

AGENDA
Council on Postsecondary Education
Friday, November 6, 2009

10 a.m. (ET)
 Cooperative Extension Building, Room 238
 Kentucky State University, Frankfort, KY

8:30-10 a.m. – Council Member Work Session
 Federal Opportunities for Kentucky Postsecondary Education – Discussion with Paul Lingenfelter, President, State Higher Education Executive Officers

Welcome from President Mary Sias and Kentucky State University

Roll Call

Approval of Minutes

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Other Business

Next Meetings

- February 10, 2010, 5:30 p.m., KCTCS Offices, Versailles – joint meeting with CPE, Kentucky Board of Education, Education Professional Standards Board
- February 11, 2010, 10 a.m. – CPE meeting, CPE Offices, Frankfort

Adjournment

MINUTES
Council on Postsecondary Education
September 10, 2009

The Council on Postsecondary Education met Friday, September 10, 2009, at 3 p.m. at Western Kentucky University in Bowling Green, Kentucky. Chair Paul Patton presided.

ROLL CALL

The following members attended: Ellen Call, Chris Crumrine, Glenn Denton, Dan Flanagan, Joe Graviss, Terry Holliday, Phyllis Maclin, Pam Miller, Donna Moore, Lisa Osborne, Paul Patton, Marcia Ridings, Jim Skaggs, Joe Weis, and Joe Wise.

WELCOME FROM WKU

Governor Patton thanked President Ransdell and WKU for hosting the Council. He said that the Council members enjoyed an information session and campus tour earlier in the day.

President Ransdell welcomed the Council to the WKU campus. He shared data since postsecondary education reform which showed the considerable progress in the measures tracked by WKU. He also shared information from the Chronicle of Higher Education census data about the value of a degree and the annual earnings of degree holders. Lastly, he shared a map of the U.S. which showed that Kentucky had moved to third in the country in growth in undergraduate enrollment since postsecondary reform.

Governor Patton welcomed Kentucky's new commissioner of education, Terry Holliday. Dr. Holliday began his duties August 1 and will serve as a nonvoting, ex officio member of the Council.

Governor Patton also welcomed Pete Mahurin, co-chair of the Higher Education Work Group, who was in the audience.

APPROVAL OF MINUTES

Mr. Weis requested an amendment to the July minutes to emphasize the importance of tracking the graduation rates of Kentucky residents as well as the graduation rate of all students. This comment was made during the report on 2009 performance goals.

The July minutes as amended were approved.

CPE PRESIDENT'S REPORT

CPE President Robert King reported on several activities underway:

- The Senate Bill Steering Committee is providing oversight to the implementation of the comprehensive process for revision of content standards, professional development needed for administrators, teachers, and faculty, and the development of unified strategies to promote readiness and college success. This effort is in line with another effort to develop a longitudinal data system that will track youngsters in their educational progress from when they enter the public school system

through to the completion of a doctorate degree at a public institution in Kentucky. This is part of a larger effort occurring in selected states around the country. Kentucky was selected as one of a handful to participate in this effort and has been the beneficiary of a second grant for development.

- As development of the statewide diversity plan gains momentum, the staff is having conversations with the presidents, institutional staffs, and the Committee on Equal Opportunities about the potential impact of certain policies on a statewide diversity plan. The CEO is moving forward to develop a planning document that is expected to be submitted to the Council for review and action in March 2010. That document should reflect the basic priorities regarding system and campus diversity given certain policy structures. Throughout the planning process the committee has focused on embracing the full range of diversity, while at the same time keeping in mind special concerns and responsibility for the residents of the Commonwealth. Throughout the process Council staff will work closely with institutional representatives and the CEO to keep key constituents informed and to receive input to improve the statewide plan.
- The Higher Education Work Group is continuing its review of four key education policy areas – state student financial aid, transfer, college readiness, and cost containment and efficiencies on campus. The full report is due to the Governor November 1. Governor Beshear attended the August meeting and commented on the important work ahead. David Adkisson, president of the Kentucky Chamber of Commerce, also attended the August meeting and talked briefly about the Chamber’s 2009 Progress Report on Postsecondary Education. This is a follow-up to the Chamber’s 2007 status report on Kentucky higher education reform.
- The Governor’s Conference on Postsecondary Education is September 11. The theme is “Raising the Bar: Access, Quality, and Success.” The opening session features a presentation by Kati Haycock, a nationally recognized education leader and advocate, who will discuss strategies for improving access and success in higher education, especially for low-income students and students of color. The luncheon program includes Governor Beshear discussing his agenda for postsecondary education and presentation of the Acorn Awards for Faculty Excellence, sponsored this year by the Kentucky Chamber of Commerce. The afternoon sessions provide the opportunity for an interactive session about strategies on how to make good boards great.
- The Council was visited recently by the chief medical officer for the state of Kentucky to talk about the H1N1 virus and its potential impact on higher education. That preceded a statewide conference at which all of the campuses were represented. All of the campuses in the public system have been fully briefed and have put in place those mechanisms that will allow for quick response.
- With the recent appointment of Governor Patton as president of Pikeville College, the issue of his service in that capacity has raised the question of whether an individual can be an employee of an institution licensed by CPE and also serve on the Council and also whether a person who is employed by an institution licensed by the Council can serve as an officer

of the Council. With the Governor's concurrence, the staff has submitted a request to the Kentucky Executive Branch Ethics Commission to consider these issues. The Ethics Commission will meet September 18 but has indicated that Governor Patton can continue to serve as a CPE member and as chair at least up to the point of consideration of these issues.

COMMISSIONER
OF EDUCATION
REPORT

Dr. Holliday said that the K-12/postsecondary education partnership is crucial to the success of Kentucky's citizens. He said that through many partnerships across the state, the universities are working with local school superintendents to improve the educational outcomes of K-12 so that the entry level of college students can be improved. He said that Senate Bill 1 is driving the department's work. Signed by Governor Beshear in March 2009, this is a significant piece of education legislation that revises the assessment and accountability system for P-12 education and calls for greater alignment between the K-12 and higher education systems. He said that this reform should once again put Kentucky at the forefront of education reform in the U.S. Other areas of significant interest are several federal opportunities including Race to the Top initiatives and school improvement grants. A big challenge is high school dropouts, and he invited the Council members to attend the September 11 summit hosted by First Lady Jane Beshear focusing on improving graduation rates and lowering the dropout rate of Kentucky's students.

AIKCU REPORT

Gary Cox, president of the Association of Independent Kentucky Colleges and Universities, led the presentation of the annual AIKCU report to the Council. The report provided a summary of the role independent colleges are playing in the state's effort to meet postsecondary education goals, how their role can be enhanced, and challenges they face. Independent presidents participating in the presentation were Larry Hofstetter from Brescia, Cheryl King from Kentucky Wesleyan, Sandra Gray from Asbury, Robert Imhoff from Mid-Continent, Bill Huston from St. Catharine, and John Roush from Centre.

REGIONAL
STEWARDSHIP
GRANTS

RECOMMENDATION: The staff recommended that the Council approve regional stewardship funding allocations to EKV, KSU, MoSU, MuSU, and WKU in the amount of \$288,000 each to support regional stewardship grants.

At the May 2008 meeting, the Council approved FY 2008-09 regional grant funding of \$288,000 to these institutions conditional upon successful implementation of their infrastructure plans and adequate progress on their regional grant proposals. All institutions at this time have submitted progress reports on their regional grant programs and are eligible to receive their FY 2009-10 regional grant funding. Upon approval, the Council will disburse to each of the universities noted above up to \$288,000 in regional grant funding. These funds will be disbursed quarterly upon receipt of invoices, subject to availability of funding.

MOTION: Ms. Call moved that the recommendation be approved. The motion was seconded by Ms. Miller.

LICENSING
REGULATIONS

VOTE: The motion passed.

RECOMMENDATIONS: The staff recommended that the Council approve the following three administrative regulations regarding the licensing of independent colleges in Kentucky:

- Revised administrative regulation 13 KAR 1:020 regarding the licensing of independent colleges in Kentucky and corresponding fee schedule. The revisions are necessary to better align licensing standards and procedures, accommodate online learning and operations, and address growth in the number of institutions, particularly the increase in out-of-state institutions locating in Kentucky. The fee structure, introduced for the first time since licensing was assigned to CPE, will provide funds to provide greater oversight and a more complex review process to protect citizens and institutions from fraudulent practices, unfair competition, or substandard educational programs.
- New administrative regulation 13 KAR 1:040 that sets forth the definitions for the two substantive regulations, 13 KAR 1:020 and 13 KAR 1:050.
- New administrative regulation 13 KAR 1:050 regarding licensed out-of-state colleges' eligibility for Kentucky tuition grants. Beginning with the 2011-12 academic year, in order to be eligible for Kentucky tuition grants, a licensed out-of-state school for which accreditation by the Southern Association of Colleges and Schools is not an option shall undergo a review by the Council on Postsecondary Education based upon SACS accreditation criteria.

After discussion, the Council staff was instructed to prepare an information paper for discussion at a future CPE meeting on these issues:

1. Should CPE assume authority for licensing all proprietary schools?
2. Should all institutions licensed in Kentucky be SACS accredited or undergo a SACS-like accreditation process?

Upon approval, the regulations will go through a public hearing and review by the Administrative Regulation Subcommittee and the Interim Joint Committee on Education.

MOTION: Ms. Miller moved that the three regulations be approved. Mr. Weis seconded the motion.

VOTE: The motion passed.

RESIDENCY
REGULATION

RECOMMENDATION: The staff recommended that the Council approve the revision to the residency administrative regulation to conform to new federal legislation on tuition benefits for active duty military personnel.

Recently the federal government enacted legislation (The Higher Education Opportunity Act) requiring states that participate in federal student financial aid programs to grant in-state tuition to members of the Armed Forces who have been on active duty for 30 days, where that member has a permanent duty station in the state where the member is enrolling. The federal law also provides that the benefit will continue regardless of the status of the person if they remain in continuous enrollment. The benefit conferred by federal law extends to the spouse and dependent child. The new federal provision took effect July 1, 2009.

The best way to conform the Kentucky administrative regulation to the new federal law is to use the emergency provisions of the administrative regulation process. This allows Kentucky to conform to the changes in the federal law immediately without going through the regulatory review process. However, in order to use the emergency regulation process, an ordinary administrative regulation that ultimately will replace the emergency administrative regulation must be filed simultaneously.

The recommendation above includes approval of both the emergency regulation and the ordinary administrative regulation that will replace it.

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

VOTE: The motion passed.

CPE PLAN OF WORK

RECOMMENDATION: The staff recommended that the Council approve the Plan of Work for the CPE president July 2009 through July 2010.

This plan of work provides a clear set of policy priorities and tasks that will guide the work of the Council president and staff over the coming year. It was provided for initial review by the President Evaluation Committee and the full Council at the July 2009 meeting. Implementation will be monitored carefully by the Council president and chair, and periodic reports will be made to the full Council throughout the year to ensure adequate progress is being made in each of the areas of focus. The Evaluation Committee will evaluate implementation of the plan as part of the president's annual performance review in July 2010.

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

VOTE: The motion passed.

MOSU
QUALITATIVE WAIVER

RECOMMENDATION: The Committee on Equal Opportunities recommended that the Morehead State University request for a temporary waiver of the requirements of KRS 164.020(19) be granted.

At its April 20 meeting, the CEO heard Morehead's request for a temporary waiver and decided not to recommend to the Council that it be granted at that time. Instead, the CEO made a number of recommendations for consideration by the university to strengthen its request. At its August 26 meeting, the CEO voted to recommend to the Council that a temporary waiver be granted to MoSU. Granting this waiver will enable Morehead to implement or ask the Council to approve new academic programs during calendar year 2009.

MOTION: Ms. Miller moved that the recommendation be approved. Ms. Maclin seconded the motion.

VOTE: The motion passed.

AGENCY
OPERATING
BUDGET

RECOMMENDATION: The staff recommended that the Council approve the proposed 2009-10 agency operating budget.

The staff provided a summary of revenues and expenditures proposed for the new fiscal year, as well as comparative information from FY09.

In late August 2009, the Office of the State Budget Director notified Council staff that consistent with the Governor's pro-education agenda, Kentucky Adult Education (statewide adult education provider program funds) and Kentucky's contract spaces program (student financial aid that pays the difference between in-state and out-of-state tuition for Kentucky students who enroll in veterinary and optometry programs out-of-state) are being exempted from the current round of budget cuts for 2009-10 (FY10). Excluding these two statewide educational programs, the rest of the Council's General Fund budget for FY10 is expected to be reduced \$952,500.

The proposed FY10 agency operating budget is divided into two parts. The first, statewide coordination, supports the traditional expenditures associated with a postsecondary education coordinating board, including funds spent for policy leadership, strategic planning, regulation of the state's postsecondary education system, finance (including biennial budget preparation and tuition setting), administrative services, communications, academic affairs and program review, economic and STEM initiatives, and information, research, and technology. The second, statewide educational programs and services, includes: (1) Kentucky Adult Education statewide administration and instruction; (2) student assistance and educational support (Kentucky's contract spaces program accounts for approximately 84 percent of this budget); (3) technology and academic support including investments for postsecondary network connections, software, and licenses for the Kentucky Virtual Campus and Virtual Library, statewide faculty development, college outreach work, and college-level learning assessments; and (4) research and economic development initiatives.

MOTION: Mr. Flanagan moved that the recommendation be approved. The motion was seconded by Mr. Weis.

VOTE: The motion passed.

2010-12 BUDGET
RECOMMENDATION

Mr. Flanagan said that the current economic slowdown and ongoing state fiscal crisis provide a challenging environment for the Council to make a reasonable yet aggressive 2010-12 budget recommendation that is aligned with statewide priorities and consistent with the mandates of House Bill 1.

Mr. Flanagan said that the Budget Development Work Group agreed that in the current environment there is an advantage to keeping the budget development process simple. Instead of detailed budget presentations, each institution was requested to prepare a two-page summary discussing how it would use any additional state appropriations if they become available in 2010-12. A similar two-page summary also will be drafted for the Council's agency request. These documents will be shared in advance of the October 1 special Council meeting and will provide context for an open discussion with Council members and presidents regarding the 2010-12 budget request on October 1.

For the last several months, Council staff worked collaboratively with the presidents and chief budget officers on a Points of Consensus document that reinforces basic principles to guide the development of the 2010-12 operating and capital budget recommendation. Given the current economic and budget difficulties, it was agreed that the Points of Consensus for the 2010-12 budget recommendation should be a simple document that provides historical context for the request and is focused on two areas, base funding and capital investments.

2011-15 STRATEGIC
AGENDA
DISCUSSION

House Bill 1 requires the Council to review its strategic agenda every four years and the strategic implementation plan every two years. The purpose of the strategic agenda is to "identify specific short-term objectives in furtherance of the long-term goals" established in HB 1. The current strategic (public) agenda covers the period 2005-10 and is called *Five Questions - One Mission: Better Lives for Kentucky's People*. It is focused on five policy areas: (1) college preparation, (2) affordability, (3) participation and completion, (4) learning, and (5) economic and community impact.

The new strategic plan, which is scheduled to be unveiled in fall 2010, will take effect on January 1, 2011, and extend until the end of 2015. For the next Council meeting, the Council staff will begin soliciting informal feedback from key policy leaders on the strengths and weaknesses of the Council's current strategic agenda and implementation plan. Based upon this feedback, a more detailed development process and timeline will be provided for discussion.

COMMITTEE
APPOINTMENTS

Governor Patton appointed Joe Wise to the Distance Learning Advisory Committee and Joe Graviss to the Governance Board of the Lung Cancer Research Project.

REPORTS FROM
INSTITUTIONS

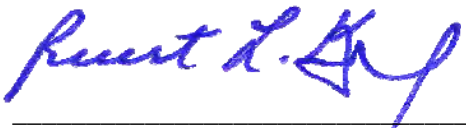
Governor Patton called attention to the reports from the institutions included in the agenda materials.

NEXT MEETINGS

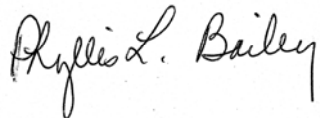
The Council will meet October 1 to provide an opportunity for Council members to discuss the draft 2010-12 budget recommendation. The next regular meeting is November 6.

ADJOURNMENT

The meeting adjourned at 6:15 p.m.



Robert L. King
CPE President



Phyllis L. Bailey
Senior Associate, Executive Relations

MINUTES
Council on Postsecondary Education
Special Meeting
October 1, 2009

The Council on Postsecondary Education met Thursday, October 1, 2009, at 1:30 p.m. at the Council offices in Frankfort, Kentucky. Chair Paul Patton presided.

ROLL CALL

The following members attended: Ellen Call, Chris Crumrine, Glenn Denton, Dan Flanagan, Joe Graviss, Nancy McKenney, Pam Miller, Donna Moore, Lisa Osborne, Paul Patton, Marcia Ridings, Joe Weis, and Joe Wise. Terry Holliday, Phyllis Maclin, and Jim Skaggs did not attend.

Governor Patton recognized Joe Brothers, chair of the Kentucky Board of Education.

NEW CPE MEMBER

Governor Patton welcomed Nancy McKenney as the Council's new faculty member. Dr. McKenney has been a member of the library faculty at Eastern Kentucky University since 1985. She serves on the ECU Faculty Senate, the Senate Executive Committee, and also as a representative to the Coalition of Senate and Faculty Leadership. She has been president of the ECU Chapter of the American Association of University Professors since 2004. She holds a bachelor's degree in music education from ECU and master's degrees in library science and music history from the University of Kentucky. She earned her Ph.D. in musicology from UK. She will serve on the Council through June 30, 2013.

Philip Shepherd, circuit judge of Franklin County, administered the oath of office to Dr. McKenney.

CPE STAFF

CPE President Robert King introduced Aaron Thompson, the Council's new interim vice president for academic affairs. Dr. Thompson came to CPE from Eastern Kentucky University where he is a professor of sociology.

**DISCUSSION OF
2010-12
OPERATING &
CAPITAL BUDGET
RECOMMENDATION**

Dan Flanagan, chair of the CPE Budget Development Work Group, said that the work group was appointed earlier this year to work with the staff on the development of the postsecondary education budget recommendation for 2010-12 that will be submitted to the Governor and the General Assembly. The purpose of this specially called meeting is to provide an opportunity for Council members to gain a deeper understanding of the current operating and capital budget proposals being discussed between Council staff and the public postsecondary institutions and provide a forum for discussion in advance of the Council taking action on a final budget recommendation at its November 6 meeting.

Mr. King said the documents included in the agenda materials are still drafts and some of the concepts are subject to further discussion with the presidents and

chief budget officers. The Council staff has held regular meetings with the presidents and the chief budget officers over the last several months, and these groups will be meeting in the weeks leading up to the November meeting to finalize the request.

The budget request consists of three categories:

1. Institutional Operating Funds – These are state General Funds requested on behalf of the institutions to support their unique missions and House Bill 1 goals. These state appropriations are used for educational and general expenditures on campus including faculty and staff salaries, benefits, scholarships, utilities, etc.
2. Capital Investments – These are state bond-funded and institution agency-funded capital projects proposed for the 2010-12 biennium. Capital investments typically include specific building requests as well as several funding pools that are distributed among the institutions to assist with preserving existing buildings (i.e., new roofs, plumbing, electrical, etc.), as well as updating information technology across the system.
3. Agency Operating Funds – These are General Funds used to primarily support various statewide educational programs and services (e.g., Kentucky Adult Education, contract spaces, Kentucky Postsecondary Education Network, Kentucky Virtual Library, etc.), as well as the Council’s core statewide coordinating function.

The Council staff provided separate agenda items on each one of these areas for review and discussion.

To assist with the 2010-12 budget request process, the Council’s Budget Development Work Group also recommended producing several additional documents including:

- Points of Consensus – This document is a collaborative work product between Council staff and the institutions that reinforces basic principles to guide the development of the 2010-12 operating and capital budget recommendation. It provides historical context for the request and focuses on two areas, base funding and capital investments.
- Institutional Strategic Initiative Summaries – Given the budget uncertainty for 2010-12, if funds do become available above the technical adjustments being requested, these brief summaries highlight university and KCTCS strategic initiatives that would be undertaken that support institutional business plans or strategic plans consistent with the mandates of House Bill 1.

At the September CPE meeting, Council staff provided an update on initial revenue planning estimates for the next biennium that were released by the Office of the State Budget Director, in conjunction with the Consensus

Forecasting Group (CFG). At that time, the budget planning estimates called for an increase in General Fund revenue of \$127 million (1.5 percent growth) in FY11 and an increase of \$290 million (3.5 percent growth) in FY12. The CFG met again September 25 to review various state and national economic data related to the FY10-12 General Fund revenue forecast. There is significant concern about Kentucky's employment levels and their ability to rebound over the next several years. At the meeting's conclusion, the CFG chair directed OSBD's economic analysis staff to generate two scenarios for their next meeting on October 12. These new CFG General Fund numbers will be instructive to the Council in order to draft a reasonable, yet aggressive 2010-12 state appropriation request for postsecondary education. These numbers will be updated once more, in December, and those numbers will be the official CFG numbers which will undergird the biennial executive budget the Governor introduces to the 2010 session of the General Assembly in January. The Council staff will share these updates with the CPE members.

Mr. Flanagan said that the CPE members appreciate this opportunity to discuss the budget recommendation prior to taking action in November. He said that each CPE member should take seriously their responsibility to recommend this budget in November and asked them to direct questions in the interim to the Council staff.

UPDATE ON 2010-11 TUITION SETTING PROCESS

A brief update on the 2010-11 tuition setting process was included as an agenda item since revenue from tuition becomes even more essential in a budget environment where there are limited or no additional state appropriations to support increases in fixed costs and general operations of the postsecondary education system. The Council will take action on 2010-11 tuition rates in 2010.

Mr. King mentioned that during the last tuition cycle several campuses requested converting their flat rate tuition model to a per credit hour model. This conversion was delayed at that time but the campuses were assured that this would be considered for 2010-11. The Council staff has begun these discussions with the campuses and several of them may choose to move to the per credit hour model for the 2010-11 rates.

PLANS FOR JOINT CPE/KBE/EPSB MEETING

Mr. King said that the staffs of CPE, the Kentucky Board of Education, and the Education Professional Standards Board are planning a joint meeting early in 2010 to endorse statewide standards for college readiness in response to Senate Bill 1 requirements. Senate Bill 1, signed by Governor Beshear in March 2009, is a significant piece of education legislation that revises the assessment and accountability system for P-12 education and calls for greater alignment between the K-12 and postsecondary education systems. This joint meeting will be an historic event where these three agencies come together to adopt common standards that will increase the rigor and focus the content of P-12 education, thus increasing the number of students who are college ready.


RACE TO THE TOP

Mr. King said that there is a federal grant opportunity that will be funded through the U.S. Department of Education known as Race to the Top. The grant process

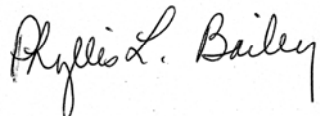
is inviting each state to apply for these funds to help implement innovative educational improvement and reform ideas across several states. The first award will probably be limited to three to four states. Kentucky has been aided in the preparation of its application by a consultant paid from funds provided by the Gates Foundation, and there is a good chance that Kentucky will be selected as one of those first states. The staff will keep the CPE members informed about progress in this area.

NEXT MEETING The next meeting is November 6.

ADJOURNMENT The meeting adjourned at 3:15 p.m.



Robert L. King
CPE President



Phyllis L. Bailey
Senior Associate, Executive Relations

**REPORT FROM COMMISSIONER TERRY HOLLIDAY
FOR
NOVEMBER 6, 2009 COUNCIL ON POSTSECONDARY EDUCATION
MEETING**

Commissioner of Education's Items

➤ ***GOVERNOR LAUNCHES TRANSFORMING EDUCATION IN KENTUCKY
TASK FORCE***

In a move to re-energize the support of public schools that nearly 20 years ago sparked Kentucky to implement the nation's most comprehensive school reform, Gov. Steve Beshear has launched his new education initiative, Transforming Education in Kentucky (TEK).

Governor Beshear and I will co-chair the group. The members of the task force include education advocates, teachers, superintendents, legislators, business leaders and others who have been handpicked for their commitment to education and to Kentucky. Council on Postsecondary Education President Robert King was named as a member of the group.

The group will examine efforts under way in the state, such as the Common Core Standards Initiative; Graduate Kentucky; the Gates Foundation/SREB college and career readiness initiative; the Race to the Top competition; and the Governor's Task Force on Early Childhood Development and Education. The panel will recommend ways to channel all of these efforts into an integrated and comprehensive system of education in Kentucky.

In addition, the task force will explore career and technical education; expanded use of technology for learning; increased opportunities for students to earn college credit in high school; and other issues that affect student success. The goal is to formulate recommendations by the end of 2010, for consideration during the 2011 legislative session.

➤ ***WEBCASTS CONDUCTED TO SOLICIT FEEDBACK TO HELP SHAPE
KENTUCKY'S RACE TO THE TOP APPLICATION***

I conducted three webcasts (one for superintendents, one for principals and one for teachers) on the Race to the Top application, common core standards and Senate Bill 1 implementation. I want all constituencies to be informed about the Kentucky Department of Education's work and have a chance to provide us with feedback as we finalize the Race to the Top application. In order to gather feedback, I included a link to a survey that can be completed online in each of the sessions.

I would also like to offer Council on Postsecondary Education members the opportunity to provide feedback on these issues. Thus, I am including the links to my webcast that I did for teachers below:

- video and audio: mms://video1.education.ky.gov/On-Demand2009/Comm_Teacher_10-22-2009-video.wmv
- downloadable audio podcast: http://media.education.ky.gov/video1/On-Demand2009/Comm_Teacher_10-22-2009.mp3

Please complete the survey that is mentioned at the end of the webcast that can be found on the KDE Web site at: www.education.ky.gov/FormServ/?ID=RTTTsurvey.

➤ ***SENATE BILL 1 STEERING COMMITTEE CONTINUES ITS WORK***

CPE President Robert King and I are co-chairs of the Senate Bill 1 Steering Committee that has been meeting over the last few months to get direct input from representatives of the legislature, superintendents and higher education officials on implementing the various elements of Senate Bill 1 (SB 1). This group is key to keeping the lines of communication open with the General Assembly as to the funding that will be required to carry out the educational system (P-20) as it was designed within SB 1.

We have two more meetings, one in November and the other in December, which will focus on the professional development needs that are crucial to enable successful implementation of what the legislature envisioned. Collaboration between the staffs of the Council on Postsecondary Education, the Kentucky Board of Education and the Education Professional Standards Board is essential and the agency heads of each are part of the SB 1 Steering Committee.

October 7-8, 2009, Kentucky Board of Education Meeting, Frankfort, KY

Highlights of the meeting were as follows:

➤ ***BOARD AUTHORIZES KDE TO SUBMIT BUDGET***

As part of the October meeting, the Kentucky Board of Education reviewed the department's proposal for configuring the 2010-2012 budget proposal that must be submitted to the Governor's Office of Policy and Management in November. The board was provided with descriptions of all line item programs. Due to tight economic times, Commissioner Holliday suggested that board members consider looking at programs according to three categories: programs recommended for discussion/possible redirection, programs recommended for continuation and programs recommended for expansion.

The commissioner emphasized that the department needs the authority to discuss with the General Assembly the possibility of redirecting dollars from some programs to address the expansion needs necessary to implement the requirements of Senate Bill 1 (testing, program reviews, standards and the associated professional development), expand preschool to students at the 200% of poverty level, fund the Individual Learning Plan, cover the costs of Infinite Campus and the Kentucky Education Network, complete the

statewide longitudinal data system required by Race to the Top, provide the required additional SEEK funding and support the virtual high school operational system. He also explained that many programs will be requested to continue at enacted FY10 funding levels.

The board agreed to approve the budget priorities as submitted by the department and authorize staff to submit the 2010-2012 budget proposal to GOPM by the deadline and continue discussions on budget priorities with the General Assembly during the upcoming session, in accordance with the points identified above.

For more information on the department's budget proposal, contact Hiren Desai at (502) 564-1976 or via e-mail at Hiren.Desai@education.ky.gov.

DRAFT LEGISLATIVE AGENDA REVIEWED

Items for possible inclusion in the state board's legislative agenda were reviewed at the October meeting with final approval not occurring until the December meeting. The following were discussed:

- Expand pre-K learning opportunities to 200% of poverty level for four-year-olds
- Modify pre-K fund distribution to base it on the average number of pre-K children served on December 1 and March 1 of the prior year without further adjustments
- Amend KRS 157.440 (Facilities Support Program of Kentucky) to increase the five-cent equivalent tax rate for facilities to ten cents. All districts should be required to levy ten cents. Those districts already levying ten cents or more are authorized to levy an additional five cents, but are not required to do so. All facility funding (except the growth levy) should become part of the FSPK program.
- Amend KRS 160.470 to permit a local board of education to levy a tax rate no lower than the rate set by the board in the previous year.
- Amend KRS 158.146(4) to remove priority in the awarding of dropout prevention grants to districts with chronically high dropout rates, remove the requirement to direct 75% of available funds to elementary and middle school students and 25% to high school students, and focus the grant program on supporting promising and proven practices that are systemic, scalable, and replicable, and aligned with the principles of secondary reform.
- Add chronic low student academic performance as a cause for removal of a superintendent or school board member (KRS 156.132).
- Raise the compulsory school age to 17 in 2010-2011 and 18 in 2011-2012.
- Address possible statutory changes to achieve improvement in student learning through classroom teaching, fairly and robustly assess teacher strengths and needs with multiple measures and provide the teacher, school and district with the resources for improvement.

For more information on the legislative agenda, contact Frank Rasche at (502) 564-4474 or via e-mail at Frank.Rasche@education.ky.gov.

703 KAR 5:060, INTERIM ASSESSMENT PROCESS REVIEWED

The first review of 703 KAR 5:060, Interim Assessment Process, occurred at the October board meeting. The revision of this regulation is necessary due to Senate Bill 1's creation of a three-year interim assessment period (2008-09, 2009-10 and 2010-11), with a new assessment system scheduled to begin in 2011-12. Key provisions of the regulation include:

- KRS 158.6455 requires the Kentucky Board of Education to promulgate an administrative regulation to provide for an interim assessment process that ensures all student assessments, data collection and reporting necessary for compliance with the federal accountability and proficiency requirements under No Child Left Behind Act of 2001.
- Required assessments during the interim period are criterion referenced tests administered in reading (3-8 and 10), mathematics (3-8 and 11), science (4, 7 and 11), social studies (3, 8 and 11) and writing on-demand (5, 8 and 12); norm referenced test (3-7); readiness examinations (EXPLORE, PLAN and the ACT) and alternate assessments for the 1% of Kentucky's students with the most severe disabilities.
- Test windows during the interim period for the criterion and norm referenced tests will be established by the Kentucky Department of Education. Schools will develop a test schedule within the state-established window for a six-day administration of the criterion referenced test with four additional days allowed for make-up testing. Districts will choose one week before or after the criterion referenced test to administer the norm referenced test.
- The three steps of the transition plan for moving to the federally required cohort graduation model are detailed in Section 2.
- Section 3 emphasizes the public reporting of all state-required assessments and the inclusion of alternate assessment students in that reporting. Additionally, federal Adequate Yearly Progress (AYP) shall identify Title I schools for federal assistance and non-Title I schools eligible for state assistance.
- Section 3 denotes the revised calculations for the other academic indicator at elementary and middle school and safe harbor.
- Assistance to be provided to schools that do not meet AYP is described in Section 6.

To view the actual draft regulation language, go to:

<http://www.education.ky.gov/KDE/Administrative+Resources/Kentucky+Board+of+Education/October+7+8+2009+Kentucky+Board+of+Education+Meeting+Agenda+and+Agenda+Book+Documents.htm> and scroll down to Item XII.C.

The regulation will come back to the board's December meeting to consider final approval of the proposed language.

For more information on 703 KAR 5:060, contact Ken Draut at (502) 564-2256 or via e-mail at Ken.Draut@education.ky.gov.

Next Meeting: December 9-10, 2009, Frankfort, KY

GOVERNOR STEVE BESHEAR

COMMONWEALTH OF KENTUCKY



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Governor Steve Beshear's Communications Office

Governor Beshear launches new education initiative

Press Release Date: Monday, October 19, 2009

Contact Information: Jay Blanton
Jill Midkiff
502-564-2611

TEK task force will be catalyst to reinvigorate public support for K-12 education

LEXINGTON, Ky. – In a move to re-energize the support of public schools that nearly 20 years ago sparked Kentucky to implement the nation's most comprehensive school reform, Gov. Steve Beshear today launched his new education initiative, Transforming Education in Kentucky (TEK). The goal is to create a unified vision of what schools in the Commonwealth need to offer in order to better serve students today and tomorrow.

"Our world has changed dramatically since the reforms of 1990," said Gov. Beshear. "We must now turn our focus to the future and again to our schools to ensure that our strategies and programs are designed to meet the challenges of the 21st century."

To that end, Gov. Beshear appointed the TEK Task Force to help develop new strategies while reinvigorating public and business support for K-12 education in the Commonwealth.

The members of the task force include education advocates, teachers, superintendents, legislators, business leaders and others who have been handpicked for their commitment to education and to Kentucky.

The group will examine efforts currently underway in the state, such as the Common Core Standards Initiative, Graduate Kentucky, the Gates Foundation/SREB college and career readiness initiative, the Race to the Top competition and the Governor's Task Force on Early Childhood Development and Education. Against this backdrop of renewed energy and activity, the panel will recommend ways to channel all of these efforts into an integrated and comprehensive system of education in Kentucky.

In addition, the task force will explore career and technical education, expanded use of technology for learning, increased opportunities for students to earn college credit in high school and other issues that affect student success.

The goal is to formulate recommendations by the end of 2010, for consideration during the 2011 legislative session.

In an effort to build awareness of the initiative and to receive input from citizens statewide, Gov. Beshear is visiting 10 cities across the state for a series of press conferences and town hall forums. The Governor and the TEK Task Force will use this input as guidance for the work of Transforming Education in Kentucky.

"This effort seeks to build off the progress of the last 20 years in order to lay the foundation for the 20 years ahead," said Gov. Beshear. "Today, I'm calling on our state and our people to recommit ourselves to ensuring the future of our children."

Gov. Beshear and Kentucky Department of Education Commissioner Terry Holliday will serve as co-chairs of the task force.

Other members of the task force include:

- Sen. Ken Winters, R-1st District
- Sen. Jack Westwood, R-23rd District
- Sen. Tim Shaughnessy, D-19th District
- Rep. Leslie Combs, D-94th District;
- Rep. Jeffrey Hoover, R-83rd District;
- Rep. Carl Rollins, D-56th District;
- Helen Mountjoy, secretary, Education and Workforce Development Cabinet
- David Adkisson, president, Kentucky Chamber of Commerce;
- Sheldon Berman, superintendent, Jefferson County;
- Mary Ann Blankenship, executive director, Kentucky Education Association;
- Karen Cash, classroom teacher, Louisville;
- Margaret Cleveland, school board member, Woodford County;
- Sam Corbett, chair, Prichard Committee;
- Ben Cundiff, Cundiff Farms, Cadiz;
- Sharon Darling, president, National Center for Family Literacy;
- Betty Griffin, The Griffin Group, Frankfort;
- Tim Hanner, superintendent, Kenton County;
- Trichel House, classroom teacher, Russell;
- Nannette Johnson, superintendent, Hardin County;
- Eleanor Jordan, executive director, Kentucky Commission on Women;
- Robert King, president, Council on Postsecondary Education;
- Nana Lampton, American Life & Accident Insurance Company of Kentucky, Louisville;
- William Lovell, school board member, McLean County;
- Brent McKim, president, Jefferson County Teachers' Association;
- Bob Porter, mayor, City of Paintsville;
- Johnna Reeder, Duke Energy, Covington;
- Stu Silberman, superintendent, Fayette County;
- Stephen Trimble, superintendent, Johnson County; and
- Diane Whalen, mayor, City of Florence.

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**Council on Postsecondary Education
November 6, 2009**

**2010-12 Postsecondary Education Budget Recommendation
Executive Summary**

Under KRS 164.020 and the Kentucky Postsecondary Education Improvement Act of 1997 (House Bill 1), the Council on Postsecondary Education is authorized to submit the biennial budget recommendation for postsecondary education.

ACTION: The staff recommends that the Council approve the budget recommendation as submitted for 2010-12.

The current economic slowdown and ongoing state fiscal crisis provide a challenging environment for the Council on Postsecondary Education to make a reasonable yet aggressive 2010-12 budget recommendation that is aligned with statewide priorities and consistent with the mandates of the *Kentucky Postsecondary Education Improvement Act of 1997*.

Early in the budget development process, the Budget Development Work Group, chaired by Vice Chair, Dan Flanagan, along with Council members Chris Crumrine, Glenn Denton, and Pam Miller, requested that the Council staff work collaboratively with the chief budget officers and the presidents on a Points of Consensus (POC) document.

The purpose of the POC is to reinforce the basic principles intended to guide the development of the Council's 2010-12 operating and capital budget recommendation.

Council staff is pleased to report that after months of collaboration and discussion, all of Kentucky's public institutions are unified behind the approach outlined in the attached Points of Consensus document. A signed copy of the Points of Consensus will be available at the November 6 meeting.

