional	1,353	1,390	1,410	1,397	1,380	1,365	1,388	1,408	1,427	1,485
House Staff	480	478	488	467	480	503	476	497	506	513
<i>Total Headcount</i>	<i>24,061</i>	<i>24,171</i>	<i>24,394</i>	<i>23,742</i>	<i>23,852</i>	<i>24,791</i>	<i>25,741</i>	<i>26,260</i>	<i>26,545</i>	<i>26,439</i>
<b>UNIVERSITY OF LOUISVILLE</b>										
Undergraduate	14,798	14,564	14,647	14,710	14,477	14,131	14,475	14,724	14,933	15,057
Graduate	4,251	4,434	4,293	4,168	4,374	4,302	4,677	4,795	4,802	4,667
Post-Doctoral	38	29	65	74	84	136	87	90	124	126
First-Professional	1,350	1,301	1,269	1,256	1,253	1,271	1,281	1,306	1,301	1,329
House Staff	583	566	583	585	580	554	569	549	565	581
<i>Total Headcount</i>	<i>21,020</i>	<i>20,894</i>	<i>20,857</i>	<i>20,793</i>	<i>20,768</i>	<i>20,394</i>	<i>21,089</i>	<i>21,464</i>	<i>21,725</i>	<i>21,760</i>
<b>WESTERN KENTUCKY UNIVERSITY</b>										
Undergraduate	12,475	12,338	12,713	12,921	13,272	14,135	15,234	15,798	15,846	15,978
Graduate	2,138	2,205	2,169	2,202	2,244	2,444	2,584	2,593	2,667	2,667
<i>Total Headcount</i>	<i>14,613</i>	<i>14,543</i>	<i>14,882</i>	<i>15,123</i>	<i>15,516</i>	<i>16,579</i>	<i>17,818</i>	<i>18,391</i>	<i>18,513</i>	<i>18,645</i>

TOTAL HEADCOUNT ENROLLMENT BY LEVEL  
KENTUCKY STATE-SUPPORTED INSTITUTIONS  
FALL 1996 - FALL 2005 (continued)

INSTITUTION/LEVEL	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
<i>TOTAL UNIVERSITIES</i>										
Undergraduate	83,990	84,081	84,937	84,645	84,792	87,070	90,711	92,954	93,494	94,178
Graduate	17,315	17,731	17,462	17,109	17,420	18,699	19,986	20,312	20,352	19,791
Post-Doctoral	183	176	262	283	340	376	319	374	419	350
First-Professional	3,113	3,093	3,071	3,011	3,004	3,012	3,141	3,240	3,307	3,397
House Staff	1,063	1,044	1,071	1,052	1,060	1,057	1,045	1,046	1,071	1,094
<i>Total Headcount</i>	<i>105,664</i>	<i>106,125</i>	<i>106,803</i>	<i>106,100</i>	<i>106,616</i>	<i>110,214</i>	<i>115,202</i>	<i>117,926</i>	<i>118,643</i>	<i>118,810</i>
KENTUCKY COMMUNITY AND TECHNICAL COLLEGE SYSTEM*	43,674	41,957	51,647	52,842	59,415	70,913	76,082	80,695	81,990	84,931
 <i>TOTAL STATE-SUPPORTED</i>										
Undergraduate	127,664	126,038	136,584	137,487	144,207	157,983	166,793	173,649	175,484	179,109
Graduate	17,315	17,731	17,462	17,109	17,420	18,699	19,986	20,312	20,352	19,791
Post-Doctoral	183	176	262	283	340	376	319	374	419	350
First-Professional	3,113	3,093	3,071	3,011	3,004	3,012	3,141	3,240	3,307	3,397
House Staff	1,063	1,044	1,071	1,052	1,060	1,057	1,045	1,046	1,071	1,094
<i>Total Headcount</i>	<i>149,338</i>	<i>148,082</i>	<i>158,450</i>	<i>158,942</i>	<i>166,031</i>	<i>181,127</i>	<i>191,284</i>	<i>198,621</i>	<i>200,633</i>	<i>203,741</i>

\* Enrollment data for the Technical Colleges were not collected prior to Fall 1998.  
Lexington Community College is included in KCTCS.

Note: Graduate data include doctoral students.

December 20, 2005

Source: Council on Postsecondary Education Data Base.

TOTAL HEADCOUNT ENROLLMENT BY LEVEL AND PERCENT CHANGE  
KENTUCKY STATE-SUPPORTED INSTITUTIONS  
FALL 2004 AND FALL 2005

INSTITUTIONS	UNDERGRADUATE			GRADUATE			FIRST-PROFESSIONAL			HOUSE STAFF		POST-DOCTORAL			TOTAL			
	Fall 2004	Fall 2005	Percent Change	Fall 2004	Fall 2005	Percent Change	Fall 2004	Fall 2005	Percent Change	Fall 2004	Fall 2005	Percent Change	Fall 2004	Fall 2005	Percent Change	Fall 2004	Fall 2005	Percent Change
<b>Universities</b>																		
Eastern Kentucky University	13,837	13,942	0.8	2,346	2,277	-2.9									16,183	16,219	0.2	
Kentucky State University	2,183	2,228	2.1	152	158	3.9									2,335	2,386	2.2	
Morehead State University	7,762	7,549	-2.7	1,531	1,513	-1.2									9,293	9,062	-2.5	
Murray State University	8,371	8,585	2.6	1,757	1,689	-3.9									10,128	10,274	1.4	
Northern Kentucky University	12,070	12,107	0.3	1,272	1,335	5.0	579	583	0.7						13,921	14,025	0.7	
University of Kentucky	18,492	18,732	1.3	5,825	5,485	-5.8	1,427	1,485	4.1	506	513	1.4	295	224	-24.1	26,545	26,439	-0.4
University of Louisville	14,933	15,057	0.8	4,802	4,667	-2.8	1,301	1,329	2.2	565	581	2.8	124	126	1.6	21,725	21,760	0.2
Western Kentucky University	15,846	15,978	0.8	2,667	2,667	0.0									18,513	18,645	0.7	
<b>Total Universities</b>	<b>93,494</b>	<b>94,178</b>	<b>0.7</b>	<b>20,352</b>	<b>19,791</b>	<b>-2.8</b>	<b>3,307</b>	<b>3,397</b>	<b>2.7</b>	<b>1,071</b>	<b>1,094</b>	<b>2.1</b>	<b>419</b>	<b>350</b>	<b>-16.5</b>	<b>118,643</b>	<b>118,810</b>	<b>0.1</b>
<b><u>KENTUCKY COMMUNITY AND TECHNICAL COLLEGE SYSTEM</u></b>																		
Ashland Community and Technical College	3,905	4,037	3.4												3,905	4,037	3.4	
Big Sandy Community and Technical College	4,673	4,815	3.0												4,673	4,815	3.0	
Bluegrass Community and Technical College District	12,361	12,363	0.0												12,361	12,363	0.0	
Bowling Green Technical College	2,511	2,840	13.1												2,511	2,840	13.1	
Elizabethtown Community and Technical College	4,941	4,941	0.0												4,941	4,941	0.0	
Gateway Community and Technical College	2,624	2,952	12.5												2,624	2,952	12.5	
Hazard Community and Technical College	3,802	3,883	2.1												3,802	3,883	2.1	
Henderson Community College	1,986	2,017	1.6												1,986	2,017	1.6	
Hopkinsville Community College	3,104	3,181	2.5												3,104	3,181	2.5	
Jefferson Community and Technical College District	13,846	14,240	2.8												13,846	14,240	2.8	
Madisonville Community College	3,712	3,769	1.5												3,712	3,769	1.5	
Maysville Community and Technical College	2,785	3,273	17.5												2,785	3,273	17.5	
Owensboro Community and Technical College	4,896	5,047	3.1												4,896	5,047	3.1	
Somerset Community College	5,850	6,079	3.9												5,850	6,079	3.9	
Southeast Community and Technical College	4,519	4,712	4.3												4,519	4,712	4.3	
West Kentucky Community and Technical College	6,475	6,782	4.7												6,475	6,782	4.7	
<b>KCTCS Subtotal</b>	<b>81,990</b>	<b>84,931</b>	<b>3.6</b>												<b>81,990</b>	<b>84,931</b>	<b>3.6</b>	
<b>Total State-Supported</b>	<b>175,484</b>	<b>179,109</b>	<b>2.1</b>	<b>20,352</b>	<b>19,791</b>	<b>-2.8</b>	<b>3,307</b>	<b>3,397</b>	<b>2.7</b>	<b>1,071</b>	<b>1,094</b>	<b>2.1</b>	<b>419</b>	<b>350</b>	<b>-16.5</b>	<b>200,633</b>	<b>203,741</b>	<b>1.5</b>

December 20, 2005

Source: Council on Postsecondary Education Data Base



**Council on Postsecondary Education  
January 30, 2006**

## **2020 Educational Attainment Projections**

Achievement of HB 1 goals is dependent on increasing the educational attainment level of the Commonwealth to at least the national average by 2020. To convey the scope of this charge over the next 15 years, the Council staff developed a set of 2020 projections to help answer the following three questions:

- What is the national level of educational attainment projected to be in 2020?
- What would Kentucky's level of educational attainment be in 2020 without policy intervention?
- What would it take to fill the gap?

The attached highlight the challenge of meeting the educational goal outlined in HB 1 and a number of steps to be worked on concurrently in order to narrow the educational gap in Kentucky and to move Kentucky closer to the national level of adults with bachelor's degrees or higher by the year 2020.

The Council staff will work with the institutions to develop programmatic and financial plans for accomplishing the 2020 projections. An initial report and a set of recommendations will be prepared for the next Council meeting.

**Kentucky Council on Postsecondary Education  
2020 Educational Attainment Projections to Achieve National Average  
Five-Step Policy Intervention Plan**

<b>Goal:</b>	<p>To achieve national level of educational attainment, defined as working age adults with a bachelor's degree or higher, by the year 2020.</p> <p>In 2000, approximately 19% of Kentuckians achieved this level of educational attainment versus the national average of 27%. The national average is expected to rise to 32% by 2020.</p>
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<b>Projected Need:</b>	791,000	Kentuckians with at least a bachelor's degree in 2020. This is approximately double the number the state has today.
<b>No Change:</b>	580,000	Kentuckians with at least a bachelor's degree in 2020 without change or policy intervention.
<b>Gap:</b>	211,000	Additional Kentuckians with at least a bachelor's degree needed in 2020.

<b>Closing the Gap:</b>	Each step in closing the gap reflects a related set of policy changes, is categorized by organizational ownership, and assumes all steps take place concurrently.
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<b>Step 1: Increase PSE Participation and Quality</b>	65,000	<p>Additional bachelor's degree holders by improving postsecondary participation and quality (closes 30% of gap).</p> <ul style="list-style-type: none"> <li>- Increase college-going rates directly out of high school to top-performing states.</li> <li>- Increase adult participation rates to top performing states.</li> <li>- Improve graduation rates to benchmarks / national averages.</li> </ul>
<b>Step 2: Improve GED College Transition</b>	4,000	<p>Additional bachelor's degree holders by growing Kentucky Adult Education (closes 3% of gap).</p> <ul style="list-style-type: none"> <li>- Increase number of GED completers relative to KYAE enrollment goal.</li> <li>- Increase college-going rate of GED holders by historical trend.</li> </ul>
<b>Step 3: Funnel through KCTCS</b>	28,000	<p>Additional bachelor's degree holders by increasing the number of incoming students through KCTCS (closes 13% of gap).</p> <ul style="list-style-type: none"> <li>- Send more first-time students to KCTCS.</li> <li>- Base transfer number on KCTCS enrollment and double the percent of KCTCS enrollment that transfers to four-year schools.</li> <li>- Send more transfers to the comprehensive universities.</li> </ul>
<b>Step 4: Raise High School Graduation Rates</b>	34,000	<p>Additional bachelor's degree holders by increasing high school graduation (closes 16% of gap).</p> <ul style="list-style-type: none"> <li>- Increase number of high school graduates to match current median of states' graduation rate of ninth graders.</li> </ul>
<b>Step 5: Increase Migration</b>	80,000	Additional bachelor's degree holders by increasing the number of jobs that require a college-level education (closes remaining 38% of gap).