As discussed at the Council’s October 1, 2009, special budget meeting, the 2010-12 postsecondary education budget recommendation is divided into three major components, presented in priority order:

1) Institutional Operating Funds

These are state General Funds requested on behalf of the institutions to support their unique missions and House Bill 1 (1997) goals. These state appropriations are used for educational and general expenditures on campus including faculty and staff salaries, benefits, scholarships, utilities, and other operating costs.

2) Capital Investments

These are state bond funded and institution agency funded capital projects proposed for the 2010-12 biennium. Capital investments typically include specific building requests as well as several funding pools that are distributed among the institutions to assist with preserving existing buildings (i.e., new roofs, plumbing, electrical, etc.), as well as updating information technology across the system.

3) Agency Funds

These are General Funds used to primarily support various statewide educational programs and services (e.g., Kentucky Adult Education, contract spaces, Kentucky Postsecondary Education Network, Kentucky Virtual Library, etc.), as well as the Council’s core statewide coordinating function.

The staff recommends that the Council request appropriations of \$1,094,998,300 in 2010-11 and \$1,124,799,800 in 2011-12 for institutional operating funds, \$23,098,000 in 2011-12 for debt service for bonds to a \$100,000,000 capital renewal pool (with \$.50 institution match) and a \$50,000,000 information technology pool, and \$50,215,400 in 2010-11 and \$51,781,400 in 2011-12 for agency funds to support statewide coordination and other statewide educational programs and services.

Table 1 below highlights the staff recommended General Fund appropriation for each of the three categories.

Table 1. Postsecondary Education 2010-12 General Fund Recommendation

<i>Description</i>	<i>2010-11</i>	<i>2011-12</i>
Institutional Operating Funds	\$1,094,998,300	\$1,124,799,800
Capital Investments*		23,098,000*
Agency Funds	50,215,400	51,781,400
Total	\$1,145,213,700	\$1,199,679,200

*Note: For display purposes only, \$23,098,000 in debt service for the capital investment pools is included separately in 2011-12. Technically, this debt service is included in the agency funds budget request. An additional \$118,316,000 of debt service to support \$1,088,683,300 in specific new and renovated campus facilities is included in institutions’ technical, budget submissions.

1) Institution Operating Funds

The Council staff 2010-12 institutional operating funds budget recommendation (Table 2) seeks to ensure that General Funds are available to maintain current institutional operations, replace temporary, one-time State Fiscal Stabilization Funds (SFSF) received in 2009-10 with permanent, recurring General Funds, make appropriate base adjustments due to state obligations, and if funds are available, support strategic initiatives to enhance retention and graduation rates and other initiatives consistent with the mandates of HB1 (1997).

- **State Fiscal Stabilization Funds Replacement.** In 2009-10, the Governor reduced postsecondary education’s General Fund appropriation by \$70 million in 2009-10 and replaced them with SFSF to help balance the state’s budget. The Executive Branch Budget Guidelines for 2010-12 drafted by the Legislative Research Commission calls on postsecondary education to request that these one-time, federal stimulus funds be replaced by permanent, recurring General Funds in 2010-12.
- **Base Adjustments.** These base adjustments are technical in nature and predominately relate to existing postsecondary obligations by the state, as well as some potential new obligations that institutions will incur if new facilities open during 2010-12.
 - Changes in debt service requirements for institutional bond issues supported by state appropriations and to be paid by the institution.
 - Changes to the UofL hospital contract (Quality and Charity Care Trust).
 - Changes to the federal match required for KSU’s Land Grant Program.
 - Maintenance and operating funds for new educational and general facilities that opened in 2008-10, or if funded, are scheduled to open in 2010-12.
- **Strategic Initiative Funds.** If funds become available, through the normal budget process, the budget bill’s General Fund Surplus Expenditure Plan, or other means that increase fiscal capacity, the \$50 million (\$25 million in 2010-11 and an additional \$25 million in 2011-12) will be strategically used to enhance retention and graduation rates and support other strategic initiatives consistent with the mandates of the *Kentucky Postsecondary Education Improvement Act of 1997*.

Table 2. Institution Operating Funds 2010-12 General Fund Recommendation

Description	2010-11	2011-12
Institutional Operating Funds (Net GF Baseline 2009-10)	\$930,207,100	\$930,207,100
State Fiscal Stabilization Funds Replacement	70,000,000	70,000,000
Base Adjustments	69,791,200	74,592,700
Strategic Initiative Funds	25,000,000	50,000,000
Total	\$1,094,998,300	\$1,124,799,800

For more details, please see agenda item on institutional operating funds.

2) Capital Investments

The Council staff 2010-12 capital recommendation (Table 3) addresses both short and long-term capital needs, tightens the link between facility condition, fit-for-continued-use, and the need for new space. The recommendation includes capital project financing as follows.

- **Capital Renewal, Maintenance, and Infrastructure Pool (Asset Preservation).** This institutional pool will serve as an initial installment to begin addressing a multi-billion dollar backlog of deferred maintenance and renewal of aging campus buildings and major systems. The pool requires \$.50 institution matching funds for every \$1 of state funds.
- **New Educational and General (E&G) Facilities and Major Renovations:** These projects include major renovations of existing facilities and building or expanding educational and general space on campus. Specific capital projects included are based upon a statewide capital projects evaluation model, along with institutional priorities.
- **New Research Facilities:** These projects help support achieving the HB1 (1997) goals of UK becoming a top 20 public research university by 2020 and UofL becoming a premiere metropolitan research university.
- **Information Technology Initiatives Pool:** This pool is designed to upgrade and support information technology initiatives both at the campus (\$45 million) and the state (\$5 million) level.

Table 3. State Bond-Funded Capital Investments 2010-12 Recommendation

<i>Description</i>	<i>2010-12</i>	<i>Full Year Debt Service</i>	<i>Annual M&O</i>
Capital Renewal, Maintenance, & Infrastructure Pool*	\$100,000,000	\$10,869,000	
New E&G Facilities and Major Renovations	821,247,000	89,251,000	\$20,103,962
New Research Facilities	267,434,000	29,065,000	3,732,449
Information Technology Infrastructure Pool*	50,000,000	12,229,000	
Total	\$1,238,683,300	\$141,414,000	\$23,836,411

*Note: Debt service for the pools is included in agency funds budget request, whereas debt service for the new facilities and major renovations is included in institutions' technical, budget submissions.

The Council staff also recommends institutionally funded capital projects in 2010-12 that support institutional missions and the mandates of HB 1 (1997) which include the following:

- Authorization of \$596,266,000 in agency bond authority.
- Authorization of \$3,106,830,000 in agency, federal, private, and other funds to address life safety, major maintenance, equipment acquisitions, infrastructure repair and upgrades, and new construction.
- Authorization for nine agency-funded projects to improve energy efficiency on campus funded using third party financing techniques available through the Finance Cabinet.

For more details, please see agenda item on capital investments.

3) Agency Funds

The Council staff 2010-12 agency funds budget recommendation (Table 4) falls into two main categories, statewide coordination and statewide educational programs and services.

- **Statewide Coordination.** These funds support the traditional responsibilities and operating expenses of the statewide coordinating board (e.g., salary and fringe benefits, rent and utilities, etc.), costs associated with managing the KYVC and KYVL, as well as personnel costs associated with statewide coordination of KYAE.
- **Statewide Educational Programs and Services**
 - **Kentucky Adult Education.** These funds support personnel, programs, and services targeted to the 780,000 Kentuckians who did not finish high school and are scattered across all 120 counties.
 - **Student Assistance and Educational Support.** These funds primarily support the state’s Contract Spaces Program which provides Kentucky residents access to professional training programs in veterinary and optometry medicine and several other programs that support low income or minority students.
 - **Academic Support.** These funds support statewide internet access via the Kentucky Postsecondary Education Network (KPEN), and electronic library services, materials, and funding for KYVC/KYVL, in addition to several other statewide student access and success initiatives. Technically, a full-year of debt service in 2011-12 for state funded capital investment pools is also included in this category.
 - **Research and Economic Development.** These funds support various statewide science and technology initiatives primarily coordinated by the Kentucky Science and Technology Corporation (KSTC).

Table 4. Agency Funds 2010-12 General Fund Recommendation

<i>Description</i>	<i>2010-11</i>	<i>2011-12</i>
Agency Funds (Baseline 2009-10)	\$50,362,800	\$50,362,800
Technical Transfer of Regional Stewardship Funds*	(1,382,500)	(1,382,500)
Statewide Coordination	321,900	784,800
Kentucky Adult Education	338,800	790,500
Student Assistance and Educational Support	392,900	802,400
Academic Support**	82,600	192,700
Research and Economic Development	98,900	230,700
Total	\$50,215,400	\$51,781,400

*Note: Per Regional Stewardship MOA, this is a technical, baseline transfer of funds from CPE to institutions.

**Note: Technically, this will also include \$23,098,000 in debt service in 2011-12 for the requested capital renewal and information technology pools.

For more details, please see agenda item on agency funds.

Table 5 and table 6 summarize the three main priorities for the Council staff's 2010-12 General Fund recommendation.

Table 5. Postsecondary Education 2010-12 General Fund Recommendation

<i>Description</i>	<i>2010-11</i>	<i>2011-12</i>
1) Institutional Operating Funds (Net Baseline 2009-10)	\$930,207,100	\$930,207,100
State Fiscal Stabilization Fund Replacement	70,000,000	70,000,000
Base Adjustments	69,791,200	74,592,700
Strategic Initiative Funds	25,000,000	50,000,000
Total Institutional Operating Funds	\$1,094,998,300	\$1,124,799,800
2) Capital Investments*		
Capital Renewal, Maint., & Infrastructure Pool – DS		\$10,869,000
Information Technology Initiative Pool – DS		12,229,000
Total Debt Service (DS)		\$23,098,000
3) Agency Funds (Baseline 2009-10)	\$50,362,800	\$50,362,800
Technical Transfer of Regional Stewardship Funds	(1,382,500)	(1,382,500)
Statewide Coordination	321,900	784,800
Kentucky Adult Education	338,800	790,500
Student Assistance and Educational Support	392,900	802,400
Academic Support*	82,600	192,700
Research and Economic Development	98,900	230,700
Total Agency Funds	\$50,215,400	\$51,781,400
Total General Fund Recommendation	\$1,145,213,700	\$1,199,679,200

*Note: For display purposes only, the debt service for capital investments is included separately in 2011-12. Technically, the debt service for the capital renewal and information technology pools is included in the agency funds request under academic support in 2011-12. The debt service for new campus facilities and major renovations (see below) is included in institutions' technical, budget submissions.

Table 6. Postsecondary Education Bond-Funded 2010-12 Capital Recommendation

<i>Description</i>	<i>2010-12</i>	<i>Full Year Debt Service</i>	<i>Annual M&O</i>
Capital Investments			
1) Capital Renewal, Maint., & Infrastructure Pool	\$100,000,000	\$10,869,000	
2) New E&G Facilities and Major Renovations	821,247,000	89,251,000	\$20,103,962
3) New Research Facilities	267,434,000	29,065,000	3,732,449
4) Information Technology Infrastructure Pool	50,000,000	12,229,000	
Total	\$1,238,683,300	\$141,414,000	\$23,836,411

Staff preparation by John Hayek, Sherron Jackson, and Bill Payne

Points of Consensus Among University Presidents, KCTCS President, and the Council President Concerning the 2010-12 Funding Request (Revised Oct. 28, 2009)

The following Points of Consensus are principles that should guide the development of the Council on Postsecondary Education's 2010-12 operating and capital budget recommendation.

Since 2002, the postsecondary education system has absorbed mid-year cuts in state appropriations with three of the most severe reductions occurring since December 2007. These budget cuts have negatively impacted the system's ability to achieve the goals of the *Kentucky Postsecondary Education Improvement Act of 1997* (House Bill 1). Aggressive cost containment and cost avoidance tactics, productivity gains, and increases in tuition rates have helped the system survive and even prosper during this difficult period.

Despite these economic and budget difficulties, the aggressive goals outlined in House Bill 1 have not changed and neither has the determination of the public postsecondary education community to transform the Commonwealth and dramatically improve the quality of life and standard of living for all Kentuckians.

Stable and consistent investment in education at all levels is essential to achieving a brighter future for Kentucky. The Governor has committed to keep public funding of postsecondary education in fiscal year 2009-10 level with its fiscal year 2008-09 funding through a combination of General Funds and federal stimulus funds, and asserted that base funding in future years for postsecondary education and K-12 should not be penalized when stimulus funds are exhausted.

It is imperative that the system of postsecondary education work with the Governor and the General Assembly to determine a reasonable, yet aggressive, funding level for 2010-12 that is aligned with statewide budget priorities and is sensitive to the budget reductions experienced since the beginning of fiscal year 2007-08.

Given the traditional inverse relationship between state appropriations and tuition rates, CPE will work with the institutions to set tuition and mandatory fees at levels that support the operational needs, quality, and strategic goals of the institutions and the state, while keeping the system accessible.

General Principles

- The operating and capital request will be simple and abbreviated and will include two parts:
 - Base Funding
 - Capital Investments

- Each part of the request will directly advance the goals of the *Kentucky Postsecondary Education Improvement Act of 1997*.
- No redistribution among institutions of existing institutional General Fund base appropriations should occur.
- General Fund appropriations to institutions should continue to be lump sum with necessary accountability requirements.
- General Funds for debt service, the UofL hospital contract, and mandated public service and research programs that are not student credit hour generating will be excluded from any funding comparisons and performance measures.
- The Research Challenge Trust Fund, the Regional University Excellence Trust Fund, the Workforce Development Trust Fund, along with other incentive funding programs, such as the Endowment Match Program (Bucks for Brains) and the Regional Stewardship Funding Program, continue to be important strategic investments that assist with achieving the mandates of HB 1 (1997).

I. Base Funding

In recognition of the Commonwealth's commitment to postsecondary education as the long-term solution to Kentucky's chronic problems, recommendations for funding to be appropriated to the base budgets of the universities and the Kentucky Community and Technical College System will include:

- Base adjustments
 - Changes in debt service requirements for institutional bond issues supported by state appropriations and to be paid by the institution.
 - Changes to the UofL hospital contract.
 - Changes to the federal match required for KSU's land grant program.
 - Maintenance and operating funds for new educational and general facilities. (Note: Because such funds are traditionally provided, but were not during the 2008-10 biennium, funding levels for 2010-12 should be calculated by including new buildings beginning in 2008-09.)
- If funds become available, through the normal budget process, the budget bill's General Fund Surplus Expenditure Plan, or other means that increase fiscal capacity, they will be strategically used to improve retention and graduation rates, enhance access and enrollment growth, increase quality, degree production, research, regional and statewide stewardship, and other initiatives that support institutional business plans or strategic plans consistent with the mandates of House Bill 1 (1997). These additional General Funds would be distributed to institutions based upon each institution's proportionate share of the total change in institutional base budgets between 2007-08 enacted net appropriation and 2008-09 revised net appropriation.

II. Capital Investments

- Projects recommended for state bonds or state funds:

The capital budget recommendations should align with the findings and recommendations of the 2007 statewide facilities assessment by VFA, Inc., including capital renewal, space adequacy and renovations, and new and expanded educational and general facilities.

Given the large backlog of capital renewal and deferred maintenance needs across Kentucky's public postsecondary education institutions, preserving current assets should be a priority in the capital funding request.

The capital budget recommendation should include the total cost of new projects, as well as funds required for maintenance and operations and debt service.

- Projects recommended for agency bonds or agency funds:

The CPE should continue to recommend a sufficient agency bond pool amount and recommend that institutions have the autonomy to bond their projects without affecting the state bonding capacity and be given greater flexibility to seek interim legislative authorization for projects.

The CPE and the institutions will work together to identify models which maximize institutional authority to finance capital projects.

[Note: A signed copy will be available at the November 6, 2009 meeting]

Robert King, President
Council on Postsecondary Education

Lee Todd, President
University of Kentucky

James Ramsey, President
University of Louisville

Doug Whitlock, President
Eastern Kentucky University

Mary Sias, President
Kentucky State University

Wayne Andrews, President
Morehead State University

Randy Dunn, President
Murray State University

James Votruba, President
Northern Kentucky University

Gary Ransdell, President
Western Kentucky University

Michael McCall, President
Kentucky Community and
Technical College System

**Council on Postsecondary Education
November 6, 2009**

2010-12 Postsecondary Education Budget Recommendation Institutional Operating Funds

The following institutional operating funds budget recommendation is based upon the principles outlined and agreed upon in the Points of Consensus.

The primary way that Kentucky finances its public postsecondary system is by appropriating state General Funds for institutional operations. These funds, along with tuition, support the Educational and General (E&G) expenditures on campus, including instruction, research, and public service missions at state colleges and universities. Specifically, state appropriations are used for Educational and General (E&G) expenditures on campus, including faculty and staff salaries, fringe benefits, student financial aid, utilities, building maintenance, libraries, student support services, and numerous other operating expenses. When available, these funds also strengthen strategic initiatives consistent with the mandates of House Bill 1 (1997).

- The staff recommends that the Council request total General Fund appropriations of \$1,094,998,300 in 2010-11 and \$1,124,799,800 in 2011-12 to support public postsecondary institution operations.

A detailed breakdown of these requests by institution is provided in Attachment A. As can be seen in the attachment, excluding the State Fiscal Stabilization Fund (SFSF) replacement, the recommended totals represent increases of \$48,484,200 in 2010-11 and an additional \$29,801,500 in 2011-12 over the 2010-11 projected total General Fund appropriation, for a total increase of \$78,285,700 over the 2009-10 baseline. Including the \$70 million in SFSF replacement along with existing and new base adjustments, the increase is \$118,484,200 in 2011-12 over 2009-10 and an increase of \$148,285,700 in 2011-12 over 2009-10.

Major components of change include additional budget requests for SFSF replacement, base adjustments, and Strategic Initiatives Funds (Table 1).

Table 1: Components of 2010-12 Institutional Operating Funds Recommendation

<i>Description</i>	<i>2010-11</i>	<i>2011-12</i>
Institutional Operating Funds (Net GF Baseline 2009-10)	\$930,207,100	\$930,207,100
State Fiscal Stabilization Funds Replacement	70,000,000	70,000,000
Base Adjustments	69,791,200	74,592,700
Strategic Initiatives Funds	25,000,000	50,000,000
<i>Total Request for Institutional Operating Funds</i>	<i>\$1,094,998,300</i>	<i>\$1,124,799,800</i>

State Fiscal Stabilization Fund Replacement

On June 30, 2009, Governor Beshear submitted Kentucky's application to the U.S. Department of Education (DOE) for the State Fiscal Stabilization Fund (SFSF) through the American Recovery and Reinvestment Act (ARRA). On July 27, it was announced that the state would receive \$651 million in SFSF funds, to help stabilize its budget and help school districts and postsecondary institutions avoid severe budget cuts, retain teachers and other staff, and minimize increases in tuition.

The SFSF program is designed to be a one-time appropriation, and in Kentucky, the monies are being used in 2009-10 to maintain SEEK funding for K-12 education at the 2008-09 level and to maintain funding for public postsecondary institutions at the 2008-09 level (\$1.05 billion), through a combination of state General Fund (\$935.7 million) and SFSF appropriations (\$70 million).

As part of their 2010-12 budget submission, postsecondary institutions that received an SFSF appropriation in 2009-10 are instructed (in the 2010-12 Branch Budget Request Manual) to request General Funds to replace the SFSF funds each year of the 2010-12 biennium. As the postsecondary institutions will be including SFSF replacement funds as part of their respective budget requests, the Council also will request these funds as part of its funding recommendation to the Governor.

- The staff recommends that the Council request a recurring appropriation of \$70,000,000 in 2010-11 and in 2011-12 to replace federal stimulus funds that were used to support postsecondary institutions in 2009-10.

One impact of this additional budget request is that it makes the Council's 2010-12 institutional operating request look larger than it normally would. This can be seen by comparing dollar and percent change figures in Attachment A with those in Attachment B. In Attachment A, the \$70 million in SFSF funds is excluded from the 2009-10 beginning net base. In Attachment B (**for purposes of display only**), the 2009-10 beginning net base contains \$930.2 million in projected net General Fund (excluding \$5.5 million for KSU's Land Grant Program match), plus \$70 million in SFSF funds. The latter display allows for consideration of dollar and percent changes, while excluding the impact of SFSF replacement funds on the Council's request.

Thus far, Governor Beshear has utilized 55 percent of Kentucky's total SFSF award to fund gaps in the 2009-10 budget, while the remaining 45 percent of the funds would be held to address projected shortfalls in 2010-11. It is unknown at this time in what manner the remaining funds will be used to support the universities and KCTCS in 2010-11. This will be heavily dependent on how quickly Kentucky's economy recovers from the current recession.

Attachment C contains a table showing each institution's 2009-10 enacted net appropriation, and its 2009-10 revised net appropriation, after a reduction in state General Fund to account for the availability of SFSF funds. It is anticipated that each institution will request an amount equivalent to its 2009-10 SFSF appropriation as part of its 2010-11 General Fund request for SFSF replacement funds.

Base Adjustments

Funding for base adjustments is recommended as the Council's first priority for the public postsecondary institutions in the upcoming biennium. Historically, base adjustments have included changes in state-supported debt service, changes in the UofL's hospital contract, transfers of prior-year trust fund or pass-through program appropriations from the Council's base to the institutions, and funding for Maintenance and Operation (M&O) of previously authorized, new facilities expected to come online during the biennium.

The Council staff recommends that, beginning in 2010-12, changes in KSU's Land Grant Program match also be included as a base adjustment (see below for more details). Even during budget cycles with anticipated cuts, or no new General Fund revenue, the Council has requested and the public institutions have received "technical" adjustments to their respective base funding levels.

- The staff recommends that the Council request appropriations of \$69,791,200 in 2010-11 and \$74,592,700 in 2011-12 to support base adjustments at the public postsecondary institutions.

The components of the requested base adjustments are shown in Table 2 below, followed by a brief description of each adjustment.

Table 2: Components of 2010-12 Base Adjustments Recommendation

<i>Description</i>	<i>2010-11</i>	<i>2011-12</i>
Debt Service (Baseline 2009-10)	\$20,561,200	\$20,561,200
Changes in Debt Service	(6,471,300)	(12,196,000)
Total Request for Debt Service	14,089,900	8,365,200
UofL Hospital Contract (Baseline 2009-10)	20,221,400	20,221,400
Changes in UofL Hospital Contract	0	444,900
Total Request for UofL Hospital Contract	20,221,400	20,666,300
KSU Land Grant Program Match (Baseline 2009-10)	5,524,400	5,524,400
Changes in KSU Land Grant Program Match	1,277,700	1,617,800
Total Request for KSU Land Grant Program Match	6,802,100	7,142,200
M&O of New Facilities		
Changes in M&O	27,295,300	37,036,500
Total Request for M&O	27,295,300	37,036,500
Transfer of Regional Stewardship Funds to Institutions		
Changes in Transfers	1,382,500	1,382,500
Total Request for Transfers	1,382,500	1,382,500
Total Request for Base Adjustments	\$69,791,200	\$74,592,700

Changes in Debt Service. Prior to 1998, when bonds were issued to finance construction of state-supported postsecondary facilities, the resulting liability was accounted for at the institutional level, and the General Assembly provided funding for related debt service payments, which was included in institutional base budgets and line-itemed in appropriations bills. Over time, as new debt was issued and mature debt retired, changes in debt service obligations occurred, making periodic adjustments to the base necessary to reflect these changes.

Following higher education reform, debt service for new, state-funded postsecondary projects has resided within the Finance Cabinet's budget. What remains in the General Fund base of some postsecondary institutions is funding for debt service obligations on more mature bonds (i.e., those issued prior to 1998), which has decreased over the last decade due to debt retirement. In 2009-10, the General Assembly appropriated \$20,561,200 for debt service obligations on bond indebtedness maintained at the institutional level.

- The staff recommends that the Council request appropriations of \$14,089,900 in 2010-11 and \$8,365,200 in 2011-12 for debt service on bonds issued to finance the construction of state-supported E&G facilities at the public postsecondary institutions.

These amounts represent reductions of (\$6,471,300) in 2010-11 and an additional (\$5,724,700) in 2011-12, for a total reduction of (\$12,196,000), from the 2009-10 appropriation level to reflect anticipated retirement of debt over the biennium.

Changes in UofL Hospital Contract. In 1983, the University of Louisville and the University Medical Center entered into a contractual agreement with Metro Louisville and the Commonwealth of Kentucky to provide hospital care services to economically disadvantaged citizens of the Louisville/Jefferson County metropolitan area. The university receives annual, line-item appropriations for the Quality and Charity Care Trust (QCCT) to provide these services, which are adjusted over time for inflation. UofL's enacted appropriation for the QCCT totaled \$20,204,000 in 2009-10. Over the course of the biennium, changes in tax revenue and CPI estimates resulted in an adjustment in the statutory formula for the QCCT, and the 2009-10 appropriation was revised upward to \$20,221,400. Over the past five years, QCCT appropriations have increased at an average annual rate of 3.15 percent.

- The staff recommends that the Council request appropriations of \$20,221,400 in 2010-11 and \$20,666,300 in 2011-12 to support Quality and Charity Care Trust agreement services provided by the University of Louisville Hospital.

These amounts include maintaining the UofL hospital contract at its 2009-10 level in 2010-11 and requesting an additional \$444,900 appropriation in 2011-12 over the 2009-10 level to reflect anticipated increases in contract costs.

Changes in KSU's Land Grant Program Match. Kentucky State University is a public, comprehensive 1890 land-grant institution. KSU's Land Grant Program (LGP), which is funded through a combination of federal and state funds, works to uphold the university's land-grant mission through a commitment to research, service, and teaching in the food and

agricultural sciences. Through agricultural research and extension activities, the KSU LGP works to resolve agricultural, educational, economic, and social problems of Kentucky's citizens, especially among persons and families of limited resources.

To receive federal funding for its LGP, KSU must match annual, federal awards with an equal amount of institutional funds, historically provided by the state in the form of General Fund appropriations. Due to budget cuts in recent years, it has become increasingly difficult for KSU to meet this matching requirement.

To remedy the situation, KSU requested that its LGP match be treated as a base adjustment. The university's request was shared with institutional presidents and chief budget officers and ultimately a recommendation to treat KSU's LGP match as a base adjustment was added to the Points of Consensus.

In 2009-10, the amount of state General Funds in KSU's base to meet the required LGP match is \$5,524,400, while its federal distribution for the LGP is estimated to be \$6,478,200 (a shortfall of \$953,800). Over the past five years, federal distributions to KSU's LGP have increased at an average annual rate of 5.0 percent.

- The staff recommends that the Council request appropriations of \$6,802,100 in 2010-11 and \$7,142,200 in 2011-12 to support Kentucky State University's Land Grant Program match.

These amounts reflect additional budget requests of \$1,277,700 in 2010-11 and an additional \$340,100 in 2011-12, for a total of \$1,617,800 over the 2009-10 appropriation level to reflect anticipated increases in federal land-grant distributions and KSU's required match.

Transfers of Regional Stewardship Funds to Institutions. The 2006 General Assembly, through HB 380, created the Regional Stewardship Funding Program. The program supports public engagement activities at the comprehensive universities that promote regional or statewide economic development, livable communities, social inclusion, creative governance, and civic participation. Funding for the program is appropriated to a strategic investment and incentive funding program, which is a component of the Council's agency budget.

Program guidelines stipulate that once an institution achieves certain programmatic milestones, stewardship infrastructure and regional grant funds will be transferred from the Council's funding program to the qualifying institution to provide a recurring source of funding for program activities.

As part of the 2008-10 budget recommendation, the Council requested transfer of stewardship infrastructure funds to every comprehensive university, and transfer of regional grant funds to NKU, leaving a balance in the regional grant pool. At this time, the staff recommends that all remaining regional grant funds be transferred to ECU, KSU, MoSU, MuSU, and WKU in equal amounts of \$276,500 per institution.

- The staff recommends that the Council request a transfer in 2010-11 of \$1,382,500 in Regional Stewardship Grant funds from the Council's funding program budget to the institutions responsible for program implementation.

Since these funds are currently included as part of the Council's agency budget, the proposed transfer does not represent a new or additional budget request for postsecondary education.

M&O of New Facilities. When the General Assembly authorizes and issues bonds for new capital construction on a college or university campus, in addition to increased debt service obligations, there is an added cost associated with operating and maintaining those facilities upon completion. These Maintenance and Operation (M&O) costs stem from day-to-day activities necessary for a building and its systems and equipment to perform their intended function, and include salaries and benefits of janitorial and maintenance staff, as well as utility and energy costs.

In Kentucky, it has been standard practice for the Council to recommend, and the General Assembly to appropriate, funding to operate and maintain Educational and General (E&G) facilities expected to come online during a biennium. This was not the case in 2008-10, however, when due to an austere budgetary environment, only KCTCS was awarded partial M&O. As a result, Kentucky institutions had to use tuition revenue, or reallocate state General Funds from other areas, to open, operate, and maintain facilities that came online during 2008-10, which was tantamount to an additional budget cut.

To help remedy the situation, institutional presidents and chief budget officers asked Council staff to consider including a base adjustment for M&O of postsecondary facilities that came online during 2008-10, in addition to those expected to come online during 2010-12, as part of the Council's 2010-12 budget request. After vetting this request with multiple stakeholders, a recommendation to include M&O for both 2008-10 and 2010-12 in the Council's 2010-12 budget submission was added to the Points of Consensus.

- The staff recommends that the Council request an appropriation of \$27,295,300 in 2010-11 and an additional \$9,741,200 in 2011-12, for a total of \$37,036,500 in 2011-12, to support the Maintenance and Operation of previously authorized E&G facilities that either came on-line during the 2008-10 biennium, or are expected to come on-line during the 2010-12 biennium.

By definition, M&O funds for new facilities are additions to the existing base, so the amounts recommended above represent additional budget requests. Attachment D contains a breakdown of the requested M&O appropriations by institution.

Strategic Initiatives Funding

Although maintaining current base funding and base adjustments are recommended as top priorities for institutional operating funds in 2010-12, institutional leadership and Council staff felt it was important to position postsecondary education in the event additional funds become available.

Thus, according to the Points of Consensus (POC), if additional funds become available above the requested base adjustments, either through the normal budget process, a General Fund Surplus Expenditure Plan, or other means that increase fiscal capacity, it was agreed that the staff would propose an appropriation for Strategic Initiatives Funding as part of the 2010-12 budget recommendation.

Per the POC, if an institution receives a Strategic Initiatives appropriation, the funds will be used to increase retention and graduation rates, enhance access and enrollment growth, improve quality and degree production, increase research, strengthen regional and statewide stewardship, and other initiatives that support institutional business plans or strategic plans consistent with the mandates of the *Kentucky Postsecondary Education Improvement Act of 1997*(HB 1).

- The staff recommends that the Council request an appropriation of \$25,000,000 in 2010-11 and an additional \$25,000,000 in 2011-12, for a total of \$50,000,000 in 2011-12, to support programs and initiatives designed to promote improved retention and graduation rates at the public postsecondary institutions, or that otherwise support institutional business plans or strategic plans consistent with the mandates of HB 1.

These amounts represent additional budget requests in each year of the biennium over the 2009-10 projected total General Fund appropriation.

Over the past two years, state General Fund support for public postsecondary institutions has decreased by \$78.3 million (see Attachment E, this section). Every institution incurred a portion of the cuts. Through discussions with institutional presidents and chief budget officers, it was agreed and stipulated to in the POC that any General Fund appropriations received over and above requested base adjustments would be distributed among the institutions in the same proportions as their respective General Funds have been reduced. Attachment E highlights the agreed upon distribution methodology for the \$50 million biennial total Strategic Initiatives funding request.

At an August 18 meeting, members of the Council's Budget Development Work Group requested that officials at each institution prepare a two-page summary describing how they would use any Strategic Initiatives funds received. Attachment F contains a brief summary from each institution outlining proposed uses of Strategic Initiatives funds.

Determination of Public Institution Total and Net General Fund Requests
Council on Postsecondary Education 2010-12 Budget Recommendation

Strategic Funding:	\$ 50,000,000
2010-11 Percent:	50.0%
2011-12 Percent:	50.0%

ATTACHMENT A
November 6, 2009

Beginning Net Base:	UK	UofL	EKU	KSU	MoSU	MuSU	NKU	WKU	KCTCS	Total
2009-10 Projected <u>Total</u> General Fund ^(a)	\$ 293,887,000	\$ 169,896,400	\$ 70,692,700	\$ 24,639,500	\$ 42,593,300	\$ 48,413,800	\$ 50,280,900	\$ 75,555,800	\$ 200,554,700	\$ 976,514,100
Minus:										
Debt Service	4,682,400	7,348,800	2,029,200	908,900	1,015,800	-	2,618,000	1,958,100	-	20,561,200
UofL Hospital / KSU Land-Grant Match	-	20,221,400	-	5,524,400 ^(b)	-	-	-	-	-	25,745,800
2009-10 Projected <u>Net</u> General Fund	\$ 289,204,600	\$ 142,326,200	\$ 68,663,500	\$ 18,206,200	\$ 41,577,500	\$ 48,413,800	\$ 47,662,900	\$ 73,597,700	\$ 200,554,700	\$ 930,207,100
First-Year Operating Request:										
2009-10 Projected <u>Net</u> General Fund	\$ 289,204,600	\$ 142,326,200	\$ 68,663,500	\$ 18,206,200	\$ 41,577,500	\$ 48,413,800	\$ 47,662,900	\$ 73,597,700	\$ 200,554,700	\$ 930,207,100
Plus:										
State Fiscal Stabilization Fund Replacement	21,066,800	12,178,800	5,067,500	1,766,300	3,053,200	3,470,500	3,604,300	5,416,100	14,376,500	70,000,000
Base Adjustments	-	-	-	-	-	-	-	-	-	-
Debt Service	1,370,600	7,423,800	-	960,100	1,039,600	-	2,746,000	549,800	-	14,089,900
UofL Hospital / KSU Land-Grant Match	-	20,221,400	-	6,802,100	-	-	-	-	-	27,023,500
Transfers	-	-	276,500	276,500	276,500	276,500	-	276,500	-	1,382,500
M&O of New Facilities	4,279,700	5,901,800	779,500	457,400	2,004,100	762,600	2,897,400	2,284,800	7,928,000	27,295,300
Strategic Initiative Funds	7,919,300	4,486,600	1,925,700	621,000	1,140,500	1,336,200	1,223,800	1,948,500	4,398,400	25,000,000
2010-11 Requested <u>Total</u> General Fund	\$ 323,841,000	\$ 192,538,600	\$ 76,712,700	\$ 29,089,600	\$ 49,091,400	\$ 54,259,600	\$ 58,134,400	\$ 84,073,400	\$ 227,257,600	\$ 1,094,998,300
Dollar Change from Prior Year	\$ 29,954,000	\$ 22,642,200	\$ 6,020,000	\$ 4,450,100	\$ 6,498,100	\$ 5,845,800	\$ 7,853,500	\$ 8,517,600	\$ 26,702,900	\$ 118,484,200
Percent Change from Prior Year	10.2%	13.3%	8.5%	18.1%	15.3%	12.1%	15.6%	11.3%	13.3%	12.1%
Beginning Net Base:										
2010-11 Requested <u>Total</u> General Fund	\$ 323,841,000	\$ 192,538,600	\$ 76,712,700	\$ 29,089,600	\$ 49,091,400	\$ 54,259,600	\$ 58,134,400	\$ 84,073,400	\$ 227,257,600	\$ 1,094,998,300
Minus:										
Debt Service	1,370,600	7,423,800	-	960,100	1,039,600	-	2,746,000	549,800	-	14,089,900
UofL Hospital / KSU Land-Grant Match	-	20,221,400	-	6,802,100	-	-	-	-	-	27,023,500
2010-11 Requested <u>Net</u> General Fund	\$ 322,470,400	\$ 164,893,400	\$ 76,712,700	\$ 21,327,400	\$ 48,051,800	\$ 54,259,600	\$ 55,388,400	\$ 83,523,600	\$ 227,257,600	\$ 1,053,884,900
Dollar Change from Prior Year	\$ 33,265,800	\$ 22,567,200	\$ 8,049,200	\$ 3,121,200	\$ 6,474,300	\$ 5,845,800	\$ 7,725,500	\$ 9,925,900	\$ 26,702,900	\$ 123,677,800
Percent Change from Prior Year	11.5%	15.9%	11.7%	17.1%	15.6%	12.1%	16.2%	13.5%	13.3%	13.3%
Second-Year Operating Request:										
2010-11 Requested <u>Net</u> General Fund	\$ 322,470,400	\$ 164,893,400	\$ 76,712,700	\$ 21,327,400	\$ 48,051,800	\$ 54,259,600	\$ 55,388,400	\$ 83,523,600	\$ 227,257,600	\$ 1,053,884,900
Plus:										
State Fiscal Stabilization Fund Replacement	-	-	-	-	-	-	-	-	-	-
Base Adjustments	-	-	-	-	-	-	-	-	-	-
Debt Service	-	7,147,600	-	-	542,100	-	675,500	-	-	8,365,200
UofL Hospital / KSU Land-Grant Match	-	20,666,300	-	7,142,200	-	-	-	-	-	27,808,500
Transfers	-	-	-	-	-	-	-	-	-	-
M&O of New Facilities	2,179,700	602,800	3,118,500	63,600	920,200	-	1,496,500	1,014,600	345,300	9,741,200
Strategic Initiative Funds	7,919,300	4,486,600	1,925,700	621,000	1,140,500	1,336,200	1,223,800	1,948,500	4,398,400	25,000,000
2011-12 Requested <u>Total</u> General Fund	\$ 332,569,400	\$ 197,796,700	\$ 81,756,900	\$ 29,154,200	\$ 50,654,600	\$ 55,595,800	\$ 58,784,200	\$ 86,486,700	\$ 232,001,300	\$ 1,124,799,800
Dollar Change from Prior Year	\$ 8,728,400	\$ 5,258,100	\$ 5,044,200	\$ 64,600	\$ 1,563,200	\$ 1,336,200	\$ 649,800	\$ 2,413,300	\$ 4,743,700	\$ 29,801,500
Percent Change from Prior Year	2.7%	2.7%	6.6%	0.2%	3.2%	2.5%	1.1%	2.9%	2.1%	2.7%
Ending Net Base:										
2011-12 Requested <u>Total</u> General Fund	\$ 332,569,400	\$ 197,796,700	\$ 81,756,900	\$ 29,154,200	\$ 50,654,600	\$ 55,595,800	\$ 58,784,200	\$ 86,486,700	\$ 232,001,300	\$ 1,124,799,800
Minus:										
Debt Service	-	7,147,600	-	-	542,100	-	675,500	-	-	8,365,200
UofL Hospital / KSU Land-Grant Match	-	20,666,300	-	7,142,200	-	-	-	-	-	27,808,500
2011-12 Requested <u>Net</u> General Fund	\$ 332,569,400	\$ 169,982,800	\$ 81,756,900	\$ 22,012,000	\$ 50,112,500	\$ 55,595,800	\$ 58,108,700	\$ 86,486,700	\$ 232,001,300	\$ 1,088,626,100
Dollar Change from Prior Year	\$ 10,099,000	\$ 5,089,400	\$ 5,044,200	\$ 684,600	\$ 2,060,700	\$ 1,336,200	\$ 2,720,300	\$ 2,963,100	\$ 4,743,700	\$ 34,741,200
Percent Change from Prior Year	3.1%	3.1%	6.6%	3.2%	4.3%	2.5%	4.9%	3.5%	2.1%	3.3%

^(a) Projected total state General Fund, excluding federal State Fiscal Stabilization Fund (SFSF) dollars.