**Kentucky Council on Postsecondary Education  
2020 Educational Attainment Projections to Close Gap  
Actual Versus Estimates**

		<b>1998 Actual</b>	<b>2004 Actual</b>	<b>% Increase over 1998</b>	<b>2010 Estimate</b>	<b>% Increase over 2004</b>	<b>2020 Estimate</b>	<b>% Increase over 2004</b>
<b>UK</b>	Fall Undergraduate Enrollment	17,157	18,492	8%	22,278	20%	29,009	57%
	Annual Bachelor's Degrees	3,247	3,373	4%	4,200	25%	5,854	74%
<b>U of L</b>	Fall Undergraduate Enrollment	14,647	14,933	2%	17,243	15%	21,349	43%
	Annual Bachelor's Degrees	1,694	1,890	12%	2,282	21%	3,067	62%
<b>Comprehensives</b>	Fall Undergraduate Enrollment	53,133	60,069	13%	79,652	33%	114,465	91%
	Annual Bachelor's Degrees	6,799	7,860	16%	11,416	45%	18,529	136%
<b>Independents</b>	Fall Undergraduate Enrollment	24,342	27,121	11%	31,510	16%	39,313	45%
	Annual Bachelor's Degrees	3,205	4,092	28%	4,801	17%	6,219	52%
<b>Four-Year Totals</b>	Fall Undergraduate Enrollment	109,279	120,615	10%	150,683	25%	204,136	69%
	Annual Bachelor's Degrees	14,945	17,215	15%	22,699	32%	33,669	96%
<b>KCTCS</b>	Fall Undergraduate Enrollment	51,647	81,990	59%	98,054	20%	126,613	54%
<b>System Totals</b>	Fall Undergraduate Enrollment	160,926	202,605	26%	248,737	23%	330,749	63%
	Annual Bachelor's Degrees	14,945	17,215	15%	22,699	32%	33,669	96%

20-Dec-05

**Kentucky Council on Postsecondary Education**  
**2020 Educational Attainment Projections to Close Gap**  
**Actual Versus Estimates**

		<b>1998 Actual</b>	<b>2004 Actual</b>	<b>% Increase over 1998</b>	<b>2010 Estimate</b>	<b>% Increase over 2004</b>	<b>2020 Estimate</b>	<b>% Increase over 2004</b>
<b>EKU</b>	Fall Undergraduate Enrollment	13,480	13,837	3%	18,348	33%	26,367	91%
	Annual Bachelor's Degrees	1,717	1,678	-2%	2,497	49%	4,136	146%
<b>KSU</b>	Fall Undergraduate Enrollment	2,205	2,183	-1%	2,895	33%	4,160	91%
	Annual Bachelor's Degrees	226	214	-5%	343	60%	602	181%
<b>Morehead</b>	Fall Undergraduate Enrollment	6,743	7,762	15%	10,292	33%	14,791	91%
	Annual Bachelor's Degrees	954	991	4%	1,451	46%	2,370	139%
<b>Murray</b>	Fall Undergraduate Enrollment	7,349	8,371	14%	11,100	33%	15,951	91%
	Annual Bachelor's Degrees	1,064	1,440	35%	1,936	34%	2,927	103%
<b>NKU</b>	Fall Undergraduate Enrollment	10,643	12,070	13%	16,005	33%	23,000	91%
	Annual Bachelor's Degrees	1,122	1,421	27%	2,136	50%	3,565	151%
<b>UK</b>	Fall Undergraduate Enrollment	17,157	18,492	8%	22,278	20%	29,009	57%
	Annual Bachelor's Degrees	3,247	3,373	4%	4,200	25%	5,854	74%
<b>U of L</b>	Fall Undergraduate Enrollment	14,647	14,933	2%	17,243	15%	21,349	43%
	Annual Bachelor's Degrees	1,694	1,890	12%	2,282	21%	3,067	62%
<b>WKU</b>	Fall Undergraduate Enrollment	12,713	15,846	25%	21,012	33%	30,195	91%
	Annual Bachelor's Degrees	1,716	2,116	23%	3,054	44%	4,930	133%
<b>Independents</b>	Fall Undergraduate Enrollment	24,342	27,121	11%	31,510	16%	39,313	45%
	Annual Bachelor's Degrees	3,205	4,092	28%	4,801	17%	6,219	52%
<b>Four-Year Totals</b>	Fall Undergraduate Enrollment	109,279	120,615	10%	150,683	25%	204,136	69%
	Annual Bachelor's Degrees	14,945	17,215	15%	22,700	32%	33,669	96%
<b>KCTCS</b>	Fall Undergraduate Enrollment	51,647	81,990	59%	98,054	20%	126,613	54%
<b>System Totals</b>	Fall Undergraduate Enrollment	160,926	202,605	26%	248,737	23%	330,749	63%
	Annual Bachelor's Degrees	14,945	17,215	15%	22,700	32%	33,669	96%

## Transfer Student Policy Development Update

### Background

In 2004 the Quality and Accountability Policy Group of the Council commissioned a statewide study of college student transfer. This study identified four primary barriers to college student transfer including financial access, tension between students' perceptions of the benefit of postsecondary education and their desire for employment and stability, the delivery of academic services at the baccalaureate level, and student planning, preparation, and knowledge related to the transfer process.

### Recent Developments

On December 13, 2005, the Statewide Transfer Committee met to reexamine the key findings of the statewide transfer study and explore institutional and policy-relevant strategies for addressing the needs of transfer students. During this discussion, the committee determined that helping transfer students overcome financial barriers to participation in postsecondary education and transfer, and enhancing transfer students' knowledge of the transfer process, were the most pervasive and pressing issues at both institutional and policy levels. The committee discussed the importance of developing financial aid that addresses the funding needs of transfer students, especially scholarships, and the need to enhance transfer-related marketing to motivate transfer and improve transfer students' overall awareness of what is required to transfer as well as the range of services available to assist in the transfer process.

### On the Horizon

#### Transfer Student Aid

- Transfer scholarships are included in the Council's 2006-08 budget request and KHEAA is piloting a small scholarship program for adult students that may provide some support for transfer.
- Strategies are needed to encourage public and independent postsecondary institutions to use institutional financial aid to make scholarships available to transfer students.

#### College Access Initiative

- The Council requested funding for a college access initiative in its 2006-08 budget request that will target potential transfer students as well as low-income P-12 and adult students. As a part of this effort, current institutional strategies for marketing transfer-relevant information and services will be reviewed.
- Council staff is working with KHEAA to enhance the information and utility of the Go Higher Kentucky Web portal for transfer students including a process for

managing the information and applications available to transfer students through the site.

- The Council should partner with KCTCS to develop workshops for faculty and academic advisors identifying ways to support student transfer.

#### Course Applicability System (CAS):

- The Council must continue to facilitate institutional participation with CAS, an online transfer planning system available to all students and advisors that provides degree and transfer information. This includes exploring the possibility of working with AcademyOne, an academic Web gateway that provides learning and career management services for individuals, institutions, and employers to enhance CAS' capability for student academic planning as well as advisors and administrators.

#### General Education Transfer Policy:

- The Council staff should develop a process to monitor the implementation of the general education transfer policy to ensure its effectiveness as a tool for promoting and facilitating college student transfer in Kentucky.

#### Statewide 2+2 Agreements:

- The Quality and Accountability Policy Group should explore the value of obtaining the Council's formal endorsement of current Statewide 2+2 Agreements including those statewide agreements in elementary education, special education, and business as well as other current transfer policies.

#### Completer Degrees:

- The Council staff should compile a report on the status of completer degree program development including Web-based information regarding the availability of completer degrees.

#### Key Indicator:

- The Council should continue close monitoring of institutional progress regarding college student transfer through its key indicator system.

**Council on Postsecondary Education  
January 30, 2006**

**Center for Mathematics**

**ACTION: The staff recommends that the Council award the contract for the Center for Mathematics to Northern Kentucky University. The Council staff also recommends that the Council authorize the Council staff to work with Northern Kentucky University and the University of Louisville to develop a collaborative effort to design the intervention and diagnostic functions of the center in the primary grades and to conduct research on the effectiveness of the center's programs.**

In response to House Bill 93 (KRS 164.525), signed into law in March 2005, the Council issued a request for proposals for the location of the Center for Mathematics at one of Kentucky's eight public postsecondary institutions. As a result of that RFP, the Council received proposals from Northern Kentucky University and the University of Louisville. A thorough review of these proposals was conducted by a committee consisting of representatives from the Kentucky Department of Education, Kentucky Adult Education, the Education Professional Standards Board, the Council staff, and a nationally recognized mathematics scholar from outside Kentucky. Input into the RFP was solicited and received from the Committee for Mathematics Achievement and the commissioner of the Kentucky Department of Education as required by KRS 164.525 (2).

NKU's proposal was evaluated slightly higher in the initial review. Council staff believed that due diligence called for in-depth interviews with representatives from each institution. Evaluations following these interviews again identified NKU's as the stronger overall proposal.

To that end, Council staff recommends that NKU be awarded the contract for the Center for Mathematics. NKU will serve as the center's clearinghouse and coordinator of professional development in the state. In addition, NKU will administer the demonstration sites at each public university called for by House Bill 93. NKU also will coordinate the coaching and mentoring models implemented in Kentucky. NKU will serve as the lead disseminator to all constituencies for information flowing from the center. NKU will be responsible for procuring an external evaluator to gauge the effectiveness of the center's operations as a whole.

The Council staff also recommends that the Council authorize the Council staff to work with NKU and UofL to develop a collaborative effort to design the intervention and diagnostic functions of the center in the primary grades and to conduct research on the effectiveness of the center's programs.

The Council staff believes that this collaborative effort will take advantage of particular strengths at each institution, resulting in increased student achievement in mathematics in Kentucky.

**Council on Postsecondary Education  
January 30, 2006**

## **Improving Educator Quality State Grant Program**

**ACTION: The staff recommends that the Council award federal *No Child Left Behind*, Title II, Part A, funds in the amount of \$1,140,000 for March 1, 2006–June 30, 2007, to support eight projects.**

- Investigating Non-Point Source Pollution [Murray State University] - \$140,000
- Spanish Immersion and Mentoring [Murray State University] - \$143,000
- Opening Doors to New Worlds: Certifying World Language Teachers for Kentucky [Northern Kentucky University] - \$143,000
- Developing and Assessing Communicative Competence in the World Language Classroom [University of Kentucky] - \$143,000
- Team Development for Instructional Leadership in Restructuring Secondary Schools [University of Kentucky] - \$143,000
- Making Geometry Accessible [University of Kentucky, Appalachian Rural Systemic Initiative] - \$143,000
- Improving Student Learning and Teachers' Content Knowledge in Middle School Math [University of Louisville] - \$142,000
- Improving Student World Language Performance: Using Assessment as the Guiding Force in Standards-Based Instruction [Western Kentucky University] - \$143,000

The Improving Educator Quality State Grant Program awards grants to partnerships that deliver research-based professional development programs to K-12 teachers. To be eligible, a partnership must include a postsecondary institution's school of arts and sciences and its teacher preparation program, as well as a high-need local school district. The program enables states to fund training for teachers and administrators in any core academic subject. The Council staff, with input from the Kentucky Department of Education, the Education Professional Standards Board, and the state P-16 Council, established four priorities for IEQ funds: mathematics and science, reading, instructional leadership, and foreign language.

Content-area specialists reviewed the 15 grant proposals received and made recommendations to the Council staff. Eight proposals were selected. Brief descriptions of these projects follow.



**Murray State University: \$140,000***Investigating Non-Point Source Pollution*

Joe Baust, principal investigator

Murray State University's Center for Environmental Education will partner with Western Kentucky University, West Kentucky Education Cooperative, Green River Education Cooperative, West Kentucky Environmental Education Consortium, and GEAR UP Kentucky to provide middle and high school teachers with strategies for incorporating hands-on, real-world instruction in math and science through the investigation of non-point source pollution. In addition to a summer workshop, teachers will receive ongoing resources and support to ensure successful implementation of instructional strategies during the school year.

**Murray State University: \$143,000***Spanish Immersion & Mentoring*

W. A. Franklin, principal investigator

Murray State University will join with West Kentucky Community and Technical College, the Kentucky Academy of Technology Education, and seven school districts to improve middle and high school world language fluency in the Spanish language and culture. The project consists of a 15-day immersion experience in Morelia, Mexico, followed by a year-long mentoring experience and regular interaction with a professional learning community to improve teachers' ability to construct units of study that produce gains in student learning.

**Northern Kentucky University: \$143,000***Opening Doors to New Worlds: Certifying World Language Teachers for Kentucky*

Gay Washburn, principal investigator

Northern Kentucky University and Thomas More College will target classroom teachers in Jefferson County, northern Kentucky, and surrounding counties who hold emergency certifications in world language instruction. Through a six-week, intensive summer program, Saturday workshops throughout the school year, and ongoing listserv communication, participants will receive 180 hours of graduate credit, achieve rank II certification, and become "highly qualified" to teach a world language

**University of Kentucky: \$143,000***Developing and Assessing Communicative Competence in the World Language Classroom*

N. Jeff Rogers, principal investigator

The University of Kentucky is collaborating with Georgetown College, the Kentucky World Language Association, and high-need school districts to address Kentucky's critical shortage of highly-qualified world language instructors. Participants will attend a summer immersion camp, followed by continuous, on-site mentoring to gain proficiency in the new STAMP and LinguaFolio world language assessment instruments endorsed by the Kentucky Department of

Education. The project also will create a comprehensive system of digital resources, the World Language Resource System, which will be available to world language teachers statewide.