^(b) Amount of state General Fund in KSU's base used to fund a federal land-grant program match.

Total GF Requests

Net GF Requests

**Determination of Public Institution Total and Net General Fund Requests
Council on Postsecondary Education 2010-12 Budget Recommendation**

Strategic Funding:	\$ 50,000,000
2010-11 Percent:	50.0%
2011-12 Percent:	50.0%

**ATTACHMENT B
November 6, 2009**

**** (These figures do not include a request for State Fiscal Stabilization Funds and are for display purposes only)****

Beginning Net Base:	UK	UofL	EKU	KSU	MoSU	MuSU	NKU	WKU	KCTCS	Total
2009-10 Revised <u>Total</u> Appropriation ^(a)	\$ 314,953,800	\$ 182,075,200	\$ 75,760,200	\$ 26,405,800	\$ 45,646,500	\$ 51,884,300	\$ 53,885,200	\$ 80,971,900	\$ 214,931,200	\$ 1,046,514,100
Minus:										
Debt Service	4,682,400	7,348,800	2,029,200	908,900	1,015,800	-	2,618,000	1,958,100	-	20,561,200
UofL Hospital / KSU Land-Grant Match	-	20,221,400	-	5,524,400 ^(b)	-	-	-	-	-	25,745,800
2009-10 Revised <u>Net</u> Appropriation	\$ 310,271,400	\$ 154,505,000	\$ 73,731,000	\$ 19,972,500	\$ 44,630,700	\$ 51,884,300	\$ 51,267,200	\$ 79,013,800	\$ 214,931,200	\$ 1,000,207,100
First-Year Operating Request:										
2009-10 Revised <u>Net</u> Appropriation	\$ 310,271,400	\$ 154,505,000	\$ 73,731,000	\$ 19,972,500	\$ 44,630,700	\$ 51,884,300	\$ 51,267,200	\$ 79,013,800	\$ 214,931,200	\$ 1,000,207,100
Plus:										
Base Adjustments										
Debt Service	1,370,600	7,423,800	-	960,100	1,039,600	-	2,746,000	549,800	-	14,089,900
UofL Hospital / KSU Land-Grant Match	-	20,221,400	-	6,802,100	-	-	-	-	-	27,023,500
Transfers	-	-	276,500	276,500	276,500	276,500	-	276,500	-	1,382,500
M&O of New Facilities	4,279,700	5,901,800	779,500	457,400	2,004,100	762,600	2,897,400	2,284,800	7,928,000	27,295,300
Strategic Initiative Funds	7,919,300	4,486,600	1,925,700	621,000	1,140,500	1,336,200	1,223,800	1,948,500	4,398,400	25,000,000
2010-11 Requested <u>Total</u> General Fund	\$ 323,841,000	\$ 192,538,600	\$ 76,712,700	\$ 29,089,600	\$ 49,091,400	\$ 54,259,600	\$ 58,134,400	\$ 84,073,400	\$ 227,257,600	\$ 1,094,998,300
Dollar Change from Prior Year	\$ 8,887,200	\$ 10,463,400	\$ 952,500	\$ 2,683,800	\$ 3,444,900	\$ 2,375,300	\$ 4,249,200	\$ 3,101,500	\$ 12,326,400	\$ 48,484,200
Percent Change from Prior Year	2.8%	5.7%	1.3%	10.2%	7.5%	4.6%	7.9%	3.8%	5.7%	4.6%

Beginning Net Base:	UK	UofL	EKU	KSU	MoSU	MuSU	NKU	WKU	KCTCS	Total
2010-11 Requested <u>Total</u> General Fund	\$ 323,841,000	\$ 192,538,600	\$ 76,712,700	\$ 29,089,600	\$ 49,091,400	\$ 54,259,600	\$ 58,134,400	\$ 84,073,400	\$ 227,257,600	\$ 1,094,998,300
Minus:										
Debt Service	1,370,600	7,423,800	-	960,100	1,039,600	-	2,746,000	549,800	-	14,089,900
UofL Hospital / KSU Land-Grant Match	-	20,221,400	-	6,802,100	-	-	-	-	-	27,023,500
2010-11 Requested <u>Net</u> General Fund	\$ 322,470,400	\$ 164,893,400	\$ 76,712,700	\$ 21,327,400	\$ 48,051,800	\$ 54,259,600	\$ 55,388,400	\$ 83,523,600	\$ 227,257,600	\$ 1,053,884,900
Dollar Change from Prior Year	\$ 12,199,000	\$ 10,388,400	\$ 2,981,700	\$ 1,354,900	\$ 3,421,100	\$ 2,375,300	\$ 4,121,200	\$ 4,509,800	\$ 12,326,400	\$ 53,677,800
Percent Change from Prior Year	3.9%	6.7%	4.0%	6.8%	7.7%	4.6%	8.0%	5.7%	5.7%	5.4%

Second-Year Operating Request:	UK	UofL	EKU	KSU	MoSU	MuSU	NKU	WKU	KCTCS	Total
2010-11 Requested <u>Net</u> General Fund	\$ 322,470,400	\$ 164,893,400	\$ 76,712,700	\$ 21,327,400	\$ 48,051,800	\$ 54,259,600	\$ 55,388,400	\$ 83,523,600	\$ 227,257,600	\$ 1,053,884,900
Plus:										
Base Adjustments										
Debt Service	-	7,147,600	-	-	542,100	-	675,500	-	-	8,365,200
UofL Hospital / KSU Land-Grant Match	-	20,666,300	-	7,142,200	-	-	-	-	-	27,808,500
Transfers	-	-	-	-	-	-	-	-	-	-
M&O of New Facilities	2,179,700	602,800	3,118,500	63,600	920,200	-	1,496,500	1,014,600	345,300	9,741,200
Strategic Initiative Funds	7,919,300	4,486,600	1,925,700	621,000	1,140,500	1,336,200	1,223,800	1,948,500	4,398,400	25,000,000
2011-12 Requested <u>Total</u> General Fund	\$ 332,569,400	\$ 197,796,700	\$ 81,756,900	\$ 29,154,200	\$ 50,654,600	\$ 55,595,800	\$ 58,784,200	\$ 86,486,700	\$ 232,001,300	\$ 1,124,799,800
Dollar Change from Prior Year	\$ 8,728,400	\$ 5,258,100	\$ 5,044,200	\$ 64,600	\$ 1,563,200	\$ 1,336,200	\$ 649,800	\$ 2,413,300	\$ 4,743,700	\$ 29,801,500
Percent Change from Prior Year	2.7%	2.7%	6.6%	0.2%	3.2%	2.5%	1.1%	2.9%	2.1%	2.7%

Ending Net Base:	UK	UofL	EKU	KSU	MoSU	MuSU	NKU	WKU	KCTCS	Total
2011-12 Requested <u>Total</u> General Fund	\$ 332,569,400	\$ 197,796,700	\$ 81,756,900	\$ 29,154,200	\$ 50,654,600	\$ 55,595,800	\$ 58,784,200	\$ 86,486,700	\$ 232,001,300	\$ 1,124,799,800
Minus:										
Debt Service	-	7,147,600	-	-	542,100	-	675,500	-	-	8,365,200
UofL Hospital / KSU Land-Grant Match	-	20,666,300	-	7,142,200	-	-	-	-	-	27,808,500
2011-12 Requested <u>Net</u> General Fund	\$ 332,569,400	\$ 169,982,800	\$ 81,756,900	\$ 22,012,000	\$ 50,112,500	\$ 55,595,800	\$ 58,108,700	\$ 86,486,700	\$ 232,001,300	\$ 1,088,626,100
Dollar Change from Prior Year	\$ 10,099,000	\$ 5,089,400	\$ 5,044,200	\$ 684,600	\$ 2,060,700	\$ 1,336,200	\$ 2,720,300	\$ 2,963,100	\$ 4,743,700	\$ 34,741,200
Percent Change from Prior Year	3.1%	3.1%	6.6%	3.2%	4.3%	2.5%	4.9%	3.5%	2.1%	3.3%

^(a) These figures contain \$976.5 million in projected total state General Fund, plus \$70.0 million in federal State Fiscal Stabilization Fund (SFSF) dollars.

^(b) Amount of state General Fund in KSU's base used to fund a federal land-grant program match.

Total GF Requests

Net GF Requests

Determination of State Fiscal Stabilization Fund (SFSF) Replacement Request by Institution
Council on Postsecondary Education 2010-12 Budget Recommendation

ATTACHMENT C
November 6, 2009

State Fiscal Stabilization Fund Replacement Request

Institution	2010-11 SFSF Request ^(a)	2011-12 SFSF Request	Biennial Total
University of Kentucky	\$ 21,066,800	\$ -	\$ 21,066,800
University of Louisville	12,178,800	-	12,178,800
Eastern Kentucky University	5,067,500	-	5,067,500
Kentucky State University	1,766,300	-	1,766,300
Morehead State University	3,053,200	-	3,053,200
Murray State University	3,470,500	-	3,470,500
Northern Kentucky University	3,604,300	-	3,604,300
Western Kentucky University	5,416,100	-	5,416,100
KCTCS	14,376,500	-	14,376,500
System Totals	<u>\$ 70,000,000</u>	<u>\$ -</u>	<u>\$ 70,000,000</u>

Difference Between 2009-10 Enacted and 2009-10 Revised Net General Fund Appropriations

Institution	2009-10 Enacted Total Appropriation	Minus:	2009-10 Enacted Net Appropriation	HB 143 2009 Budget Reduction ^(d)	Reduction Due to SFSF Availability ^(d)	2009-10 Revised Net Appropriation
		Debt Service	UofL Hospital & KSU Land Grant			
University of Kentucky	\$ 324,366,500	\$ 4,682,400	\$ -	\$ 319,684,100	\$ (9,412,700)	\$ 289,204,600
University of Louisville	186,787,700	7,348,800	20,221,400 ^(b)	159,217,500	(4,712,500)	142,326,200
Eastern Kentucky University	77,999,500	2,029,200	-	75,970,300	(2,239,300)	68,663,500
Kentucky State University	27,180,100	908,900	5,524,400 ^(c)	20,746,800	(774,300)	18,206,200
Morehead State University	47,002,000	1,015,800	-	45,986,200	(1,355,500)	41,577,500
Murray State University	53,460,200	-	-	53,460,200	(1,575,900)	48,413,800
Northern Kentucky University	55,442,300	2,618,000	-	52,824,300	(1,557,100)	47,662,900
Western Kentucky University	83,371,600	1,958,100	-	81,413,500	(2,399,700)	73,597,700
KCTCS	224,429,700	-	-	224,429,700	(9,498,500)	200,554,700
System Totals	<u>\$ 1,080,039,600</u>	<u>\$ 20,561,200</u>	<u>\$ 25,745,800</u>	<u>\$ 1,033,732,600</u>	<u>\$ (33,525,500)</u>	<u>\$ 930,207,100</u>

^(a) Postsecondary institutions that received an SFSF appropriation in 2009-10 are instructed in the 2010-12 Branch Budget Request Manual to request General Funds to replace SFSF funds as part of their respective 2010-12 budget submissions. These funds are requested in the first year of the biennium.

^(b) UofL's enacted appropriation for the Quality and Charity Care Trust (QCCT) totaled \$20,204,000 in FY 2009-10. Over the biennium, changes in tax revenue and CPI estimates resulted in an adjustment in the statutory formula for the QCCT and a revised 2009-10 appropriation totaling \$20,221,400.

^(c) Amount of state General Funds in KSU's base used to fund a federal land-grant program match. KSU's land-grant match is requested as a new base adjustment beginning in 2010-12.

^(d) General Fund Budget Reduction Order 10-01 received and filed September 18, 2009, Commonwealth of Kentucky, Office of State Budget Director. This was a General Fund reduction in 2009-10, that when combined with \$70 million in SFSF funds, maintained net base funding at public postsecondary institutions at their respective 2008-09 levels.

Determination of Maintenance and Operations (M&O) Funding Request by Institution
Council on Postsecondary Education 2010-12 Budget Recommendation

ATTACHMENT D
November 6, 2009

Maintenance and Operations Funding Request

<u>Institution</u>	<u>2010-11 M&O Request ^(a)</u>	<u>2011-12 M&O Request</u>	<u>Biennial Total</u>
University of Kentucky	\$ 4,279,700	\$ 2,179,700	\$ 6,459,400
University of Louisville	5,901,800	602,800	6,504,600
Eastern Kentucky University	779,500	3,118,500	3,898,000
Kentucky State University	457,400	63,600	521,000
Morehead State University	2,004,100	920,200	2,924,300
Murray State University	762,600	-	762,600
Northern Kentucky University	2,897,400	1,496,500	4,393,900
Western Kentucky University	2,284,800	1,014,600	3,299,400
KCTCS	7,928,000 ^(b)	345,300	8,273,300
System Totals	<u>\$ 27,295,300</u>	<u>\$ 9,741,200</u>	<u>\$ 37,036,500</u>

Summary of 2008-10 and 2010-12 Calculations

<u>Institution</u>	<u>Current Biennium</u>			<u>New Biennium</u>		
	<u>2008-09 M&O Request</u>	<u>2009-10 M&O Request</u>	<u>Biennial Total</u>	<u>2010-11 M&O Request</u>	<u>2011-12 M&O Request</u>	<u>Biennial Total</u>
University of Kentucky	\$ 56,293	\$ 1,926,279	\$ 1,982,572	\$ 2,297,155	\$ 2,179,720	\$ 4,476,875
University of Louisville	1,135,935	4,537,941	5,673,876	227,898	602,794	830,692
Eastern Kentucky University	255,339	280,873	536,212	243,322	3,118,547	3,361,869
Kentucky State University	-	24,097	24,097	433,263	63,576	496,839
Morehead State University	211,978	326,445	538,423	1,465,697	920,240	2,385,937
Murray State University	62,655	699,917	762,572	-	-	-
Northern Kentucky University	2,335,158	180,623	2,515,781	381,572	1,496,549	1,878,121
Western Kentucky University	279,599	837,579	1,117,178	1,167,572	1,014,588	2,182,160
KCTCS	1,855,250	6,683,510	8,538,760	2,065,109	345,272	2,410,381
System Totals	<u>\$ 6,192,207</u>	<u>\$ 15,497,264</u>	<u>\$ 21,689,471</u>	<u>\$ 8,281,588</u>	<u>\$ 9,741,286</u>	<u>\$ 18,022,874</u>

^(a) Sum of single-year requests in 2008-09, 2009-10, and 2010-11.

^(b) Reduced by \$2,675,900 to reflect appropriation for partial M&O received by KCTCS in 2008-09.

Determination of Strategic Initiatives Funding Request by Institution
Council on Postsecondary Education 2010-12 Budget Recommendation

ATTACHMENT E
November 6, 2009

Strategic Initiatives Funding Request

Institution	2010-11 Strategic Initiatives	2011-12 Strategic Initiatives	Biennial Total	Percent ^(a) of Total
University of Kentucky	\$ 7,919,300	\$ 7,919,300	\$ 15,838,600	31.7%
University of Louisville	4,486,600	4,486,600	8,973,200	17.9%
Eastern Kentucky University	1,925,700	1,925,700	3,851,400	7.7%
Kentucky State University	621,000	621,000	1,242,000	2.5%
Morehead State University	1,140,500	1,140,500	2,281,000	4.6%
Murray State University	1,336,200	1,336,200	2,672,400	5.3%
Northern Kentucky University	1,223,800	1,223,800	2,447,600	4.9%
Western Kentucky University	1,948,500	1,948,500	3,897,000	7.8%
KCTCS	4,398,400	4,398,400	8,796,800	17.6%
System Totals	<u>\$ 25,000,000</u>	<u>\$ 25,000,000</u>	<u>\$ 50,000,000</u>	100.0%

Difference Between 2007-08 Enacted and 2008-09 Revised Net General Fund Appropriations

Institution	2007-08 Enacted Net Appropriation	Mid-Year '08 ^(c) Budget Cut @ 3.0%	Impact of ^(d) HB 406 Appropriation	Mid-Year '09 ^(e) Budget Cut @ 2.0%	2008-09 Revised Net Appropriation	Dollar Change	Percent ^(f) of Total
University of Kentucky	\$ 335,071,000 ^(a)	\$ (10,052,100)	\$ (8,415,400)	\$ (6,332,100)	\$ 310,271,400	\$ (24,799,600)	31.7%
University of Louisville	168,572,300	(5,057,200)	(5,839,200)	(3,153,500)	154,522,400	(14,049,900)	17.9%
Eastern Kentucky University	79,761,400	(2,392,800)	(2,132,900)	(1,504,700)	73,731,000	(6,030,400)	7.7%
Kentucky State University	27,441,700	(823,300)	(601,200)	(520,300)	25,496,900	(1,944,800)	2.5%
Morehead State University	48,202,100	(1,446,100)	(1,214,500)	(910,800)	44,630,700	(3,571,400)	4.6%
Murray State University	56,068,700	(1,682,100)	(1,443,400)	(1,058,900)	51,884,300	(4,184,400)	5.3%
Northern Kentucky University	55,099,500	(1,653,000)	(1,133,000)	(1,046,300)	51,267,200	(3,832,300)	4.9%
Western Kentucky University	85,115,600	(2,553,500)	(1,935,800)	(1,612,500)	79,013,800	(6,101,800)	7.8%
KCTCS	228,704,900 ^(b)	(6,861,100)	(2,526,200)	(4,386,400)	214,931,200	(13,773,700)	17.6%
System Totals	<u>\$ 1,084,037,200</u>	<u>\$ (32,521,200)</u>	<u>\$ (25,241,600)</u>	<u>\$ (20,525,500)</u>	<u>\$ 1,005,748,900</u>	<u>\$ (78,288,300)</u>	100.0%

^(a) Includes \$2,000,000 special session appropriation for UK's Center for Applied Energy Research.

^(b) Includes \$2,373,800 reorganization transfer to KCTCS for Kentucky Board of Emergency Medical Services.

^(c) General Fund Budget Reduction Order 08-01 received and filed January 4, 2008, Commonwealth of Kentucky, Office of State Budget Director.

^(d) Difference between 2007-08 revised net appropriation and 2008-09 enacted net appropriation resulting from passage of HB 406.

^(e) General Fund Budget Reduction Order 09-01 received and filed March 24, 2009, Commonwealth of Kentucky, Office of State Budget Director.

^(f) Percentages that will be used to distribute any 2010-12 appropriated funds above technical adjustments and O&M to public postsecondary institutions.

^(g) Percentages resulting from application of agreed upon distribution methodology to \$50 million request for Strategic Initiatives funds.



EASTERN KENTUCKY UNIVERSITY

2010-12 BIENNIAL BUDGET: STRATEGIC INITIATIVES FUNDING REQUEST

Eastern Kentucky University is currently engaged revising and updating its existing strategic plan. This process includes the linking of strategic planning and budgeting. The University has determined that strategic initiatives in the following areas will be given priority. Sub-bullets indicate possible areas for utilization of funds and will be refined and modified through the planning process prior to development of the first annual budget of the biennium.

❖ Student Success

- Implementation of strategic enrollment management plan
The University will focus efforts on strategies intended to increase applicant pools and matriculation rates to more adequately serve the state's attainment objectives.
- Strengthened advising and mentoring of students
Strategies will be developed and implemented to better advise and mentor students with the goals of improving retention and time to degree.
- Increased effort in on-line and other alternative delivery methods
EKU faculty and staff are currently studying how to better provide on-line instruction that takes advantage of the Eastern Culture to add value to these programs. Expansion of on-line offerings to reach underserved populations will require resources.
- Strengthened academic infrastructure to recruit, develop, and retain a highly qualified faculty dedicated to ECU's mission
Teaching remains the primary mission focus at ECU with scholarship and service seen as requisite for effective teaching. Enhancing the instructional capacity of the faculty is seen as an integral component of student success.
- Faculty professional development to improve teaching
Teaching remains the primary mission focus at ECU with scholarship and service seen as requisite for effective teaching. Enhancing the instructional capacity of the faculty is seen as an integral component of student success.
- Transition program aimed at reducing remediation
The issue of students being prepared to attend college, primarily in the areas of mathematics and reading, has continued to increase over the past several years so that almost one-half of those who matriculate at ECU are required to participate in some form of developmental education. Not only is this costly to the University, but defers the time a student can move into taking the classes

that count toward a degree. In addition, the cost to the student to take developmental classes can reduce their financial aid eligibility to complete classes toward a degree.

EKU is in the process of implementing a program where high school students who in their senior year have been identified as needing developmental instruction will be able to take such in their home counties prior to matriculation. In addition these courses will be taught by high school instructors in conjunction with EKU faculty, thus providing professional education opportunities for these high school teachers. The end result will be students who will have completed all or most of their developmental course requirements at no cost to them, thus enabling them to begin taking courses counting toward their degree immediately.

- Transition and support services for veterans and other adult learners
Increased resources will be required to more adequately serve returning veterans and members of the adult population with college work but who are short of the degree.
Provision of a child care center would enhance recruitment and retention of students as well as provide valuable services to faculty, staff, and the City or Richmond and Madison County.

Regional Stewardship

- More complete implementation of educational extension agent program in support of education, economic development, and quality of life issues
- Further Develop KCTCS partnerships to facilitate transfer
- Broadening of offerings at regional campuses
- Further development of collaborative ventures with Morehead State, private institutions, KCTCS and others in region to leverage resources
- Service Learning

Quality Enhancement Plan (critical and creative thinking)

- The Studio for Academic Creativity
Under development in the Crabbe Library, this unique Studio will represent a facility to bring together students with faculty and other resources aimed at fostering creativity in written, oral, and high tech presentations.
- Support for the Honors Program
EKU's nationally recognized honors program provides a natural platform for the Quality Enhancement Plan and is an enriching experience for both students and faculty.
- Implementation of Critical and Creative Thinking Across the Curriculum
In order for the QEP to have maximum effect, faculty must have the opportunity for discipline specific professional development in the incorporation of critical and creative into the classroom experience.

KENTUCKY COMMUNITY AND TECHNICAL COLLEGE SYSTEM
Strategic Initiative Requests
2010 Biennial Budget Session

The overarching goals of the Kentucky Postsecondary Education Improvement Act of 1997 (HB1) are to have a highly skilled workforce with the education and training necessary for the state's businesses and industries to successfully compete in the global economy and to provide every citizen with prosperity and a standard of living that exceeds the national average by the year 2020. These goals continue to drive the priorities of KCTCS in serving its unique role in Kentucky's postsecondary education system and provide the foundation for the KCTCS Plan for a Competitive Commonwealth.

Additionally, the 2010-2016 KCTCS Strategic Plan that becomes effective July 1, 2010 states that the mission of KCTCS is to improve the employability and quality of life of Kentucky citizens as the primary provider of:

- College and Workforce Readiness
- Transfer Education
- Workforce Education and Training

The newly stated goals of the 2010-2016 KCTCS Strategic Plan are to:

- Advance excellence and innovation in teaching, learning, and service
- Increase student access, transfer, and success
- Cultivate diversity, multiculturalism, and inclusion
- Enhance the economic and workforce development of the Commonwealth
- Promote the recognition and value of KCTCS.

To advance the goals of HB1 (1997) and the 2010-2016 KCTCS Strategic Plan, KCTCS proposes the following strategic initiatives for consideration in 2010 Biennial Budget Session of the Kentucky General Assembly:

REMEDICATION SERVICES

Far too many students are entering college unprepared to succeed in fundamental courses of English, math, and reading. Students with developmental education needs are less likely to be retained to a second year of study than were prepared students at both the institutional and system level.

A proposed change to the cutoff scores by CPE that determine the level of readiness for entry into college-level courses will go into effect in 2010, which will likely drive more students to KCTCS who cannot begin college-level work at the university level. To-date, KCTCS has 13,330 first-time credential-seeking students enrolled in fall 2009 who are in need of remediation. If the new CPE standards for 2010 were in effect now, the estimated number of under-prepared students by subject would be:

- Math: 8,683 students.
- Reading: 4,466 students.
- English: 4,307 students.

For increasing numbers of students to succeed in their first year of college and continue to graduation, more attention must be paid to providing sufficient remediation services to students with deficiencies in these essential subject areas.

CPE Strategic Initiative funds will be used to enhance student success, educational attainment, and the completion of KCTCS credentials by:

- supporting more students completing the developmental sequence and having success in the first corresponding college-level course
- increasing college completion rates of students enrolled in one or more remedial classes by 3% yearly from 2009-2014 as required by Senate Bill 1 (2009)
- expanding capacity to serve more students who need remediation as a result of change in CPE cutoff score in 2010
- increasing the number of full-time faculty with appropriate training and ongoing professional development
- enhancing comprehensive assessment, placement, and academic advising programs
- expanding college readiness initiatives with local school districts to reduce the number of high school graduates needing remedial services

ONLINE DUAL CREDIT

The KCTCS Plan for A Competitive Commonwealth states that KCTCS will contribute to an increased level of preparedness for high school graduates by increasing the percentage of high school dual credit/dual enrollment students from 9 percent in 2006-07 to 15 percent by 2020, yielding approximately 30,500 dual credit/dual enrolled high school students at KCTCS in 2020 with a greater emphasis on general education courses.

According to CPE's report "*The Dual Enrollment of High School Students in Postsecondary Education in Kentucky, 2001-02 to 2004-05*" high school students who "dually enrolled were indeed more likely to be retained and had a higher mean GPA than their peers".

Results from a study of dual credit student success ("Why Expand Dual-Credit Programs") published in the *Community College Journal of Research and Practice* (2007) indicates "that participation in dual credit programs had a positive and significant relationship with educational aspirations." Likewise, results of another study ("The Influences of Dual Credit Programs on College Students' Integration and Goal Attainment") published in the *Journal of College Student Retention* (1999) indicates through "logistic regression that dual credit significantly influenced students' ability to persist and graduate."

KCTCS is currently the primary provider of dual credit/dual enrollment programs in Kentucky and the leading provider of online instruction, both in a traditional format and via the newly launched KCTCS Online that provides selected programs in modularized, competency-based course formats on a 24/7/365 basis. The proposed strategic initiative will bring together these two capabilities of KCTCS in an innovative approach that enables more high school students to accelerate their education.

CPE Strategic Initiative funds will be used to enhance student success, educational attainment, and the completion of KCTCS credentials by:

- targeting students who demonstrate readiness for college-level work
- focusing on improving college and workforce outcomes for more students, especially those who are not traditionally successful
- providing intensive support and opportunities to meet readiness benchmarks to under-represented and under-prepared
- offering competency and performance based courses that lead to a degree or credential; are applicable towards a college program or general education requirements; are transferable to a four-year institution; and align with the K12 Program of Studies for the purpose of awarding credit towards the high school diploma
- employing new Web 2.0 learning technologies



Proposed Utilization of Strategic Initiative Funding 2010-12 Biennium

Kentucky State University's philosophy of open access to students affords KSU the opportunity to plan a comprehensive strategy that will contribute to the Commonwealth's goals as expressed in House Bill 1. As an HBCU, Kentucky State University has a mission of access. As a CPE affiliated comprehensive university, it has an obligation to increase baccalaureate degrees. KSU's Strategic Plan – "*Growth with Distinction*" seeks to bring those two seemingly conflicting requirements into agreement.

Over the last several years, KSU has made steady progress in growing its student population, providing more course and degree offerings, analyzing and improving where necessary its quality of service to students, faculty, and staff. KSU's comprehensive strategy to contribute to the Commonwealth's goals as expressed in House Bill 1 requires continued state supported funding.

Priority One – Quality Enhancement Program "Academic With Attitude"

Student readiness for college has been reported by the Developmental Education Task Force as well as the number and type of course remediation high school students require. KSU's Summer Academic Bridge Program was effective in increasing the first year retention rate. The more expansive Quality Enhancement Program, "Academics with Attitude," creates a holistic learning environment in which a student's attitude towards the educational experience is positively transformed over a period of two years.

KSU proposes using new State funds to support the strategic initiative of the Quality Enhancement Program for increased Developmental Education needs and to fund initiatives for retaining and graduating more students to meet its Double the Numbers goals for Kentucky. The primary objectives of the QEP initiative are:

- To expand and enhance student advising, create learning communities for QEP cohorts, provide academic support services and track student performance in developmental courses.
- To improve retention rates for completers by impacting the number of students who matriculate to graduation.

Priority Two – Academic Program Growth

In the last several years, KSU has added undergraduate and graduate degree programs in the business, education, communication and technology fields. Its current focus includes further increasing graduate programs, enhancing the distance learning program, adding endowed faculty positions and supporting faculty development.

KSU proposes using new State funds for:

- Developing and implementing new master's degree programs that build on the strengths of KSU's existing programs and that are in keeping with the university's mission.
- Enhancement of continuing and distance learning programs which offer opportunities for non-traditional students to earn credit hours toward degree completion.
- Increasing support for faculty development which educates faculty about using appropriate information technology in their instruction, including distance learning.

Priority Three – Use of Emerging Technologies

KSU is increasingly investing in today's emerging technologies, which positively impact the way KSU delivers education. These technologies are being used for a number of campus programs, projects and initiatives which include enhancing teaching and learning inside and outside the classroom, providing increased security, enhancing administrative information systems and increasing wireless connectivity across the campus. KSU proposes using new State funds to:

- Enhance and deploy administrative information systems (Finance, Human Resources, Alumni Relations/Development and Student Services) to improve services through greater information sharing and redesigned workflow processes.
- Systematically update all computer hardware and software over an established refresh cycle that approximates the useful life of the technology.
- Enhance and maintain information technology support at the university for all users of standard hardware/software.
- Develop and implement an online system for gathering and analyzing data required for outcomes assessment (e.g., student outcomes, research productivity)





Morehead State University New Funding Priorities 2010-2012

Increases in state funding available for Morehead State University in the 2010-2012 biennium would be used to fund initiatives directly supporting the University's ASPIRE strategic plan with a primary focus on the following goals:

Improving Retention and Graduation Rates

MSU will continue to invest in strategies and initiatives designed to ensure student success as measured by higher retention and graduation rates.

- Continued investments in resources to improve student advising and support services are needed to continue to improve the retention rate of students who enter the university. Working existing strategies have generated an increase in the fall-to-fall retention rate of first time freshmen from 61% in 2005 to 70% in 2010 but more work is needed and will be compounded by the need to address the changes in development education proposed in Senate Bill 1.
- More aggressive marketing and recruitment efforts are needed in rural areas to work with underserved populations and increase the pipeline of students entering postsecondary education. Likewise, new resources are needed for target marketing and assistance to attract and retain minority students, veterans and KCTCS graduates.
- Expand funding to grow the Undergraduate Research Fellowship program. This program provides opportunities for undergraduate students to work one-on-one with faculty on research projects in their academic program of study. Students participating in this program earn a competitive wage and gain hands-on experience which is typically not available until graduate school. This initiative not only improves academic excellence but improves retention through mentoring and affordability by providing students an opportunity to work part-time on campus in a learning experience.
- MSU continues to revise its merit and need-based scholarship program to be more competitive in attracting and retaining Kentucky's best students and addressing needs of targeted enrollment groups including adults and part-time students. Additional funds would be used to offset increases in tuition for existing scholarship students as well as increasing funds available for qualifying need-based students through the Eagle Access scholarship program which funds the gap between total cost of attendance and a student's federal and state award.

Ensure Academic Quality

MSU will continue to invest in strategies and initiatives to enhance the academic quality of the programs delivered.

- Implement the recommendations developed by the faculty in 2009 to enhance the general education curriculum. The general education curriculum review was based on foundational competencies identified as critical for students to be successful in the 21st century. Recommendations from the curriculum review will also help to ensure that students have the opportunity to acquire the defined learning outcomes for their degree within 120 credit hours and complete a baccalaureate program within four years.
- Allocate resources needed to enhance and grow high demand programs in disciplines identified with strong employment potential and targeted academic programs of excellence.
- MSU continues to see an increase in demand for portions of the academic curriculum to be delivered through distance learning technology—primarily through online instruction. To ensure quality, new funds would be allocated to increase the support for faculty to ensure effective and quality delivery of online courses. Additional instructional designers and technology specialists are needed to assist faculty with migrating academic content into online courses using best practice standards and technologies for online learning and to conduct on-going assessment of online courses using the Quality Matters program for course review. Quality Matters is a faculty-centered, peer review process designed to certify the quality of online courses and online components.
- Invest in quality instructional and research faculty – MSU faculty currently are paid at 87% of the average salary of their peers. The need to move faculty salaries to the average of peer institutions will help ensure the ability to attract and retain quality faculty in all disciplines.
- In 2008, over 75% of the proposals submitted for external support through research and sponsored programs were approved for funding. New funds would enable investment in more support resources for faculty to be able to increase the number of competitive proposals generated annually.

Enhance Regional Engagement

MSU partners significantly throughout the region with K-12, private postsecondary institutions, local government, business and industry to address high priority needs of the region.

- MSU has initiated multiple pilot projects throughout the service region with K-12 schools to address the need to increase the college-going rate of Kentucky graduates and reduce the number of students that enter college with developmental needs. Additional funds will be needed to move the successful pilots into sustainable programs.
- With input from a regional advisory board that includes citizen and business leaders, MSU has identified four focus areas for regional engagement that include education, health and wellness, community-building and economic development. New funding is needed to implement and maintain initiatives identified in these areas to enhance the quality of life of the citizens and communities.



PROPOSED USES FOR ADDITIONAL STRATEGIC INITIATIVES FUNDING IN 2010-12

As an important focus of its mission as a comprehensive regional university, Murray State has made a public commitment to foster excellence, build partnerships and create community. Additionally, in its support of HB1, it has set a goal of reaching an enrollment of 12,000 students by the year 2012. If the additional funding projected for the next biennium were to materialize in the amounts indicated for Murray State, we would utilize such additional resources to support HB1 initiatives in accordance with our Plan for Achieving State-wide Priorities.

Improve Graduation Rates: Murray State has historically had the second highest 6-year graduation rates among the public universities. However, it is a university priority to continue to improve in that area and to show regular increases of degrees conferred. Additional strategic initiatives funding would help support a multi-faceted approach to achieve this priority. Murray State has realized some programmatic efficiencies through revamping its General Studies program and by reducing the average number of hours required to graduate from 126 to 120 hours. We anticipate that this revamped pathway to degree completion will enhance our 6-year graduation rate and increase the number of degrees conferred. To provide the academic infrastructure to adequately accomplish this priority would require 6 to 8 new faculty positions. This investment would be necessary to maintain the current student faculty ratios in the face of the expected increased student enrollment and to assure that critical areas such as the STEM disciplines are adequately staffed. Equally important, the additional faculty would play a vital role in ongoing campus efforts to ramp up the advising process, which will be critical in assuring that students are able to efficiently plan their academic programs to reduce time to degree, and to sustain the University's traditional high graduation rate. In conjunction with the preceding strategies, we would hope to invest in the Center for Teaching, Learning and Technology for computers, servers and technological equipment. This will provide an enhanced infrastructure to enable increased on-line and web course offerings.

Retention: Retention is an essential component of successful graduation rates and increasing the number of degrees conferred. It is a necessary follow on to successful freshmen enrollments. To increase its effectiveness in this area, the University has recently established a Retention Office that is working closely with faculty to monitor the progress of individual students. Current strategies include continuing communication with students who are undeclared, or are admitted with conditions, as well as students with financial issues, and those who have withdrawn or are considering leaving Murray State. Additional funding would facilitate the expansion of services for at risk students including more one on one contacts with students who are considering withdrawing from school and the provision of more resources tailored to specific academic retention needs providing a more solid foundation for academic success.

Remediation: As part of the process continuum of sustaining effective graduation rates, a portion of strategic funding would be allocated to our Community Education department which has the charge of working specifically with students who are not academically ready for pursuing a four-year degree when they first enroll. Additional resources would be used for teaching, team-building, technology, testing and training. Because of the new ACT test score requirements, the needs in this area will increase substantially.

Access: All of the above strategies are dependent on enabling students to enroll in the first place. Murray State has a multi-pronged strategy to improve its effectiveness in this area. Additional funding would be allocated to needs based tuition waivers and scholarships with increased focus on providing financial aid for transfer students. We also need to cover increasing costs for our new Enterprise Resource Planning (ERP) system which has greatly improved recruitment processes such as scheduling classes, which helps with advising, billing tuition and improving the efficiency of managing the entire student financial aid process. Also, the university is in the initial stages of creating a one-stop unified location for these various student services. The focus is to eliminate the need for students to be shuttled around from one office to another during the registration process. Increased funding will be provided as necessary to assure the effectiveness of the University's new **Transfer Center**, which has been established specifically to increase the enrollment of KCTCS students seeking to attain baccalaureate degrees.

Program of Distinction- Telecommunications System Management (TSM): Murray State's Program of Distinction recently was recognized as having the best graduate program in the nation in this discipline for 2009. Strategic Initiative funds would be used to increase operating and travel budgets as part of program outreach activities and to provide scholarships for KCTCS transfer students with associate degrees who are transferring into the TSM program in accordance with Murray state's articulation agreement with KCTCS. Also, more funding would be allocated for regular university scholarships in the TSM disciplines.

Community Outreach: Since creating community is one of the three university imperatives, this is a high priority for institutional support. We would anticipate providing additional resources to build out from our current Regional Stewardship program by focusing on our evolving Town and Gown activities. As part of these efforts, faculty are strongly encouraged to engage in public service to the region and this is built into their workloads.

In the process of implementing the articulated strategies detailed above, cost shifting would likely occur as specific needs and program requirements became more apparent. In the event that none of this funding were to become available, efforts in all the areas described would be severely curtailed, as the university would have to husband its resources so as to sustain, to the extent possible, the current level of effort to meet the HB1 initiatives.



Northern Kentucky University 2010-12 Strategic Budget Request

Northern Kentucky University continues to be firmly committed to deploying its resources to address the university's strategic priorities, regional needs, and statewide goals, as outlined in the NKU Business Plan. Given state budget reductions in recent years, coupled with the need to keep college tuition affordable, the reallocation of existing resources has been necessary but also very challenging given NKU's lower-than-average level of state public funding per student. Our focus on student success and regional progress is evidenced by that fact that, despite resource limitations, expenditures on instruction, research, public service, libraries, and academic support increased by 6.5% in 2008-09.

With the realization that resources will continue to be stretched for the foreseeable future, university leaders recently revisited the university's strategic plan to identify areas of greatest strategic priority, along with the necessary support infrastructure. Outlined below are the University's broad strategic priorities for the current year through the 2010-12 biennium, along with examples of current initiatives that will advance these priorities and the statewide goal of increased degree completion.

DEVELOP TALENT

As a comprehensive metropolitan university, Northern Kentucky University is focused on positively impacting the economic development of our region and the Commonwealth of Kentucky. The disciplines for which labor market needs are expected to be the greatest are within the sciences, technology, engineering, and mathematics. Emphasis will be placed on growing programs in the health professions and information technology. Between 2000 and 2009, the number of information technology graduates increased 53%. The number of students graduating with a credential in a health discipline between 2000 and 2009 increased by 81%. Over the past ten years, NKU has produced more than 5,500 graduates with credentials in the sciences, technology, engineering, or mathematics. Overall, NKU's total undergraduate enrollment increased by nearly 20% (2nd highest increase in the state) and bachelor's degree production increased by 52% (also the 2nd highest).

Efforts to develop talent will also focus on increasing degree attainment by addressing causes of student attrition. Strategies to do so include increasing support for Early Alert, a formal proactive feedback system used by NKU faculty and staff that alerts support providers in the Student Achievement Center to early poor performance behaviors and indicators of possible attrition. The system allows service providers to connect students to appropriate resources to get them back on track academically, socially and personally. The number of students identified through this system continues to grow, requiring correspondingly increasing levels of support.

Of special concern is achievement among African American students. Programming targeted to this population is based on a developmental process that engages students at the freshman level and moves them to their graduation date. It contains a summer institute, a University 101 course specifically for African Americans, meetings with an advisor/mentor three times a semester, study tables all semester, and specific study groups for midterm and final examinations. Dramatic increases in degrees awarded to racial or ethnic minorities may be due in large part to such programming. Between 2000 and 2008, the total number of degrees awarded to racial or ethnic minorities increased by over 200%, the highest percentage increase for state universities.

Another important strategy for increasing baccalaureate degree attainment is student transfer. NKU fosters transfers from KCTCS institutions and other two-year colleges through articulation agreements that recognize credits earned toward university degree requirements. There are several such agreements in place at NKU, with three new additions. NKU's transfer scholarship program is another important strategy. The impact of these partnerships and scholarships has been increases in transfers to NKU from KCTCS colleges, and high graduation rates for KCTCS transfers. From 2007 to 2008, NKU was one of only two universities to meet its transfer goals, while system-wide the number of transfers actually declined. There was an even more dramatic increase in KCTCS transfers to NKU between 2008 and 2009, at 35%. Between 1999 and 2009, KCTCS transfers increased by 170%. The three-year graduation rate from NKU for KCTCS transfers is 71%, the highest among Kentucky state universities.

INCREASE STUDENT ENGAGEMENT IN LEARNING

Active learning strategies will be promoted through targeted faculty development. Active learning strategies engage students more deeply in their learning experiences, more aptly prepare them for work and life after college, and better empower them to become productive citizens and lifelong learners. By increasing the level of student engagement in the learning process, it is expected that increased use of active learning strategies will positively impact student retention and success. As is the case with restructuring the core curriculum, broader implementation of active learning strategies will require additional investments in faculty development.

ENSURE ACADEMIC QUALITY

NKU's general education program will be revamped in a manner that will result in a more streamlined, integrated, and purposeful core curriculum. Student learning outcomes for the general education program are being defined more clearly. Assessment methodologies are being defined that will enable the measurement of learning gains over time, and provide the information necessary to target program improvements. It is expected that these changes will not only improve academic quality but also reduce costs in the long term, realized by fewer course elective and reduced reliance on adjunct faculty. The changes are also expected to reduce time to degree completion, which will in turn lower costs for students and increase graduation rates. Investments in faculty professional development and stipends for curriculum work are needed to implement these improvements.

ENGAGE IN EFFECTIVE REGIONAL STEWARDSHIP

Ensuring that students are academically prepared to enter college requires collaboration with school districts to align curricula and assist with the professional development of teachers. One example of NKU's work in this area is the Kentucky Center for Mathematics, which currently trains and supports teachers in 101 counties. Institutional partnerships are another vehicle. There are a total of 34 such partnerships in which NKU provides outreach instruction to teachers, and 126 partnerships where outreach instruction is provided to children from preschool through grade 12.

Successful strategies that achieve results will be fully supported, with effort and resources directed to areas of highest priority. Investments will be made in support of these priorities through increase in state appropriation, tuition revenue, internal reallocations, and other sources. Some of these investments will be for new initiatives while others may restore mission-critical programs and positions that have been cut over the past couple of years. In addition to investments in these priorities, the university will have to fund increases in fixed/mandatory costs, such as benefits, utilities, and other cost-of-living increases.

Northern Kentucky University will be challenged in these endeavors by capacity limitations in terms of instructional space, full-time faculty resources, and decision support capabilities. The university has a critical shortage of academic/instructional space. Compared to a system average for comprehensive universities of 134 square feet per FTE, NKU has 79 square feet per FTE student. This difference equates to 5 to 7 academic buildings. Classrooms and laboratories on NKU's campus are being utilized at a rate that exceeds CPE standards. Growth in academic programs in targeted disciplines such as health professions, finance, and the sciences can only be achieved by the construction of new academic classroom buildings and renovation of selected existing buildings.

The capacity to manage information in a way that supports decision-making has a direct impact on NKU's ability to implement the most appropriate interventions for improving academic quality and student success. This capacity has been challenged by the ongoing transition to a new enterprise resource technology system, which will require building a data warehousing, data governance, and data quality infrastructure. The timeline for having such an infrastructure in place depends on the human and technical resources available.

Within its campus and surrounding communities, Northern Kentucky University has the will, the talent, the vision, and the commitment to meet the workforce needs of the region and the Commonwealth; to raise levels of educational attainment; to deliver high-quality academic programs of relevance; and to help students earn degrees in a timely manner. With the necessary resources, there is no question that NKU will deliver value to its stakeholders.



**2010-2012 BIENNIAL BUDGET: CONTINUING THE
MOMENTUM OF THE UNIVERSITY OF KENTUCKY'S
TOP 20 BUSINESS PLAN**

In December 2005, the University of Kentucky Board of Trustees approved the Top 20 Business Plan, which established the financial and capital investments necessary to achieve the legislative mandate that UK become a Top 20 public university by 2020. During its 2006 session, the General Assembly fully funded the Business Plan.

In the 18 months between April 2006 and December 2007, the University used those funds to make strategic investments. Those initial investments in the Business Plan are showing results.

In the first two years of implementation of the Top 20 Business Plan (2006-2008), the University achieved record highs:

- Record undergraduate enrollment: 19,328
- Record University-wide graduation rate: 61.4%
- Record African-American graduation rate: 50.3%
- Record first-professional (Dentistry, Law, Medicine, and Pharmacy) degrees awarded: 409
- Record high research expenditures reported to the National Science Foundation: \$337 million

The academic year recently completed (2008-09) saw more records achieved:

- Record first- to second-year retention rate: 81%
- Record number of doctoral degrees awarded: 312
- Record first-professional (Dentistry, Law, Medicine, and Pharmacy) enrollment: 1,558
- Record number of full-time faculty: 2,096
- Record number of African-American faculty: 84, including 11 new African-American faculty
- Record number (234) and percent (48.4) of women in Executive/Administrative/Managerial positions

That momentum continues into the 2009-2010 academic year:

- Record number of freshman applications: 12,195 (10 percent increase)
- Average ACT of first-year students rose from 24.4 to 24.7
- Record number of students with a 31-36 ACT composite: 375 (28 percent increase)
- Record number of Governor Scholar and Governor School for the Arts participants in the first-year class: 404 (four percent increase)
- Record number of African-American students in the first-year class: 404 (17 percent increase)
- Record undergraduate African-American enrollment: 1,382 (12 percent increase)
- International students in the first-year class: 44 (38 percent increase)
- Record Hispanic students in the first-year class: 78 (26 percent increase)
- Hispanic undergraduate students: 293 (21 percent increase)
- Newly enrolled transfer students: 1,041 (seven percent increase)
 - Newly enrolled transfers from the Kentucky Community and Technical College System: 416 (15 percent increase)
 - Newly enrolled transfers from Bluegrass Community and Technical College: 243 (10 percent increase)

This progress is threatened by the financial retrenchment of the last two years. Just as investments four years ago continue to yield positive results today, the University's ability to continue and expand Business Plan investments now will have an impact on institutional progress for the next several years. Decisions made today will determine whether UK can continue to close the gap that separates it from the Top 20 public universities in the U.S.

New funds are necessary to continue implementing the Business Plan and build on the recent progress toward Top 20 status. The University of Kentucky will continue to invest in the people and initiatives necessary to meet increasing student demand, ensure student success, and earn more external research funding.

I. UK will continue to invest in the Provost’s **“War on Attrition”**, a series of initiatives designed to ensure student success. These efforts include reducing the student-to-faculty ratio, hiring more academic advisors, and implementing intervention strategies to support first-year and at-risk students. The initial stages of this “War” have shown results thanks to the way the University invested original Business Plan funding. But the progress is at risk.

- UK Retention Rate - Fall 1996: 77.9 percent
- UK’s Retention Rate - Fall 2005 (Pre-Business Plan): 77.8 percent
- UK Retention Rate - Now: 81.0 percent
- Top 20 Retention Rate: 92.0 percent

- UK Graduation Rate - 1997: 48.1 percent
- UK Graduation Rate - 2005 (Pre-Business Plan): 59.6 percent
- UK Graduation Rate - 2008: 61.4 percent
- Top 20 Graduation Rate: 77.5 percent

- UK Bachelor’s Degrees Awarded - 1997: 3,133
- UK Bachelor’s Degrees Awarded - 2005 (Pre-Business Plan): 3,285
- UK Bachelor’s Degrees Awarded - 2008: 3,650 (up 17% since ‘97)
- Top 20 Average Bachelor’s Degrees Awarded: 6,299

- UK’s current student-to-faculty ratio: 18 to 1
- Average ratio among Top 20 universities: 15 to 1
- Faculty UK needs to reach Top 20 average: 236
- **Number of faculty positions eliminated since December 2007** 101

II. UK will **hire more faculty and student support staff** to:

- A. Respond to increasing demand:
- Undergraduate Applications for Fall 1997: 7,547
 - Undergraduate Applications for Fall 2005 (Pre-Business Plan): 10,515
 - Undergraduate Applications for Fall 2009: 12,195 (up 62% since ‘97)
- B. Sustain enrollment increases while ensuring student success:
- UK’s Undergraduate Enrollment - Fall 1997: 17,015
 - UK’s Undergraduate Enrollment - Fall 2005 (Pre-Business Plan): 18,492
 - UK’s Undergraduate Enrollment - Now: 19,220 (up 13% since ‘97)
 - Top 20 Average Undergraduate Enrollment: 27,261
- C. Continue to increase federally financed research:
- UK Federally Funded Research - 1997: \$ 62 million
 - UK Federally Funded Research - Pre-Business Plan: \$100 million
 - UK Federally Funded Research - 2007: \$155 million (up 150% since ‘97)
 - Top 20 Average Federally Funded Research: \$228 million

III. UK is making significant progress in **designing a new General Education Curriculum** in which every class will be substantially smaller or have small group components and that 1) facilitates a smoother transition from high school to college, 2) focuses on student communication and analytical skills, 3) has defined measurable student learning outcomes, and 4) lays a strong foundation for undergraduate student success and degree completion.



Proposed Uses of Additional Funding for Strategic Initiatives in 2010-2012

The following is a concise plan showing how the University of Louisville would use new State funds to advance its most important strategic initiatives. The proposed uses of funds tie directly with the University's newly adopted strategic plan – *"The 2020 Plan. Making It Happen."* In all cases the initiatives depicted below can be scaled to size to meet any budget increase scenario.

- I. **Undergraduate Initiatives and continued improvement of Six Year Graduation Rates:** A significant portion of any additional funds appropriated to the University of Louisville would be used to help strengthen the University's core undergraduate academic programs. Success in the classroom contributes considerably to student retention, improved graduation rates and ultimately towards the Commonwealth's goal of "Doubling the Numbers" of Kentuckians with baccalaureate degrees by year 2020. UofL is committed to doing just that.
- New funds would be allocated to supplement the institutional student financial aid budget for both need-based aid and merit-based scholarships. For example, UofL's "Transfer Scholarship" program primarily targets students from Jefferson Community and Technical College. Additional funds are critical to meet the increasing demand of transfer students moving on to four-year degree programs. Also, funds would be allocated to the "Cardinal Covenant" program to further expand that successful need-based aid program for those students at the lower end of the socio-economic spectrum.
 - Funds would be allocated towards the development of new academic programs, such as STEM or Sustainability programs, that appeal to student interest and meet State workforce needs.
 - Funds would be used to enhance undergraduate research opportunities thus aiding in the recruitment of top students who actively seek-out such opportunities. Additionally, we will utilize our "Bucks for Brains" professors to help us excite a new generation of researchers.
 - Funds would also be used to further improve student life for both traditional and non-traditional students at UofL, including active duty military and veterans. Experience has shown that enhanced student life programs help improve both graduation and retention rates and greatly contribute to overall student satisfaction and ultimately to success in the classroom.
- II. **Build Strong Graduate Programs:** Strong graduate programs are essential to the University of Louisville in attaining its goal of becoming a premier, nationally-recognized metropolitan research university. Moreover, to accomplish this goal it is important for UofL to grow its graduate enrollment to meet institutional and state-wide workforce demands in selected, high-demand programs. Here is UofL's strategy for doing that:

- Graduate education is expensive, particularly at the doctoral level. Increased funding for new and existing Ph.D. programs is vital to student recruitment, which is necessary for meeting internal graduate enrollment and economic development goals. To advance this initiative, new funds are needed for additional graduate assistants in Ph.D. programs across campus. Priority would be given to interdisciplinary and niche programs, such as cognitive science and bioinformatics, that meet highly-technical State workforce demands.
- Keeping graduate assistant and fellowship stipends competitive is key to recruiting and retaining the best and brightest graduate students. UofL has made good progress in recent years but is still not competitive nationally for top candidates. New funds would be used to bolster graduate stipends in selected disciplines thus closing the gap with peer universities.

III. Support for Research (R&D): UofL has made great strides in bringing extramurally funded research to the Commonwealth, especially in areas of health and life sciences. Much of this success can be attributed to the forward-looking investment in the Endowment Match Program, a.k.a. “Bucks for Brains.” Data clearly show that since Higher Education reform, UofL has recruited numerous top scientists and scholars, many of whom have come to Kentucky with federal research grants in hand along with a cadre of seasoned research professionals. This influx of new funds is a “shot in the arm” to the economies of both the Commonwealth of Kentucky and Louisville. However, despite recent success more needs to be done to meet the lofty research goals outlined in HB1.

- To maintain the momentum in research productivity, additional funds would be allocated for new research-active faculty positions. While concentrating on extramurally funded research, these new faculty would also provide much needed undergraduate and graduate instruction across campus disciplines as well as helping us attain our faculty diversity agenda.
- Recruiting world class faculty researchers to UofL often requires investing in very expensive start-up packages. These include lab renovations, research and ancillary equipment and support staff to work in the labs. If available, additional State funds would be applied to these initiatives. This would go a long way in aiding recruitment nationally.
- As UofL’s research enterprise grows, the University must also provide much needed infrastructure to support the growth in research activity. New funds can be invested in areas such as information technology that will provide for tomorrow’s growth in computational capacity required for competitive research projects.



STRATEGIC INITIATIVES FUNDING REQUEST WESTERN KENTUCKY UNIVERSITY

PRIORITY 1: *DOUBLE THE NUMBERS*: Improved Retention and Graduation

In order to increase and accelerate the baccalaureate degree graduation rate, we must be able to offer a wider range of courses and programs including increased evening and weekend offerings through on-site delivery at extended campuses. We must provide increased student support staff including academic advisors and career and financial aid counselors at these sites. Expanding enrollment in high demand programs is constrained by availability of high-quality faculty and requirements of external accrediting bodies. Increasing the number and competitiveness of faculty lines in these areas will enhance our capacity to meet student demand and help address the projected shortfall of health care professionals in Kentucky.

Expanding access to higher education requires WKU to increase teaching and student support services at its extended campus sites (Owensboro, Glasgow and Elizabethtown/Fort Knox). As the economy begins to recover, it is essential to provide working or place-bound Kentuckians the means to strengthen their educational portfolio and/or retrain in fields that open new doors to economic opportunity. Specifically, we must (1) Expand the number of Baccalaureate completer programs available in Owensboro (e.g., critical needs areas such as engineering, biotechnology and health care) for especially individuals holding or pursuing Associate's degrees through OCTC; (2) Increase our capacity to serve increasing numbers of students pursuing entire degree programs at the Glasgow Campus; (3) Provide appropriate capacity-building programs for residents of Elizabethtown/Fort Knox to undergird the region's changing economic profile as a result of the BRACC transition; and (4) Expand educational opportunities to accommodate students interested in pursuing degrees in critical needs areas including nursing and other health care fields at all WKU campuses.

Our data show that six-year graduation rates of college ready entrants is 66% versus less than 40% for those students needing one or more developmental courses. WKU's approach to addressing college readiness and SB1 is three-pronged, focusing on (1) Early assessment and intervention programs for high school students in partnership with school districts throughout the GRREC region, (2) Expanding developmental and supplemental course offerings for students entering WKU not college-ready, and (3) Expanding major support systems essential to enhancing student success and meeting SB1 targets.

With respect to early assessment and intervention, recurring support will enable us to provide support needed by students in both literacy and mathematics (approximately 8,200 students annually). This program will be an important contributor to meeting the SB1 target of a 50% decrease by 2014 in the number of college-bound students placing into developmental or supplemental courses. As we work with our GRREC partners to solve the systemic problems of college readiness, we also face an immediate need to expand opportunities for college-entering students to remediate developmental or supplemental needs, in order to address the targeted 3% annual increase in numbers of graduates who entered college with developmental or supplemental needs.

WKU's Summer Early Entry Program has given entering students the opportunity to complete their developmental coursework prior to the beginning of their first fall semester. During summer 2009, 100% of students enrolled successfully completed at least one developmental course and 87% finished the program fully college-ready. Access to this highly successful program is constrained by available faculty, and student demand is projected to more than double each of the next two years.

Additional support staff and faculty time are critical to developing and maintaining initiatives associated with readying students for success in literacy and mathematics which, in turn, will improve retention and graduation rates. These include providing or expanding professional development opportunities for P12 teachers. WKU's Center for Literacy is poised to offer ongoing professional development initiatives for teachers throughout the 40 districts that comprise GRREC. These initiatives were successfully piloted with one time funding during summer 2009, and focused on providing P12 teachers as well as university professors the skills and techniques necessary to improve vocabulary and comprehension of written material within the context of their content courses.

PRIORITY 2: HONORS COLLEGE AND ACADEMIC QUALITY

Everyday WKU is seeing the positive effects of its decision to create Kentucky's first and only Honors College. The process, however, of building the academic infrastructure of the College continues. Several key components need funding to enable the continued development of the Honors College as an academic multiplier for Kentucky. First, the Honors College needs to hire faculty who specialize in both Honors pedagogy and working with this unique demographic of students. The hiring of Honors College faculty is important to both the Honors College and WKU. Other institutions' experience shows that honors colleges attract faculty applicants who would not typically apply for positions at WKU. In much the same way, high-achieving students choose to forgo enrolling at an elite private institution across the nation to attend an Honors College at a state institution here in Kentucky.

Faculty will desire to have an academic experience akin to a highly selective private college, but have the resources, collegial environment of a large public institution. Hiring dedicated Honors College faculty will enhance both the academic rigor and intellectual culture throughout campus. Additionally, just like the infusion of high achieving students improves the academic culture of an institution, these outstanding faculty benefit all students and faculty at WKU, and, by extension, raise the reputation of higher education across the Commonwealth.

Second, the Honors College needs additional funds for academic programming to assist students continuing their education beyond the bachelor's degree. WKU's investment in an Honors College has created a multiplier effect on students across campus who have successfully applied for top graduate/professional schools and been awarded an impressive array of nationally competitive scholarships. In sum, investment in this strategic priority will have substantial institutional benefits to the entire WKU campus and assist in keeping the Commonwealth's most capable students in Kentucky for their higher education.

PRIORITY 3: TEACHER PREPARATION AND P12 INITIATIVES

WKU has a century-long history of shaping the progress of P12 education in Kentucky. In recent years, it has become evident that there exists a desperate need for (1) qualified teachers in STEM disciplines, (2) an increased focus on literacy education among our teacher education students, and (3) increased preparation of elementary teachers in mathematics. WKU is responding to these needs in innovative and proactive ways, but additional support is required to sustain these initiatives and move them forward.

WKU's grant-funded SKyTeach initiative (modeled after the nationally recognized UTeach program) is designed to produce large numbers of highly-qualified science and math educators who will elevate the level of STEM teaching and learning in middle and high school, and to enhance the college readiness of students in mathematics and STEM-related disciplines. The program currently enrolls over 110 students after only one year of implementation and is projected to grow substantially over the next few years. We must expand and solidify our capacity to provide instruction to students in this program, as these students will in turn shape the next generation of Kentucky college-bound students. We have initiated the program with a major grant from the Exxon/Mobil Foundation; a provision of the grant is for WKU, at the end of the grant period, to permanently fund the positions now grant-funded.

WKU has reorganized its teacher education program and is making curricular changes that will require additional requirements for prospective teachers in both literacy and mathematics. Additional faculty positions will complement our college readiness initiatives in the area of teacher professional development, support the short-term need for additional teaching capacity in developmental and supplemental courses, and expand our ability to meet curricular needs of our students majoring in middle and secondary education.

PRIORITY 4: ACADEMIC EXCELLENCE SUPPORTED BY LIBRARY HOLDINGS

In order to meet the needs of our growing population and diversity of students, as well as the increasing needs of research faculty, it is essential that we enhance support for University Libraries at all locations. There are two critical needs to increase our capacity to serve students and faculty. Expansion of our JSTOR electronic collections subscription to JSTOR III-IV will provide expanded access to electronic publications in the arts and humanities, life sciences, business, management, accounting, law, and education. Project Muse represents the foremost collection of electronic publications from university presses, not-for-profit publishers and prestigious scholarly societies. Moving WKU's Project Muse subscription from 'Standard Collection' to the Muse 'Premium Collection' will provide access to enhanced services for students and faculty. In addition, there is increasing need for expanded book and periodical holding by the University Libraries.

**Council on Postsecondary Education
November 6, 2009**

2010-12 Postsecondary Education Budget Recommendation Capital Investments

Each biennium the Council is asked to present a recommendation to the Governor and the General Assembly that identifies the capital needs of postsecondary education institutions. That recommendation is expected to reflect the level of space required to achieve the goals established by House Bill 1 (1997).

Comprehensive Facilities Study (a.k.a. VFA Study)

In 2007, to help illustrate the importance of modern facilities to support House Bill 1 (1997) goals, the Council and institutions conducted a comprehensive statewide review of education and general facilities. The study assessed over 700 buildings and found that:

- Most of Kentucky's buildings are over 30 years old and their condition is consistent with age.
- Kentucky's facilities are in relatively poor condition (Facilities Condition Index of 22 percent) compared to the industry standard and, if left unaddressed, this will deteriorate to 36 percent within five years, which is twice the national average of 18 percent.
- Many systems have exceeded their useful life expectancies and now need attention.
- A significant number of buildings no longer adequately support the academic programming originally envisioned.
- There is a significant need to add new capacity to support the increased number of students coming into the system to double the number of bachelor's degree holders in Kentucky.

The results of this facilities study provide a foundation for the Council's 2010-12 capital investment recommendation.

Capital Investment: Principles and Process for 2010-12

The guiding principles used to build the 2010-12 capital recommendation ensure that infrastructure is adequate to achieve the 2020 reform goals and include:

- An evaluation system that is fully integrated, fair, equitable, and meets the needs of citizens, regions, and the state.
- A blend of capital investments to make sure that facilities fit their intended purpose and meet future education needs, support for degree production, research capacity, and asset preservation.
- A sustained infusion of funds to promote high quality learning and services.

Traditionally, additional tools used to complete the evaluations and build a capital recommendation include:

- A comparison of space need against national standards.
- A comparison of research space need against projected extramural research expenditures.
- Institutional project priorities.
- Consideration of condition and fit-for-use of related space.
- Institution implementation of maintenance standards.
- Application of a priorities setting model by a five member review panel.

The criteria used by the external review panel rate the extent to which the proposed capital investments:

- Directly support HB 1 goals, the Public Agenda, and statewide economic development goals.
- Support the institutional mission as a high priority.
- Provide for the completion of projects authorized in a prior biennium and which, if not funded, will compromise the viability of the phased facility (based on evidence of intent).
- Meet the need for additional space or the need to retool/remodel/replace existing space as indicated by the space model.
- Significantly reduce the capital renewal and maintenance burden, if the institution has demonstrated good facilities stewardship.

The capital investment request for 2010-12 proposes to establish projects in four distinct priority categories.

- 1) Capital renewal, maintenance, and infrastructure (asset preservation).
- 2) New construction and expansion of educational and general space and major renovations.
- 3) New construction of research space.
- 4) Information technology initiatives.

Please refer to Attachment A for a brief description of each category.

2010-12 Capital Investment Recommendation

The 2010-12 capital budget recommendation addresses both short and long-term capital needs and strengthens the link between facility condition, fit-for-continued-use, and the need for new space.

A summary of the postsecondary General Fund recommendation for capital projects is included as Table 1 and a brief description of each project recommended for state funding is provided in Attachment A.

1) Capital Renewal, Maintenance, and Infrastructure Pool (Asset Preservation)

- The Council staff recommends \$100 million in state bonds to fund the capital renewal, maintenance, and infrastructure pool as the initial installment to begin addressing a backlog of over \$2 billion of deferred capital renewal, maintenance, and infrastructure (asset preservation) projects that were identified by the statewide facilities assessment conducted by VFA, Inc., of Boston, Massachusetts.

Annual debt service for the bonds (\$10,869,000) is included in the agency funds budget request for 2011-12, and if authorized, will be temporarily allocated to the Physical Facilities Trust Fund. Only projects involving educational and general facilities are eligible for funding from the pool. The projects would be authorized in 2010-11. Projects eligible for funding from the pool (\$571,011,000) are identified by the 2007 study by VFA, Inc., and included in Table 1-A.

The \$100 million will be allocated among the institutions based on their proportionate share of E&G space evaluated by the postsecondary space model and evaluated by the statewide facilities assessment. See Table 1-B for specific pool allocation guidelines. For each \$1 received from the pool each institution is asked to contribute \$0.50.

2) New and Expanded E&G, Space Adequacy, and Support Facilities and Major Renovations

- The Council staff recommends \$821,247,000 of state bonds to renovate existing facilities, build new and expanded E&G space, or support facilities to address space adequacy and fit-for-continued-use for program purposes as identified when constructed or as the space is currently being used by the institution (Table 1).

Debt service for the bonds (\$89,251,000) will be included in institutions' technical, budget submissions for 2011-12, and if authorized, will be temporarily allocated to the Council's Physical Facilities Trust Fund. The combination of state bonds (\$821,247,000) and institutional funds (\$25,000,000) will address \$846,247,000 of projects. The recommendation addresses findings by the statewide facilities assessment that buildings should serve a program's current and future need either by design or retrofit, ensure that the buildings fit today's expectations, and meet program needs, including safety issues.

Also, projects will provide new and expanded capacity to support the mandates of House Bill 1 (1997) to increase access, educational attainment, and research and economic development. The Council's recommendations for state funded capital projects are based on an evaluation using the statewide capital projects evaluation model, the space need model, institutional project priorities, and review by the Council's architect.

The statewide capital projects evaluation model and criteria (Tables 1-E and 1-F), the space needs model results, and the statewide facilities assessment (VFA report) are available on the Council's Web site.

3) Research and Economic Development

- The Council staff recommends \$267,434,000 of state bonds to construct new research space.

Debt service for the bonds (\$29,065,000) will be included in institutions' technical, budget submissions for 2011-12, and if authorized, will be temporarily allocated to the Council's Physical Facilities Trust Fund.

The recommendation addresses the HB 1 goal that by year 2020 the University of Kentucky will be competing as a top 20 research institution and the University of Louisville competing as a premier metropolitan research university. See Table 1, Category 4.

4) Information Technology Infrastructure Pool

- The Council staff recommends \$50 million in state bonds to fund an information technology initiatives pool.

Debt service for the bonds (\$12,229,000) is included in the agency funds budget request in 2011-12 and will be allocated to the Council's Technology Trust Fund.

Only projects involving educational and general activities, the Kentucky Virtual Library, and the Kentucky Virtual Campus are eligible for funding from the pool. The projects would be authorized in 2010-11. Approximately \$519,085,500 in projects are eligible for funding from the pool and are included in Table 1-C.

The institutions would receive \$45 million of the \$50 million to support the 2010-12 Council and institution priorities of increased bachelor's degree production, access, affordability, developmental education, STEM, transfers, adult learners, student learning, and increased capacity to support research and economic and community development.

The \$45 million will be allocated among the institutions as follows: a) each institution would receive a base allocation of \$1.0 million, and, b) the remaining \$36 million would be allocated to institutions based on their proportionate share of 2007-08 actual unrestricted instruction expenditures. See Table 1-D for specific pool allocation guidelines.

Institutionally Funded Capital Investments

The Council staff also recommends institutionally funded capital projects that support the objectives of *The Kentucky Postsecondary Education Improvement Act of 1997*, the *Public Agenda for Postsecondary and Adult Education 2005-2010*, and the *Double the Numbers Plan*. The Council staff recommends the following 2010-12 agency-funded projects:

- 2010-12 authorization of \$678,316,000 in agency bond authority. This allows authorization and completion of each institution's highest priorities for agency bond funded capital projects. The total value of projects identified for completion in this category from all sources is \$682,316,000. The specific projects recommended for authorization and funding are listed in Table 2.

- 2010-12 authorization for \$3,292,565,000 in agency, federal, private, and other funds to address life safety, major maintenance, equipment acquisitions, infrastructure repair and upgrades, and new construction. These projects would be funded using agency, federal, private, or other nonstate funds. These projects are shown in Table 3.
- 2010-12 authorization for nine agency-funded projects to improve energy efficiency in campus buildings including energy equipment acquisitions and infrastructure repair and upgrades. These projects would be funded using third party financing techniques available through the Finance and Administration Cabinet and private contractors or other nonstate funds. These projects are shown in Table 4.

Recommended Special Budget Language (Postsecondary Education Pools).

In as much as the identification of specific projects in a variety of areas of postsecondary institutions cannot be ascertained with absolute certainty at this time, amounts are appropriated and authorized for specific projects which are not individually identified in this act in the following areas: EKU, KCTCS, KSU, MoSU, MuSU, NKU, UK, UofL, and WKU major maintenance, infrastructure, research laboratories, and HVAC and roofing systems.

Any specific project exceeding \$600,000 or any major item of equipment exceeding \$200,000 that is initiated shall be reported by the institution to the Council on Postsecondary Education, the Secretary of the Finance and Administration Cabinet, and the Capital Projects and Bond Oversight Committee no later than 30 days after the specific project or equipment item is initiated and funded. The report shall identify the need for, and provide a brief description of, each project or equipment item pursuant to KRS Chapter 45.

5) 2009-2010 Interim Capital Projects

- The Council staff recommends \$10.7 million in interim capital projects.

The Council has the statutory responsibility to review and approve postsecondary education capital projects costing \$600,000 or more, regardless of fund source, that have been approved by an institution's governing board. Since the estimated cost of these projects exceeds the \$600,000 threshold, the Council and the Capital Projects and Bond Oversight Committee must approve the project before it is initiated. During the interim, capital projects are evaluated under the requirements established by KRS 45.760(14) and KRS 45.763. Following Council approval, the staff will forward the Council's recommendation to the secretary of the Finance and Administration Cabinet and to the Capital Projects and Bond Oversight Committee.

CAPITAL RENEWAL, MAINTENANCE, AND INFRASTRUCTURE

1. Capital Renewal, Maintenance, and Infrastructure Pool **\$100,000,000***(Statewide Pool/Education & General Facilities)*

A baseline architectural/engineering assessment of the physical condition of education and general facilities was undertaken by the postsecondary system in 2006-07 to document and analyze the condition of 736 buildings (29,940,000 gross square foot) on all campuses of the public institutions. The condition assessment estimated that the backlog of deferred capital renewal was \$5.3 billion. Because a majority of the facilities were built 30-40 years ago and many components and systems have reached the end of their useful life, this project will provide funds to begin to address the backlog, including building components, infrastructure, utility distribution systems, security systems, and other components in danger of failure. A list of specific projects to be completed will be identified by institutions from the Statewide Facilities Assessment and associated reports and certified by the CPE.

RENOVATIONS, NEW/EXPANDED E&G, SPACE ADEQUACY, AND SUPPORT

1. Construct Health Innovation/Renovate Old Science **\$92,500,000***(Northern Kentucky University)*

This project merges the Health Innovations Center and renovation of Old Science; a new wing of 124,000 square feet will be constructed west of Old Science, physically connecting to the 125,296 square foot Old Science at multiple levels. The project scope includes the new wing as well as full renovation of Old Science. With the merged concept, the new wing will be 20,000 square feet smaller than otherwise, as some of the new square feet intended for the new building will be relocated to Old Science at a lesser cost per square foot. This strategy results in a net savings of \$20 million compared to the cost of two separate projects.

2. Construct Owensboro Advanced Technology Ctr.-Phase II **\$14,055,000***(Kentucky Community & Technical College System/Western Kentucky University)*

The intent of this project is to construct an approximately 35,000 square foot expansion to the Owensboro Advanced Technology Center. The original request for the Advanced Technology Center was divided into two phases. Phase I was funded and was completed during fall 2007. This Phase II will construct much needed classroom and lab space, incubator space with classroom, a welding lab, and a connector to the Campus Center to allow student services to be accessible. Classrooms, offices, and ITV labs are included for WKU which presently has administrative offices located in cramped space on the second floor of the Learning Resource Center. This space will allow for the expansion of baccalaureate and master's level courses in the Owensboro region.

3. Expand & Renovate Betty White Nursing Building **\$7,825,000**

(Kentucky State University)

This project will renovate and reallocate space to the nursing program that was formally designated space for another unit. The available space is inadequate and not well designed for the needs that are required by the nursing program. This project would provide adequate program space by means of an addition and renovation of existing space to serve the administrative and academic needs of the program. The project was included in the 2006-2008 budget enacted by the 2006 General Assembly, but was one of the bond-funded projects vetoed by the Governor.