**University of Kentucky: \$143,000**

*Team Development for Instructional Leadership in Restructuring Secondary Schools*

Tricia Browne-Ferrigno, principal investigator

The University of Kentucky, Big Sandy Community and Technical College, Pikeville College, and the school districts of Pike, Floyd, and Johnson counties will develop school-based leadership teams to improve student achievement and transform the culture of high-need, rural secondary schools. Four teams of professors, principals, guidance counselors, teachers, students, parents, and community members will be trained to assume distributed responsibilities for leadership and school improvement through a summer institute, an action research project conducted over the school year, and ongoing mentoring and professional development.

**University of Kentucky: \$143,000**

*Making Geometry Accessible*

Kim Zeidler, principal investigator

The Appalachian Rural Systemic Initiative Resource Collaborative at the University of Kentucky—in partnership with the Educational Development Center, the Appalachian Math and Science Partnership, Pikeville College, and 17 high-need school districts—will serve special education eighth through twelfth grade teachers who have responsibility, either individually or collaboratively, for teaching geometry content to students. The project consists of three components: (1) a five-day institute for special education teachers centered on best practices; (2) job-embedded mentoring and ongoing support during the school year for both special education and regular mathematics instructors; and (3) follow-up training in the use of technology to teach geometry content.

**University of Louisville: \$142,000**

*Improving Student Learning and Teachers' Content Knowledge in Middle School Math*

Lora Bailey, principal investigator

The University of Louisville, Kentucky State University, and the Kentucky Virtual University will work closely with middle school teachers in Frankfort, Louisville, and Grayson and Owen counties to improve their content knowledge of algebra, especially number and computation strategies. Cohorts of 20 teachers from five schools will participate in online graduate courses, practice effective assessment strategies with their students, and receive weekly assistance from an on-site project coordinator.

**Western Kentucky University: \$143,000**

*Improving Student World Language Performance: Using Assessment as the Guiding Force in Standards-Based Instruction*

Laura McGee, principal investigator

Western Kentucky University will partner with the Bowling Green and Jefferson County school districts to provide professional development opportunities for Spanish, French, and German teachers who have emergency or alternative certification or who teach in high-need schools. University instructors and P-12 master teachers will work with a cohort of K-12 teachers to develop standards-based units of study, improve assessment methods using the LinguaFolio and STAMP tools, practice technology-based instruction and communication, and provide linguistic and cultural immersion experiences. Teachers will deepen their cultural understanding and conversational skills through interactions with international businesses and intensive summer workshops in Mexico, France, or Germany.

Staff preparation by Melissa McGinley

**Council on Postsecondary Education  
January 30, 2006**

**Committee on Equal Opportunities Report**

Following is the status of initiatives and recurring activities related to the implementation of the Kentucky Plan for Equal Opportunities, the partnership with the U.S. Department of Education Office for Civil Rights and the Committee on Equal Opportunities.

- The Committee on Equal Opportunities meeting dates for 2006 are February 20, April 17, June 19, August 15, and October 16. All meetings are tentatively scheduled to be held in Frankfort.
- The U.S. Department of Education Office for Civil Rights agreed to amend the partnership agreement November 1, 2005, to support a request by Kentucky State University to construct new student housing rather than renovate Young Hall dormitory. A feasibility study has been completed and the university is now designing the new housing facilities and anticipates completion and occupancy in 2007. The amendment will fulfill the requirements of Commitment A.2.(a) of the Partnership Agreement.
- The U.S. Department of Education Office for Civil Rights, Council staff, and KSU representatives conducted a review of Kentucky State University's facilities November 16, 2005, as part of its final review of the status of the partnership.
- The Committee on Equal Opportunities requested special interim reports by the University of Kentucky and the Kentucky Community and Technical College System regarding the actions being taken by the respective institutions to address the recent downturn in enrollment of African Americans as first-time freshmen.
- The Committee on Equal Opportunities issued a request for proposals to conduct a statewide diversity assessment to support the development of a new Kentucky Plan for Equal Opportunities or a diversity plan.

**Council on Postsecondary Education  
January 30, 2006**

**University of Kentucky  
Replace/Relocate WUKY PBS Antenna and Transmitter**

*The following interim project recommendation will authorize the University of Kentucky to use federal, private, and institutional funds to replace/relocate the existing radio antenna and transmitter.*

**ACTION: The staff recommends that the Council approve the University of Kentucky request to replace/relocate the WUKY PBS antenna and transmitter to a new site with \$863,040 of federal, private, and institutional funds.**

The University of Kentucky proposes to replace/relocate the WUKY PBS antenna and transmitter to a new site using \$863,040 of federal, private, and institutional funds. The project requires interim authorization because the existing tower, which is owned by Sinclair Broadcasting (WDKY), will be demolished November 1, 2006, and the federal grant to support the project requires that the relocation be completed by March 2006.

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 of Kentucky to replace and relocate its public broadcast antenna and transmitter while simultaneously upgrading its facilities to provide digital (HD) radio service. The relocation project is required because the tower currently occupied by WUKY will be demolished November 1, 2006. If the tower is not relocated by that date, it may jeopardize WUKY's ability to maintain its broadcast license (FCC). The project includes a new directional antenna, analog transmitter, digital transmitter, two-hop studio-transmitter microwave link (STL), and transmitter building.

This project is not included in the university's 2006-2012 Capital Improvements Plan. However, because the tower relocation and replacement is critical to the continued operation of WUKY and federal and private funds for implementation are available, interim approval to make the purchase is requested. The university states that the source of funds is the

Corporation for Public Broadcasting and the Public Telecommunications Facilities Program (\$317,084), private gifts (\$160,000), and institutional restricted funds (\$385,956). The project meets the requirement of KRS 45.760(14) that the source of funds is at least 50 percent federal or private. No portion of this purchase will be debt financed.

Following Council approval, the staff will forward the Council's recommendation to the Capital Projects and Bond Oversight Committee.

**Council on Postsecondary Education  
January 30, 2006**

**University of Kentucky  
Lease with e-Cavern, LLC**

*The following interim project recommendation will authorize the University of Kentucky to use federal funds appropriated by the Department of the Treasury to lease space owned by e-Cavern, LLC.*

**ACTION: The staff recommends that the Council approve the University of Kentucky request to enter into a lease with e-Cavern, LLC, as specified by the Department of the Treasury to conduct a research project related to secure, remote, financial transaction back-up storage systems with \$729,140 of federal funds.**

The University of Kentucky proposes to enter into a lease with e-Cavern, LLC, of Louisville, Kentucky, as specified by the Department of the Treasury, Department of Financial Management, to provide 4,200 square feet of space to conduct a research project related to secure, remote, financial transaction back-up storage systems using \$729,140 of federal funds at a lease rate of \$173.60 per square foot. The average lease cost per square foot in the Louisville/Jefferson County area is \$16.50 per square foot. The University of Kentucky Board of Trustees approved the project at its October 25, 2005, meeting.

The Council has the statutory responsibility to review and approve postsecondary education capital lease projects costing \$200,000 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 \$200,000 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 lease project was reviewed and approved by the Capital Projects and Bond Oversight Committee at its meeting December 13, 2005. The project will allow the university to provide services as specified by the Department of the Treasury. The estimated execution date for the lease project was October 1, 2005. The project requires interim authorization because the Department of the Treasury just recently approved the authorization and requested that the space be leased. The University of Kentucky states that funding for the project will come from a federal grant (\$729,140) for the purpose of entering into a lease. The project meets the requirements of KRS 45.760(14) that the source of funds is at least 50

percent federal or private. The university will not debt finance any portion of the project. The university's purchasing division will implement the project.

Following Council approval, the staff will notify the Capital Projects and Bond Oversight Committee.



**Council on Postsecondary Education  
January 30, 2006**

**University of Kentucky  
Emergency Lease with Sterlington Road, LLC**

The following interim lease project authorizes the University of Kentucky to use hospital revenue to expand an existing lease (#PR-8282) to house hospital staff and allow construction of the new hospital bed tower. The University of Kentucky declared an emergency (KRS 56.805(3)(d)) to expand an existing lease with 2347 Sterlington Road, LLC, to provide an additional 34,563 square feet of space to house hospital employees while construction proceeds on the new hospital bed tower. The lease expansion will include renovation and the fit-up of 11,521 square feet at an estimated cost of \$345,630 and an annual lease rate of \$19.93 per square foot or an annual lease cost of \$794,192. The University of Kentucky Board of Trustees approved the lease expansion at its meeting October 25, 2005.

The Council has the statutory responsibility to review postsecondary education capital lease projects costing \$200,000 or more, regardless of fund source, that have been approved by an institution's governing board. Since the estimated expansion cost of this lease project exceeds the \$200,000 threshold, the Council and the Capital Projects and Bond Oversight Committee must approve the project before it is initiated. However, the university declared an emergency to implement the lease expansion. An emergency for lease projects is defined by KRS 56.805(3) and reporting requirements are defined by KRS 56.823. Declaring an emergency is intended to provide an alternative to the regular approval process for authorizing a capital lease.

Because the university has declared an emergency, creating an alternative path to implementation, the lease expansion is reportable to CPE with no other action required. This project was reported to the Capital Projects and Bond Oversight Committee at its meeting December 13, 2005. Subsequent to its December 13 meeting, the committee asked the Council to review and respond to two specific questions regarding the Sterlington Road lease expansion. A copy of the Council's response is provided in the attached.

The expanded lease provides space to house finance, business office, and marketing support for the UK Healthcare Clinical Enterprise. Approximately 160 full-time employees will immediately be housed in the space. Also, space for additional employees (20-25) will be provided in the expanded lease. The estimated lease execution date was December 1, 2005. The anticipated date of occupancy is February 1, 2006.

The University of Kentucky states that funding for the project will come from hospital revenues for the purpose of lease expansion and renovation/fit-up of the leased space. The space fit-up costs are included in the lease rate of \$19.93 per square foot. The university's purchasing division will implement the project. The operations and maintenance costs are included in the lease rate.



KENTUCKY COUNCIL ON  
POSTSECONDARY EDUCATION

**Ernie Fletcher**  
Governor

January 11, 2006

The Honorable Elizabeth Tori  
The Honorable Mike Denham  
Co-Chairs  
Capital Projects and Bond Oversight Committee  
Capitol Annex, Room 34  
Frankfort, Kentucky 40601

1024 Capital Center Drive, Suite 320  
Frankfort, Kentucky 40601  
Phone (502) 573-1555  
Fax (502) 573-1535  
<http://cpe.ky.gov>

**Thomas D. Layzell**  
President

Dear Chairs Tori and Denham:

This responds to your letter of December 15, 2005, asking the Council to respond to two questions regarding the University of Kentucky emergency expansion of lease #PR-8282 for property located at 2347 Sterlington Road, Lexington, Kentucky. The full Council will review the capital lease request at its meeting January 30, 2006. However, a response to your inquiry is provided as follows.

*Interim Capital Lease Project Report to CPE – UK Hospital Lease Expansion:* The Council staff is reporting to the full Council that the University of Kentucky under the requirements of KRS 56.805(3) is expanding lease #PR-8282 to occupy approximately 34,563 square feet of space in property located at 2347 Sterlington Road in Lexington by declaring that the space is needed to address an emergency. The emergency declaration creates an alternative path to implementing the capital lease expansion thus making the determination reportable and requiring no further action by the Council on Postsecondary Education. The university has provided documentation supporting its legal basis for declaring an emergency.

*Even after declaring an emergency, should the lease expansion have been competitively bid and should UK fund improvements of this magnitude (\$460,840 plus \$78,587 interest expense) in privately owned property?:*

The 1982 General Assembly passed HB 622 (the University Management Bill, codified as KRS 164A.555 to KRS 164A.630), which gave colleges and universities the option to manage their own financial affairs. HB 622 requires the institutions to comply with KRS 45A (model procurement code) and KRS 45 (capital projects implementation). The University of Kentucky elected to implement the six principal provisions of HB 622, including capital construction and purchasing. The Secretary of the Finance and Administration Cabinet agreed with the UK election to take on these responsibilities. This declaration was made with the understanding that the university would abide by all statutory provisions for procuring capital construction services, including the model procurement code. Thus, the University of Kentucky is responsible for assuring the Commonwealth that it has to the extent possible followed all processes and procedures prescribed by the statutes that govern the capital projects implementation. As such, the university has the authority to declare an emergency which, in turn, gives it broad flexibility to negotiate directly for the purchase of contractual services, supplies, materials, or equipment regardless of estimated cost. Where practical, use of standard specifications is encouraged for making emergency purchases. However, this is not a requirement.


Co-Chairs Tori and Denham  
January 11, 2006  
Page Two

As to the question of who should make the improvements to the space referenced in the lease expansion, it is customary that special leasehold improvements that are requested by the lessee are typically completed by the lessor and amortized over the life of a lease. The information provided by the university indicates that the lessor will complete the leasehold improvements and the cost (\$539,427) is proposed to be amortized over the life of the expanded lease, i.e., the UK base lease cost increases from the current \$16.40 to \$19.93 per square foot for the additional leased space only. The increased cost allows the lessor to pass the fit-up costs on to the lessee as would be allowed in any lease. The increased lease rate applies only to the expanded lease space and not all space occupied in the building by UK.