4. Construct Science Building-Phase 2 **\$65,040,000**

(Eastern Kentucky University)

As currently funded, the project will not accommodate the entire sciences programs, and this project will allow the largest science program, the Department of Biology, to locate to the new science building. This new structure will increase and enhance instructional space and alleviate current problems of safety and access.

5. Renovate Science Campus-Phase IV **\$30,000,000**

(Western Kentucky University)

The project renovates Thompson (Science) Complex Center Wing with 117,967 square feet, constructed in 1967, and includes the Hardin Planetarium. This project is the final phase of a \$61 million investment in upgrading the facilities which house the Ogden College of Science. The renovations are necessary to support the ongoing teaching and research of the Ogden Science College.

6. Construct/Complete New Science Complex-Final Phase **\$30,100,000**

(Murray State University)

This final phase of the Science Complex will include the construction of a new 72,500 square foot Engineering-Physics Building. Funds are available from previous phases of the New Science Complex to begin the planning of this project. Funds requested in this phase will complete the planning, design construction of the Engineering-Physics Building.

7. Renovate & Expand Student Center-Phase II **\$52,921,000**

(Morehead State University)

The renovation and addition to the Adron Doran University Center will incorporate the one stop shopping concept for perspective students and address the facility requirements and needs to meet the increasing demand for student and campus services. Phase II will include the renovation of space not altered in phase I, approximately 52,684 sq. ft. and the addition of 86,579 sq. ft. This will provide a university facility that more effectively serves its students and will facilitate additional student services and cultural activities for its students and other constituents within its service region. Costs have been revised to reflect projected increase in construction cost and include additional identified program and service needs.

8. Construct - Belknap Classroom/Academic Building **\$75,000,000**

(University of Louisville)

The 2007 Facility Condition and Space Study conducted by the Council on Postsecondary Education found that UofL has a current deficit of 26 percent in classroom space. By 2020, the study projected a deficit of 107,000 assignable square feet or an 81 percent deficit. The study also projected a deficit of 102,000 assignable square feet of teaching labs. Additional classroom and teaching lab space is an extremely high priority. This authorization allows the construction of a new 155,000 GSF interdisciplinary classroom building.

9. Construct Carrollton Campus-Phase I, JCTC **\$12,000,000**

(Kentucky Community & Technical College System)

Construct an approximately 40,000 gross square foot facility on a site to be acquired in Carroll County that will become the Carrollton Campus for Jefferson Community and Technical College. The new campus will expand on the programming currently offered at a leased facility (PR8112) in downtown Carrollton.

10. Construct Space Science Center Clean Rm **\$4,394,000**

(Morehead State University)

This request represents completion of Phase 1 of the Space Science Center facility. Phase 1.A represents the design and construction of the basic facility, with the exception of the Clean Room, DI water and gas distribution, and instrumentation. Phase 1.B represents the completion of these facilities.

11. Construct Gatton Building Complex **\$142,460,000**

(University of Kentucky)

This 214,000 gross square foot facility is designed to support the University of Kentucky's effort to increase undergraduate and graduate enrollment and meet the growing demand for high quality, globally-competitive business education. The new structure also will facilitate the Commonwealth's quest for global competitiveness by providing necessary skills to aspiring entrepreneurs who want to bring new products and services to market. In addition, the new structure will strengthen the provision of professional and continuing education outreach that ensure that Kentucky's business leaders stay current on emerging business issues and innovative management concepts.

12. Construct New College of Business Building **\$80,000,000**

(Northern Kentucky University)

The College of Business has experienced tremendous growth in recent years and is constrained by lack of space and appropriate facilities. A new building for business with a professional, high-technology teaching and learning environment will provide the college with the ability to better serve the region. The new building will contain about 175,000 square feet.

13. Replace Gordon Ford College of Business **\$49,000,000**

(Western Kentucky University)

This project consists of the construction of a new facility for WKU's Gordon Ford College of Business, which is currently housed in portions of the existing Grise Hall on WKU's main campus. The new facility will include state of the art facilities and spaces for undergraduate and graduate programs and the WKU faculty and staff serving their needs. The new facility will include a wide variety of instructional spaces, including classrooms, learning laboratories, lecture halls, seminar spaces and smaller break out rooms in addition to the offices and support spaces associated with these academic programs. A strong sense of academic community will be created and fostered through the mix of instructional and communal spaces. State of the art technology shall be utilized throughout the building. This project provides facilities for a premier public business educational institution which will serve as a student and faculty recruiting tool for the WKU and the surrounding community.

14. Construct Urban Campus, Gateway C&TC **\$21,319,000**

(Kentucky Community & Technical College System)

This project will construct a facility to house an Urban Campus including the existing Urban Learning Center. The Urban Learning Center is a consortium comprised of Gateway Community and Technical College, Northern Kentucky University, and Thomas Moore College. The concept is to increase higher education access to inner city residents, providing remedial courses, continuing education and training opportunities to benefit the economic development of the urban area of northern Kentucky.

15. Construct Advanced Manufacturing Facility Bluegrass CTC (Add'l) **\$22,000,000**

(Kentucky Community & Technical College System)

This project is to construct an 80,000 square foot manufacturing technology learning center targeted to the automotive industry on a site to be acquired in Georgetown/Scott County. The new facility, to be administered by the Bluegrass Community and Technical College, will provide customized training for all of the automotive-based manufacturing companies located in not only Central Kentucky but all of Kentucky. Bluegrass Community and Technical College will partner with Scott County schools to offer education in multiple career pathways that revolve around manufacturing. In addition, the center will provide the opportunity for the Bluegrass Community and Technical College to expand traditional academic certificate, diploma, and degree programs to the Georgetown/Scott County community.

16. Construct College of Education Complex **\$59,089,000**

(Eastern Kentucky University)

This project consolidates the College of Education, currently housed in ten buildings on campus, into a new single facility designed to provide an environment in which EKU's education majors have an opportunity to study in modern classrooms, experience applied teaching methodologies, and have opportunities for institutional research. The project will construct approximately 117,480 square feet of space to replace the Donovan Complex "The Donovan Model School".

17. Construct New University Library **\$58,000,000**

(Murray State University)

This project would allow for the construction of a new university library on the main campus of Murray State University. The new library would replace the existing Waterfield Library, constructed in 1959, and Pogue Library, constructed in 1931. Neither of these facilities was designed to meet current needs. Space is very limited in the two existing facilities and will be used up in approximately three years. The new 168,51 square foot facility would replace the 147,043 square feet currently available in Waterfield (101,480 square feet) and Pogue (45,563 square feet). A feasibility study has been completed to determine actual project programming and cost elements.

18. Construct Business & Technology Center **\$27,535,000**

(Kentucky State University)

This project would construct a new building for the School of Business, the University's largest academic program, and one that will play a key role in the University's Strategic Plan. This will be a 65,200 square feet 4 story building with 12 large classrooms, 5 medium size classrooms 5 small seminar rooms and two computer labs and three 160 person auditorium. This initiative would be the first step in addressing the programmatic and structural issues related to Bradford Hall, current home of the School of Business. The VFA Condition Assessment and Space Study found Bradford Hall to be substandard space for the Business Program and suggested that both the Business School and the Music/Theater programs, also located in Bradford Hall, would be better served in new facilities. The School, with it new MBA program, hopes to grow 5% each year, but is at a competitive disadvantage at its present location.

RESEARCH AND ECONOMIC DEVELOPMENT

1. Construct Science Research Building 2 **\$205,880,000**

(University of Kentucky)

This 255,000 gross square feet science research facility will provide state-of-the-art research space for health sciences, chemistry, physics, earth sciences, psychology, bio-medical engineering, nutrition, and nanotechnology. This facility is essential to sustaining the university's projected growth in research productivity necessary to achieve the legislative mandate that it become a Top 20 public research university by 2020. Competitive research space is critical to the university's ability to recruit and retain world-class faculty, Bucks for Brains chairs, and professorships.

2. Renovate Medical Dental Research Building **\$61,554,000**

(University of Louisville)

This authorization will renovate approximately 116,672 gross square feet. The Medical Dental Research (MDR) Building is 44 years old and in need of major renovation to help the University of Louisville Health Sciences Center continue to meet its research mission.

INFORMATION TECHNOLOGY

1. Information Technology Initiatives Pool \$50,000,000

(Postsecondary Institutions and Council on Postsecondary Education)

The postsecondary system, as with most colleges and universities, is battling increasing technology costs. These increased costs are sapping the available budgets and severely restricting the ability to keep abreast of new technology while still providing adequate academic and instructional support. This project will establish for the postsecondary system a uniform approach and funding mechanism to update and replace antiquated instructional and support equipment. Also, information technology infrastructure and system components necessary to participate in the virtual campus and virtual library will be provided. The pool will distribute \$45M to institutions and \$5M to the Council to support statewide infrastructure.

TABLE 1

**Council on Postsecondary Education
Capital Project Recommendation
General Fund 2010-12**

Institution/Project Name	General Funds	Other Funds	Total	Institution Priority	Evaluation Model Score	Estimated Debt Service	Estimated M&O Cost
Project Category 1: Capital Renewal, Maintenance, and Infrastructure (\$100 M and institution match @ \$0.50 per \$1 of General Funds)						\$ 10,869,000	
Eastern Kentucky University	\$ 10,140,000	\$ 5,070,000	\$ 15,210,000				
KY Community and Technical College System	17,705,800	8,853,000	26,558,800				
Kentucky State University	6,538,900	3,269,000	9,807,900				
Morehead State University	7,446,700	3,723,000	11,169,700				
Murray State University	8,698,400	4,349,000	13,047,400				
Northern Kentucky University	9,764,200	4,882,100	14,646,300				
University of Kentucky	17,763,000	8,882,000	26,645,000				
University of Louisville	12,837,100	6,419,000	19,256,100				
Western Kentucky University	9,108,200	4,554,000	13,662,200				
<i>Subtotal - project category</i>	\$ 100,002,300	\$ 50,001,100	\$ 150,003,400			\$ 10,869,000	
Project Category 2: Renovations, New/Expanded E&G, Space Adequacy, and Support Facilities (no required match)							
NKU - Construct Health Innovation/Renovate Old Science	\$ 92,500,000		\$ 92,500,000	#1	403.50	\$ 10,053,000	\$ 1,503,967
KCTCS/WKU - Construct Owensboro Advanced Technology Center, Ph II (1)	14,055,000		14,055,000	#1	392.50	1,528,000	418,902
KSU - Expand & Renovate Betty White Nursing Building	7,825,000		7,825,000	#1	392.25	851,000	111,753
EKU - Construct Science Building, Phase 2	65,040,000		65,040,000	#1	391.00	7,068,000	1,713,145
WKU - Renovate Science Campus, Phase IV	29,000,000		29,000,000	#1	373.00	3,152,000	
MuSU - Construct/Complete New Science Complex, Final Phase	30,100,000		30,100,000	#1	364.50	3,261,000	879,334
MoSU - Renovate & Expand Student Center, Phase II	52,921,000		52,921,000	#1	345.70	5,752,000	1,038,541
UofL - Construct Belknap Classroom/Academic Building	75,000,000		75,000,000	#1	345.00	8,151,000	1,730,876
KCTCS - Construct JCTC Carrollton Campus, Phase I	12,000,000		12,000,000	#2	363.75	1,305,000	479,812
MoSU - Construct Space Science Center Clean Room	4,394,000		4,394,000	#2	344.75	480,000	
UK - Construct Gatton Building Complex	117,460,000	\$ 25,000,000	142,460,000	#2	342.25	12,766,000	2,389,726
NKU - Construct New College of Business Building	80,000,000		80,000,000	#2	329.60	8,695,000	2,127,200
WKU - Construct New Gordon Ford College of Business	49,000,000		49,000,000	#2	327.00	5,325,000	1,779,046
KCTCS - Construct Urban Campus, Gateway	25,328,000		25,328,000	#6	312.50	2,753,000	950,205
KCTCS - Construct Advanced Mfg. Facility (additional) Bluegrass	22,000,000		22,000,000	#5	310.75	2,391,000	961,759
EKU - Construct College of Education Complex	59,089,000		59,089,000	#2	295.75	6,423,000	1,431,155
MuSU - Construct New University Library	58,000,000		58,000,000	#3	294.00	6,304,000	2,052,699
KSU - Construct Business & Technology Center	27,535,000		27,535,000	#4	276.50	2,993,000	773,393
<i>Subtotal - project category</i>	\$ 821,247,000	\$ 25,000,000	\$ 846,247,000			\$ 89,251,000	\$ 20,341,513
Project Category 3: Research & Economic Development (no required match)							
UK - Construct Science Research Building 2	\$ 205,880,000		\$ 205,880,000	#1	376.50	\$ 22,375,000	\$ 3,732,449
UofL - Renovate Medical Dental Research Building	61,554,000		61,554,000	#2	371.00	6,690,000	
<i>Subtotal - project category</i>	\$ 267,434,000	\$ -	\$ 267,434,000			\$ 29,065,000	\$ 3,732,449

**Council on Postsecondary Education
Capital Project Recommendation
General Fund 2010-12**

Institution/Project Name	General Funds	Other Funds	Total	Institution Priority	Evaluation Model Score	Estimated Debt Service	Estimated M&O Cost
Project Category 4: Information Technology Initiatives (\$50 M and no required match)						\$ 12,229,000	
Eastern Kentucky University	\$ 4,027,200		\$ 4,027,200				
KY Community and Technical College System	7,698,300		7,698,300				
Kentucky State University	1,520,900		1,520,900				
Morehead State University	2,675,100		2,675,100				
Murray State University	2,932,000		2,932,000				
Northern Kentucky University	3,275,200		3,275,200				
University of Kentucky	9,885,200		9,885,200				
University of Louisville	8,774,400		8,774,400				
Western Kentucky University	4,211,700		4,211,700				
CPE/KYVC/KYVL Statewide Initiatives	5,000,000		5,000,000				
<i>Subtotal - project category</i>	<i>\$ 50,000,000</i>	<i>\$ -</i>	<i>\$ 50,000,000</i>			<i>\$ 12,229,000</i>	<i>\$ -</i>
System Total - General Fund Projects	\$ 1,238,683,300	\$ 75,001,100	\$ 1,313,684,400			\$ 141,414,000	\$ 24,073,962

Notes:

- 1 The KCTCS Construct OCTC Advanced Technology Center Phase II is the same project as requested by WKU. These projects are combined.
- 2 Projects listed in Category 2 are listed in order of priority as determined by the projects evaluation model score. Institution priority #1 and #2 projects are evaluated separately.

TABLE 1-A

Capital Projects Recommendations
Capital Renewal, Maintenance, and Infrastructure Pool
Projects Eligible for Funding

Institution and Project Title	Project Scope		Institution Funds	
Eastern Kentucky University				
1 Construct E&G Life Safety Begley Elevator	\$	750,000	\$	750,000
2 Renovate HVAC Systems		10,000,000		10,000,000
3 Miscellaneous Maintenance Pool		10,000,000		10,000,000
Subtotal - EKU	\$	20,750,000	\$	20,750,000
Kentucky State University				
1 Capital Renewal & Maintenance Projects Pool 2010	\$	1,512,000	\$	1,512,000
2 KSU - Replace Boiler and Pollution Controls		4,222,000		4,222,000
3 Replace Aging Steam/Chilled Water Pipes, Phase I		3,299,000		3,299,000
4 Life Safety Upgrade Pool 2010		1,190,000		1,190,000
5 Roof Repair & Replacement Pool 2010		1,842,000		1,842,000
6 Develop Bicycle/Pedestrian Trail		895,000		895,000
Subtotal - KSU	\$	12,960,000	\$	12,960,000
Morehead State University				
1 Comply with ADA – E&G	\$	3,449,000	\$	3,449,000
2 Upgrade Fire Alarms		1,344,000		1,344,000
3 Expand Life Safety: Claypool Young Bldg.		1,040,000		1,040,000
4 Re-tube Coal Fired Boilers		3,000,000		3,000,000
5 Capital Renewal & Maintenance Pool-University Farm		1,076,000		1,076,000
6 Capital Renewal & Maintenance Pool-E&G		6,795,000		6,795,000
Subtotal - MoSU	\$	16,704,000	\$	16,704,000
Murray State University				
1 Upgrade Campus Electrical Distribution System	\$	11,079,000	\$	11,079,000
2 Complete Life Safety Project: E&G Pool < \$600,000		1,042,000		1,042,000
3 Complete Capital Renewal: E&G Pool < \$600,000		14,783,000		14,783,000
4 Complete ADA Compliance: E & G Pool < \$600,000		4,604,000		4,604,000
5 Install Sprinkler System - Blackburn Science Building		1,000,000		1,000,000
6 Renovate Pogue Library Electric & HVAC		978,000		978,000
7 Replace Breathitt Vet Ctr Heating & Cooling Syst		1,860,000		1,860,000
8 Replace Central Plant Boilers		820,000		820,000
9 Student Desktop Virtualization		1,150,000		1,150,000
10 Upgrade Applied Science Electrical System		1,029,000		1,029,000
Subtotal - MuSU	\$	38,345,000	\$	38,345,000

Capital Projects Recommendations
Capital Renewal, Maintenance, and Infrastructure Pool
Projects Eligible for Funding

Institution and Project Title	Project Scope	Institution Funds
Northern Kentucky University		
1 Renew E&G Fire Alarm Systems	\$ 2,875,000	\$ 2,875,000
2 Renew/Renovate University Center Phase II (KRS 45.763)	12,000,000	12,000,000
3 Repair Structural Heaving Landrum & Fine Arts	3,500,000	3,500,000
4 Renew E&G Elevators 2010-2012	1,400,000	1,400,000
5 Restore Albright Health Center Roof	995,000	995,000
6 E & G Minor Projects Pool 2010-2012	3,200,000	3,200,000
7 Renew/Renovate Fine Arts Center	5,000,000	5,000,000
8 Renew/Renovate Regents Hall	4,000,000	4,000,000
Subtotal - NKU	\$ 32,970,000	\$ 32,970,000
Western Kentucky University		
1 Renovate Underground Electrical Infrastructure	\$ 35,000,000	\$ 35,000,000
2 Capital Renewal Pool (Maint Pool) 2010	10,000,000	10,000,000
3 Renovate Underground Elect Infrastructure Phased	2,000,000	2,000,000
4 Repair Parking Structure I, Phase I	1,750,000	1,750,000
Subtotal - WKU	\$ 48,750,000	\$ 48,750,000
University of Kentucky		
1 Repair, Upgrade, Improve Electrical Infrastructure	\$ 28,000,000	\$ 28,000,000
2 Repair, Upgrade, Improve Mechanical Infrastructure	26,000,000	26,000,000
3 Repair, Upgrade, Improve Mechanical Systems	25,000,000	25,000,000
4 Repair, Upgrade, Improve Bldg Shell Systems	5,000,000	5,000,000
5 Repair, Upgrade, Improve Bldg Electrical Systems	5,000,000	5,000,000
6 Lease-Purchase Bldg Elevator Systems (KRS 45.763)	5,000,000	5,000,000
7 Repair, Upgrade, Improve Civil/Site Infrastructure	14,000,000	14,000,000
8 Lease Purchase Pollution Controls (KRS 45.763)	22,600,000	22,600,000
9 Capital Renewal Maintenance Pool	33,750,000	33,750,000
10 Handicapped Access Pool	1,000,000	1,000,000
11 Repair Upgrade & Expand Central Plants (Lease-Purchase) KRS 45.763	62,000,000	62,000,000
12 Improve Life Safety Project Pool	15,000,000	15,000,000
Subtotal - UK	\$ 242,350,000	\$ 242,350,000
University of Louisville		
1 Renovate - Capital Renewal Pool (2010-2012)	\$ 30,843,000	\$ 30,843,000
2 Expand - Chilled Water & Electrical Ser Upgrade	12,000,000	12,000,000
3 Renovate - Install Baghouse Dust Collectors	3,000,000	3,000,000
4 Renovate - Code Improvement Pool	4,179,000	4,179,000
5 Renovate - Housing Capital Renewal Pool	4,400,000	4,400,000
6 Utility Distribution - South Belknap Campus	11,548,000	11,548,000
7 Renovate - Replace Gas Boiler in Steam Plant	2,000,000	2,000,000
Subtotal - UofL	\$ 67,970,000	\$ 67,970,000
Kentucky Community and Technical College System		
1 Renovate Downtown Campus, Phase II - Jefferson CTC	\$ 28,612,000	\$ 28,612,000
2 Renovate Academic / LRC Building - Ashland CTC	20,000,000	20,000,000
3 Capital Renewal & Deferred Maintenance Pool	38,000,000	38,000,000
4 Re-roof & Enclose Concourses, Gray Bldg - Madisonville	3,600,000	3,600,000
Subtotal - KCTCS	\$ 90,212,000	\$ 90,212,000
System Total	\$ 571,011,000	\$ 571,011,000

**Capital Renewal and Deferred Maintenance Program Pool
Pool Allocation Guidelines**

Institution Name	Allocation of Pool 2010-12			
	2008 Total E & G Square Footage	Percent of Total Space	CRDM Program Bond Pool	Req. Institutional Match
EKU	1,716,996	9.3%	\$ 10,140,000	\$ 5,070,000
KCTCS	4,244,281	23.1%	17,705,800	8,853,000
KSU	514,066	2.8%	6,538,900	3,269,000
MoSU	817,307	4.4%	7,446,700	3,723,000
MuSU	1,235,444	6.7%	8,698,400	4,349,000
NKU	1,590,680	8.7%	9,761,900	4,881,000
UK Main Campus	4,263,432	23.2%	17,763,000	8,882,000
UofL	2,617,958	14.2%	12,837,100	6,419,000
WKU	1,372,311	7.5%	9,108,200	4,554,000
Total	18,372,475	100.0%	\$ 100,000,000	\$ 50,000,000
Total Pool Amount	\$ 100,000,000		Match	\$ 0.50
Base Allocation	\$ 45,000,000			
Allocation based on % of E&G Space	\$ 55,000,000			
Total Projects Completed				\$ 150,000,000

Notes:

- 1 Allocation approach equals a base of \$5M plus % of total E&G space.
- 2 E&G space equals actual space included in the 2009 iteration of the space model (fall 2008).
- 3 The match rate for all institutions is \$0.50 per \$1.00 of pool funds.

TABLE 1-C

Capital Projects Recommendations
Information Technology Initiatives/Equipment Projects
Projects Eligible for Funding

Institution/Institution Priority / Project Title	Project Scope	Rest/Other Funds	Federal Funds
Eastern Kentucky University			
1 Expand, Upgrade Campus Data Network	\$ 26,424,000	\$ 13,212,000	
2 Purchase Minor Projects Equipment	10,000,000	5,000,000	
3 Purchase Networked Educational Sys. Components	13,900,000	6,950,000	
4 Upgrade Academic Computing	9,800,000	4,900,000	
5 Upgrade Administrative Computing Systems	6,300,000	3,150,000	
Subtotal - EKU	\$ 66,424,000	\$ 33,212,000	\$ -
Kentucky State University			
1 Upgrade Information Technology Infrastructure	\$ 10,936,000	\$ 5,468,000	
2 Upgrade Computers Campus Wide	2,110,000	1,055,000	
3 Renovate Open Computer Lab In Hill Student Center	9,412,000	4,706,000	
4 Integrated Digital Campus	20,000,000	10,000,000	
Subtotal - KSU	\$ 42,458,000	\$ 21,229,000	\$ -
Morehead State University			
1 Purchase Equipment for Biochemistry Lab	\$ 800,000	\$ 400,000	
2 Enhance Library Automation Resources	2,080,000	1,040,000	
3 Enhance Network/Infrastructure Resources	11,300,000	5,650,000	
4 Upgrade and Expand Distance Learning	2,300,000	1,150,000	
5 Purchase Instructional Tech Initiatives	4,090,000	2,045,000	
6 Upgrade Administrative Office Systems	6,000,000	3,000,000	
7 Upgrade Instruct. PCs/LANs/Peripherals	10,000,000	5,000,000	
Subtotal - MoSU	\$ 36,570,000	\$ 18,285,000	\$ -
Murray State University			
1 Scanning Electron Microscope - Hancock Biological Station	\$ 450,000	\$ 25,000	\$ 425,000
2 ITV Upgrades to Murray State University System	1,453,000	1,453,000	
3 Campus Desktop Virtualization	1,725,000	1,725,000	
4 Chemistry Instructional & Research Instruments	2,450,000	2,450,000	
5 College of Science Instructional / Research Equipment	2,000,000	2,000,000	
Subtotal - MuSU	\$ 8,078,000	\$ 7,653,000	\$ 425,000

Capital Projects Recommendations
Information Technology Initiatives/Equipment Projects
Projects Eligible for Funding

Institution/Institution Priority / Project Title	Project Scope	Rest/Other Funds	Federal Funds
Northern Kentucky University			
1 Replace Admin Application System Phase IV (Current Year Authorization, KRS 45.763)	\$ 15,000,000	\$ 15,000,000	
2 Purchase Ion Beam System	270,000	270,000	
3 Purchase FT-IR and Raman Microscope	395,000	395,000	
4 Purchase DART Mass Spectrometer	295,000	295,000	
5 Purchase DNA Analyzer System	390,000	390,000	
6 Upgrade Communication and Network Infrastructure	2,500,000	2,500,000	
7 Enhance Info Technology Infrastructure	1,850,000	1,850,000	
8 Enhance Instructional Technology	5,090,000	5,090,000	
9 Purchase ICP - Mass Spectrometer	300,000	300,000	
10 Purchase Calorimetry Instrumentation	295,000	295,000	
11 Implement Web 2.0 and Mobile Apps	1,000,000	1,000,000	
12 Improve Customer Service Systems and Technology	600,000	600,000	
13 Purchase Fluorescence Life-Time Apparatus	295,000	295,000	
14 Purchase Field Emission Microscope	380,000	380,000	
15 Purchase Optical Paragetic Oscillator	295,000	295,000	
16 Purchase Concrete Testing Equipment	250,000	250,000	
17 Purchase Materials Strength Testing Equipment	325,000	325,000	
Subtotal - NKU	\$ 29,530,000	\$ 29,530,000	\$ -
Western Kentucky University			
1 Upgrade IT Infrastructure	\$ 4,600,000	\$ 2,300,000	
2 Equipment Pool	2,500,000	2,500,000	
3 Convert WKYUFM/WKYUTV to Digital/HD	4,000,000	2,000,000	
Subtotal - WKU	\$ 11,100,000	\$ 6,800,000	\$ -
University of Kentucky			
1 Research Equipment Replacement Program	\$ 60,000,000	\$ 30,000,000	
2 Purchase Metabolic Instructional Systems	205,000	205,000	
3 Purchase Electrospray LC Tandem Mass Spectrometer	325,000	325,000	
4 Purchase Physical Chemistry Teaching Lab Equipment	240,000	240,000	
5 Purchase Circular Dichroism Spectrometer	210,000	210,000	
6 Purchase High Resolution Vacuum Ultraviolet Photoelectron Spectrometer	590,000	590,000	
7 Purchase Raman Spectrometer	750,000	750,000	
8 Purchase Matrix-Assisted Laser Mass Spectrometer	250,000	250,000	
9 Purchase Precision Machining System	250,000	250,000	
10 Upgrade Audio/Visual Equipment Guignol Theater	210,000	210,000	
11 Lease Purchase High Performance Research Comp (KRS 45.763)	6,500,000	6,500,000	
12 Lease Purchase Large Scale Computing (KRS 45.763)	3,500,000	3,500,000	
13 Lease Purchase Data Warehouse/Infrastructure (KRS 45.763)	1,800,000	1,800,000	
14 Lease Purchase Network Security Hardware (KRS 45.763)	1,500,000	1,500,000	
15 Lease Purchase Remote Site Fiber (KRS 45.763)	2,000,000	2,000,000	
16 Lease Purchase Wireless/Cellular Infrastructure (KRS 45.763)	3,000,000	3,000,000	
17 Lease Purchase Campus Call Center System (KRS 45.763)	750,000	750,000	
18 Purchase Upgraded Integrated Library System	1,000,000	1,000,000	
19 Purchase Compact Shelving-Fine Arts Library	500,000	500,000	
20 Purchase Upgraded Communications Infrastructure	1,015,000	1,015,000	
21 Purchase Shelving for Storage Facility	525,000	525,000	
22 Purchase Automatic Window Shades Young Library	250,000	250,000	
23 Lease Purchase ERP Phase IV (KRS 45.763)	5,000,000	5,000,000	
24 Lease Purchase Enterprise Storage System (KRS 45.763)	2,200,000	2,200,000	
25 Lease Purchase Campus Infrastructure Upgrade (KRS 45.763)	3,500,000	3,500,000	
26 Lease Purchase Police Communications Equipment (KRS 45.763)	675,000	675,000	
27 Lease Purchase PKS2 Frame Room Emergency Generator (KRS 45.763)	3,500,000	3,500,000	
28 Lease Purchase Exchange Replacement (KRS 45.763)	1,000,000	1,000,000	
29 Lease-Purchase ASG - Data Archiving Equipment (KRS 45.763)	900,000	900,000	
30 Lease-Purchase ASG - Document Imaging (Equipment) (KRS 45.763)	775,000	775,000	
Subtotal - UK	\$ 102,920,000	\$ 72,920,000	\$ -

Capital Projects Recommendations
Information Technology Initiatives/Equipment Projects
Projects Eligible for Funding

Institution/Institution Priority / Project Title	Project Scope	Rest/Other Funds	Federal Funds
University of Louisville			
1 Purchase - Research Computing Infrastructure	\$ 7,000,000	\$ 3,500,000	
2 Purchase - Computer Processing System(s)	8,000,000	4,000,000	
3 Purchase - Human Patient Simulators (4)	1,000,000	1,000,000	
4 Purchase - Storage System	6,000,000	3,000,000	
5 Purchase - Digital Communication System	6,000,000	3,000,000	
6 Purchase - Networking System	8,000,000	4,000,000	
7 Lease - Digital Output System(s)	1,000,000	1,000,000	
8 Purchase - Computational Cluster System	1,200,000	1,200,000	
9 Purchase - Computer Systems for College of Education	600,000	600,000	
10 Purchase - Electronic Research Information System	2,420,000	2,420,000	
11 Purchase - Enterprise Application System	3,000,000	3,000,000	
12 Purchase - Fiber Infrastructure	7,000,000		\$ 7,000,000
13 Purchase - PCs, Printers, Scanners for Libraries	635,500	635,500	
14 Purchase - Shared Memory Computer	200,000	200,000	
15 Purchase - Technology Enhanced Classroom	500,000	500,000	
16 Purchase - Visualization System for Planetarium	2,000,000		2,000,000
17 Purchase - Equipment Replacement Research & Inst	15,000,000	15,000,000	
Subtotal - UofL	\$ 69,555,500	\$ 43,055,500	\$ 9,000,000
Kentucky Community and Technical College System			
1 KCTCS Information Tech Infrastructure Upgrade	\$ 24,000,000	\$ 12,000,000	
2 Purchase Virtual Classroom 3D Simulator - Hazard	1,450,000	1,450,000	
3 KCTCS Equipment Pool	40,000,000	20,000,000	
Subtotal - KCTCS	\$ 65,450,000	\$ 33,450,000	\$ -
Total Institutions	\$ 432,085,500	\$ 266,134,500	\$ 9,425,000
Council on Postsecondary Education			
1 Purchase P-20 Learning Object Repository (KYDepot)	\$ 8,000,003	\$ 4,000,002	
2 Purchase Longitudinal PsEd Data Warehouse Ph I	4,000,000	2,000,000	
3 purchase P-20 Seamless Data Warehouse Ph I	6,000,000	3,000,000	
4 Create Infrastructure Integrate Internet2 Ph	6,500,000	3,250,000	
5 Statewide Transfer Technology System	4,000,000	2,000,000	
6 KYVL Upgrade/Replace Integrated Library System	15,000,000	7,500,000	
7 KYVL Research Databases Expansion Phase I	7,000,000	3,500,000	
8 Purchase Portable Training Lab Hardware/Software	600,000	300,000	
9 Expand GoHigher Portal	1,400,000	700,000	
10 Purchase Multi-Media Streaming System Ph I	2,000,000	1,000,000	
11 KYVC/KYVL Create Statewide Licenses Pool Ph I	8,000,000	4,000,000	
12 Upgrade CPE Technology Infrastructure Ph I	1,000,000	500,000	
13 Purchase Mobile Learning Infrastructure Phase I	2,000,000	1,000,000	
14 Purchase Interactive Television System	2,000,000	1,000,000	
15 Course Redesign Initiative - Phase I	2,000,000	1,000,000	
16 KYVL Kentuckiana Digital Library Expansion ph I	2,500,000	1,250,000	
17 Purchase eLearning Dev. Delivery & Management System Ph I	5,600,000	2,800,000	
18 Purchase Statewide Lifelong Learning Portal Ph I	1,000,000	500,000	
19 KYVL Create Interlibrary Loan System	2,500,000	1,250,000	
20 KYVL Create Scholarly Comm. Repository Ph I	1,500,000	750,000	
21 KYVL Create/Upgrade Interactive Library Tools	600,000	300,000	
22 KYVL Federated Search Portal Consortium Phase 2	2,800,000	1,400,000	
23 Purchase Asset Management System Ph I	1,000,000	500,000	
Subtotal - CPE	\$ 87,000,003	\$ 43,500,002	\$ -
System Total	\$ 519,085,503	\$ 309,634,502	\$ 9,425,000

**Capital Projects Request
Information Technology and Equipment Purchase Pool
Pool Allocation Guidelines**

Institution	2007-08 Actual Unrestricted Expend. for Instruction	Share of Total Unrest. Instr. Exp.	Minimum Base Amount	Alloc. Share of IT/Equip Pool	Total
Eastern Kentucky University	\$ 80,454,600	0.08	\$ 1,000,000	\$ 3,027,200	\$ 4,027,200
Kentucky State University	13,845,000	0.01	1,000,000	520,900	1,520,900
Morehead State University	44,518,800	0.05	1,000,000	1,675,100	2,675,100
Murray State University	51,348,489	0.05	1,000,000	1,932,000	2,932,000
Northern Kentucky University	60,468,000	0.06	1,000,000	2,275,200	3,275,200
Western Kentucky University	85,359,298	0.09	1,000,000	3,211,700	4,211,700
University of Kentucky	236,146,600	0.25	1,000,000	8,885,200	9,885,200
University of Louisville	206,624,805	0.22	1,000,000	7,774,400	8,774,400
Kentucky Community & Technical College System	178,025,257	0.19	1,000,000	6,698,300	7,698,300
<i>Subtotal</i>	<i>\$ 956,790,849</i>	<i>1.00</i>	<i>\$ 9,000,000</i>	<i>\$ 36,000,000</i>	<i>\$ 45,000,000</i>
CPE/KYVC/KYVL Statewide Initiatives			5,000,000	\$ -	\$ 5,000,000
Total - IT & Equipment Pool	\$ 956,790,849	1.00	\$ 14,000,000	\$ 36,000,000	\$ 50,000,000
Total Pool Amount	\$ 50,000,000				
Base Allocation CPE	\$ 5,000,000				
Base Allocation Institutions	\$ 9,000,000				
Allocation based on % of Unrestr Exp for Instr	\$ 36,000,000				
Total Projects Completed					\$ 50,000,000

Notes:

- 1 Minimum base allocation for any institution is \$1,000,000. For CPE it is 10.0% of the total appropriation (only).
- 2 The remaining \$36.0 million pool is allocated proportionately among the institutions based on 2007-08 actual unrestricted expenditure for instruction.
- 3 Institutions must certify that at least their 2007-08 level of actual unrestricted instruction expenditures for information technology and equipment will be maintained.
- 4 Each institution is to select approved projects that advance the achievement of the goals outlined in the 2010-12 CPE budget request for the institutions, specifically those leading to increased bachelor's degree production, as well as other key CPE initiatives related to access, affordability, developmental education, STEM, transfers, adult learners, use of technology, student learning, and increased capacity to support research and economic and community development.
- 5 These selected projects will be evaluated by an external consultant for compliance prior to the release of pool funds.
- 6 There will be an assessment process in place for accountability purposes.

Statewide Capital Project Priorities Model
Priorities by Category (with evaluative criteria)

Adopted: July 2005

Project Category: Capital Renewal, Maintenance, and Life Safety

1. CPE requests fund amount to be distributed to institutions on a matching basis.
2. There will not be a project listing in this category - the maintenance pool list will be used as in the past.

Project Category: Education and General Projects (New, Expansion, or Renovation)

1. The project directly supports HB 1 goals, the public agenda, and statewide economic development goals.
2. The project supports the institution's CPE approved mission and is a high priority.
3. The project provides for the completion of facilities authorized in a prior biennium and which, if not funded, will compromise the viability of the phased facility. (Based on evidence of intent.)
4. The postsecondary system Space Utilization Standards and Space Needs Model indicate a need for additional space or that there is an explicit need to retool/remodel/replace existing space.
5. The project significantly reduces the capital renewal and maintenance burden and the institution has demonstrated good stewardship through evidence of facility renewal and facilities systems maintenance.

Project Category: Research and Economic Development (New, Expansion, or Renovation)

1. The project directly supports HB 1 goals, the public agenda, and statewide economic development goals.
2. The project supports the institution's CPE approved mission and is a high priority.
3. The project provides for the completion of facilities authorized in a prior biennium and which, if not funded, will compromise the viability of the phased facility. (Based on evidence of intent.)
4. The postsecondary system Space Utilization Standards and Space Needs Model indicate a need for additional space or that there is an explicit need to retool/remodel/replace existing space.
5. The project significantly reduces the capital renewal and maintenance burden and the institution has demonstrated good stewardship through evidence of facility renewal and facilities systems maintenance.

Note:

The capital projects planning priorities model is implemented through a separate set of evaluation criteria.

Capital Project Priorities Model

TABLE 1-F

Project Evaluation Criteria

The evaluation criteria assess the nature/intent of a project as described by the institution. They form the core factors that the system looks at to evaluate the relative position of each project as compared to the postsecondary system public agenda and CPE approved institution missions. All sub-criteria have equal weighting, except where specifically noted.

Institution/Project Name

1. ***The project directly supports HB 1 goals, the public agenda, and the statewide economic development goals.***
 - a. Extent to which the project provides space for student instruction, enrollment growth, or direct support of the CPE approved program of national distinction.
 - b. Extent to which the project addresses space or infrastructure that directly supports statewide economic development goals or workforce development (KCTCS).
 - c. Extent to which the project addresses research in one of five new economy clusters, WFD, the RCTF, or RUETF goals of HB1.
Extent to which the project addresses space for applied research programs outside the new economy areas that address the economic and community needs of the
 - d. institutions service area or workforce development (no KCTCS).
2. ***The project supports the institution's mission and is a high institutional priority.***
 - a. The project addresses a specific area identified by the Council approved mission.
Extent to which the project addresses an existing program, program expansion, enrollment growth, institution service region, or a specific need of the region as identified by
 - b. the public agenda.
 - c. Institutional project priority (Priority: #1 = 15 points; #2 = 12 points; #3 = 9 points; #4 = 6 points; #5 = 3 points, and #6 = 3 points).
 - d. Extent to which project addresses public engagement, research, or economic development initiatives.
3. ***Projects providing for the completion of facilities authorized during a previous biennium and which, if not funded, will compromise the viability of the phased facility. (Based on evidence of intent by G. A., Governor, or CPE.)***
 - a. The Governor, G.A., CPE, or institution stated an intent to phase a project and Phase I has been authorized and funded (planning, programming, schematic design, or site acquisition).
 - b. The project has not been authorized in a previous biennia but has been properly developed, programmed, has a schematic design, or is properly scoped.
4. ***The postsecondary system Space Utilization Standards and Space Needs Model indicate a need for additional space or that there is an explicit need to retool/remodel/replace existing space.***
 - a. Extent to which the project is retooling the facility for a different use, remodeling, renovating, or replacing space.
 - b. Extent to which the space needs model indicates a need for additional space for the use identified by the project request.
 - c. The project is on the national historic register or has other official historic status.
 - d. Extent to which construction of new space will free up space for a new use.
5. ***The project significantly reduces the capital renewal and maintenance burden and the institution has demonstrated good stewardship through evidence of facility renewal and facilities systems exceeding the manufacturer's suggested system life expectancies.***
 - a. Extent to which the building system's history shows an average useful life of 90 percent or greater.
 - b. Extent to which the project is upgrading systems that have offsetting economies or efficiencies.
 - c. Extent to which the project is required for regulatory compliance, i.e., ADA, energy, fire, life safety, pollution/air quality, or earthquake, federal, state or local regulation, or citation by state or federal government regulatory agency.
 - d. Extent to which the project addresses structural or impending failure, flaws that have occurred as a result of improper design, construction, or materials failure.

TABLE 2

**Capital Projects Recommendations
Agency Bond Authority
2010-12**

Institution and Project Title	Project Scope	Agency Bonds	Institution or Other Funds	Revenue Stream For Debt Service	Board Action	Status of Existing Fee	Est. Date to Issue Debt
Eastern Kentucky University							
1 Renovate Residence Hall	\$ 12,000,000	\$ 12,000,000		General Receipts	Pending	Rental rates in place	June 2010
2 Construct New Student Housing	36,000,000	36,000,000		General Receipts	Pending	Rental rates in place	June 2010
3 Construct New Student Housing-Garden Apts.	5,400,000	5,400,000		General Receipts	Pending	Rental rates in place	June 2010
4 Construct North Campus Res. Dist. Retail Unit	2,250,000	2,250,000		General Receipts	Pending	Rental rates in place	June 2010
Subtotal - EKU	\$ 55,650,000	\$ 55,650,000	\$ -				
Kentucky State University							
1 Construct New Student Housing	\$ 30,000,000	\$ 30,000,000		Residential housing Fees	To be determined	N/A	Undetermined
2 Construct Parking Structure	11,764,000	11,764,000		Parking Fees	To be determined	No	Undetermined
3 Renovate Russell Court Apartments	7,800,000	7,800,000		Housing Fees	To be determined	Current	Undetermined
Subtotal - KSU	\$ 49,564,000	\$ 49,564,000	\$ -				
Morehead State University							
1 Renovate East Mignon Residence Hall	\$ 4,948,000	\$ 4,948,000	\$ -	Housing Revenues	June 11, 2009	Current	May 2011
2 Renovate West Mignon Residence Hall	4,948,000	4,948,000		Housing Revenues	June 11, 2009	Current	May 2012
3 Construct Food Svcs/Retail & Parking Structure in Housing	16,786,000	16,786,000		Housing and Parking Revenues	June 11, 2009	Current	May 2011
4 Replace Exterior Precast Panels-Nunn Hall	3,000,000	3,000,000		Housing Revenues	June 11, 2009	Current	May 2012
5 Construct Student Residential Apartment Complex	52,123,000	52,123,000		Housing Revenues	June 11, 2009	Current	May 2011
6 Construct Residence Building-University Farm	2,524,000	2,524,000		Housing Revenues	June 11, 2009	Current	May 2012
7 Comply with ADA – Auxiliary	3,065,000	3,065,000		Housing and Auxiliary Revenues	June 11, 2009	Current	May 2012
8 Capital Renewal and Maintenance Pool-Aux	2,284,000	2,284,000		Housing and Auxiliary Revenues	June 11, 2009	Current	May 2012
Subtotal - MoSU	\$ 89,678,000	\$ 89,678,000	\$ -				
Murray State University							
1 Renovate Elizabeth Hall	\$ 8,896,000	\$ 8,896,000	\$ -	Residential housing Fees	To be determined	NA	December 1, 2010
2 Renovate Hester Hall	9,666,000	9,666,000		Residential housing Fees	To be determined	NA	June 1, 2011
3 Renovate College Courts	10,000,000	10,000,000		Residential housing Fees/Aux. Debt Reserve	To be determined	NA	June 1, 2011
4 Complete Capital Renewal: H&D Pool < \$600,000	7,339,000	7,339,000		Auxiliary Budget/Auxiliary Debt Reserve	To be determined	NA	June 1, 2011
5 Complete ADA Compliance: H&D Pool < \$600,000	1,031,000	1,031,000		Auxiliary Budget/Auxiliary Debt Reserve	To be determined	NA	June 1, 2011
6 Abate Asbestos: H&D Pool < \$600,000	1,529,000	1,529,000		Auxiliary Budget/Auxiliary Debt Reserve	To be determined	NA	June 1, 2011
7 Renovate Curris Center T-Room & Food Service Equipment	1,008,000	1,008,000		Auxiliary Budget/Auxiliary Debt Reserve	To be determined	NA	June 1, 2012
Subtotal - MuSU	\$ 39,469,000	\$ 39,469,000	\$ -				
Northern Kentucky University							
1 Renovate Old Civic Center Building	\$ 3,700,000	\$ 3,700,000	\$ -	Restricted Funds	No	N/A	July 2010
2 Repair University Drive Parking Garage	2,000,000	2,000,000		Parking Fees	No	Approved	January 2011
3 Acquire Radio Communications	10,000,000	10,000,000		Private Funds	No	Approved	July 2010
4 Acquire/Renovate Gateway/Highland Heights Campus	7,500,000	7,500,000		Restricted Funds	No	N/A	July 2010
5 Acquire Land/Master Plan 2010-2012 (current yr authorization)	20,000,000	20,000,000		Rental Revenues	Yes	Approved	May 2010
6 Replace University Suites HVAC Equipment	1,140,000	1,140,000		Housing Fees	No	Approved	January 2011
7 Construct/Acquire New Residence Hall	33,000,000	33,000,000		Housing Fees	No	Approved	January 2011
8 Expand Parking Garage	18,000,000	18,000,000		Parking Fees	No	Approved	January 2011
9 Construct Satellite Parking Lot	3,775,000	3,775,000		Parking Fees	No	Approved	January 2012
10 Relocate Master Plan Infrastructure	4,000,000	4,000,000		Restricted Funds	No	N/A	July 2010
11 Renew/Expand Norse Commons	8,000,000	8,000,000		Housing Fees	No	Approved	January 2011
Subtotal - NKU	\$ 111,115,000	\$ 111,115,000	\$ -				
Western Kentucky University							
1 Renovate Downing University Ctr Phase III	\$ 37,500,000	\$ 33,500,000	\$ 4,000,000	Existing Centers fee - will require an increase	Source	Existing Revenue Source	2011-12

**Capital Projects Recommendations
Agency Bond Authority
2010-12**

Institution and Project Title	Project Scope	Agency Bonds	Institution or Other Funds	Revenue Stream For Debt Service	Board Action	Status of Existing Fee	Est. Date to Issue Debt
Subtotal - WKU	\$ 37,500,000	\$ 33,500,000	\$ 4,000,000				
University of Kentucky							
1 Relocate & Expand Dentistry Faculty Practice	\$ 3,375,000	\$ 3,375,000	\$ -	Clinical Revenues	Source	Existing Revenue Source	Undetermined
2 Upgrade Student Center Infrastructure	17,805,000	17,805,000		Student Fees	Underdetermined	Undetermined	Undetermined
3 Renovate Dentistry Clinic in Ky Clinic	7,615,000	7,615,000		Clinical Revenues	Source	Existing Revenue Source	Undetermined
4 Construct New Housing	30,000,000	30,000,000		Housing Fees	Underdetermined	Undetermined	Undetermined
Subtotal - UK	\$ 58,795,000	\$ 58,795,000	\$ -				
University of Louisville							
1 Renovate - Guaranteed Energy Savings (2010-2012)	\$ 40,000,000	\$ 40,000,000					
2 Construct - Student Recreation Center (Moved from RF to AB)	37,500,000	37,500,000		New student fees	Mar-11	na	July 2011
3 Expand & Renovate - Student Activities Center	67,575,000	67,575,000		New student fees	Jul-11	na	January 2012
4 Construct - HSC Parking Structure III	43,470,000	43,470,000		Parking Permits	na	current	July 2011
5 Belknap Parking Deck (New Project)	42,000,000	42,000,000		Parking Permits	na	current	July 2011
6 Purchase Land Support Service (Northeast Quad) (Moved from RF)	10,000,000	10,000,000		Current budgeted rent payments	na	na	September 2010
Subtotal - UofL	\$ 240,545,000	\$ 240,545,000	\$ -				
System Total	\$ 682,316,000	\$ 678,316,000	\$ 4,000,000				

TABLE 3

Capital Projects Recommendations
Restricted Agency, Federal, and Other Funds
2010-12

Institution/Institution Priority / Project Title	Project Scope	Institution Funds	Other Funds	Federal Funds
Eastern Kentucky University				
1 Construct Regional Health Center	\$ 12,500,000			\$ 12,500,000
2 Construct Bio-Fuels Research Facility	12,000,000			12,000,000
3 Alumni Coliseum Addition/Field House Shell	2,000,000	\$ 2,000,000		
4 Construct EKV Early Childhood Center	3,284,000	3,284,000		
5 Renovate HVAC Systems	10,000,000	10,000,000		
6 Construct Student Athlete Support Facility	5,850,000	5,850,000		
7 Purchase Adjacent Property	3,000,000		\$ 3,000,000	
8 Renovate Baseball Complex	2,000,000			2,000,000
9 Renovate Women's Softball Complex	1,500,000		1,500,000	
10 Renovate Property	2,000,000		2,000,000	
11 Construct Aviation Instructional Facility	5,575,000	5,575,000		
12 Renovate and Expand Powell Building	24,400,000	24,400,000		
13 Construct University Activity Center-Phase 2	21,375,000	21,375,000		
14 Miscellaneous Maintenance Pool	10,000,000	10,000,000		
15 Renovate Weaver Building	10,868,000	10,868,000		
16 Expand Indoor Tennis Facility	1,100,000		1,100,000	
17 Construct Aramark Food Service Projects	4,150,000		4,150,000	
18 Renovate Blanton House	1,100,000	1,100,000		
19 Renovate Lancaster Center Building	2,468,000	1,234,000		1,234,000
20 Renovate Student Health Center	2,072,000	2,072,000		
Subtotal - EKV	\$ 137,242,000	\$ 97,758,000	\$ 13,750,000	\$ 25,734,000
Kentucky State University				
1 Renovate Old Federal Building (Library)	\$ 4,000,000			\$ 4,000,000
2 Replace Boiler and add Pollution Control	4,222,000	\$ 4,222,000		
3 Construct New Residence Hall -Phase III	46,080,000		\$ 46,080,000	
4 Construct Pedestrian Bridge across US60	2,151,000	2,151,000		
5 Athletic Project Pool 2010	1,443,000	1,443,000		
6 Construct Aquaculture Academic Research Facility	6,500,000			6,500,000
7 Acquire Land/Campus Master plan	1,000,000			1,000,000
Subtotal - KSU	\$ 65,396,000	\$ 7,816,000	\$ 46,080,000	\$ 11,500,000
Morehead State University				
1 Purchase Equip for Ctr for Hlth, Educ & Research	\$ 3,813,000	\$ 3,813,000		
2 Construct Honors College Facility	1,802,000	1,802,000		
3 Acquire Land Related to Master Plan	4,000,000	4,000,000		
4 Plan and Design Library Facility	1,350,000	1,350,000		
5 Construct Athl Admin & Sports Performance Bldg	25,429,000	25,429,000		
6 Renovate Acad Ctr & Tennis Team Facilities	4,848,000	4,848,000		
7 Construct Plant Facilities	7,155,000	7,155,000		
8 Reconstruct Central Campus	2,500,000	2,500,000		
9 Construct Classroom/Lab Building at Browning Orchard	1,452,000	1,452,000		
10 Construct Classroom to the Community Facility	6,160,000	6,160,000		
Subtotal - MoSU	\$ 58,509,000	\$ 58,509,000	\$ -	\$ -
Murray State University				
1 Construct Paducah Regional Campus Facility	\$ 17,646,000	\$ 17,646,000		
2 Construct New Breathitt Veterinary Center	30,000,000	30,000,000		
3 Renovate Breathitt Veterinary Center	8,000,000	8,000,000		
4 Renovate Blackburn Science	28,903,000	28,903,000		
5 Construct Madisonville Postsecondary Education Ctr	19,574,000	19,574,000		
6 Acquire Farm Laboratory Land	2,000,000	2,000,000		
7 Renovate Lovett Auditorium	21,967,000	21,967,000		
8 Land Acquisition	1,000,000	1,000,000		
9 Complete Business & Research Center Tenant Space	1,948,000	1,948,000		
10 Construct Multipurpose Practice Facility	4,000,000	4,000,000		
11 Demolish Ordway Hall	1,158,000	1,158,000		
12 Construct Open-sided Stall Barn at Expo Center	992,000	992,000		
13 Construct Livestock Instructional Laboratory	1,700,000	1,700,000		
14 Renovate A. Carman Pavilion - Completion	605,000	605,000		
Subtotal - MuSU	\$ 139,493,000	\$ 139,493,000	\$ -	\$ -

Capital Projects Recommendations
Restricted Agency, Federal, and Other Funds
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Institution/Institution Priority / Project Title	Project Scope	Institution Funds	Other Funds	Federal Funds
Northern Kentucky University				
1 Construct New College of Business (KRS 45.763)	\$ 5,000,000		\$ 5,000,000	
2 Construct Chiller Plant	1,000,000	\$ 1,000,000		
3 Renovate Applied Science & Tech First Floor	3,300,000	3,300,000		
4 Construct/Renovate Albright Health Center (KRS 45.763)	3,000,000		3,000,000	
5 Relocate Early Childcare Center (KRS 45.763)	5,200,000		5,200,000	
6 Construct New Center for Legal Education (KRS 45.763)	3,000,000		3,000,000	
7 Initiate Phase II of Master Plan	3,500,000	3,500,000		
8 Renovate/Expand Baseball Field (KRS 45.763)	3,000,000		3,000,000	
9 Purchase Mobile Science Lab	320,000	320,000		
10 Construct Alumni Center	10,500,000		10,500,000	
11 Replace Mobile TV Production Unit	650,000	650,000		
12 Construct Intramural Fields	2,500,000	2,500,000		
13 Enhance Softball & Tennis Complex (KRS 45.763)	5,500,000		5,500,000	
14 Housing/Minor Projects Pool 2010-2012	2,750,000	2,750,000		
15 Construct Ctr for Informatics - Additional Funds (KRS 45.763)	12,000,000	4,000,000	6,000,000	\$ 2,000,000
16 Lease Purchase Coach Bus (KRS 45.763)	690,000		690,000	
17 Lease Purchase Large Format Color Press (KRS 45.763)	325,000		325,000	
18 Reconstruct Central Plaza Phase II	17,500,000		17,500,000	
19 Lease Academic/Office Space - Highland Heights				
20 Kenton County - METS Lease				
21 Lease Academic Space - Gateway Building				
Subtotal - NKU	\$ 79,735,000	\$ 18,020,000	\$ 59,715,000	\$ 2,000,000
Western Kentucky University				
1 Improve University Drive Intersection	\$ 1,200,000	\$ 240,000		\$ 960,000
2 Renovate Tate Page Hall	6,000,000	6,000,000		
3 Design Env Science & Tech Hall Renovation	2,500,000	2,500,000		
4 Renovate Radcliff Business Incubator	2,000,000			2,000,000
5 Renovate Elizabethtown Research Center	10,000,000			10,000,000
6 Ren Property for Intern'l Program Facilities	1,600,000	1,600,000		
7 Purchase Shuttle Bus	2,000,000			2,000,000
8 Construct/Fit-Out of Leased Space TIF Project	4,175,000	4,175,000		
9 Construct Next Generation Ultra-Low Emission Coal-Fired Heating Plant	20,000,000			20,000,000
10 Construct Center for Dairy Education and Innovation	5,000,000			5,000,000
11 Const Scale-Up Compost Heat Source Project	1,500,000			1,500,000
12 Ctr for Res and Dev Infrastructure and Renovations	10,500,000			10,500,000
13 Construct SKyTeach Program Facility	5,000,000			5,000,000
14 Construct Alumni Facility	7,000,000		7,000,000	
15 Interior Renovation Jones Juggers	1,000,000	1,000,000		
16 University-Community Bikeway	1,300,000	260,000		1,040,000
17 Ren and Expand Knicely Center Phase III	2,500,000	2,500,000		
18 Purchase Research Equip for Ogden Campus	3,000,000			3,000,000
19 Purchase Property for Campus Expansion	3,000,000	3,000,000		
20 Const Ag Res Ctr Greenhouse/Headhouse	1,745,000			1,745,000
21 Mesonet Computer Center	5,800,000	800,000		5,000,000
22 Construct Agriculture Research Svs Lab	22,825,000			22,825,000
23 Construct Track Facilities	2,500,000	2,500,000		
24 Renovate Downing University Ctr	3,000,000	3,000,000		
25 Construct Central Region PS Education Center (BRAC) Phase I - Design	1,200,000	1,200,000		
26 Construct Honors College Facility	14,000,000	2,000,000	\$ 12,000,000	
Subtotal - WKU	\$ 140,345,000	\$ 30,775,000	\$ 19,000,000	\$ 90,570,000

Capital Projects Recommendations
Restricted Agency, Federal, and Other Funds
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Institution/Institution Priority / Project Title	Project Scope	Institution Funds	Other Funds	Federal Funds
University of Kentucky				
1	Fit-up Pharmacy Bldg Lab Space	\$ 28,600,000	\$ 28,600,000	
2	Expand Patient Care Facility, Phase 4 - UKHC	100,000,000	100,000,000	
3	Lease-Purchase Data Center (KRS 45.763)	40,000,000	40,000,000	
4	Lease-Purchase/Upgrade Reynolds Bldg (KRS 45.763)	16,230,000	16,230,000	
5	Renovate Old Pharmacy Bldg for Biology	40,165,000	40,165,000	
6	Upgrade Critical Care Facility	5,000,000	5,000,000	
7	Construct Library Depository Facility	7,625,000	7,625,000	
8	Upgrade-Renovate-Improve or Expand Research Lab	33,500,000	33,500,000	
9	Lease/Purchase Digital Village Bldg #3 (KRS 45.763)	24,180,000	24,180,000	
10	Renovate King Library South-1962 Section	3,600,000	3,600,000	
11	Lease-Purchase New Housing (KRS 45.763)	52,500,000	52,500,000	
12	Construct Equine Campus	11,250,000	\$ 11,250,000	
13	Renovate/Upgrade Commonwealth Stadium	180,000,000	180,000,000	
14	Construct Baseball Stadium & Clubhouse	37,750,000	37,750,000	
15	Construct/Lease-Purchase Parking Structure #9 (KRS 45.763)	44,100,000	44,100,000	
16	Renovate Space in McVey Hall	4,900,000	4,900,000	
17	Renovate Dentistry Class Lab	3,265,000	3,265,000	
18	Expand Pence Hall	35,000,000	35,000,000	
19	Renovate Reynolds Building, Phase I	3,270,000	3,270,000	
20	Expand KGS Well Sample and Core Repository	5,280,000	5,280,000	
21	Renovate Whalen Bldg	5,760,000	5,760,000	
22	Renovate Nursing Building	3,405,000	1,505,000	\$ 1,900,000
23	Expand & Renovate W. KY & Robinson Station	9,835,000	9,835,000	
24	Renovate Old Northside Library Building	3,500,000	3,500,000	
25	Renovate Sections of Funkhouser Bldg, Phase I	6,426,000	6,426,000	
26	Expand/Renovate CAER Laboratories	5,445,000	5,445,000	
27	Upgrade Vivarium in Sanders Brown Building	8,742,000	8,742,000	
28	Renovate Stone Building, Phase I	5,445,000	5,445,000	
29	Renovate Chemistry/Physics Bldg.	3,500,000	3,500,000	
30	Renovate Mineral Industries Building	4,900,000	4,900,000	
31	Expand Coldstream Research Campus	20,000,000	20,000,000	
32	Renovate Erikson Hall	12,000,000	12,000,000	
33	Renovate Schmidt Vocal Arts Center	1,500,000	1,500,000	
34	Renov/Expand DLAR Quarantine Facility Spindletop	3,750,000	3,750,000	
35	Renovate 3rd Floor Little Library	1,000,000	1,000,000	
36	Expand CRMS and Raymond Civil Eng. Bldg	25,770,000	25,770,000	
37	Design Student Center Expansion/Renovation	6,535,000	6,535,000	
38	Fit-up CAER CTL Mini-refinery Bldg.	12,000,000	12,000,000	
39	Renovate Memorial Hall	1,500,000	1,500,000	
40	Convert Taylor Ed. Space to Offices & Classroom	5,875,000	5,875,000	
41	Renovate Central DLAR Facility	2,680,000	2,680,000	
42	Relocate Greenhouses	9,310,000	9,310,000	
43	Acquire Land	50,000,000	50,000,000	
44	Lease Purchase Off Campus Office Bldg (KRS 45.763)	10,000,000	10,000,000	
45	Lease-Purchase/Renovate Central Computing Facility (KRS 45.763)	5,000,000	5,000,000	
46	Expand/Renovate Sturgill Development Building	1,500,000	1,500,000	1,500,000
47	Construct Facilities Storage Building	6,120,000	6,120,000	
48	Lease-Purchase Soccer/Softball Facilities (KRS 45.763)	3,000,000	3,000,000	3,000,000
49	Lease-Purchase Track and Field Facility (KRS 45.763)	14,100,000	14,100,000	14,100,000
50	Renovate Memorial Coliseum Seating Area	4,000,000	4,000,000	4,000,000
51	Expand Boone Tennis Center	6,500,000	6,500,000	
52	Stadium Structural Repairs	2,500,000	2,500,000	
53	Upgrade/Fit-up Hospital Facilities	10,000,000	10,000,000	
54	Lease Purchase Telemedicine/Virtual ICU (KRS 45.763)	10,000,000	10,000,000	
55	Renovate Parking Structure #3	3,500,000	3,500,000	
56	Renovate/Upgrade Hospital Facilities - Good Samaritan	10,000,000	10,000,000	
57	Lease Purchase/Upgrade UKHC IT Systems (KRS 45.763)	10,000,000	10,000,000	
58	Implement Land Use Plan - UKHC	20,000,000	20,000,000	
59	Repair, Upgrade, Improve Bldg. Systems - UKHC	20,000,000	20,000,000	
60	Lease Purchase Office Tower (KRS 45.763)	66,341,000	66,341,000	
61	Renovate Nursing Units	6,000,000	6,000,000	
62	Upgrade Clinical Services - UKHC	15,000,000	15,000,000	
63	Expand/Renovate Ambulatory Care Facilities - UKHC	20,000,000	20,000,000	
64	Lease Purchase Hospital Dining Facilities & Equipment (KRS 45.763)	7,350,000	7,350,000	
65	Upgrade/Expand Cancer Treatment Facility - UKHC	10,000,000	10,000,000	
66	Construct Physicians Svcs Facilities - UKHC	2,000,000	2,000,000	
67	Upgrade Support Services - UKHC	3,500,000	3,500,000	
68	Renovate Diag Treatment Services - UKHC	2,500,000	2,500,000	
69	Upgrade Surgical Services	2,000,000	2,000,000	
70	Construct/Renovate Lab Facilities	21,000,000	21,000,000	
71	Lease Purchase/Construct Retail Space (KRS 45.763)	3,660,000	3,660,000	
72	Construct/Renovate Imaging Services - Ky Clinic	15,000,000	15,000,000	
73	Expand Clin Enter Data Ctr Network - UKHC	1,000,000	1,000,000	

**Capital Projects Recommendations
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Institution/Institution Priority / Project Title	Project Scope	Institution Funds	Other Funds	Federal Funds
University of Kentucky continued				
74 Lease Purchase/Implement Medication Bar Coding System (KRS 45.763)	3,000,000	3,000,000		
75 Lease-Purchase Clin Enterprise Data Ctr Hardware (KRS 45.763)	10,000,000	10,000,000		
76 Lease-Purchase/Upgrade Enterprise Info Systems (KRS 45.763)	20,000,000	20,000,000		
77 Lease-Purchase Diag Medical Record Expansion (KRS 45.763)	4,640,000	4,640,000		
78 Lease-Purchase Document Scanning System (KRS 45.763)	700,000	700,000		
79 Lease-Purchase Identity Management System (KRS 45.763)	1,750,000	1,750,000		
80 Purchase Managed Care Enterprise	1,160,000	1,160,000		
81 Lease-Purchase PACS System (KRS 45.763)	5,000,000	5,000,000		
82 Purchase Paging Software	700,000	700,000		
83 Lease-Purchase/Implement Revenue Mgt System (KRS 45.763)	10,000,000	10,000,000		
84 Lease-Purchase Radiofrequency Ident System (KRS 45.763)	1,500,000	1,500,000		
85 Lease Purchase PCF Data Center Hardware (KRS 45.763)	10,000,000	10,000,000		
86 Purchase Staff Scheduling System - Hospital	750,000	750,000		
87 Lease-Purchase Telephone Sys Replacement (KRS 45.763)	2,700,000	2,700,000		
88 Lease-Purchase/Replace Perioperative Info. System (KRS 45.763)	3,000,000	3,000,000		
89 Lease-Purchase/Implement Patient Comm. System (KRS 45.763)	1,000,000	1,000,000		
90 Lease Purchase Data Center Hardware - UKHC (KRS 45.763)	10,000,000	10,000,000		
91 Lease Purchase Data Repository System (KRS 45.763)	2,500,000	2,500,000		
92 Lease Purchase Mainframe Computer - UKHC (KRS 45.763)	1,000,000	1,000,000		
93 Replace Radiology Information System	2,000,000	2,000,000		
94 Upgrade Clinical Ent Network - UKHC	4,250,000	4,250,000		
95 Construct/Purchase Good Samaritan Office Building	23,700,000	23,700,000		
96 Construct Student Athlete Resident Hall	7,000,000		7,000,000	
97 Operating Leases - Additional Space				
98 Fayette Co - Lease Blazer Parkway (REAUTHORIZATION)				
99 Fayette Co - Lease Administrative Office (REAUTHORIZATION)				
100 Fayette Co - Lease Kentucky Utilities Building (REAUTHORIZATION)				
101 Fayette Co. - Lease Health Affairs Office #2 (REAUTHORIZATION)				
102 Fayette Co. Lease Good Sam - Hospital (REAUTHORIZATION)				
103 Lease Space Grant Projects #1				
104 Lease Space Rural Health Expansion-Hazard				
105 Lease Space Off Campus #1				
106 Lease Space Off Campus #2				
107 Lease Space Off Campus #3				
108 Lease Space Off Campus #4				
109 Lease Space Off Campus #5				
110 Lease Space Off Campus #6				
111 Lease Grants Projects #2				
112 Lease Health Affairs Office				
113 Lease Health Affairs Office #3				
114 Lease Health Affairs Office #4				
115 Lease Health Affairs Office #5				
116 Lease Health Affairs Office #6				
117 Lease Health Affairs Office #7				
118 Lease Med Center Grant Projects #1				
119 Lease Med Center Grants Projects #2				
120 Lease Med Center Off-Campus Fac #1				
121 Lease Space Off Campus #7				
122 Lease Space Med College Off-Campus Clinic (REAUTHORIZATION)				
123 Lease Off Campus Housing #1				
124 Lease Off Campus Housing #2				
Subtotal - UK	\$ 1,323,014,000	\$ 1,053,514,000	\$ 267,600,000	\$ 1,900,000
University of Louisville				
1 Construct - Belknap Research/Academic/Conn Ctr	\$ 90,000,000	\$ 90,000,000		
2 Construct - Instructional Building at HSC	42,420,000	42,420,000		
3 Expand & Renovate - Life Sciences Building	57,790,000	57,790,000		
4 Renovate - College of Education Building	27,226,000	27,226,000		
5 Renovate - Natural Science Building	20,445,000	20,445,000		
6 Construct - Physical Plant Space in HSC Garage	2,191,000	2,191,000		
7 Construct - HSC Steam/Chilled Water Plant II	33,250,000	33,250,000		
8 Construct - HSC Research V	173,270,000	173,270,000		
9 Purchase - Land Near HSC - Parcel II	6,034,000		\$ 6,034,000	
10 Construct - Chestnut Street Garage Speed Ramp	875,000	875,000		
11 Purchase - Magnetic Resonance Imaging Equipment	3,000,000	3,000,000		
12 Purchase - Robotic Cranes (2) for automated book	2,200,000	2,200,000		
13 Construct Residence Hall, 500 Bed (Moved from AB to OF-cash)	45,350,000			45,350,000
14 Construct - Administrative Office Building	51,990,000	51,990,000		
15 Construct - Artificial Turf Field for Intramurals	693,000	693,000		
16 Construct - Athletic Academic Support Facility (KRS 45.763)	13,266,000			13,266,000
17 Construct - Athletics Office Building	8,398,000	8,398,000		
18 Construct - Belknap Campus Welcome Center East	2,499,000	2,499,000		
19 Construct - Boathouse for Women's Rowing Program	5,225,000	5,225,000		
20 Construct - Center for the Performing Arts	76,660,000	76,660,000		
21 Construct - Diversity Center for Excellence (KRS 45.763)	12,580,000			12,580,000
22 Construct - Executive MBA/Business Program Bldg	23,500,000	23,500,000		
23 Construct - Fitness & Health Institute	16,250,000	16,250,000		
24 Construct - Flexner Way Mall - Floyd to Preston	830,000	830,000		
25 Construct - Flexner Way Mall - Hancock to Clay	1,500,000	750,000	750,000	
26 Construct - Flexner Way Mall - Preston to Jackson	840,000	420,000	420,000	

Capital Projects Recommendations
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Institution/Institution Priority / Project Title	Project Scope	Institution Funds	Other Funds	Federal Funds
University of Louisville continued				
27 Construct - Intramural Field Complex	6,980,000	6,980,000		
28 Construct - Soccer Stadium (KRS 45.763)	26,533,000		26,533,000	
29 Construct - Student Health Facility	8,590,000	8,590,000		
30 Construct - Utilities, Remove Overhead Lines	10,000,000	10,000,000		
31 Expand & Renovate - Founder's Union, Ph II	18,414,000	18,414,000		
32 Expand - Ambulatory Care Bldg - Academic Addit	67,200,000		67,200,000	
33 Expand - Miller IT Center Data Center	38,000,000	38,000,000		
34 Expand - Patterson Baseball Stadium (KRS 45.763)	4,573,000		4,573,000	
35 Expand - Rauch Planetarium	3,220,000		\$ 3,220,000	
36 Expand - Regional Biocontainment Laboratory	10,112,000	112,000		10,000,000
37 Expand - Sackett Hall	16,590,000	16,590,000		
38 Purchase - 18.8T Nuclear Magnetic Resonance System	2,500,000	500,000		2,000,000
39 Purchase - 9.4T Nuclear Magnetic Resonance System	300,000	100,000		200,000
40 Purchase - Additive Microdeposition Machine	400,000			400,000
41 Purchase - Arcturus XT Laser Capture Microdissection Instrument	215,000			215,000
42 Purchase - Artificial Turf - Practice Field Faci	865,000	865,000		
43 Purchase - Artificial Turf - Field Hockey	1,000,000	1,000,000		
44 Purchase - Atomic Force Microscope	200,000			200,000
45 Purchase - BD FACSAria II Cell Sorter	450,000			450,000
46 Purchase - Biological Material Deposition Machine	200,000			200,000
47 Purchase - BioRad XPR36 Protein Interaction Array System	254,000	254,000		
48 Purchase - Cathodoluminescence System	300,000			300,000
49 Purchase - Confocal Microscope	250,000			250,000
50 Purchase - Fluorescence Imaging System	200,000			200,000
51 Purchase - Focused Ion Beam Microscope	800,000			800,000
52 Purchase - Gene Chip Scanner	300,000			300,000
53 Purchase - High Resolution Tandem Mass Spectrometer	1,500,000			1,500,000
54 Purchase - Hysitron Nanoindenter	225,000			225,000
55 Purchase - Ion Milling System	500,000			500,000
56 Purchase - Ion Mobility Mass Spectrometry System	410,000			410,000
57 Purchase - Land Downtown for MBA Program (KRS 45.763)	1,000,000		1,000,000	
58 Purchase - Land Near Belknap Campus North (KRS 45.763)	8,000,000		8,000,000	
59 Purchase - Land Near Belknap Campus South (KRS 45.763)	6,000,000		6,000,000	
60 Purchase - Land Near HSC - Parcel I (KRS 45.763)	34,246,000		34,246,000	
61 Purchase - Land Near HSC - Parcel III (KRS 45.763)	3,000,000		3,000,000	
62 Purchase - Laser Jet Cutting System	300,000			300,000
63 Purchase - Library Tables and Chairs	275,000	275,000		
64 Purchase - Liquid Chromatography Mass Spectrometer	200,000			200,000
65 Purchase - Live Cell Intracellular Nanoprobe Station	400,000			400,000
66 Purchase - Magnetic Resonance Imaging System	3,000,000			3,000,000
67 Purchase - Magnetron Sputtering System	500,000			500,000
68 Purchase - MALDI-TOF Mass Spectrometer	500,000			500,000
69 Purchase - MoFlo Cell Sorter	500,000			500,000
70 Purchase - Multi-Head Sputtering System	400,000			400,000
71 Purchase - Multispectral Imaging Flow Cytometer	390,000	390,000		
72 Purchase - Nanomaterial Equipment	500,000	500,000		
73 Purchase - Nikon A1 Confocal Microscope	400,000			400,000
74 Purchase - Olympus FV1000 Multiphoton Microscope	715,000	715,000		
75 Purchase - Optogenetics System	200,000			200,000
76 Purchase - Orbitrap Ion Trap Mass Spectrometer	712,000			712,000
77 Purchase - Plasma Mass Spectrometry System	900,000			900,000
78 Purchase - Plastic Deposition Machine	800,000			800,000
79 Purchase - Positron Emission Tomography System	2,500,000			2,500,000
80 Purchase - Reactive Ion Etching System	300,000			300,000
81 Purchase - Resonance Raman Spectrometer	500,000			500,000
82 Purchase - Small Animal MRI Scanner	2,500,000			2,500,000
83 Purchase - Spectral Confocal Microscope	440,000			440,000
84 Purchase - Spray Develop/Etch System	300,000			300,000
85 Purchase - SQUID Magnetometer	500,000	500,000		
86 Purchase - Temperature & Humidity Control System (5)	325,000	325,000		
87 Purchase - TeraHertz Spectroscopy	500,000			500,000
88 Purchase - Transmission Electron Microscope	1,500,000			1,500,000
89 Purchase - Transmission Electron Microscope	300,000			300,000
90 Purchase - Two-Photon Laser Scanning Microscope	500,000			500,000
91 Purchase - Ultra-Fast Spectroscopy Facility	500,000			500,000
92 Purchase - Ultraview ERS 6FO Confocal Microscope	420,000	420,000		
93 Purchase - VEVO 2100 Micro-Ultrasound System	350,000			350,000
94 Purchase - VisEn FMT-2500 Imaging System	300,000	300,000		
95 Purchase - VisualSonics High Resolution In-vivo Imaging System	304,000			304,000
96 Renovate - Belknap Campus North Entrance	1,700,000			1,700,000
97 Renovate - Burhans Hall	15,537,000	15,537,000		
98 Renovate - Chemistry Fume Hood Redesign, Ph II	15,095,000	15,095,000		
99 Renovate - College of Business Faculty Offices	1,500,000	1,500,000		
100 Renovate - Ekstrom Library	42,070,000	42,070,000		
101 Renovate - Gross Anatomy Lab	5,304,000	5,304,000		
102 Renovate - JB Speed Building	11,140,000	11,140,000		
103 Renovate - Kornhauser Library	15,890,000	15,890,000		
104 Renovate - KY Lions Eye Research Institute	19,214,000	19,214,000		
105 Renovate - Law School	28,925,000	28,925,000		