In summary, once the institution declared an emergency, the statutes give them broad latitude to proceed. We recommend that UK be asked to specifically include lease #PR-8282 (the 2347 Sterlington Road lease expansion) in the FY 2006 lease audit that will be conducted by an independent auditor with special instructions to test whether the university's actions were within the bounds of the emergency procedures (KRS 56.805 (3)). The Council on Postsecondary Education established (with assistance of the Office of the State Auditor) a lease law compliance model audit program (compliance with KRS 56.800 to 56.823).

The enclosed agenda item details the report to the Council. Please call Sherron Jackson or me if you have any questions.

Sincerely,



Thomas D. Layzell

Enclosure

cc: Lee T. Todd, Jr.  
Frank Butler  
Angela Martin  
Sandra Woodley  
Mary Lynn Collins  
John Hicks

**Council on Postsecondary Education  
January 30, 2006**

## **Statewide Facilities Condition Assessment Status Report**

On November 17, 2005, the Council issued a request for proposals (RFP) to conduct a statewide facilities condition assessment. The deadline to submit proposals was December 12, 2005. The Council received six proposals. The typical proposal was a joint submission by three or more firms proposing to collaboratively conduct the assessment. The RFP evaluation committee met December 16, 2005, and narrowed the proposals to three firms. The committee met again January 13, 2006, to hear oral presentations by the three firms.

A single contract (encompassing all of public postsecondary education) is to be issued by the Council, on behalf of the institutions, to conduct the assessment. The cost of the project is to be shared among the institutions on the basis of square footage evaluated by the vendor.

Project Status and Next Steps:

- Three firms made a presentation to the evaluation committee January 13, 2006. The committee forwarded a report to the Council president and institutional presidents.
- The Council president and institutional presidents will discuss the committee report to determine the best value.
- Following identification by the presidents of best value, the prime vendor will be offered a contract.
- A report regarding vendor selection and contract will be made to the Council at its next meeting.
- The selected vendor will complete the review between February and October 2006. This will include visits to each campus to evaluate facilities.
- As the project is implemented, interim status reports of progress will be presented to the presidents and the Council.
- A draft final report is expected by October 1, 2006.
- The project is expected to be completed and a final report given to the Council and institutions by October 15, 2006.

**Council on Postsecondary Education  
January 30, 2006**

**Draft Trust Fund Guidelines**

At its November 7 meeting, the Council approved a funding recommendation for the Strategic Investment and Incentive Trust Funds totaling \$40,801,600 in 2006-07 and \$19,850,000 in 2007-08. At that meeting, the staff reported that guidelines governing allocation and distribution of these funds would be presented to the Council in January 2006. The five sets of draft guidelines for review and discussion are as follows:

- Endowment Match Program Guidelines (Attachment A)
- Research Support Program Guidelines (Attachment B)
- Regional Stewardship Program Guidelines (Attachment C)
- Workforce Development/Transfer Program Guidelines (Attachment D)
- Retention/Affordability Initiative Guidelines (Attachment E)

Public university and KCTCS chief budget officers and chief academic officers were given an opportunity to review the guidelines during the development process and have been invited to comment on the guidelines at the January 30 meetings of the Quality and Accountability Policy Group and the Research, Economic Development, and Commercialization Policy Group.

Program descriptions and salient features of the guidelines are provided below.

**Endowment Match Program**

The Endowment Match Program encourages private investment in public higher education research activities to stimulate business development, generate increases in externally sponsored research, create better jobs and a higher standard of living, and facilitate Kentucky's transition to a knowledge-based economy. The program matches public money with private gifts to fund chairs, professorships, research staffs and infrastructure, and graduate fellowships at the public research universities. This collaborative approach is critical to advancing Kentucky's research presence into national prominence.

The Council recommended \$12 million of nonrecurring funds for this program in 2006-07. Requested funds will be allocated one-third to the University of Louisville (or \$4 million) and two-thirds to the University of Kentucky (or \$8 million), based on HB 1 statute governing the Research Challenge Trust Fund. Program funds will be distributed upon submission and approval of institutional match requests that meet guideline requirements for the program.

Generally, the 2006-08 version of program guidelines updates the 2002-04 guidelines (e.g., dates have been changed to reflect the new time period); however, there are several changes that warrant mention:

- In previous rounds, both comprehensive and research universities participated in the match program. In 2006-08, only the research universities will be eligible to receive program funding. As such, all provisions pertaining to the comprehensive universities have been removed.
- Each institution must fully match its 2002-04 allocation before submitting requests for 2006-08 funds.
- Program funds for this round will not be used to support “Research Scholars” at research university medical schools. This provision was included on a trial basis in the guidelines for 2002-04 and early results appear promising, but further analysis is needed to determine the desirability of program expansion. This provision will still be available for remaining funds to be matched from 2002-04, but not for funding in 2006-08, and the program can be expended using research support funds.
- The definition of “Research Infrastructure” has been expanded to include minor laboratory renovations and equipment and supplies purchases.
- Annual reporting requirements have been updated to reflect a streamlining of the reporting process, an increased focus on program outcomes, and a Web-based component.

## Research Support Program

The Research Support Program is a new initiative that seeks to promote economic development, create high-tech jobs, and raise the average standard of living of Kentucky residents through strategic investments in research faculty, infrastructure, and initiatives at the University of Kentucky and the University of Louisville. To help accomplish this goal, campus administrators are expected to recruit and retain research active faculty, renovate laboratories and upgrade equipment, and engage in disciplinary and interdisciplinary research activities in areas of strategic benefit to the Commonwealth.

The Council recommended \$4 million of recurring funds and \$18 million of nonrecurring funds in 2006-07 for this program. The draft guidelines call for these funds to be divided into three pools pending allocation and distribution: (a) research capacity, (b) infrastructure, and (c) research initiatives. Important guideline provisions include:

- Research capacity funds (\$4 million recurring) will be used to hire research active faculty in targeted priority areas. These funds will be distributed upon submission and approval of a plan that identifies target areas of impact at the university. Once distributed, these funds will become recurring to the institutions.

- Infrastructure funds (\$15 million nonrecurring) will support laboratory renovations and equipment purchases in CPE priority areas. These funds will be matched dollar-for-dollar with funds raised from private sources or from internal reallocation, and will be distributed upon submission and approval of capital expenditure requests that meet guideline requirements for the program.
- Research initiative funds (\$3 million nonrecurring) will support disciplinary and interdisciplinary research activities that address regional or state needs, contribute to generation of federal and extramural R&D expenditures, foster increased innovation and opportunities for commercialization, and stimulate business development. These funds will be matched dollar-for-dollar with funds raised from private sources or from internal reallocation, and will be distributed upon submission and approval of university proposals to conduct research in areas of strategic benefit to the Commonwealth.
- All program funds will be allocated one-third to the University of Louisville and two-thirds to the University of Kentucky, based on statutorily mandated proportions (HB 1).
- At least 70 percent of program funds must be used to hire research active faculty, finance laboratory renovations and equipment purchases, and support research initiatives in university programs of distinction or new economy priority areas.
- Program funds must supplement, rather than supplant, existing institutional budget allocations for research infrastructure and initiatives.

### **Regional Stewardship Program**

The Regional Stewardship Program is a new initiative that seeks to promote regional and statewide economic development, livable communities, social inclusion, creative governance, and civic participation through public engagement activities initiated by comprehensive university faculty and staff. To help accomplish this goal, campus administrators are expected to design and implement programs that align institutional priorities, resources, and infrastructure to support their missions as stewards of place and to create partnerships and undertake engagement activities that address regional and state needs.

The Council recommended \$3 million of recurring funds in 2006-07 and an additional \$15 million of recurring funds in 2007-08 to support this program. These funds will be divided into three pools pending allocation and distribution: (a) infrastructure, (b) regional grants, and (c) initiatives. Salient features of the draft guidelines include:



- Infrastructure funds (\$3 million recurring) will support the development and maintenance of organizational structures, personnel, information systems, and community relationships necessary to sustain stewardship activities. These funds will be allocated among the comprehensive universities in equal amounts of \$500,000 per institution, and will be distributed upon submission and approval of a plan to align institutional priorities, resources, and infrastructure to support and sustain stewardship activities at the institutions. Once distributed, these funds will become recurring to the institutions.
- Regional grant funds (\$9 million recurring) will support comprehensive university efforts to build intellectual capacity in targeted priority areas. These funds will be allocated among the comprehensive universities in equal amounts of \$1.5 million per institution and will be distributed upon submission and approval of a strategic plan and a target area proposal for stewardship activities. Once distributed, these funds will become recurring to the institutions.
- Stewardship initiative funds (\$6 million recurring) will support specific public engagement activities at the universities that improve economic prosperity, quality of life, and civic participation in the region or state. Half of these funds will be allocated among the comprehensive universities in equal amounts of \$500,000 per institution and distributed based on an annual request for proposal (RFP) issued by Council staff. The other half will be distributed on a competitive basis based on an annual RFP process. All stewardship initiative funds will be recurring to the Regional Stewardship Funding Program maintained at CPE.
- The minimum amount of stewardship initiative funds that can be requested in a single proposal is \$50,000.
- Institutions can submit multi-year proposals, but will be required to present follow-up proposals for continuation funding every two years for the duration of the project. Continuation funding is not guaranteed.

## **Workforce Development/Transfer Program**

The Workforce Development/Transfer Program is a new initiative that seeks to encourage private support of public postsecondary workforce development and transfer initiatives, to support degree completion and transfer of KCTCS students to Kentucky public and independent colleges, and to bolster KCTCS workforce development and transfer programs in areas of strategic benefit to the Commonwealth. To help accomplish these aims, campus officials are expected to expand development efforts that support workforce education and transfer, to partner with business and industry to design and implement workforce education and training programs in high-need areas, and to increase degree production and transfer in the science, technology, engineering, and math (i.e., STEM) disciplines, health professions, teacher shortage areas, and applied sciences.

The Council recommended \$500,000 of nonrecurring funds in 2006-07 and \$3.5 million of recurring funds in 2007-08 to support workforce development and transfer initiatives at KCTCS. These funds will be divided into two pools pending distribution: (a) endowment and (b) workforce development/transfer. Major components of the draft guidelines include:

- Endowment funds (\$500,000 nonrecurring) will be matched dollar-for-dollar with private source funds and added to the KCTCS endowment, where they will provide a perpetual source of funding for workforce development and transfer initiatives. Endowment proceeds will support faculty positions, scholarships, and programmatic initiatives that contribute to workforce development in high-need areas and to degree completion and transfer of students to baccalaureate degree programs in areas of strategic benefit to the Commonwealth. These funds will be distributed upon submission and approval of funding requests that meet guideline requirements for the program.
- Workforce development/transfer funds (\$3.5 million recurring) will support KCTCS efforts to bolster workforce education and transfer programs in areas of demonstrated workforce need. These funds will be distributed upon submission and approval of a plan to align institutional priorities, resources, and infrastructure to support workforce education and transfer activities in disciplines of strategic importance to the Commonwealth or in areas of student need as identified in the CPE affordability study.
- At least 25 percent of workforce development/transfer funds (or \$875,000) must be used for scholarships that support associate degree completion and transfer of baccalaureate degree-seeking KCTCS associate degree completers to Kentucky public and independent colleges.
- Program funds should supplement, rather than supplant, current KCTCS funding for workforce development and transfer programs.

### **Retention/Affordability Initiative**

The Retention/Affordability Initiative is a new program that supports public postsecondary institution efforts to enroll, retain, and graduate students from low-income families. Institutions located in regions that contain a disproportionate number of low-income residents face unique challenges in encouraging their citizens to pursue postsecondary education and in providing support services necessary to ensure academic success. To reach the goals of HB 1, additional resources are needed to bolster recruitment and retention programs at institutions that serve low-income students and populations. This program specifically addresses issues related to questions 1, 2, and 3 of the public agenda.

The Council recommended \$4 million of recurring funds in 2007-08 to support this initiative. These funds will be allocated and distributed among the public postsecondary institutions as follows:

<i>Institution</i>	<i>Distribution</i>
Eastern Kentucky University	\$1,048,600
KCTCS	260,200
Kentucky State University	247,100
Morehead State University	1,008,400
Murray State University	353,500
Northern Kentucky University	181,300
University of Kentucky	177,800
University of Louisville	197,000
Western Kentucky University	526,100
<b>TOTAL</b>	<b>\$4,000,000</b>

## Council on Postsecondary Education 2006-08 Endowment Match Program Guidelines

### Introduction

Kentucky recognizes the importance of research to the economic well-being of its citizens. The Endowment Match Program encourages private investment in public higher education research activities to stimulate business development, generate increases in externally sponsored research, create better jobs and a higher standard of living, and facilitate Kentucky's transition to a knowledge-based economy. The program matches public money with private gifts to fund chairs, professorships, research staffs and infrastructure, graduate fellowships, and mission support at the public research universities. This collaborative approach is critical to advancing Kentucky's research presence into national prominence.

State funds for the program are appropriated to the Research Challenge Trust Fund (RCTF) for the research institutions and to the Regional University Excellence Trust Fund (RUETF) for the comprehensive institutions. Both trust funds were created with the passage of *The Kentucky Postsecondary Education Improvement Act of 1997* (HB 1).

The Endowment Match Program received surplus General Fund appropriations of \$110 million in 1998-99 and \$120 million in 2000-01. The legislature debt funded another \$120 million for the program in 2003-04.

### Program Administration

The Council on Postsecondary Education oversees the Endowment Match Program. The Council establishes the areas of concentration within which program funds are used, develops guidelines for the distribution of program funds, and reviews reports from the institutions on the use of funds and the results achieved.

The boards of trustees and regents of the Commonwealth's public universities are responsible for the Endowment Match Program on their campuses. The boards are to review and approve all donations, gifts, and pledges that will be used to establish new endowments or expand existing endowments for which matching state funds will be requested. The boards are to ensure that the purpose of the endowment and the source of funds comply with the Council's guidelines and serve the public good. Documentation of board approval must be submitted with each endowment request. In addition, the boards are to review and approve the Endowment Match Program reports that are to be submitted annually to the Council.

### Allocation of Program Funds

The Council on Postsecondary Education recommended \$12 million for the Endowment Match Program in the first year of the 2006-08 biennium. That entire amount will be

appropriated to the Research Challenge Trust Fund (RCTF). These funds will be allocated one-third to the University of Louisville (or \$4 million) and two-thirds to the University of Kentucky (or \$8 million), based on House Bill 1 statute governing the RCTF, and will be distributed upon submission and approval of university funding requests that meet guideline requirements for the program. Program funds will not lapse at the end of the biennium, but will be carried forward in the trust fund until matched.

### Matching Requirements

The Endowment Match Program is conceived as a way to bring new money from external sources into the Commonwealth's system of postsecondary education. In order to receive state funds, the universities must provide dollar-for-dollar matching funds that satisfy the following requirements:

- Gifts and pledges must be newly generated to be eligible for state match. Newly generated contributions are those received by the university after June 1, 1997, (i.e., the approximate effective date of postsecondary education reform).
- Gifts and pledges must be from external sources to be eligible for state match. External source contributions are those that originate outside the university and its affiliated corporations. Eligible sources of funding include, but are not limited to, businesses, non-governmental foundations, hospitals, corporations, and alumni or other individuals.
- The following sources of funding are not eligible for state match:
  - (a) Funds received from federal, state, and local government sources.
  - (b) General Fund and student-derived revenues (e.g., state appropriations, tuition and fees revenue).
  - (c) Funds received from an affiliated university entity or fund.
  - (d) Funds directed through a non-affiliated university entity or fund with an origin in conflict with items (a), (b), or (c) above.
- Each institution must fully match its 2002-04 match program allocation before submitting requests for 2006-08 funds.
- The minimum institutional request amount is \$50,000. A university may combine smaller donations from businesses, nongovernmental foundations, hospitals, corporations, and alumni or other individuals to meet the \$50,000 minimum.
- All funds, both state and private, must be endowed. "Endowed" means only the investment earnings are eligible for expenditure, not the principal.

- Requests for state funds must identify the matching funds that are cash and the matching funds that are pledges.
- Pledges, or promises of future payment, are eligible for state match provided they are based on a written contract or agreement and include a payment schedule, which does not exceed five years from the initial pledge date. Pledge payment schedules showing receipts to date and scheduled future payments are to be included in the audited financial statements of either the institution or the foundation.
- If pledged funds are not received within five years of the initial pledge date, the university must replace the portion of private funds not received with another eligible cash gift or the unmatched portion of the state funds plus an allowance for accrued interest will revert to the trust fund for reallocation. In such cases, a timeframe for the replacement or return of state funds will be negotiated between Council staff and institutional representatives.
- University officials must notify the Council staff of unpaid pledges six months before the end of the five-year deadline or immediately when a gift has been revoked.

### Uses of Program Funds

Investment earnings from the endowments can be used to support various activities including chairs, professorships, research staff, graduate fellowships, research infrastructure, and mission support, as described below.

**Chairs:** New faculty positions, salary supplements to existing faculty positions, and associated expenses for those positions, including start-up costs, salaries, benefits, travel, and other professional expenses as permitted by university policy.

**Professorships:** New faculty positions, salary supplements to existing faculty positions, and associated expenses for those positions, including start-up costs, salaries, benefits, travel, and other professional expenses as permitted by university policy.

**Research Staff:** Salaries, benefits, and other personnel related expenses associated with full-time or part-time staff assistants who are directly linked to the research activities of an endowed chair or professor.

**Graduate Fellowships:** Fellowship stipends for outstanding graduate or professional students, which may include travel and other expenses as permitted by university policy.

**Research Infrastructure:** Expenditures for minor laboratory renovations, faculty start-up packages, equipment, and supplies that are directly linked to the research activities of an endowed chair or professor, including core laboratory improvements, equipment

upgrades, laboratory instruments and supplies, and other research related expenses as permitted by university policy.

**Mission Support:** Program funds can be used to support research and graduate missions at the research institutions. Consideration will be given to mission support activities such as: (1) expenditures that enhance the research capability of university libraries (i.e., books, journals, research materials, media, and equipment); (2) start-up costs, equipment, and supplies that support faculty, graduate student, or undergraduate student research activities; (3) funding for visiting scholars, lecture series, and faculty exchange; and (4) expenditures for the dissemination of research findings (i.e., nationally prominent publications and presentations at conferences, symposiums, seminars, or workshops). However, priority will be given to mission support expenditures that encourage the research related activities of faculty and students. Expenditures for general personnel expenses that are not directly linked to an endowed chair or professor do not qualify as mission support activities.

### Use of Funds Requirements

- At least 70 percent of program funds must be endowed for the purpose of supporting chairs, professorships, or research staffs, infrastructure, or fellowships that are directly linked to the research activities of an endowed chair or professor. No more than 30 percent of program funds may be endowed for the purpose of supporting mission support activities or graduate fellowships that are not directly linked to the research activities of an endowed chair or professor.

### Areas of Concentration

- The Council expects state and private matching funds to be substantially directed toward supporting research that leads to the creation, preservation, or attraction of businesses that will increase the number of good jobs in Kentucky. For these purposes, "good jobs" are defined as jobs that yield income at or above the national per capita income.
- The Council recognizes that strong research programs are clustered around related academic disciplines and encourages campus officials to create a critical mass of scholars who can influence the nation's research and academic agenda.
- The Council recognizes that the boundaries of traditional disciplines are increasingly permeable and encourages the use of endowment funds for interdisciplinary, problem solving, or applied research activities.
- The Council recognizes the importance of cooperation between universities and corporations and encourages partnerships in the technologies, engineering, and applied sciences.

- At least 70 percent of program funds must be endowed for the purpose of supporting Research Challenge programs or academic disciplines contained within five new economy clusters: (1) human health and development, (2) biosciences, (3) materials science and advanced manufacturing, (4) information technologies and communications, and (5) environmental and energy technologies. These areas are of strategic benefit to Kentucky and are core components of the knowledge-based economy.
- The Council recognizes the contribution of arts and humanities to quality of life and to economic development in the Commonwealth and is receptive to limited use of endowment funds in this area.
- Program funds cannot be used for positions that are primarily administrative. However, research active faculty, who may have an appointment such as department chair, center director, or dean, are eligible.
- Program funds cannot be used to fund capital construction projects.

### **Program Diversity**

The Council on Postsecondary Education and participating universities are committed to ensuring the gender and ethnic diversity of Endowment Match Program faculty, professional staff, and financial aid recipients. The universities shall develop and implement plans calculated to achieve reasonable diversity in the recruitment and retention of women, African Americans, and other underrepresented minorities for positions funded by the Endowment Match Program, including scholarship and fellowship recipients. In addition, the universities shall report annually to the Council on Postsecondary Education the race and gender of program faculty, professional staff, and financial aid recipients.

### **Annual Reporting**

Institutions will provide annual summary reports describing how state and matching funds are used by October 15 each year. These reports will include such items as number of chairs and professorships established and occupied, number of fellowship programs established and making awards, gender and race of match program faculty and staff, gender and race of fellowship recipients, proportion of funds dedicated to Research Challenge programs or new economy areas, proportion of funds matched against cash gifts and pledges, and change in endowment market value. The institutions also will submit an FD-21 report by October 15 each year that contains information about program outcomes, including annual giving and endowment market value amounts, numbers of chairs and professorships created, growth in federal and extramural research and development expenditures, and numbers of invention disclosures, patents, and license agreements executed and start-up companies formed. Finally, the institutions will develop and maintain detailed information about match program chairs and professors on university Web sites.



## Council on Postsecondary Education 2006-08 Research Support Program Guidelines

### Introduction

*The Kentucky Postsecondary Education Improvement Act of 1997 (HB 1)* gives the Council on Postsecondary Education the responsibility for developing criteria and processes by which institutions can apply for funds appropriated to individual Strategic Investment and Incentive Trust Funds (KRS 164.7911). HB 1 identified aggressive agendas for the University of Kentucky and the University of Louisville: (1) a major comprehensive research institution ranked nationally in the top 20 public universities at the University of Kentucky and (2) a premier nationally recognized metropolitan research university at the University of Louisville.

The Kentucky Department of Commercialization and Innovation, the Council on Postsecondary Education, the University of Kentucky, and the University of Louisville recognized the importance of ambitious research agendas for achieving these legislative mandated aspirations. Collectively, they developed a goal of reaching \$500 million in extramural academic research and development expenditures (\$300 million at UK and \$200 million at UofL) as defined by the National Science Foundation by the year 2010. To attain this goal, both institutions need the necessary infrastructure for a healthy research enterprise.

### Program Goals

The primary goals of the Research Support Program are to promote economic development, create high-tech jobs, and raise the average standard of living of Kentucky residents through strategic investments in research faculty, infrastructure, and initiatives at the University of Kentucky and the University of Louisville. To help accomplish these aims, campus administrators are expected to recruit and retain research active faculty, renovate laboratories and upgrade equipment, and engage in disciplinary and interdisciplinary research activities in areas of strategic benefit to the Commonwealth. Additional objectives include:

- Encourage private support of public higher education research activities through a matching component.
- Generate increases in federal and extramural research expenditures.
- Facilitate Kentucky's transition to a knowledge-based economy.
- Create an environment that fosters increased innovation and opportunities for commercialization.
- Stimulate business development.

### Program Funding

The Council on Postsecondary Education recommended \$4 million of recurring funds and \$18 million of nonrecurring funds for the Research Support Program in the first year of the

2006-08 biennium. These funds will be divided into three pools pending allocation and distribution: (a) research capacity, (b) infrastructure, and (c) research initiatives.

Research capacity funds will support university efforts to build intellectual capital in areas of strategic benefit to the Commonwealth. The size of the pool will be \$4 million each year of the biennium. These funds will be allocated one-third to the University of Louisville and two-thirds to the University of Kentucky, based on House Bill 1 statute governing the Research Challenge Trust Fund. Allocated funds will be distributed upon submission and approval of a plan that identifies targeted areas of impact at the university and that contains a proposed budget for faculty salaries, benefits, and operating expenses in those areas. To qualify for research capacity funds, each institution should submit a one-time, research capacity plan to the Council by close of business June 1, 2006. It is anticipated that, in subsequent biennia, research capacity funds will become recurring to the institutions, rather than to the Research Support Program. Any research capacity funds not distributed by the end of the biennium (i.e., close of business Monday, June 30, 2008) will be maintained in the funding program until guideline requirements have been satisfied.

Infrastructure funds will be used to finance laboratory renovations and equipment purchases in CPE priority areas. The size of the infrastructure pool will be \$15 million in the first year of the biennium, which will be matched dollar-for-dollar with funds raised from private sources or from internal reallocation. Pool funds will be allocated between the research institutions based on the statutorily mandated one-third, two-thirds proportions. Allocated funds will be distributed upon submission and approval of capital expenditure requests that meet guideline requirements for the program. Distributed funds will be nonrecurring to the institutions. Any infrastructure funds not distributed by the end of the biennium (i.e., close of business Monday, June 30, 2008) will be maintained in the funding program until guideline requirements have been satisfied.