Capital Projects Recommendations
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Institution/Institution Priority / Project Title	Project Scope	Institution Funds	Other Funds	Federal Funds
University of Louisville continued				
106 Renovate - Medical School Tower-55A	72,460,000	72,460,000		
107 Renovate - Oppenheimer Hall	4,792,000	4,792,000		
108 Renovate - Research Imaging Facility	7,164,000			7,164,000
109 Renovate - Research Resource Center	13,823,000	13,823,000		
110 Renovate - Stevenson Hall	10,898,000	10,898,000		
111 Renovate - W.S. Speed Building	10,759,000	10,759,000		
112 Med Center One Lease				
113 Student Health Facility Lease (Office Space)				
114 Masters of Fine Arts Program Lease (Education, Office, Other Space)				
115 Jefferson County Housing Lease (Housing, Other Space)				
116 College of Business - MBA Program Lease (Office, Education Space)				
117 West Louisville Outreach Center Lease (Office, Education, Other)				
118 Ambulatory Care Renovation Lease (Office Space)				
119 HSC - Communication Sciences Lease (Office, Education Space)				
120 HSC- Off Campus Space Lease (Office Space)				
Subtotal - UofL	\$ 1,290,611,000	\$ 1,012,119,000	\$ 228,952,000	\$ 49,540,000
Kentucky Community and Technical College System				
1 Construct Licking Valley Center, Phase II (Additional)	\$ 2,634,000	\$ 2,634,000		
2 Design Newtown Campus, Phase II - Bluegrass CTC	3,300,000	3,300,000		
3 Renovate for Skilled Craft Training Center - West Ky CTC	750,000	750,000		
4 Purchase & Improve Real Property, Downtown Campus - Jefferson CTC	10,500,000	10,500,000		
5 Renovate Classroom Facility, Phase I, Urban Campus - Gateway	11,850,000	11,850,000		
6 Construct Parking Lots & Drives, Henderson CC	800,000		\$ 800,000	
7 Telford Hall Renovation, Lees Campus - Hazard CTC	1,500,000	1,500,000		
8 Master Plan Develop 7 Upgrade Pool	850,000	850,000		
9 Purchase Combine for Ag Program - Hopkinsville	290,000	290,000		
10 Purchase Front End Loader - Hazard	250,000	83,000		\$ 167,000
11 Purchase Horizontal Milling Machine - Hopkinsville	250,000	250,000		
12 Purchase Park Hills Center - Gateway CTC	1,500,000	1,500,000		
13 Construct Child care Facility - Ashland	1,676,000		1,676,000	
14 Construct Child Development Center - Henderson	3,484,000		3,484,000	
15 Construct CPAT Center - Fire Commission	1,500,000	1,500,000		
16 Construct Fire Resource Training Center - WHFETC	1,032,000	1,032,000		
17 Construct Trans Tech Bldg - Boone Campus Gateway	9,704,000	9,704,000		
18 KCTCS Property Acquisition Pool	5,500,000	5,500,000		
19 Purchase Articulated Haul Truck - Hazard	250,000	250,000		
20 Purchase Defensive Driving Trainers - Fire Commission	600,000	600,000		
21 Lease-Purchase - KCTCS System Office				
22 Lease - Jefferson Education Center, Jefferson CTC				
23 Lease - Advanced Manufacturing Training Center, Scott County - Bluegrass				
24 Lease - Bullitt County Campus - Jefferson CTC				
25 Lease - Montgomery County Center - Maysville CTC				
26 Lease - South Campus - Bluegrass CTC				
Subtotal - KCTCS	\$ 58,220,000	\$ 52,093,000	\$ 5,960,000	\$ 167,000
System Total	\$ 3,292,565,000	\$ 2,470,097,000	\$ 641,057,000	\$ 181,411,000

Capital Projects Recommendations
Guaranteed Energy Savings/Performance Contracting Projects
2010-12

Institution and Project Title	Project Scope (1)
1 Eastern Kentucky University	N/A
2 Kentucky State University	N/A
3 Morehead State University	N/A
4 Murray State University	N/A
5 Northern Kentucky University	N/A
6 Western Kentucky University	N/A
7 University of Kentucky - Main Campus	N/A
8 University of Kentucky - Hospital	N/A
9 University of Louisville	N/A
10 Kentucky Community and Technical College System	N/A

Note:

1. A scope amount is not required for this project.

TABLE 5

Capital Projects Recommendations
Interim Capital Projects - Restricted Agency, Federal, and Other Funds
2009-10

Institution/Institution Priority / Project Title	Project Scope	Institution Funds	Other Funds	Federal Funds
Kentucky State University				
Renovate Old Paul Sawyer Library (2)	\$ 1,000,000			\$ 1,000,000
Subtotal - KSU	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000
University of Kentucky				
Equine Mare Reproductive Biology Program/Stallion Research Facility	\$ 1,200,000	\$ 600,000	\$ 600,000	
Replace Wildcat Lodge Student Housing	7,000,000		7,000,000	
Renovate Nutter Training Facility (Football Meeting Rooms)	750,000		750,000	
Subtotal - UK	\$ 8,950,000	\$ 600,000	\$ 8,350,000	\$ -

Notes:

- 1 Required to allow KCTCS to accept low bid to complete the project.
- 2 KSU received a ARRA Grant to support renovations to the facility - this projects will allow expenditure of the federal funds for the library project.

**Short Description
2009-2010 Interim Capital Projects**

1. Renovate Old Paul Sawyer Library **\$1,000,000**

(Kentucky State University)

This project allows the university to upgrade interior finishes and address water issues that were created during the recent 2009 flood. The minor renovations will allow the facility to be opened for use by the university and private citizens. It is anticipated that the minor renovations will be complete and the facility opened for use March 2010.

2. Equine Mare Reproductive Biology Program/Stallion Research **\$1,200,000**

(University of Kentucky)

This project will create a 17,860 total square feet facility that meets federal standards to conduct studies on emerging equine diseases. This space will be animal bio-safety containment facilities to provide laboratory and stall space designed to contain some agents that pose minimal risk to human health.

3. Renovate Nutter Training Center Football Meeting Rooms **\$750,000**

(University of Kentucky)

Existing meeting spaces no longer meet the current needs of the football program. This project will renovate existing space to provide a larger meeting area with theatre-style seating for use by the offensive or defensive teams and improved individual position meeting rooms. The project will be funded with private gifts.

4. Replace Wildcat Lodge Student Housing **\$7,000,000**

(University of Kentucky)

Wildcat Lodge, the campus residential housing for UK men's basketball players and non-student athletes, was completed in 1978 and most recently renovated in 2000 to address many system and life safety issues. The new facility will continue to house both men's basketball players and non-student athletes and will contain many of the programmatic components provided in the UK residence halls that opened in Fall 2005.

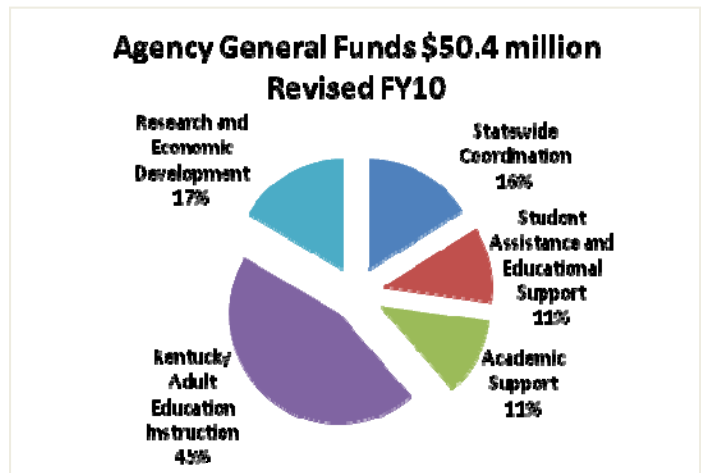
**Council on Postsecondary Education
November 6, 2009**

2010-12 Postsecondary Education Budget Recommendation Agency Funds

The Council's 2010-12 agency funds request is broken down into two main categories:

1) Statewide coordination

Agency funds for statewide coordination support the traditional expenditures associated with a postsecondary education coordinating board, including resources spent for policy leadership, strategic planning, regulation of the state's postsecondary education system, finance (including biennial budget preparation and tuition setting), administrative services, communications, academic affairs and program review, economic and STEM initiatives, and information, research, and technology.



Approximately 16 percent of the FY10 agency General Fund budget is allocated to statewide coordination. These funds also support Kentucky Adult Education (KYAE) statewide administration personnel.

2) Statewide educational programs and services

Agency funds also go to support a number of important statewide educational programs and services including resources spent for Kentucky Adult Education instruction, student assistance and educational support (primarily contract spaces), academic support (primarily KPEN, KYVC/KYVL technology contracts, and debt service on capital investment pools), and research and development (primarily to support new economy initiatives coordinated by the Kentucky Science and Technology Corporation).

Approximately 84 percent of the agency's General Fund budget is allocated to statewide educational programs and services.

Agency Funds 2010-12 General Fund Request

As previously discussed, as an Executive Branch state agency, any recommendations for additional General Funds in 2010-12 will likely be severely limited and strongly linked to the state's overall budget environment.

Thus, for the agency funds 2010-12 budget recommendation, Council staff limited the number of expansion requests, and where additional funds are recommended, the growth is equal (with the exception of contract spaces and debt service) to the preliminary General Fund growth rates released by the Consensus Forecasting Group (CFG) in August 2009, which were 1.5 percent growth in 2010-11 and 3.5 percent in 2011-12.

- The staff recommends that the Council request total General Fund appropriations of \$50,215,400 in 2010-11 and \$51,781,400 in 2011-12 to support agency operations. Technically, when a full year of debt service (\$23,098,000) for the Council's postsecondary education capital investment recommendation is included, the Council's General Fund request is \$74,879,400 in 2011-12.

A detailed breakdown of this request is provided below. The recommended totals represent General Fund increases of \$1,235,100 in 2010-11 and \$2,801,100 in 2011-12 over the agency's General Fund baseline (excluding debt service and baseline transfer).

Table 1: Components of 2010-12 Agency Funds Recommendation

<i>Description</i>	<i>2010-11</i>	<i>2011-12</i>
Agency Funds (Baseline 2009-10)	\$50,362,800	\$50,362,800
Baseline transfer of regional stewardship funds	(1,382,500)	(1,382,500)
Statewide Coordination	321,900	784,800
Kentucky Adult Education	338,800	790,500
Student Assistance and Educational Support	392,900	802,400
Academic Support*	82,600	192,700
Research and Economic Development	98,900	230,700
Total	\$50,215,400	\$51,781,400

*Note: Technically, \$23,098,000 in debt service in 2011-12 for capital pools will be included in the agency funds request and another \$118,316,000 in debt service for specific campus facilities will be included in institutions' technical budget submissions.

Agency General Fund Baseline

Any additional requests for General Fund appropriations in 2010-11 and 2011-12 are calculated as an increase to the agency's 2009-10 General Fund baseline appropriation. The agency General Fund baseline of \$50,362,800 in 2010-11 and 2011-12 will be reduced by \$1,382,500 due to a baseline transfer of regional stewardship funds from the Council to the comprehensive universities due to fulfillment of MOAs. These funds are evenly

distributed to EKV, KSU, MoSU, MuSU, and WKU since NKU received its transfer last biennium. Please refer to Attachment A for a complete breakdown of agency funds by major budget category.

Statewide Coordination – Defined Calculation

As an Executive Branch unit of state government, the Council is mandated to request an increase in General Fund appropriations related to statewide coordination personnel and fringe benefits. In technical budget terms, this is referred to as “defined calculations.”

- The staff recommends an increase in General Fund appropriation for defined calculations of \$321,900 in 2010-11 and \$784,800 in 2011-12.

Kentucky Adult Education

The Kentucky Adult Education Act of 2000 (Senate Bill 1) challenges Kentucky Adult Education (KYAE) with having “an efficient, responsive, and coordinated system of providers that delivers educational services to all adult citizens in quantities and of a quality that is comparable to the national average or above and significantly elevates the level of education of the adults of the Commonwealth.”

Over 90 percent of funding allocated to local programs in all 120 counties supports the personnel costs of nearly 1,000 positions, in addition to the cost of materials and technology required to operate a statewide adult education system.

KYAE is seeking additional funding to support the base funding formula for county programs while continuing efforts to seek efficiencies through new models of service delivery.

- The staff recommends an increase in KYAE’s General Fund appropriation of \$338,800 in 2010-11 and \$790,500 in 2011-12.

Student Assistance and Educational Support

The agency funds support a small number of statewide student assistance and educational programs and services. Given the austere budget environment, the Council staff recommends an increase to the Contract Spaces Program (which is basically student financial aid), as well as General Fund replacement funds for the Governor’s Minority Student College Preparation Program and the SREB Doctoral Scholars Program.

Contract Spaces Program. Kentucky’s contract spaces program accounts for approximately 84 percent of the budget for student assistance and educational support. The program provides Kentucky students with access to Veterinary Medicine and Optometry degree programs, which are not offered at public institutions in Kentucky, at certain out-of-state postsecondary institutions at resident tuition rates.

The Council contracts with the Southern Regional Educational Board (SREB) that reserves veterinary medicine seats at Auburn University and Tuskegee University and optometry seats at Indiana University.

For 2010-11, the expansion request is for eight additional seats at Auburn University and two additional seats at Tuskegee University. For 2011-12, the expansion request is for 16 additional seats (over the 2009-10 level) at Auburn University and four additional seats (over the 2009-10 level) at Tuskegee. The total number of veterinary seats at both Auburn University and Tuskegee University will be 164 seats in 2010-11 and 174 seats in 2011-12.

Tuition fees remain unchanged in 2010-11. However, the rates are projected to increase in 2011-12. The 2010-11 expansion request contains only a partial year cost because the existing Contract Spaces Program General Fund appropriation is sufficient to fund a portion of the 10 new seats.

- The staff recommends additional General Fund appropriations to support the additional contract spaces seats and the tuition rate increases of \$99,000 in 2010-11 and \$508,500 in 2011-12.

Replacement of Restricted Funds with General Funds. There are several statewide educational programs that reside at the Council and are supported by nonrecurring, restricted agency funds. These programs include the Governor's Minority Student College Preparation Program and the SREB Doctoral Scholars Program.

The **Governor's Minority Student College Preparation Program** is a pipeline program to provide academic enrichment activities for middle and junior high school students, encourage them to stay in school and to enter college, make young African-American students aware of the benefits and value of college and make them more likely to consider college as an achievable option, and prepare these students to be successful in college-level work. The Council approves programs in several postsecondary institutions.

The **SREB Doctoral Scholars Program** is a cooperative interstate venture that seeks to support and encourage minority students to pursue doctoral degrees. The program seeks to increase the number of minority college faculty members and executives by increasing the availability pool of minority candidates. The Southern Regional Education Board administers the program.

- The staff recommends replacing the restricted agency funds for the Governor's Minority Student College Preparation Program of \$105,500 in 2010-11 and 2011-12 and for the SREB Doctoral Scholars Program of \$188,400 in 2010-11 and 2011-12.
- In total, the staff recommends an increase in General Fund appropriations to support these statewide student assistance and educational programs of \$392,900 in 2010-11 and \$802,400 in 2011-12.

The agency's General Fund baseline appropriation also supports a small number of other student assistance and educational support programs including the Professional Educational Preparation Program, the Kentucky State Autism Training Center, and the Washington, D.C. Internship Program. In order to help maintain the current funding levels of these programs from future budget cuts, if acceptable to respective parties, the Council staff will work with these programs to move them from the agency's budget to the respective institutional budgets. These budget changes are beyond the scope of General Fund baseline transfers and will require legislative action.

Academic Support

The agency funds 2010-12 budget recommendation also provides resources for a number of statewide academic support services, focused primarily on information technology that are allocated to the Council's Technology Initiative Trust Fund. In addition, the Council is required to request a full year of debt service in the second year of biennium to support the capital renewal pool and information technology initiatives pool featured in the capital investment section of the agenda item. Debt service is requested through the Council's Physical Facilities Trust Fund.

Kentucky Postsecondary Education Network (KPEN). KPEN is an Internet Protocol-optimized network specifically designed for postsecondary education requirements and applications. It accommodates high-demand, high-performance Internet and Internet2 users and provides an easy mechanism for expansion of network services. Expanded KPEN services extend to all postsecondary education institutions through the Master Agreement developed between the University of Kentucky and the vendor, Windstream, Inc.

Agency funds financially support a baseline network for the state-supported postsecondary education institutions. Institutions may purchase additional services and bandwidth directly from the Master Agreement with the vendor.

The current funding for KPEN provides a base level of 1 Gbps of bandwidth to each of the eight senior institutions, and a varying level of bandwidth to each community and technical college. Institutions have the right to purchase additional bandwidth at their own expense.

- The staff recommends a small increase in General Fund appropriations to maintain KPEN's current bandwidth of \$44,700 in 2010-11 and \$104,300 in 2011-12.

Kentucky Virtual Campus (KYVC) / Kentucky Virtual Library (KYVL) Contracts. KYVC has several contracts which enable it to provide eLearning services to its academic and state agency partners. Two of these contracts (for course management software (CMS) and an eLearning Integrator) will expire on June 30, 2010, and cost increases for both new contracts are anticipated.

The Kentucky Virtual Library (KYVL) acts as the hub of a consortium which serves libraries from all public universities and colleges, public K-12 schools, public libraries, over 30 independent

colleges and universities, and various private K-12 schools and libraries across the state. As one of its services, KYVL negotiates statewide contracts for electronic databases to be used by all Kentuckians. The KYVL began in 1999 and has been able to level the playing field with respect to access to information for all Kentucky citizens.

- The staff recommends a small increase in General Fund appropriations to support KYVC/KYVL contracts of \$37,900 in 2010-11 and \$88,400 in 2011-12. It is important to note that the requested expansion for KYVC/KYVL will offset only part of the anticipated cost increases. Additional funding will have to be secured from other sources, participating institutions, or services will have to be reduced.

Debt Service on Capital Investment Pools. The Council is also statutorily required to request agency funds to support a full year of debt service needed to fund the capital investment pools being requested on behalf of the institutions, including the Capital Renewal, Maintenance, and Infrastructure Pool and the Information Technology Initiatives Pool. The debt service for new and major renovation of education and general facilities at public institutions and new research buildings is included in the institutions' technical budget submissions.

To facilitate this process, the Council submits a recommendation that includes a full-year of debt service in the second year of the biennium which is temporarily placed in the agency's Physical Facilities Trust Fund, until it is transferred to the Finance Cabinet to pay for debt service on state-funded, capital investments. Please refer to the agenda item on Capital Investments for details.

- The staff recommends a General Fund appropriation to support a full year of debt service of \$23,098,000 in 2011-12 to support its 2010-12 capital investment pools recommendation. An additional \$118,316,000 of debt service to support specific new and renovated campus facilities is included in institutions' technical budget submissions.

Research and Economic Development

Agency funds also finance a number of research and economic development programs intended to stimulate innovation and job creation in Kentucky. Internally, these funds are allocated to the Council's Science and Technology Funding Program.

Via a contract with the Council, the Kentucky Science and Technology Corporation (KSTC) administers two major programs, including the Kentucky Science and Engineering Foundation and the Kentucky Enterprise Fund.

These programs generate strong, increasing demand for funding that significantly outstripped current state appropriation levels. Increased funding for these growing programs will enable Kentucky to further develop existing areas of innovation and sustain the critical pipeline of new technologies to build a viable knowledge-based, entrepreneurial economy.

- The staff recommends an increase in General Fund appropriations to support these statewide research and economic development investments of \$98,900 in 2010-11 and \$230,700 in 2011-12.

Transfer of Programs to Institutions

As previously discussed in October, due to the current budget and fiscal environment, a number of the statewide educational programs and services that fall under agency operations have been and likely will continue to be negatively impacted by budget reductions primarily because they fall organizationally under the Council's budget and are treated like a typical state agency.

With the Governor's pro-education agenda, it would better protect the Governor's policy commitment to have funding for a number of these educational programs allocated directly to the providers and organizers of the programs as opposed to allocating the funds to a pass-through entity like the Council.

Thus, if acceptable to respective parties, the Council staff will work with a select number of the General Fund financed statewide educational programs and services (e.g., Professional Education Preparation Program, Washington D.C. Internship Program, the State Autism Training Center, as well Project Lead the Way) and move them from the Council's budget to institutional budgets.

There are also several statewide research and support programs, including the Lung Cancer Research Program (funded by Tobacco Settlement Funds and distributed to UK and UofL), the Cancer Institution Matching Fund Program (funded by one cent from the cigarette tax and distributed to UK and UofL), and the Equine Trust Fund (funded by a dedicated portion of pari-mutuel tax) that could also be transferred to the respective institutions in order to place the programs closer to the content expertise.

After discussing with our legal counsel and staff from the Office of the State Budget Director, it appears that these various transfers cannot be done through General Fund baseline adjustments. Instead, the transfers will require legislative action and statutory changes. A number of these moves will require additional discussions with key stakeholders over the next couple months, and proposed changes will not move forward without appropriate consensus.

Other Funds

As discussed in the Council's 2009-10 operating budget, a small number of programs that are coordinated by the agency also receive funds from other sources, including Tobacco Settlement Funds, restricted funds that primarily support the Cancer Research Institution Matching Fund, federal funds that help support Kentucky's adult education programs, Kentucky GEARUP, teacher quality grants, and miscellaneous agency receipts.

As part of the budget request process, the Council is required to request spending authority to distribute and expend these funds during the biennium.

Lung Cancer Research Fund. The 2000 General Assembly created the Lung Cancer Research Fund to support research, conducted at UK's Markey Cancer Center and UofL's Brown Cancer Center, which explores the causes, detection, and treatments of lung cancer. The program benefits Kentuckians through discovery of new cancer therapies, clinical trials, and an early detection research program. These funds are allocated to the Council's Research Challenge Trust Fund.

- The staff recommends an appropriation of \$5,167,100 in 2010-11 and \$4,737,600 in 2011-12 for the Lung Cancer Research Fund. The source of funding for this program is tobacco settlement funds. As such, the recommended funding amounts are not included in the Council's General Funds request.

Restricted Funds. Restricted funds are also not included in the Council's General Fund request. However, statutorily, a request for an appropriation (and spending authority) of these funds needs to be submitted. The largest restricted fund category is the Cancer Institution Matching Fund Program funded by the cigarette tax (one cent of the total tax) and distributed to UK and UofL. Other restricted funds include indirect cost recovery on federal grants, as well as partner support for KYVC/KYVL technology contracts.

A new source of restricted funds is being requested this biennium by the Council to support its statutory obligation to protect institutions and citizens of the Commonwealth against those colleges which resort to fraudulent practices, unfair competition, or substandard educational programs per KRS 164.947.

To help defray the costs of licensure services, in addition to costs connected with site visits required by a new statute, the Council proposes to charge fees to institutions for licensure. The restricted funds will support additional personnel and operating expenses to better handle the increased volume and complexity of licensing colleges and degree programs in Kentucky.

- The staff recommends a new appropriation of \$300,000 in 2010-11 and \$317,500 in 2011-12 of restricted funds from licensing fees to enhance the Council's licensing responsibilities. In total, an appropriation of \$8,600,700 in 2010-11 and \$8,618,200 in 2011-12. The source of funds is restricted funds. These funds are not included in the Council's General Funds request.

Federal Funds. The Council also received federal funds by administering several federal programs, including Kentucky GEARUP (\$4,000,000 in 2010-11 and \$5,000,000 in 2011-12), the Eisenhower Professional Development State Grant Program, Improving Educator Quality State Grant Program (\$1,500,000 in both 2010-11 and 2011-12), and Kentucky Adult Education (\$11,852,000 in both 2010-11 and 2011-12).

Federal funds are received and disbursed according to the terms and conditions associated with the award of the funds. Estimates are made of the level of funding but actual expenditures are consistent with the funds received.

- The staff recommends an appropriation of \$17,352,000 in 2010-11 and \$18,352,000 in 2011-12 to support Kentucky GEARUP, the Improving Educator Quality State Grant Program, and Kentucky Adult Education. The source of funding for these programs is federal funds. As such, the recommended funding amounts are not included in the Council's General Funds request.

**Council on Postsecondary Education
2010-12 Agency Funds Budget Recommendation**

Programs	2009-10 General Fund Baseline*	2010-11 Increase	2010-11 General Fund CPE Request	2011-12 Increase	2011-12 General Fund CPE Request
Statewide Coordination	\$8,106,000	\$321,900	\$8,427,900	\$784,800	\$8,890,800
Student Assistance and Educational Support					
Contract Spaces	\$4,686,100	99,000	4,785,100	508,500	5,194,600
Professional Education Prep. Program	327,800		327,800		327,800
Minority Student College Prep. Program	229,000	105,500	334,500	105,500	334,500
State Autism Training Center	163,600		163,600		163,600
SREB Doctoral Scholars Program	88,500	188,400	276,900	188,400	276,900
Washington, D.C. Internship Program	<u>88,000</u>		<u>88,000</u>		<u>88,000</u>
Subtotal	\$5,583,000	\$392,900	\$5,975,900	\$802,400	\$6,385,400
Kentucky Adult Education	\$22,585,000	\$338,800	\$22,923,800	\$790,500	\$23,375,500
Academic Support					
KY Postsecondary Education Network	\$2,977,900	\$44,700	\$3,022,600	\$104,300	\$3,082,200
KYVC/VL Technology Contracts	2,525,600	37,900	2,563,500	88,400	2,614,000
Faculty Development	38,400		38,400		38,400
College Access Initiative	96,000		96,000		96,000
College Level Learning Assessment	105,600		105,600		105,600
Physical Facilities Trust Fund*					
Capital Renewal, Maintenance, & Infrastructure - DS				10,869,000	10,869,000
Information Technology Initiatives Pool - DS				<u>12,229,000</u>	<u>12,229,000</u>
Subtotal	\$5,743,500	\$82,600	\$5,826,100	\$23,290,700	\$29,034,200
Research and Economic Development					
Science and Technology Funding Program	\$6,962,800	\$98,900	\$7,061,700	\$230,700	\$7,193,500
Regional Stewardship Funding Program	1,382,500				
Transfer to Institutions		-1,382,500		-1,382,500	
Total General Funds	\$50,362,800	-\$147,400	\$50,215,400	\$24,516,600	\$74,879,400
Tobacco Settlement Funds	\$5,680,600		\$5,167,100		\$4,737,600
Restricted Funds	\$8,754,300		\$8,600,700		\$8,618,200
Licensing		\$300,000		\$317,500	
Federal Funds	\$19,099,400		\$17,352,000		\$18,352,000

* Note: An additional \$118,316,000 of debt service in 2011-12 for specific campus facilities will be included in institutions' technical budget submissions.

**Council on Postsecondary Education
November 6, 2009**

**Tuition and Mandatory Fee Policy and
2010-11 Tuition Setting Process Update**

Over the past month, Council staff has engaged in discussions with institutional chief budget officers concerning tuition policy and process documents that will be used to guide the 2010-11 tuition and fee setting process. The discussions have centered around potential changes to the Council's current Tuition and Mandatory Fee Policy, on identifying an appropriate process for setting tuition and fees for the upcoming academic year, and on developing a timeline for completion of activities required at various stages of the process, up to and including final approval of 2010-11 tuition and fee rates.

Attached for Council review and discussion are the draft Tuition and Mandatory Fee Policy (Attachment A) and the 2010-11 Tuition Setting Process (Attachment B). Other than a few minor edits, the proposed tuition and fee policy for 2010-11 is the same as the policy used in 2009-10. The fundamental objectives of the tuition policy include funding adequacy, shared benefits and responsibility, affordability and access, attracting and importing talent, and effective use of resources.

The process for determining tuition and fee parameters and bringing rate proposals for Council approval will be similar to the process used in 2009-10. A major goal of the process is to provide ample time for stakeholder discussion, and for exchange of policy relevant information among Council staff, institutional presidents, chief budget officers, and Council members. This exchange of data and information will lead to a better understanding of key tuition issues and provide increased opportunity for feedback and direction, before taking final action on tuition rates.

A preliminary timeline containing broad categories of activities and anticipated completion dates for the 2010-11 tuition setting process is attached (Attachment C). It is anticipated that the Council will review and discuss draft policy and process documents at the November 6 meeting, approve any revisions to these documents at the February 11, 2010, meeting, take action on recommended tuition parameters at the March 15 meeting, and approve each institution's proposed tuition and mandatory fee rates at the May 24 meeting.

Staff preparation by John Hayek and Bill Payne

Council on Postsecondary Education Tuition and Mandatory Fee Policy

The Council on Postsecondary Education is vested with authority under KRS 164.020 to determine tuition at public postsecondary education institutions in the Commonwealth of Kentucky. Kentucky's goals of increasing educational attainment, promoting research, assuring academic quality, and engaging in regional stewardship must be balanced in the context of current needs, effective use of resources, and economic conditions. For the purpose of this policy, mandatory fees are included in the definition of tuition. During periods of relative austerity, the proper alignment of the state's limited financial resources requires increased attention to the goals of the *Kentucky Postsecondary Education Improvement Act of 1997* (HB 1) and the Public Agenda for Postsecondary and Adult Education.

Fundamental Objectives

- Funding Adequacy

HB 1 states that Kentucky shall have a seamless, integrated system of postsecondary education strategically planned and adequately funded to enhance economic development and quality of life. In discharging its responsibility to determine tuition, the Council, in collaboration with the institutions, seeks to balance the affordability of postsecondary education for Kentucky's citizens with the institutional funding necessary to accomplish the goals of HB 1 and the Public Agenda.

- Shared Benefits and Responsibility

Postsecondary educational attainment benefits the public at large in the form of a strong economy and an informed citizenry, and it benefits individuals through elevated quality of life, broadened career opportunities, and increased lifetime earnings. The Council and the institutions believe that funding postsecondary education is a shared responsibility of the state and federal government, students and families, and postsecondary education institutions.

- Affordability and Access

Since broad educational attainment is essential to a vibrant state economy and to intellectual, cultural, and political vitality, the Commonwealth of Kentucky seeks to ensure that postsecondary education is broadly accessible to its citizens. The Council and the institutions are committed to ensuring that college is affordable and accessible to all academically qualified Kentuckians with particular emphasis on adult learners, part-time students, minority students, and students from low and moderate income backgrounds. The Council believes that no citizen of the Commonwealth who has the drive and ability to succeed should be denied access to postsecondary education in Kentucky because of inability to pay. Access

should be provided through a reasonable combination of savings, family contributions, work, and financial aid, including grants and loans.

In the development of a tuition and mandatory fees recommendation, the Council and the institutions shall work collaboratively and pay careful attention to balancing the cost of attendance, including tuition and mandatory fees, room and board, books, and other direct and indirect costs, with students' ability to pay by taking into account (1) students' family and individual income; (2) federal, state, and institutional scholarships and grants; (3) students' and parents' reliance on loans; (4) access to all postsecondary education alternatives; and (5) the need to enroll and graduate more students.

- Attracting and Importing Talent to Kentucky

The Double the Numbers Plan recognizes that Kentucky cannot reach its 2020 educational attainment goals by focusing on Kentucky residents alone. Tuition reciprocity agreements, which provide low-cost access to Kentucky students that live near the borders of other states, also serve to attract students from border states to Kentucky's colleges and universities. Likewise, the Double the Numbers Plan includes nonresident students in institutional degree production targets for 2020, as well as targets for importing individuals with degrees from other states to live and work in Kentucky.

The Council and the institutions are committed to making Kentucky's institutions financially attractive to nonresident students while recognizing that nonresident undergraduate students should pay a significantly larger proportion of the full educational cost in order to keep the cost for Kentuckians as moderate as possible. Any proposed policy on nonresident tuition and mandatory fees should also be evaluated based on its potential impact on attracting and retaining students which directly enhance diversity and Kentucky's ability to compete in a global economy.

- Effective Use of Resources

Kentucky's postsecondary education system is committed to using the financial resources invested in it as effectively and productively as possible to advance the goals of HB 1, including undergraduate and graduate education, engagement and outreach, research, and economic development initiatives. The colleges and universities seek to ensure that every dollar available to them is invested in areas that maximize results and outcomes most beneficial to the Commonwealth and its regions. The Council's key indicators of progress shall be used to monitor both statewide and institutional performance toward HB 1 goals.

The institutions also recognize their responsibility to demonstrate that they are good stewards of limited public resources by providing annual reports to their governing boards and the Council on their efforts to contain costs, improve efficiencies and productivity, and reallocate existing resources to high priority activities.

Council on Postsecondary Education 2010-11 Tuition Setting Process

Determining public postsecondary institution tuition and mandatory fees for academic year 2010-11 will be a collaborative and iterative process in which all stakeholders participate. The process will commence with review and discussion of the Council's current tuition policy and process documents, as well as discourse concerning a preliminary tuition-setting timeline for 2010-11, at meetings and during conference calls involving Council staff, institutional presidents, and chief budget officers in October and early November. It is anticipated that the Council will review draft policy and process documents at its November 6 meeting, approve any revisions to the documents at the February 11, 2010, meeting, take action on recommended tuition parameters at the March 15 meeting, and approve each institution's proposed tuition and mandatory fee rates at the May 24 meeting.

- Council staff and institutional representatives will collectively review and discuss tuition policy and process documents, and information relevant to the tuition-setting process during the months of November, December, and January.
- The Council president will report to the Council on the status of these discussions throughout the process.
- The Council may, by direct action or by consensus, convey general direction to the institutions throughout the process.
- Council staff and institutional representatives will work collaboratively during January and February 2010 toward the goal of developing consensus on recommended tuition and mandatory fee parameters.
- Council staff will provide the Council with tuition relevant information related to funding adequacy, affordability, access, financial aid, and productivity in February 2010.
- The Council expects that nonresident undergraduate tuition and mandatory fee charges shall be not less than two times higher than Council approved resident rates for the 2010-11 academic year. Any institution desiring to assess a nonresident rate that is less than two times the resident rate should request an exception to this policy.
- Council staff will recommend tuition and mandatory fee parameters to the Council for approval in March 2010.
- Council staff will recommend tuition and mandatory fee rates for each public postsecondary institution to the Council for approval in May 2010.

The Council and the institutions are committed to engaging in a process that is rational, transparent, fair, and evidence-based.

- A rational approach is one that is well aligned with state goals for public postsecondary education in Kentucky.
- A transparent approach is one that clearly articulates the rationale for its selection, is explicit about any underlying assumptions related to its function, and provides ample opportunity for stakeholder comment during its development.
- A fair approach is one that is impartial and recognizes that tuition rates and rate increases need not be the same for all institutions.
- An evidence-based approach is one that considers both relevant historical information, as well as prospective institutional strategies for addressing fundamental tuition objectives set forth in the Council's tuition and mandatory fee policy.

Relevant information to be reviewed and discussed throughout the tuition-setting process may include, but is not limited to, the following:

- Historical funding patterns.
- Effective use of institutional resources.
- College affordability, financial aid, student debt, and ability to pay.
- Student access, enrollment patterns, impact on academic quality, and other market factors.
- Fixed costs and priority strategic investments.
- Funding adequacy and tuition revenue estimates.

Council on Postsecondary Education Preliminary 2010-11 Tuition Setting Timeline*

Oct. 1, 2009	<u>CPE Meeting</u> – The staff provides Council members an update regarding the 2010-11 tuition setting process. Staff shares the 2009-10 tuition policy and a preliminary 2010-11 tuition setting timeline.
Oct. 2009	Staff initiates discussions with institutions and generates draft tuition policy and tuition setting process documents for 2010-11.
Nov. 6, 2009	<u>CPE Meeting</u> – The Council staff provides Council members draft Tuition and Mandatory Fee Policy and 2010-11 Tuition Setting Process documents for review and discussion.
Nov.-Dec. 2009	Initial institutional notification to Council staff of plans to move to per credit hour rate.
Nov.-Jan 2010	The Council staff works with institutional staffs to collect data and generate information to assist development of tuition and mandatory fees parameters.
Feb. 11, 2010	<u>CPE Meeting</u> – The Council takes action on proposed Tuition and Mandatory Fee Policy and 2010-11 Tuition Setting Process documents. Staff and institutions provide the Council with tuition relevant information.
Feb. 2010	Council and institutional staffs meet to review tuition relevant information and discuss tuition parameters. The Council president updates the Council on these discussions. Institutions present to Council staff plans regarding move to per credit hour rate.
Mar. 15, 2010	<u>CPE Meeting</u> – The Council takes action on recommended tuition and mandatory fee parameters.
Apr. 2010	Institutional staffs share proposed 2010-11 tuition and mandatory fee rates with the Council president. The Council president updates Council members regarding the proposed rates.
May 24, 2010	<u>CPE Meeting</u> – The Council takes action on each institution’s proposed 2010-11 tuition and mandatory fee rates.