Research initiative funds will support disciplinary and interdisciplinary research activities at the institutions that generate increases in federal and extramural research expenditures, facilitate Kentucky's transition to a knowledge-based economy, foster increased innovation and opportunities for commercialization, and stimulate business development, while furthering the goals and mandates of House Bill 1 and the public agenda. The size of the research initiatives pool will be \$3 million in the first year of the biennium, which will be matched dollar-for-dollar with funds raised from private sources or from internal reallocation. Pool funds will be allocated one-third to the University of Louisville and two-thirds to the University of Kentucky. Allocated funds will be distributed upon submission and approval of university proposals to conduct research in areas of strategic benefit to the Commonwealth. Distributed funds will be nonrecurring to the institution. Any research initiative funds not distributed by the end of the biennium (i.e., close of business Monday, June 30, 2008) will be maintained in the funding program until guideline requirements have been satisfied.

## Uses of Program Funds

Research capacity funds will be used to recruit and retain prominent, research-active faculty in areas of strategic benefit to the Commonwealth. Appropriate uses for these funds include start-up costs, salaries, benefits, travel, and other professional expenses as permitted by university policy for new faculty positions in CPE priority areas.

Infrastructure funds will be used to finance laboratory renovations and equipment purchases that support faculty research in CPE priority areas. These funds will be invested in areas identified by each university as strategic priorities, including research in the new economy clusters, so the universities contribute to research and scholarship excellence, as well as to the economic vitality of the Commonwealth. A list of potential infrastructure projects for which Research Support Program funding may be requested is provided in the attached addendum to the 2006-08 program guidelines. These projects also were included in the Council's Capital Projects Recommendation.

Research initiative funds will support specific disciplinary and interdisciplinary research activities at the universities that contribute to increased research expenditures, innovation, commercialization, and business development, while furthering the goals and mandates of House Bill 1 and the public agenda.

## Use of Funds Requirements

At least 70 percent of program funds must be used to hire research-active faculty, support research initiatives, or finance laboratory renovations and equipment purchases in university programs of distinction or academic disciplines contained within five economic development clusters:

- Human Health and Development
- Biosciences
- Materials Science and Advanced Manufacturing
- Information Technologies and Communications
- Environmental and Energy Technologies

According to The Kentucky Long-Term Policy Research Center, the objective of these clusters is to create important niches for the Commonwealth which will become international magnets for both talent and capital.

Program funds must supplement, rather than supplant, existing institutional budget allocations for research infrastructure.

## Matching Requirements

In order to receive research infrastructure and initiative funds, the universities must provide dollar-for-dollar matching funds that satisfy the following requirements:

- All funds received for laboratory renovations, equipment purchases, or direct support of research activities must be matched dollar-for-dollar with either external or internal source funds.
- External source funds are those that originate outside the university and its affiliated corporations. Eligible sources of funding include, but are not limited to, businesses, nongovernmental foundations, hospitals, corporations, and alumni or other individuals.
- Internal source funds can be used for match provided those funds are obtained by reallocating institutional funds from low-priority programs to needed research infrastructure and initiatives.

## Proposal Requirements

The universities will submit proposals for research initiative funds that adhere to the following requirements:

- Proposals for research initiatives shall contain uses of funds in priority order.
- Each proposal shall contain specific goals for the proposed research activity, identify indicators that will help monitor progress toward goal attainment, provide clear definitions of expected program outcomes, and contain an evaluation plan.
- Each proposal shall contain an estimated budget and expenditure account(s).

## Annual Reporting

The Council staff, working with the research institutions, will devise and maintain reporting procedures that specify the content and format of Research Support Program annual reports.

## Addendum

### 2006-08 Research Support Program Guidelines List of Potential Infrastructure Projects

#### University of Kentucky

<b>Priority</b>	<b>Project Title</b>	<b>Scope</b>
1	Upgrade HVAC - CAER Ph. III - Life Safety Essential upgrades in energy research lab	\$ 910,000
2	Purchase Pharmaceutical Analysis System	200,000
3	Expand Kastle Hall Vivarium Add 9000 ft2, essential for biomedical research species	4,505,000
4	Upgrade the Vivarium in Sanders Brown Building Upgrade 4000 ft2 for animal care; certification	6,720,000
5	Renovate DLAR Quarantine Facility at Spindletop 7500 ft2, increased incoming animals	2,720,000
6	Renovate Labs in Pharmacy Building 12,000 ft2 in former CPST, throughout building for biomedical research	4,000,000
7	Expand CAER Laboratories Addition to main laboratories, including Fuel Analysis Lab	4,450,000
8	Purchase High Res. Optical Microscope	110,000
9	Purchase Hi-resolution FTIR Imaging System	160,000
10	Purchase ESCA-X-ray Photoelectron Micro.	400,000
11	Purchase Microscope Fluorescence Imaging	165,000
12	Purchase Electron Spin Resonance Instr.	320,000
13	Purchase High Res. Transmission Electron Microscope	2,500,000

<b>Priority</b>	<b>Project Title</b>	<b>Scope</b>
14	Purchase Scanning Electron Microscope	700,000
15	Purchase Integrated Imaging System	130,000
16	Purchase DNA Micro-array Facility	300,000
17	Purchase 500 MHz NMR Spectrometers	1,000,000
18	Purchase Automated DNA Sequencer	130,000
19	Purchase Cryo-Probe for a 600 MHz NMR	200,000
20	Purchase HPLC	145,000
21	Purchase Laser Photoelectron System	280,000
22	Purchase Ultra High Vacuum System	250,000
23	Lease Purchase UK/UofL/Frankfort Research Network High-Speed Fiber Optic Network	6,000,000
24	Purchase Thermal Ionization Mass Spectrometer	650,000
25	Purchase DNA Sequencer	125,000
26	Purchase HPLC Mass Spectrometer	400,000
27	Renovate Research Labs in Med Center, IV 5000 ft2 for biomedical research laboratories	2,500,000
28	Renovate Research Labs in Med Center, III 3500 ft2 for biomedical research laboratories	2,000,000
29	Renovate Research Labs in Med. Center, II 4000 ft2 for biomedical research laboratories	1,800,000
30	Renovate Research Space in Med Center, I 7500 ft2 for biomedical research laboratories	3,000,000

<b>Priority</b>	<b>Project Title</b>	<b>Scope</b>
31	Purchase Inductive Coupled Spec Sys	120,000
32	Purchase Analytical Biosensor	295,000
33	Purchase Automated Nucleic Acid Extraction & PCR	150,000
34	Purchase Confocal Microscope	600,000
35	Purchase Liquid Filling/Stoppering Line	351,000
36	Purchase Confocal Microscope	500,000
37	Purchase Quadrapole Mass Spec.	360,000
38	Purchase Dual Photon Confocal Microscope	300,000
39	Purchase Bioinformatics Analysis Equipment	150,000
40	Purchase Transmission Elec. Microscope	375,000
41	Purchase DNA Sequencer	420,000
42	Purchase Ultracentrifuge	110,000
43	Purchase Mouse PET Scanner	385,000
44	Purchase Typhoon Variable Mode Imager	118,000
45	Purchase Steam Autoclave	450,000
46	Expand/Renovate CPST Facility Add 2800 ft2 laboratory, office space at Coldstream	3,500,000
47	Purchase Laser Capture Micro-dissection System	242,000

<b>Priority</b>	<b>Project Title</b>	<b>Scope</b>
48	Lease/purchase - High performance Research Computing	6,000,000
49	Purchase 7T Small Animal High-Field MR Imager	1,500,000
<b>UK Total</b>		<b>\$62,696,000</b>

**University of Louisville**

<b>Priority</b>	<b>Project Title</b>	<b>Scope</b>
1	Center for Predictive Medicine - Fixed Equipment	\$ 1,931,000
2	Center for Predictive Medicine - Movable Equipment BSL2 Laboratories	742,161
3	Center for Predictive Medicine - Movable Equipment BSL3 Laboratories	676,211
4	Center for Predictive Medicine - BSL3 Fluorescence Activated Cell Sorter System	608,297
5	Center for Predictive Medicine - BSL3 Genomic/Proteomic Equipment	1,148,133
6	Center for Predictive Medicine - BSL3 Histology Equipment	359,841
7	Center for Predictive Medicine - ABSL3 Holding, Study, & Procedure	1,210,262
8	Center for Predictive Medicine - ABSL3 Support Area	9,678
9	Center for Predictive Medicine - ABSL2 Support Area	55,687
<b>Subtotal Center for Predictive Medicine</b>		<b>\$ 6,741,270</b>



<b>Priority</b>	<b>Project Title</b>	<b>Scope</b>
10	Purchase - Magnetic Resonating Imaging Machine (MRI)	\$ 2,000,000
11	Purchase - Combination PET - CT Scanner	1,500,000
12	Purchase - Analytical Scanning Electron Microscope	500,000
13	Purchase - Animal Husbandry Core	552,000
14	Purchase - Biocontainment Cage Autoclave	125,000
15	Purchase - Cage Washing Equipment	525,000
16	Purchase - Cardiology Equipment to Study Cardiac Regeneration	1,160,000
17	Purchase - CIPHERGEN Protein Chip Biology System	300,000
18	Purchase - Cleanroom Wet Processing System	400,000
19	Purchase - Confocal Live Cell Imaging Station	450,000
20	Purchase - Digital Micro-Luminography System	135,000
21	Purchase - Electronic Research Information System	1,080,000
22	Expand and Upgrade Core Laboratories	5,000,000
23	Purchase - Focused Ion Beam / Scanning Electron Microscope	1,000,000
24	Purchase - Gatan Cathodluminesence Detector for SEM	250,000
25	Purchase - High Resolution SEM with Backscatter	316,000
26	Purchase - Hot Embosser	150,000

<b>Priority</b>	<b>Project Title</b>	<b>Scope</b>
27	Purchase - HRDS Computer	700,000
28	Purchase - Imaging Core	1,528,000
29	Purchase - Inhalation Chamber	325,000
30	Purchase - Intermediate Voltage Transmission Electron Microscope	605,000
31	Purchase - Linux Cluster Computer System	125,000
32	Purchase - LPCVD/Oxidation/Diffusion Furnace System	750,000
33	Purchase - MALDI-TOF - TOF Mass Spectrometer	250,000
34	Purchase - MTS Structural Actuator	200,000
35	Purchase - Multi-Photon Confocal Microscope	200,000
36	Purchase - Olympus FV1000 Confocal	314,000
37	Purchase - Patch Clamp System	120,000
38	Purchase - Plasma Enhanced Chemical Vapor Deposition System	250,000
39	Purchase - Profilometer	300,000
40	Purchase - Radiographic Fluoroscopic X-Ray System	350,000
41	Purchase - Reactive Chamber Attachment to TEM	250,000
42	Purchase - Reactive Ion Etch System	200,000
43	Purchase - Real-Time PCR Analysis Equipment	578,000

<b>Priority</b>	<b>Project Title</b>	<b>Scope</b>
44	Purchase - Sputtering System	250,000
45	Purchase - Squid Magnetometer	250,000
46	Purchase - Thin Film X-Ray Diffractometer	180,000
47	Purchase - Transmission Electron Microscope	1,400,000
48	Purchase - Wavelength Dispersive Spectroscopy	200,000
49	Purchase - Digital Output System	1,000,000
50	Purchase - Visualization System	1,000,000
51	Purchase - Computer Processing System	2,000,000
52	Purchase - Digital Communications System	4,000,000
53	Purchase - Enterprise Application System	2,000,000
54	Purchase - Networking System	3,000,000
55	Purchase - Robotic Telescope System	1,000,000
56	Purchase - Storage System	1,000,000
<b>UofL Total</b>		<b>\$46,509,270</b>

## Council on Postsecondary Education 2006-08 Regional Stewardship Program Guidelines

### Introduction

In Kentucky, and across the nation, discussions of the mission of postsecondary institutions have focused on their responsibility for meeting the education, health, economic, and civic needs of the public they serve. A fully engaged postsecondary institution is a powerful force that serves as a center for regional and state improvement, including greater economic vitality, better government services, improved public health, and citizens who are more engaged with democratic processes. In addition, students and faculty at engaged institutions are part of a vital educational process that improves teaching and learning and links teaching, learning, and research to public needs.

Effective public engagement with P-12 schools, P-16 councils, employers, entrepreneurs, and government and nonprofit agencies requires alignment of institutional missions, resources, and reward systems with a commitment to stewardship. Public engagement programs, like basic research, are cost centers for postsecondary institutions. Some programs may generate limited funds through contracts with employers and local governments, but most programs that target the needs of public schools, small businesses, and government and nonprofit agencies require the support of public funds.

Recognizing the costs of basic research, the federal government has allocated billions of dollars through agencies like the National Science Foundation to successfully stimulate reallocation of university resources to address a national research agenda. The Regional Stewardship Program adopts this successful model to encourage public postsecondary institutions to expand their efforts to engage regional needs.

The Regional Stewardship Program supports comprehensive university efforts to focus their missions on improving quality of life in their regions or the state and on achieving the aspirations set forth in *The Kentucky Postsecondary Education Improvement Act of 1997* (House Bill 1) and the public agenda for postsecondary and adult education in Kentucky for 2005-2010.

### Program Goals

The overarching goal of the Regional Stewardship Program is to promote regional or statewide economic development, livable communities, social inclusion, creative governance, and civic participation through public engagement activities initiated by comprehensive university faculty and staff. To help accomplish this goal, campus administrators are expected to design and implement programs that align institutional resources and infrastructure to support their missions as stewards of place, and to create partnerships and undertake engagement activities that address regional and state needs. Specific activities include:

- Develop a plan for aligning institutional priorities, resources, and infrastructure to support stewardship initiatives.
- Modify organizational structures, institutional practices, and reward systems to support stewardship activities by faculty and staff.
- Assemble a regional advisory committee comprised of local government and community leaders, business and industry representatives, education leaders, policy professionals, interest groups, and citizens to assist in identifying regional or state needs, opportunities, and stewardship priorities.
- Identify key indicators of regional economic vitality, quality of life, and civic participation and configure information systems to collect and track these data.
- Engage in environmental scanning activities, convene advisory committee meetings, and host public forums to identify regional or state needs, opportunities, and stewardship priorities.
- Produce a planning document that highlights regional needs, opportunities, and priorities and recommends strategies for addressing needs or taking advantage of opportunities.
- Increase awareness among advisory committee members, the campus community, and regional stakeholders of university resources and how those resources can be directed to address identified needs or take advantage of identified opportunities.
- Establish partnerships with local and regional governments, community and civic organizations, businesses, hospitals, foundations, and philanthropic organizations to garner financial or in-kind support for stewardship activities and increase program impact.
- Encourage faculty members to generate proposals and engage in stewardship activities that promote regional or statewide economic development, livable communities, social inclusion, creative governance, and civic participation.
- Identify key indicators related to the nature and extent of institutional/community interactions and configure information systems to collect and track these data.
- Provide professional development for faculty in engagement related areas and find creative ways of integrating public engagement into the curriculum.

Specific goals for individual engagement initiatives will be enumerated in program proposals submitted for Council approval and funding. The Council staff will work with campus officials, as needed, to refine goals and identify key indicators for measuring progress toward goal attainment.

## **Program Funding**

The Council on Postsecondary Education recommended \$3 million of recurring funds for the Regional Stewardship Program in the first year of the 2006-08 biennium and an additional \$15 million of recurring funds for the program in the second year (i.e., a total of \$18 million in year two). Program funds will be divided into three pools pending allocation and distribution: (a) infrastructure, (b) regional grants, and (c) stewardship initiatives.

Infrastructure funds will support the development and maintenance of organizational structures, personnel, information systems, and community relationships directed toward the identification of regional needs, opportunities, and stewardship priorities. The size of the infrastructure pool will be \$3 million each year of the biennium. Infrastructure funds will be allocated among the Commonwealth's six comprehensive universities in equal amounts of \$500,000 per institution each year. Allocated funds will be distributed upon submission and approval of a plan to align institutional priorities, resources, and infrastructure to support and sustain stewardship initiatives at the institution. To qualify for infrastructure funds, each institution should submit a one-time, infrastructure plan to the Council by close of business June 1, 2006. It is anticipated that, in subsequent biennia, infrastructure funds will become recurring to the institutions, rather than to the Regional Stewardship Funding Program. Any infrastructure funds not distributed by the end of the biennium (i.e., close of business Monday, June 30, 2008) will be transferred to the stewardship initiatives pool for distribution on a competitive basis. Any institution that does not qualify to receive its 2006-07 infrastructure pool allocation will be afforded an opportunity to submit an infrastructure plan by June 1 each year thereafter to access funds allocated in subsequent years.

Regional grant funds will support comprehensive university efforts to build intellectual capacity in targeted priority areas. The size of the regional grant pool will be \$9 million in the second year of the biennium. Pool funds will be allocated among the comprehensive universities in equal amounts of \$1.5 million per institution. Allocated funds will be distributed upon submission and approval of two documents: (1) a strategic plan, produced in collaboration with an institution's advisory committee, which identifies regional needs, opportunities, and stewardship priorities; and (2) a proposal that identifies targeted areas of impact at the university and contains a proposed budget for faculty and staff salaries, and operating expenses, in those areas. To qualify for regional grant funds, each institution should submit a strategic plan for stewardship activities and a priority area proposal to the Council by close of business June 1, 2007. Once distributed, these funds will become recurring to the institutions, rather than to the Regional Stewardship Funding Program. Any regional grant funds not distributed by the end of the biennium (i.e., close of business Monday, June 30, 2008) will be transferred to the stewardship initiatives pool for distribution on a competitive basis. Any institution that does not qualify to receive its 2007-08 regional grant pool allocation will be

afforded an opportunity to submit a strategic plan and priority area proposal by June 1 each year thereafter to access regional grant funds allocated in subsequent years.

The stewardship initiatives pool will support specific public engagement activities at the institutions that improve economic prosperity, quality of life, and civic participation in the region or state, while furthering the goals and mandates of House Bill 1 and the public agenda. The size of the stewardship initiatives pool will be \$6 million in the second year of the biennium. One-half of these funds, or \$3 million, will be allocated among the comprehensive universities in equal amounts of \$500,000 per institution and will be distributed based on responses to an annual request for proposals issued by Council staff. At the end of the biennium, any undistributed funds from this sub-pool will be transferred to a competitive grants sub-pool. The remaining \$3 million of the stewardship initiatives pool will be distributed on a competitive basis based on responses to an annual request for proposals issued by Council staff. At the end of the biennium, any undistributed funds from this sub-pool will be carried forward in the funding program until guideline requirements have been satisfied. The first round of proposals for stewardship initiative funds should be submitted to the Council by close of business June 1, 2007. The second round of proposals is due by close of business June 1, 2008. It is anticipated that, in subsequent biennia, stewardship initiative funds will become recurring to the Regional Stewardship Funding Program maintained at CPE.

### **Uses of Program Funds**

Infrastructure funds will be used to develop and maintain organizational structures, personnel, information systems, advisory committees, and external partnerships necessary to sustain stewardship activities. Appropriate uses for these funds include expenditures for a stewardship coordinator, stewardship staff, and related operating expenses. Infrastructure funds should not be used to support capital outlay or debt service expenditures.

**Stewardship Coordinator:** Salaries, benefits, and other personnel related expenses associated with a full-time or part-time faculty or administrative staff position responsible for coordinating stewardship program activities at the institution.

**Stewardship Staff:** Salaries, benefits, and other personnel related expenses associated with full-time or part-time administrative, managerial, or secretarial staff positions that support the program coordinator and stewardship program activities at the institution.

**Related Operating Expenses:** Expenditures directly attributable to the support and operation of stewardship program activities, including but not limited to the following: (a) travel and related expenses associated with establishing and maintaining external partnerships; (b) costs associated with convening advisory committee meetings or hosting public forums; (c) public awareness campaigns; (d) professional development for faculty in engagement related areas; (e) costs associated with integrating public engagement into the curriculum; (f) costs associated with restructuring faculty role and reward structures; and (g) computer equipment

and software, as needed to support stewardship coordinator and staff activities, including development of environmental scanning and institutional/community interaction databases.

Stewardship initiative funds will be directed toward the creation of partnerships and the execution of engagement activities that promote regional or statewide economic development, livable communities, social inclusion, and creative governance, while helping to achieve the goals of House Bill 1 and the public agenda. Examples of initiatives that may be funded include, but are not limited to:

- Addressing issues of teacher quality, pre-service training, in-service professional development, or teacher shortages.
- Conducting research that identifies causes and solutions for student achievement gaps.
- Developing community-based research programs that address public problems, such as improving the environment, public health, and transportation.
- Meeting the needs of current employers and creating new economic opportunities for the region or state.
- Increasing citizen participation in democratic processes.
- Helping the region address challenges and opportunities posed by an increasingly diverse population.

### **Uses of Funds Requirements**

The universities that participate in the Regional Stewardship Program shall utilize program funds so that the following requirements are met:

- Infrastructure funds will not be distributed until an institution's plan for aligning its priorities, resources, organizational structure, and reward systems in support of stewardship activities has been submitted and approved by the Council.
- If a university can demonstrate through its infrastructure plan that a sufficient level of institutional personnel and resources are already committed to supporting core stewardship of place functions, then the infrastructure funds provided through this program can be used to build intellectual capacity in targeted impact areas, subject to guideline provisions specifying applicable uses of regional grant funds.
- Regional grant funds will not be distributed until an institution's plan for developing its infrastructure has been submitted and approved by the Council, and its infrastructure funds have been distributed.
- Regional grant funds will not be distributed until an institution's strategic plan for regional stewardship and its priority area proposal have been submitted and approved by the Council.



- Proposals for stewardship initiative funds will not be considered for funding until an institution's strategic plan for stewardship activities and priority area proposal have been submitted and approved, and its regional grant funds have been distributed.

### **Proposal Requirements and Evaluation Criteria**

The comprehensive universities will submit proposals for stewardship initiative funds that adhere to the following requirements:

- The minimum amount of stewardship initiative funds that shall be requested in a single proposal is \$50,000.
- Institutions can submit multi-year proposals for stewardship initiative funds, but will be required to present follow-up proposals for continuation funding every two years for the duration of the project. Continuation funding is not guaranteed. Follow-up proposals will be added to the pool of proposed projects received each year and evaluated on relative merit.
- Each proposal shall contain specific goals for the proposed stewardship activity, identify key indicators that will help monitor progress toward goal attainment, provide clear definitions of expected program outcomes, and contain an evaluation plan.
- Expected outcomes should be clearly linked to documented regional or state needs, such as raising educational attainment levels, improving public health or environmental conditions, promoting economic development, supporting small business development, or increasing civic engagement.
- Each proposal shall contain a plan for linking the proposed engagement activity to the core academic function of the institution, as well as a plan for the ultimate completion of the project or disengagement of the activity.
- Proposals will be evaluated by an assessment team comprised of CPE staff, state agency representatives, and outside consultants with expertise in the stewardship of place arena.

Institutional proposals for stewardship initiative funds will be evaluated based on the criteria listed below. Requests need not meet all the criteria to receive consideration.

- The extent to which the proposed activity addresses significant regional or state needs, or capitalizes on unique opportunities, as identified through assessments involving the institution, its advisory committee, and other appropriate external partners.
- The potential for enhancing collaboration, where feasible. This includes, but is not limited to, partnering with public and independent postsecondary institutions, P-12

organizations, local P-16 councils, local and regional governments, nonprofit agencies, community and civic organizations, businesses, hospitals, foundations, and philanthropic organizations to share costs and increase program impact.

- The extent to which the stewardship activity holds promise for significant and sustainable regional or state improvement in the areas of economic development, livable communities, social inclusion, creative governance, and civic participation.
- The availability of financial or in-kind support contributed by local, regional, or state partners, or by the postsecondary institution(s) involved in the project.
- The extent to which the proposed utilization of institutional resources and faculty expertise provide a reasonable expectation that project goals will be achieved.
- The potential for producing publishable results that can be generalized to other regions of Kentucky, or across the nation, to address similar problems or take advantage of similar opportunities.

## Council on Postsecondary Education 2006-08 Workforce Development/Transfer Program Guidelines

### Introduction

Kentucky's public agenda for postsecondary education recognizes the importance of workforce education and transfer from two-year to four-year postsecondary institutions to the economic well-being of its citizens. Specifically, it calls for better preparation of graduates to meet workforce needs through partnerships with business and industry, expanded capacity for student transfer to increase degree production, and increases in student financial aid to support transfer.

The Kentucky Community and Technical College System's Campus Action Plan supports the public agenda, focusing on new and improved transfer opportunities through career pathways, ensuring employability skills are incorporated into KCTCS programs, and determining and meeting workforce needs through partnerships with local, regional, and statewide business, industry, and economic development agencies.

The Workforce Development/Transfer Program (WDTP) supports public postsecondary workforce education and transfer initiatives to create a workforce that stimulates business development, creates better jobs and a higher standard of living, and facilitates Kentucky's transition to a knowledge-based economy. The program provides funding for faculty/staff positions, student scholarships, and infrastructure to support workforce education and transfer.

State funds for the program are appropriated to the Postsecondary Workforce Development Trust Fund for the Kentucky Community and Technical College System.

### Program Goals

The Council expects program funds to be substantially directed toward supporting workforce education and transfer initiatives that lead to the creation, preservation, or attraction of businesses that will increase the number of good jobs in Kentucky. For these purposes, "good jobs" are defined as jobs that yield income at or above the national per capita income. The fund will increase the number of graduates from KCTCS that are prepared to work in such good jobs.

The Council recognizes the importance of collaboration and encourages use of program funds to promote KCTCS partnerships with business, industry, and four-year institutions that increase degree production and transfer in the science, technology, engineering, and math (STEM) disciplines, health professions, teacher shortage areas, and applied sciences.

The Council recognizes the importance of the KCTCS transfer mission and encourages use of program funds to support initiatives that enhance the transition of students from KCTCS

colleges to four-year institutions. The WDTP will promote transfer through increases in the number of transfer scholarships and improvements in the infrastructure that supports transfer.

The WDTP also should produce increases in sponsored workforce education and training directly attributable to the program and improvement in related student outcome measures (e.g., increased enrollment, retention, graduation, transfer, and employment, especially in high-need workforce areas).

### **Program Funding**

The Council on Postsecondary Education recommended \$500,000 of nonrecurring funds for the Workforce Development/Transfer Program in the first year of the 2006-08 biennium and \$3.5 million of recurring funds for the program in the second year. Program funds will be divided into two pools pending distribution: (a) endowment and (b) workforce development/transfer.

The endowment pool will support faculty positions, scholarships, and program initiatives that contribute to workforce development in high-need areas and transfer of students to baccalaureate degree programs in areas of strategic benefit to the Commonwealth. The size of the pool will be \$500,000 in the first year of the biennium, which will be matched dollar-for-dollar by KCTCS with funds raised from private sources. Endowment pool funds will be distributed upon submission and approval of funding requests that meet guideline requirements for the program. These funds will be nonrecurring to the institution, but will be added, along with matching private-source funds, to the endowment of the institution to provide a perpetual source of funding for workforce development and transfer initiatives. Any endowment pool funds not distributed by the end of the biennium (i.e., close of business Monday, June 30, 2008) will be maintained in the trust fund until matched.

The workforce development/transfer pool will support KCTCS efforts to build workforce development and transfer programs in areas of demonstrated workforce need. The size of the pool will be \$3.5 million in the second year of the biennium. These funds will be distributed to KCTCS upon submission and approval of a plan to align institutional priorities, resources, and infrastructure to support workforce education and transfer activities in disciplines of strategic benefit to the Commonwealth or in areas of student need as identified in the CPE affordability study. At least 25 percent of the pool will fund scholarships that support associate degree completion and transfer of baccalaureate degree-seeking KCTCS associate degree completers to Kentucky public and independent colleges. To qualify for these funds, KCTCS should submit a one-time plan to the Council by close of business June 1, 2007. It is anticipated that, in subsequent biennia, these funds will become recurring to the institution, rather than to the Workforce Development/Transfer Program. Any pool funds not distributed by the end of the biennium (i.e., close of business Monday, June 30, 2008) will be maintained in the trust fund until distributed.

## Matching Requirements

In order to receive endowment pool funds, KCTCS must provide dollar-for-dollar matching funds that satisfy the following requirements:

- Gifts and pledges must be newly generated to be eligible for state match. Newly generated contributions are those received by KCTCS after June 1, 2006.
- Gifts and pledges must be from external sources to be eligible for state match. External source contributions are those that originate outside KCTCS or one of its recognized foundations. Eligible sources of funding include, but are not limited to, businesses, non-governmental foundations, hospitals, corporations, and alumni or other individuals.
- The following sources of funding are not eligible for state match:
  - (a) Funds received from federal, state, and local government sources.
  - (b) General Fund and student-derived revenues (e.g., state appropriations, tuition and fees revenue).
  - (c) Funds received from an affiliated KCTCS entity or fund.
  - (d) Funds directed through a non-affiliated university entity or fund with an origin in conflict with items (a), (b), or (c) above.
- The minimum institutional request amount is \$50,000. KCTCS may combine smaller donations from businesses, nongovernmental foundations, hospitals, corporations, and alumni or other individuals to meet the \$50,000 minimum.
- All funds, both state and private, must be endowed. "Endowed" means only the investment earnings are eligible for expenditure, not the principal.
- Requests for state funds must identify the matching funds that are cash and the matching funds that are pledges.
- Pledges, or promises of future payment, are eligible for state match provided they are based on a written contract or agreement and include a payment schedule, which does not exceed five years from the initial pledge date. Pledge payment schedules showing receipts to date and scheduled future payments are to be included in the audited financial statements of either the institution or the foundation.
- If pledged funds are not received within five years of the initial pledge date, KCTCS must replace the portion of private funds not received with another eligible cash gift or the unmatched portion of the state funds plus an allowance for accrued interest will revert to

the trust fund for reallocation. In such cases, a timeframe for the replacement or return of state funds will be negotiated between Council staff and institutional representatives.

- KCTCS officials must notify the Council staff of unpaid pledges six months before the end of the five-year deadline or immediately when a gift has been revoked.

### Uses of Program Funds

As described in the Program Funding section above, Workforce Development/Transfer Program funds will be divided into two pools pending allocation and distribution.

**Endowment Pool.** The endowment pool will be matched with private source funds and added to the KCTCS endowment, where it will provide a perpetual source of funding for workforce development and transfer initiatives. Investment earnings from the endowments will support faculty positions, scholarships, infrastructure, and program initiatives that contribute to workforce development in high-need areas and transfer of students to baccalaureate degree programs in areas of strategic benefit to the Commonwealth.

- **Faculty Positions:** New faculty positions, salary supplements to existing faculty positions, and associated expenses for those positions, including start-up costs, salaries, benefits, travel, and other professional expenses as permitted by KCTCS policy.
- **Scholarships:** Scholarships funded with endowment proceeds will: (1) support undergraduate student completion of KCTCS programs; (2) support transfer of KCTCS associate degree completers to baccalaureate degree programs in areas of workforce need; or (3) provide financial aid in areas of student need as identified in the CPE affordability study.
- **Infrastructure:** Expenditures for minor classroom or training facility renovations, faculty start-up packages, equipment and supplies that are directly linked to workforce education and training activities of program faculty, including core workforce training room improvements, equipment upgrades, instruments and supplies, and other workforce education related expenses as permitted by KCTCS policy.

**Workforce Development/Transfer Pool.** Workforce development/transfer pool funds will be used to develop and maintain organizational structures, personnel, and information systems necessary to sustain viable workforce development and transfer programs in areas of demonstrated workforce need. Lack of financial aid has been identified as a primary barrier to transfer by KCTCS students. Pool funds will also support associate degree completion and transfer of baccalaureate degree-seeking KCTCS associate degree completers to Kentucky public and independent colleges, especially for students transferring into STEM disciplines, as identified in the Council's Key Indicator Accountability System, and then to other high-need workforce areas. Appropriate uses for these funds include scholarships that support associate

degree completion and transfer, expenditures for workforce education, or transfer program faculty salaries, benefits, and related operating expenses. These funds should not be used to support capital outlay or debt service expenditures.

- **Scholarships:** Twenty-five percent of this pool (or \$875,000) will be used to provide scholarships that support associate degree completion and transfer of baccalaureate degree seeking KCTCS associate degree completers. It is intended that a majority of scholarship funds will support the transfer function directly related to the needs of the system as identified by the affordability study and transfer study. These funds should supplement, and not supplant, funding for existing financial aid programs. The Council will assess the effectiveness of the program through regular reports of the number and percentage of scholarship recipients receiving baccalaureate degrees.
- **Faculty Positions (or Staff):** Salaries, benefits, and other personnel related expenses associated with new faculty (or staff) positions that increase the institution's capacity to produce associate degree and certificate holders in demonstrated areas of workforce need in Kentucky, or that facilitate successful transfer of students to baccalaureate degree programs in the science, technology, engineering, and math (STEM) disciplines, health professions, teacher shortage areas, and applied sciences.
- **Related Operating Expenses:** Expenditures for program and operating expenses that are directly linked to workforce education and transfer activities, including but not limited to the following: (1) education and training materials, media, and equipment that enhance KCTCS capability in workforce education and transfer; (2) development of online programs that promote transfer, transfer of credits, and student enrollment/completion of certificates and degrees in high-need areas; (3) funding for visiting professors and instructors, lecture series, demonstration projects, and faculty exchange that support workforce education and transfer in priority areas; and (4) expenditures for the dissemination of information and best practices in workforce education and transfer programs (for example, nationally prominent publications and presentations at conferences, symposiums, seminars, or workshops for KCTCS faculty/staff). Expenditures for general personnel expenses that are not directly linked to workforce education or transfer programs do not qualify as infrastructure support activities.

### Use of Funds Requirements

- All endowment pool and matching private funds must be endowed for the purpose of supporting student scholarships, faculty or staff positions, operating expenses, or infrastructure that are directly linked to workforce education or transfer program activities in areas of strategic benefit to the Commonwealth.

- Program funds cannot be used for positions which are primarily administrative. However, professors in workforce education and training programs who may have an appointment such as department chair, center director, or dean are eligible.
- Program funds cannot be used to fund capital construction projects.
- Program funds should supplement, rather than supplant, current KCTCS funding for workforce development and transfer programs.

### **Annual Reporting**

The Council staff, working with KCTCS, will devise and maintain reporting procedures that specify the content and format of WDTP annual reports.



## Council on Postsecondary Education 2006-08 Retention/Affordability Initiative Guidelines

### Program Goals

This initiative supports public postsecondary institution efforts to address issues related to questions 1, 2, and 3 of the public agenda. Funding is targeted for strategies directed toward low-income students and populations. Specific challenges are inherent for those institutions serving low-income populations and, in order to reach the goals of HB 1, additional support is necessary to bolster efforts to enroll, retain, and graduate at-risk populations.

### Program Funding

The Council recommended \$4 million of recurring funds in 2007-08 to support this initiative to be distributed as follows:

<i>Institution</i>	<i>Distribution</i>
Eastern Kentucky University	\$1,048,600
KCTCS	260,200
Kentucky State University	247,100
Morehead State University	1,008,400
Murray State University	353,500
Northern Kentucky University	181,300
University of Kentucky	177,800
University of Louisville	197,000
Western Kentucky University	526,100
<b>TOTAL</b>	<b>\$4,000,000</b>

### Uses of Program Funds

The funds are to be used by the institutions for the following activities:

- Recruitment program enhancements targeted to low-income students, their parents, teachers, and schools, and specifically to populations in the service regions not represented at average rates at the institution.
- Targeted need-based financial aid packages for traditional and adult students as well as students transferring from two- to four-year colleges.
- Partnering programs with adult education programs and high schools, especially in targeted counties.

- Increase marketing efforts to increase motivation of targeted groups to attend postsecondary education and raise public awareness of financial aid and scholarships and financial aid workshops targeted to underserved areas of the service regions.
- Implement campus-level assessments of student access and affordability using matriculation and persistence surveys.

### **Use of Funds Requirements**

To qualify for funding, each institution shall submit a plan for the use of the funds by February 1, 2007. Plans must define specific outcomes tied to recruitment and retention of populations targeted by the initiative. To leverage funds and increase impact, institutional efforts must demonstrate collaboration with regional and statewide programs sharing the goals of this program. These include but are not limited to:

- Kentucky GEAR UP and regional GEAR UP partnership grants
- Local P-16 councils
- The CPE's Go Higher Kentucky college access initiative
- State programs targeting increased minority student postsecondary success (e.g., the Governor's Minority Student College Preparation Program)
- College access programs of the Kentucky Higher Education Assistance Authority including the GoHigherKy.org college access Web portal
- Adult learning centers
- Other public and independent postsecondary institutions

### **Annual Reporting**

Institutions must provide biannual reports to the Council documenting increased college awareness, attendance, retention, and timely graduation of targeted populations. Reports also will include documentation of use of program funds and successful leveraging of those funds with partner agencies and programs.

**Council on Postsecondary Education  
January 30, 2006**

**Fiscal Year 2004-05 Agency Audit**

<p><b>ACTION: The staff recommends that the Council accept the 2004-05 agency audit as submitted by the firm of Moore Stephens Potter LLP.</b></p>
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The Council continued its contract with the firm of Moore Stephens Potter LLP to perform a financial and management audit of the Council's activities during fiscal year 2004-05. The Council received an unqualified opinion.

The audit was conducted in accordance with U. S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

The Executive Committee received a draft of the Financial Statements and Independent Auditor's Report and reviewed these documents with representatives of Moore Stephens Potter LLP and the Council staff via a September 30 conference call.

The audit report contains no reportable conditions or material weakness related to internal control over financial reporting or major federal programs.

The audit report notes one instance of material noncompliance related to financial statements. This involves an overpayment on the Memorandum of Agreement between the University of Kentucky and the Council for the Kentucky Postsecondary Education Network (KPEN) program. The Council staff has taken corrective action and a refund has been received.

The audit report disclosed one finding related to major federal programs. This involved the failure of local Kentucky Adult Education sub-grantees to submit copies of their fiscal year audits to Council staff in accordance with federal regulations and their contract. The Council staff has taken appropriate corrective action.

The Council staff has acted upon Moore Stephens Potter LLP and the Executive Committee's suggestions involving monitoring of funds. A separate agenda item, "Accountability and Assessment of Council Funded Initiatives," will be presented at the March 2006 meeting.

**Council on Postsecondary Education  
January 30, 2006**

## **Nominating Committee Report**

Mr. Baker, chair of the nominating committee, will present recommendations for Council chair and vice chair to serve February 1, 2006, through January 31, 2007.

**Council on Postsecondary Education  
January 30, 2006**

## **Presidential Evaluation Committee**

Mr. Greenberg will appoint a committee of Council members to coordinate the annual evaluation of the Council president.