*This timeline is subject to change depending on developments in the General Assembly during the budget session that runs from January to April, 2010.

**Council on Postsecondary Education
November 6, 2009**

2011-15 Strategic Agenda Development Process

Background

The *Kentucky Postsecondary Education Improvement Act of 1997* (House Bill 1) requires the Council to review its “strategic agenda” every four years and the “strategic implementation plan” every two years. The purpose of the strategic agenda is to “identify specific short-term objectives in furtherance of the long-term [HB 1] goals” that are listed in Attachment A. The current agenda covers the period 2005-10 and is called *Five Questions - One Mission: Better Lives for Kentucky’s People*. (Attachment B).

The new strategic agenda will take effect January 1, 2011, and extend until the end of 2015.

The Current Landscape

At the September meeting, the Council staff presented an information item on the strategic agenda that listed some of the changes in Kentucky’s postsecondary education landscape that may necessitate a different approach. As a reminder, the list is included below.

- New leadership, which includes the Governor, Council Chair, Council President, KDE Commissioner, Secretary of Education, Secretary of the Cabinet, and Secretary of the Economic Development Cabinet.
- New legislation, in particular Senate Bill 1 of 2009.
- A new budget and fiscal environment, which demands doing more with less and greater financial transparency.
- The publication of *Double the Numbers in 2007*, the Council’s plan for doubling the number of bachelor’s degree holders in Kentucky by the year 2020, and the development of institutional business plans.
- A 2007 postsecondary education task force report, coordinated by the Kentucky State Chamber of Commerce, calling for a recommitment to the goals of House Bill 1 and better alignment between planning documents and reform legislation.
- Work by the Council’s Developmental Education Task Force in 2007, the STEM Task Force in 2007, and the Governor’s Higher Education Work Group in 2008-09.
- The impact of the American Recovery and Reinvestment Act of 2009 (ARRA).

The Strategic Agenda Development Process

The Council staff has begun the initial phase of the strategic agenda development process. A small group of Council staff has formed to begin shaping the internal process and providing guidance on key decisions.

The initial plan is to execute the development work in three phases, as outlined below:

Phase 1: Planning & Analysis	Phase 2: Public Input	Phase 3: Finalize Agenda & Monitoring System
<i>November-February 2010</i>	<i>March-June</i>	<i>July-September</i>
<p>Key Tasks</p> <ul style="list-style-type: none"> ▪ Form work groups ▪ Develop timeline ▪ Review mission, vision, and goals ▪ Review and assess data and information (e.g., data and gap analysis, policy scans, national and international trends, best practices, SWOT analysis, etc.) ▪ Initiate conversations with constituent groups (e.g., executive and legislative leadership, campuses, K-12 and EPSB, business and community leaders, economic development) 	<p>Key Tasks</p> <ul style="list-style-type: none"> ▪ Draft initial concept for strategic agenda ▪ Identify and prioritize strategy options and draft implementation plans ▪ Circulate and review with constituent groups ▪ Review and discuss performance metrics, performance targets, and monitoring system ▪ Hold statewide forums to solicit public comment 	<p>Key Tasks</p> <ul style="list-style-type: none"> ▪ Finalize strategic agenda ▪ Finalize implementation plans ▪ Finalize performance metrics, performance targets, and monitoring system ▪ Design layout ▪ Publish and distribute new strategic agenda in fall 2010

CPE Strategic Agenda Work Group

At the November 6th meeting, Chair Patton will appoint a subset of Council members to serve on a CPE Strategic Plan Work Group. This group, along with campus leadership, will meet periodically throughout the planning process to advise the internal Council leadership staff and provide feedback.

Staff preparation by John Hayek and Melissa McGinley

Postsecondary Education Improvement Act of 1997 (House Bill 1)

The General Assembly declares on behalf of the people of the Commonwealth the following goals* to be achieved by the year 2020:

1. A seamless, integrated system of postsecondary education strategically planned and adequately funded to enhance economic development and quality of life.
2. A major comprehensive research institution ranked nationally in the top 20 public universities at the **University of Kentucky**.
3. A premier, nationally recognized metropolitan research university at the **University of Louisville**.
4. **Regional universities**, with at least one nationally recognized program of distinction or one nationally recognized applied research program, working cooperatively with other postsecondary institutions to assure statewide access to baccalaureate and master's degrees of a quality at or above the national average.
5. A **comprehensive community and technical college system** with a mission that assures, in conjunction with other postsecondary institutions, access throughout the Commonwealth to a two-year course of general studies designed for transfer to a baccalaureate program, the training necessary to develop a workforce with the skills to meet the needs of new and existing industries, and remedial and continuing education to improve the employability of citizens.
6. An efficient, responsive, and coordinated system of providers that delivers educational services to all adult citizens in quantities and of a quality that is comparable to the national average or above and significantly elevates the level of education of the adults of the Commonwealth.

* These goals were included in the Kentucky Postsecondary Education Improvement Act of 1997. Goal #6 was amended with the passage of the Kentucky Adult Education Act in 2000.

House Bill 1 also states that:

- The achievement of these goals will lead to the development of a society with a standard of living and quality of life that meets or exceeds the national average.
- The achievement of these goals will only be accomplished through increased educational attainment at all levels, and contributions to the quality of elementary and secondary education shall be a central responsibility of Kentucky's postsecondary institutions.
- The furtherance of these goals is a lawful public purpose that can best be accomplished by a comprehensive system of postsecondary education with single points of accountability that ensure the coordination of programs and efficient use of resources.

Public Agenda for Postsecondary and Adult Education 2005-2010

Mission

- Better lives for Kentucky's people

Guiding Principles

- Work together
- Be good stewards
- Close the gaps

Benefits

- Better educated Kentuckians
- Higher incomes and more high-value jobs
- Increased tax revenue
- Involved citizens
- Knowledge-based economy
- Less poverty and healthier people

Statewide Implementation Plan (How We Get to Yes)

Question 1: Are more Kentuckians ready for postsecondary education?

- Postsecondary involvement in efforts to restructure the high school curriculum and assessments.
- Smoother transitions from high school, area technology centers, and GED programs to college through closer alignment of the secondary, adult, and postsecondary systems.
- More concerted efforts to close achievement gaps and increase college going among minority, low-income, first-generation, and adult students.
- More high school students taking Advancement Placement and college-level courses.
- Strengthened guidance counseling to provide early college awareness and planning.
- More explicit information from the postsecondary community about what it takes to succeed in college and the skilled trades.
- More adults participating in adult education programs and earning GEDs.
- Better coordination among KCTCS and adult education programs to provide low- or no-cost college remediation services.
- Better preparation and training for P-12 and adult education instructors and leaders at all levels.
- Expanded efforts to recruit a diverse teaching force and to keep good teachers working and living in Kentucky.

Question 2: Is Kentucky postsecondary education affordable for its citizens?

- Increased public investment in postsecondary education and financial aid for the greater economic and social good of Kentucky.
- Increased institutional productivity and efficiency to contain tuition and college costs.
- More integrated and aligned policies governing financial aid, tuition, and state appropriations aimed at reducing financial barriers for students and increasing institutional capacity to meet the educational needs of the state.
- More and better communication with prospective students and their families about financial aid opportunities and net college costs.
- Expanded grant programs and low-interest, forgivable student loans that address workforce demands and the needs of underserved populations, including GED graduates, part-time students, and transfer students.
- A re-examination of the Kentucky Educational Excellence Scholarship (KEES) program to ensure students are rewarded, not just for good grades, but also for taking rigorous courses.

Question 3: Do more Kentuckians have certificates and degrees?

- Expanded outreach efforts at the state and grassroots level that focus on underserved regions and populations to increase the number of Kentuckians who value and pursue postsecondary education.
- Accelerated efforts to help more GED graduates transition to postsecondary education.
- Expanded capacity at public and independent institutions to serve more students more effectively through course redesign, alternative methods of program delivery, and better coordination of distance education.
- Concentrated efforts across the postsecondary system to strengthen the guidance and support provided to on-campus and distance education students.
- Expanded capability of the community and technical college system to deliver a general education component, incentives and encouragement for students to transfer from a two-year to a four-year institution, and reduced time to degree.
- Increased efforts to address workforce shortages in targeted regions and in degree areas (undergraduate and graduate) that support economic development.
- Incentives and rewards linked to increased degree production.

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

- Improved undergraduate student learning so that more graduates are prepared for careers and graduate and professional programs.
- Integration of civic literacy into the curriculum and the overall college experience so that students become engaged citizens and leaders.
- Development of student learning measurements that track the postsecondary system's contribution to the educational capital of the state and make comparisons against national benchmarks and other states.

Question 5: Are Kentucky's people, communities, and economy benefiting?

- Greater emphasis on the role of postsecondary institutions as “stewards of place” that partner with business, civic, and P-12 communities to solve local, regional, and state problems.
- Stronger relationships with economic development partners to develop, attract, and keep jobs that will enable Kentucky to compete in the global economy and retain and recruit more college-educated workers.
- Expanded research capacity directed at the state’s priority research and economic development areas.
- Greater efforts to attract more research dollars to Kentucky.
- The transfer of research and technology to applications that lead to economic growth, job creation, and improved quality of life.
- More adults earning workforce education certificates through expanded marketing to employers and employees.
- Better coordination of workforce training activities and resources across state cabinets and agencies.
- Larger numbers of college graduates remaining in Kentucky to work and contributing to the economic and social well-being of the state.

Institution Strategic Plans

University of Kentucky (2009-14)

- http://www.uky.edu/Provost/strategic_planning/plan.htm

University of Louisville (2009-20)

- <http://louisville.edu/president/2020plan/>

Eastern Kentucky University (2006-10)

- <http://www.oie.eku.edu/spc/>

Kentucky State University (2008-13)

- <http://www.kysu.edu/NR/rdonlyres/6153B377-5E4B-4B94-95B1-31B5A3FE7881/0/StrategicPlanweb08.pdf>

Morehead State University (2006-10)

- <http://www.moreheadstate.edu/aspire/>

Murray State University

- http://www.murraystate.edu/president/comprehensive_plan.pdf

Northern Kentucky University (2007-12)

- <http://www.nku.edu/about/plan.php>

Western Kentucky University (2008-12)

- <http://www.wku.edu/strategicplan.pdf>

Kentucky Community and Technical College System (2006-10)

- <http://legacy.kctcs.edu/organization/strategicplanning/>

Kentucky's Key State and Institution Performance Indicators Designed to Track Progress on the Public Agenda 2005-10

STATE INDICATORS

INSTITUTION INDICATORS

Question 1: Are more Kentuckians ready for postsecondary education?

- | | |
|--|--|
| <ul style="list-style-type: none"> ▪ K-12 student achievement (average ACT) ▪ High school students scoring a three or higher on Advanced Placement exams ▪ Incoming Kentucky high school graduates not requiring remediation in mathematics and English (percent) ▪ Kentuckians earning GEDs | <ul style="list-style-type: none"> ▪ K-12 teacher preparation (EPSB Quality Performance Index) [Note: Indicator under revision by EPSB] |
|--|--|

Question 2: Is Kentucky postsecondary education affordable for its citizens?

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

Question 3: Do more Kentuckians have certificates and degrees?

- | | |
|---|--|
| <ul style="list-style-type: none"> ▪ Ninth-graders' chance for college by age 19 ▪ College-going rate of GED graduates ▪ Undergraduate enrollment ▪ Graduate enrollment ▪ Degrees and other credentials awarded ▪ Degrees and other credentials awarded to racial-ethnic minorities | <ul style="list-style-type: none"> ▪ Undergraduate enrollment ▪ Graduate enrollment ▪ Students transferring to KY's four-year institutions from KCTCS ▪ Six-year graduation rate ▪ Degrees and other credentials awarded ▪ Degrees and other credentials awarded to racial-ethnic minorities ▪ Persistence rate (KCTCS) ▪ Associate degrees and other credentials awarded (KCTCS) ▪ Associate degrees and other credentials awarded to racial-ethnic minorities (KCTCS) |
|---|--|

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

- | | |
|--|--|
| <ul style="list-style-type: none"> ▪ Performance of college graduates on statewide learning assessments ▪ Performance of college graduates on licensure/graduate school entrance exams | <ul style="list-style-type: none"> ▪ Student engagement in the undergraduate learning experience ▪ Civic participation of students |
|--|--|

Question 5: Are Kentucky's people, communities, and economy benefiting?

- | | |
|--|--|
| <ul style="list-style-type: none"> ▪ Research and development per capita ▪ College graduates remaining in Kentucky to live and work ▪ Degree and other credential production in focus fields ▪ Workforce training and assessment | <ul style="list-style-type: none"> ▪ Extramural research and development funding (Research and Comprehensives) ▪ Business start-ups (Research) ▪ Formal agreements for educational, applied research, or support services to business, entrepreneurs, government, and community groups ▪ Faculty/staff community involvement as extensions of their university roles |
|--|--|

**Council on Postsecondary Education
November 6, 2009**

Improving Educator Quality State Grant Program

ACTION: The staff recommends that the Council on Postsecondary Education award federal *No Child Left Behind*, Title II, Part A, funds in the amount of \$1,144,000 for January 1, 2010–June 30, 2011, to support eight projects.

- *Increasing College Readiness Through Assessment Led Instruction in Middle and High School Classrooms* (Morehead State University): \$150,000
- *The Math and Science Partnership: Increasing Math and Science Instruction and Achievement in Middle School Classrooms—Year 2* (Morehead State University): \$140,000
- *West Kentucky Mathematics Partnership II—Year 2* (Murray State University): \$140,000
- *Certifying World Language Teachers for Kentucky* (Northern Kentucky University): \$145,000
- *Literacy + Numeracy=Exponential Learning* (University of Kentucky): \$150,000
- *Number Properties and Operations: A Key to Student Success on EPAS—Year 2* (University of Kentucky): \$139,000
- *Science Literacy for Middle School Teachers—Year 2* (University of Kentucky): \$140,000
- *Learning Capacity Advancement in Middle School Science and Mathematics—Year 2* (Western Kentucky University): \$140,000

The Improving Educator Quality State Grant Program awards grants to partnerships that deliver research-based professional development programs to P-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 at least one high-need local school district. The program enables states to fund training for teachers and administrators in any core academic subject.

In 2006 the Kentucky General Assembly passed Senate Bill 130 requiring the P-12 assessment program to include a high school readiness examination in the 8th grade, a college readiness examination in the 10th grade, and requiring all students in the 11th grade to take the ACT. This has resulted in the implementation of ACT's Educational Planning and Assessment System (EPAS) in Kentucky.

EPAS, which includes the EXPLORE assessment in the 8th grade, the PLAN assessment in the 10th grade, and culminates with the ACT assessment in the 11th grade, provides a longitudinal, systematic approach to educational and career planning, assessment,

instructional support, and evaluation. EPAS places emphasis on the integrated, higher-order thinking skills which students develop in grades P-12 that are important for success both during and after high school. The system focuses on a number of key transition points that young people face, particularly 8th graders preparing to enter high school, 10th graders planning and preparing for college and the workplace, and 11th and 12th graders being ready for life after high school.

Senate Bill 130 also requires the Council on Postsecondary Education and public postsecondary institutions to offer support and technical assistance to schools and school districts in the development of accelerated learning for students who demonstrate a need for intervention due to low scores on the high school or college readiness exams. To that end, the Council is focusing Year 8, as it did with Years 6 and 7, of the Improving Educator Quality State Grant Program on projects which integrate EPAS professional development that assists teachers in providing intervention in Core Content areas for students in need of accelerated learning.

External reviewers and content-area specialists reviewed 16 grant proposals and made recommendations to the Council staff. Eight proposals were selected. Brief descriptions of these projects follow.

Morehead State University: \$150,000

Increasing College Readiness Through Assessment Led Instruction in Middle and High School Classrooms

Krista Barton, principal investigator

Morehead State University, in collaboration with Berea College, proposes to improve college readiness skills among middle and high school students in all content areas as a result of increased reading comprehension and the processing of written information. The project will identify students in need of accelerated learning through rigorous and scientifically researched assessment practices to make appropriate content-based interventions or referrals for assistance in reading instruction. These students will be assisted through the implementation of research-based instructional methods for teaching reading comprehension embedded in content instruction. The project will integrate EPAS professional development to assist teachers in providing intervention in Core Content areas for students in need of accelerated learning. This project has been selected by Council staff as eligible for renewal for a second year based on adequate progress in the first year.

Morehead State University: \$140,000

The Math and Science Partnership: Increasing Math and Science Instruction and Achievement in Middle School Classrooms—Year 2

Cathy Gunn, principal investigator

In the second year of this project, Morehead State University proposes to continue to increase mathematics and science achievement of middle school students in several eastern Kentucky school districts through the integration of scientifically researched instructional strategies that

have been effective in math and science achievement. The project will foster the development of active, engaged, independent scientific and mathematical thinkers in middle school classrooms. In addition, it will foster the development of knowledge, skills, and attitudes that support learning strategies used by science and mathematics teachers that result in active, engaged, and independent middle school scientific and mathematical thinkers.

Murray State University: \$140,000

West Kentucky Mathematics Partnership II—Year 2

W.A. Franklin, principal investigator

In the second year of this project, Murray State University, in collaboration with the University of Kentucky/Paducah Engineering School, proposes to build upon the work of their previous West Kentucky Mathematics Partnership grant to continue to improve teacher content knowledge and student achievement in mathematics in the districts served by the project. The project will focus on using student assessments to improve and guide instruction. An important goal of the project is to incorporate real-world applications into the math that is taught in the classroom. Participating districts are particularly focused on using EPAS data more effectively to improve instruction and move their students toward college readiness.

Northern Kentucky University: \$145,000

Certifying World Language Teachers for Kentucky

Tom Leech, principal investigator

Northern Kentucky University, in collaboration with Thomas More College, proposes to offer an intensive scholarship-based Option 7 summer institute to prepare fifteen qualified candidates for certification as world language teachers in Kentucky. The project will serve individuals already teaching world languages in Commonwealth schools with limited or emergency certification, as bilingual aides, and as substitute teachers, as well as those with the appropriate academic degrees and language proficiency who wish to teach, but who did not or cannot pursue traditional paths to teacher certification. The project includes six weeks of graduate instruction, a week of immersion in a world language day camp, and a series of embedded follow-up activities, observations, and mentorship. This project has been selected by Council staff as eligible for renewal for a second year based on adequate progress in the first year.

University of Kentucky: \$150,000

Literacy + Numeracy=Exponential Learning

Susan Cantrell, principal investigator

The Collaborative Center for Literacy Development at the University of Kentucky, in collaboration with Eastern Kentucky University and Northern Kentucky University, proposes to increase 5th to 12th grade student access to and comprehension of mathematics texts and content material for accelerated learning. This project will provide professional development for up to 45 upper elementary, middle, and high school mathematics teachers. Teachers in four rural districts will be grouped into professional learning communities to further support

and extend their learning using both face-to-face meeting and an online community of practice. This project has been selected by Council staff as eligible for renewal for a second year based on adequate progress in the first year.

University of Kentucky: \$139,000

Number Properties and Operations: A Key to Student Success on EPAS—Year 2

Kim Zeidler, principal investigator

In the second year of this project, the University of Kentucky, in collaboration with Eastern Kentucky University and Somerset Community College, proposes to further a project that is helping all students to develop the aspirations and skills to be successful in postsecondary settings. This project will provide the content and strategies to increase student performance in the algebra and geometry components of EPAS and the Kentucky Core Content Test (KCCT). The project will enhance secondary teachers' conceptual understanding and pedagogical content knowledge as well as their ability to implement effective mathematics instruction using research-based strategies to prepare all students for success on the EPAS assessments.

University of Kentucky: \$140,000

Science Literacy for Middle School Teachers—Year 2

Carol Hanley, principal investigator

In the second year of this project, the University of Kentucky, in collaboration with the University of Louisville, proposes to continue to present teachers with an opportunity to learn content related to current issues in life, Earth, and environmental sciences along with 21st century literacy skills for learning and teaching that content. The project will provide professional development for teachers to learn Internet-based strategies that will be contextualized in current science issues using a "train-the-trainer" model.

Western Kentucky University: \$140,000

Learning Capacity Advancement in Middle School Science and Mathematics—Year 2

Roger Pankratz, principal investigator

In the second year of this project, Western Kentucky University, in collaboration with Elizabethtown Community and Technical College, proposes to continue to provide professional development to middle school teachers for the purpose of improving students' performance on the EXPLORE portion of ACT/EPAS. Teachers will be given intensive summer training that will be followed with mentoring and embedded professional development. The project will use formative assessments to help teachers make data-based instructional decisions and track student progress. It will also establish a teaching and learning support network among teachers and with outside resources through structured and informal interactions using teleconferencing and face-to-face contacts.

Staff preparation by John T. DeAtley

Council on Postsecondary Education
November 6, 2009

Committee on Equal Opportunities Report

The Committee on Equal Opportunities met Tuesday, October 13, 2009, at the Council offices in Frankfort. Following is the status of initiatives, recurring activities, and discussions related to the implementation of the *Kentucky Plan for Equal Opportunities*, diversity plan development, and the Committee on Equal Opportunities.

2010 Meeting Schedule: The 2010 CEO meeting dates are February 16, April 12, June 14, August (retreat), and October 12.

Report from Departments of Public Safety: The committee agreed to discontinue the annual reports from the institutions' departments of public safety and determined that, if needed, the reports will be requested on an ad hoc basis. The committee agreed that the institutions should be recognized for their efforts in providing good information.

Governor's Minority Student College Preparation Program: The CEO received a status report indicating that the program currently serves 1,025 middle and junior high school students. Fourteen of 22 programs are operating on one-time money. The programs will no longer receive funds from CPE if a recurring General Fund appropriation is not included in the 2010-12 appropriations act. The Council has requested recurring funds for this program in each biennial appropriation request since 2002, but program funds have not yet been included in a biennial budget.

Diversity Planning: The draft diversity plan framework was shared with the CEO for review and comment. The draft framework also has been shared with institutional collaborators, the conference of presidents, institution legal counsels, chief academic officers, and student representatives for review and comment.

Following a detailed discussion of the draft with Council staff and institutional equal opportunity representatives, the CEO members offered the following comments:

- Requested that a meeting/conference call be scheduled with institution legal counsels, institution equal opportunity representatives, and the CEO legal subcommittee to discuss the draft.
- Expressed support for the layout and draft elements of the framework.
- Recognized the workgroup for its hard work and urged the workgroup to move forward to complete the draft.
- Agreed to schedule (if needed) a special meeting late November/early December to discuss findings of the legal subcommittee and information regarding developmental education.

- Agreed that the plan should include an explicit reference to resources needed for implementation, particularly since sufficient resources are not available and the spectrum of persons covered by the plan is being broadened substantially.
- Recommended that the workgroup pay particular attention to the requirement that diversity plans be narrowly tailored and time limited.
- Required that where race specific recommendations are included that they comply with rules of strict scrutiny.

These issues remain unresolved:

- What is the impact of a statewide developmental education policy on the diversity pipeline?
- Is the diversity plan framework legally sound?
- What assessment/accountability metrics will be applied?
- What is the relationship of the diversity plan framework to the Council's statewide strategic plan?

Diversity planning next steps:

- Continue to receive input from collaborators and other constituent groups.
- Report final draft of working definitions fall 2009.
- Report first draft of objectives and implementation strategies fall 2009.
- Report first draft framework of diversity plan October/November 2009.
- Report second draft framework of diversity plan January/February 2010.
- Report final draft framework of diversity plan April/May 2010.
- Submit diversity plan to CPE for review/action July 2010.

Staff preparation by Sherron Jackson and Rana Johnson

**Council on Postsecondary Education
November 6, 2009**

Higher Education Work Group Report

Governor Beshear reconvened the Higher Education Work Group in June 2009 and redirected its efforts to the following priorities:

- Reviewing Kentucky's state financial aid programs (both need and merit) to ensure the system adequately meets the financial needs of students (adults and traditional age), and recommending changes to promote greater efficiency, transparency, and access in the system.
- Recommending strategies to increase the number of successful transfer students from two-year to four-year institutions for bachelor-degree completion, as well as promoting consistency in content and rigor among community colleges in terms of curricula.
- Recommending additional cooperative agreements and arrangements that will result in greater operating efficiencies and cost savings for Kentucky's colleges and universities.
- Reviewing proposals as they develop under the auspices of Senate Bill 1 to significantly decrease remediation levels.

The Higher Education Work Group met October 29 to adopt the final report which is due to Governor Beshear November 2. The recommendations represent the ideas with the greatest potential for producing positive, sustainable changes in postsecondary access and affordability within current budget constraints.

Most of the recommendations included in this report are for immediate action, as they require no additional revenue and can be implemented within a year. However, a few of the recommendations would depend on additional revenue for their implementation. These are included for future consideration or action, when economic conditions improve.

Staff preparation by Lee Nimocks

**Council on Postsecondary Education
November 6, 2009**

Kentucky Learning Depot
<http://kylearningdepot.org>

The Kentucky Learning Depot, Kentucky's P-20 repository of quality digital learning content, will be launched November 17, 1-3 p.m., in CPE Conference Room A.

The Kentucky Learning Depot is a tool for educators that makes it easy to add high-quality digital content to their courses. It is a one-stop shop for quality digital content that allows educators to share free, engaging, standards-based digital content such as textbooks, animations, and videos. It intends to build a learning community where Kentucky educators can rate and comment on learning content, and scaffold one another in improving courses.

Led by CPE and KDE, this initiative is a collaboration of the Education Cabinet, EPSB, KET, Kentucky Adult Education, Kentucky Department of Libraries and Archives, K-12 schools, and postsecondary institutions. These stakeholders have been developing the depot since October 2007 when the Southern Regional Education Board initiated SCORE (Sharable Content Object Repositories for Education) to help its 16 member states build statewide repositories.

The Kentucky Learning Depot will save money and maximize resources. It will increase efficiency in course development by allowing educators to create resources once and reuse and share them many times. Educators will avoid duplication of efforts because they will have easy access to what their colleagues have already created and used.

For the past decade, the Kentucky Virtual Library, the Kentucky Virtual Campus, and the Kentucky Virtual Schools have not been able to share content across their applications, so this is another way the depot will maximize resources. Economies of scale will be achieved by buying content for use by all Kentucky educators. The depot also will bring together quality learning content from other repositories all across the world to make it easier and convenient for educators to adapt and reuse existing resources developed beyond Kentucky.

The online community that will result from the Kentucky Learning Depot will provide an opportunity for Kentucky educators to create and share best practices in teaching and learning. Because depot content is peer-reviewed and subject to standards, the quality of the content is enhanced. The depot's initial focus is developmental education and STEM (science, technology, engineering, and mathematics).

Staff preparation by Miko Pattie and Allen Lind

**Council on Postsecondary Education
November 6, 2009**

Nominating Committee Appointments

Governor Patton will appoint a nominating committee at the November 6 meeting. The committee will present nominations for Council chair and vice chair at the February 11, 2010, meeting. The appointments will be for one-year terms, from February 11, 2010, to January 31, 2011.

Staff preparation by Phyllis L. Bailey



What do The Ohio State University, Tulane University and Eastern Kentucky University have in common? More, it turns out, than might meet the eye. EKU, OSU and Tulane are the only three institutions nationwide that can claim each of the following: 1) first-tier ranking (in EKU's case, among Southern Master's Universities) in the 2010 edition of "America's Best Colleges," published by U.S. News & World Report 2) a ranking among "America's Best Colleges," according to Forbes magazine 3) one of "America's Great Colleges to Work For," as recognized by the Chronicle of Higher Education 4) recognition from the Carnegie Foundation for community engagement, and 5) a ranking in the top 15 percent of colleges, universities and trade schools nationwide that are doing the most to embrace America's veterans as students, according to G.I. Jobs magazine.

Armed with a recently announced \$3.6 million federal contract with the Defense Logistics Agency, the Center for Renewable and Alternative Fuel Technologies (CRAFT) at EKU is ramping up its efforts to boost biofuels production in central Kentucky. Sixth District Congressman Ben Chandler, who was instrumental in securing the contract, was on the Richmond campus recently, joining University officials and state leaders in providing an update on the initiative, which has already garnered considerable international attention for EKU. Working with corporate partner General Atomics, Clark County and Winchester governments, Green Earth BioFuel in Estill County and Lextran, CRAFT will use algae techniques to process cellulosic materials that are readily available in the Commonwealth, offering a framework for sustainable fuel production and a boost for Kentucky agriculture.

An EKU student is one of only 20 individuals nationally, and the only Kentuckian, to receive a prestigious Environmental Protection Agency Fellowship Award. Jessica Pulliam, a junior sociology major and Honors Program participant from Crestwood, received a two-year fellowship valued at \$39,124, which covers EKU tuition and fees for two years, provides a living stipend, and includes funds for conferences and equipment related to her research. It also supports an internship in Washington, D.C., in Summer 2010, when she will work with EPA mentors to develop a research project.

Eight undergraduate college students from around the nation, including three from Kentucky, joined three area teachers in a 10-week environmental research camp that focused on "Carbon Storage and Headwater Health in the Appalachian Headwaters." The summer camp, co-hosted by the Eastern Kentucky Environmental Research Institute at EKU and the University of Kentucky's Department of Civil Engineering, was the first in a series of three funded by a \$537,400 grant from the National Science Foundation's Research Experience for Undergraduates and the Research Experience for Teachers programs. "Understanding carbon cycling is going to be one of the most important scientific pursuits of the next 30 years," said Institute Director Dr. Alice Jones of EKU.

EKU ranks second nationally in the number of criminal justice textbooks produced by its faculty, led by Dr. Vic Kappeler, who ranks third nationally in publications. The rankings are especially significant given the fact that most of the other top-ranked schools have doctoral programs. In a study published in the Southwest Journal of Criminal Justice, Eastern ranks behind only John Jay College of Criminal Justice and ahead of such revered criminal justice programs as Sam Houston State University and Michigan State University.

KCTCS GOOD NEWS REPORT

HIGHER EDUCATION BEGINS HERE

NOVEMBER 2009

AMTEC

Automotive Manufacturing Technical Education Collaborative

The Automotive Manufacturing Technical Education Collaborative (AMTEC) is a multi-college, multi-state collaborative of community and technical colleges, and automotive manufacturers and their suppliers (25 community colleges and 21 corporate automotive companies) across the United States working together to improve the initial and ongoing preparation of highly skilled technicians and manufacturing engineers for successful work in automobile manufacturing. AMTEC is funded through a grant from the National Science Foundation (NSF).

AMTEC originally began developing a national standardized curriculum for the automotive industry to be taught by participating college partners. The lead partner for the Collaborative is the Kentucky Community and Technical College System (KCTCS). Colleges from Kentucky, Michigan, Tennessee, Alabama, Ohio, Texas, and South Carolina are the core members of the Collaborative. Through needs assessments of the fundamental skills required within the industry, AMTEC is now designing a curriculum based on learning objectives that meet skills required by the industry partners.



AMTEC was created in August 2005 to improve and increase the capability and capacity of helping technicians and manufacturing engineers learn the skills and knowledge required by industry.

“AMTEC is a disseminator of high quality education information and career pathways for sustainable programs in tomorrow’s automotive manufacturing workforce as it faces a very unique and

challenging economic environment,” said Principal Investigator Annette Parker. “It is higher education and industry working together for an American auto industry that will continue to compete successfully



TRANSFORMING LIVES
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KENTUCKY COMMUNITY & TECHNICAL COLLEGE SYSTEM



in the future global marketplace.”

While the auto manufacturing industry is part of the broader manufacturing industry in America, there are many distinctive aspects of how it performs its work that substantiates the proposed focus on this sector. Currently distinctive aspects include:

- Flexible manufacturing lines that are able to produce multiple products with minimum time and cost required for changeover.
- The ability to profitably respond to fluctuating customer demand by being able to produce “lot size of one” runs while realizing the efficiencies and cost benefits of mass production.
- The green factory, reduced emissions and landfill, increased recycling, supported by specialized manufacturing and environmental technicians.
- The ever increasing use of electronics and computers in vehicles and the impact on the design and manufacture of parts and components from suppliers.

The rapid implementation of advanced computer based manufacturing technology

means that many tasks that used to be performed by unskilled labor are now performed by computer controlled automation. This change results in a growing need and opportunity for workers with the skills and knowledge to design, install, maintain, and program these automated systems.

The competitive market has created the need to customize production to provide a “lot size of one” capability with the efficiencies of “mass production.” This means that technicians and engineers in manufacturing are now involved in more research and development, as well as continuous process improvement, in addition to their role in assuring production and delivery of product.

These changes require that the education and training system that helps current and future workers learn the required skills and knowledge must also change and improve.

All current and future workers within the auto manufacturing industry are now expected to be “multi-functional” and must learn and apply a larger set of skills and knowledge. They are also expected to produce more output through the use of technology,

and accomplish a higher level of quality, with more frequent changes. This dictates that skills and knowledge be learned to a level of performance that significantly exceeds that of only a few years ago. Workers need to meet the skill standards of industry in order for the industry to be successful and for the individual workers to be successful.

The industry demands that all parts of the system must be able to achieve the same levels of quality, be innovative and continuously increase productivity to deliver more value for less cost. As a critical supplier and input to the auto manufacturing industry, the education and training community must meet or exceed these same expectations. Partners have discovered that with the common goal of student mastery in the skills and knowledge needed for the automotive workforce, open dialogue and working together result in creative solutions for the auto industry giving the United States the competitive edge globally.

For more information on AMTEC, visit autoworkforce.org.



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KENTUCKY



Kentucky State University

October 2009

KSU Breaks Ground On Two Land Grant Program Facilities

Kentucky State University broke ground on two new Land Grant Program facilities Oct. 23 during its regularly scheduled Board of Regents meeting.

The new Aquaculture Production Technologies Laboratory, a \$2.6 million, 14,000-square-foot building, will allow aquaculture researchers to test and develop technologies for raising fish indoors so that different types of fish species can be produced year round. The building also will contain a genetics laboratory, a crucial growth area in the field of aquaculture. The building should be complete by fall 2010.

The second building is the Center for Families and Children. This one-story, 15,000-square-foot facility will offer educational programs to families with young children focusing on health and nutrition, communication and conflict resolution, stress management strategies for parents and children, understanding stages of child development and a baby college that will assist expecting parents in both preparation for parenthood and best practices for parents in the first months after the birth of a child.



Kentucky State University Board of Regents members and President Mary Evans Sias ceremonially break ground on the two facilities.

KSU Receives \$900,000 Grant To Aid At-Risk Youths

Kentucky State University recently received a \$900,000 grant from the U.S. Department of Health and Human Services' Division of Public Health Services to establish a youth center that will serve at-risk Franklin County African American and Hispanic youths between the ages of 8 and 15.

The project is designed to address unhealthy behaviors in at-risk minority youths and to provide these students opportunities to learn more positive lifestyles and enhance their capacity to make healthier life choices.

KSU Receives Kentucky Heritage Land Stewardship Award



W.H. Brown, a member of the Heritage Land Conservation Fund Board, and Gov. Steve Beshear present President Mary Evans Sias a copy of the "Kentucky Warbler" as part of the Stewardship Award.

Kentucky State University received the Heritage Land Stewardship Award on Sept. 30 from Gov. Steve Beshear and members of the Kentucky Heritage Land Conservation Fund Board for the work it does at its Environmental Education Center in Henry County.

The 300-acre space now offers handicapped-accessible trails and audio learning stations as well as opportunities for youths and schools from across the state to learn hands-on about ecology and environmental science.



GOOD NEWS REPORT

November 2009

Wayne D. Andrews

President

Bob Twiggs, a satellite pioneer, has joined Morehead State's space science faculty. Twiggs is professor emeritus at Stanford University where he founded Stanford's Space Systems Development Laboratory and he helped found the Kentucky Space Program in 2004. Twiggs is teaching MSU's introduction to space systems, space systems development and working with the faculty and staff to enhance the curriculum based on suggestions from his connections in the aerospace industry.

U.S. Congressman Harold "Hal" Rogers announced that the Department of Health and Human Services (HHS) has awarded Morehead State University with a \$235,620 Rural Health Care Grant to continue to bring community wellness and health care services to Martin County. This program is part of an ongoing rural health demonstration program launched by Rogers and begun at the Roy F. Collier Community Center in Inez.

Dr. Qingzhou Xu, micro fabrication engineer and assistant professor at the Space Science Center, was awarded a two-year, \$175,456 grant from the National Science Foundation's Major Research Instrumentation program to purchase specialized equipment to further his research projects. Dr. Xu's Co-PIs, who will also use the equipment as part of their research, are Dr. Kent Price, associate professor of physics, Dr. William Grise, professor of industrial and engineering Technology, and Dr. Sadeta Krijestorac, assistant professor of industrial and engineering technology.

Dr. Christopher Miller, associate professor in the Department of Foundational and Graduate Studies, received the Presidential Service Award from the Association for Educational Communications and Technology. The national award was presented to Dr. Miller at the international convention in Louisville. In winning, he was cited for his "outstanding" work with the organization's leadership committee

Crystal Wilkinson, visiting assistant professor of English, received the Kentucky Foundation for Women's 2009 Sallie Bingham Award. Presented annually by KFW's Board of Directors, the award honors an artist or activist who has made outstanding contributions to feminist art and social justice in Kentucky.

MSU Good News Report- November 2009

Page 2

Dr. Douglas Dennis, chair of the Department of Biology and Chemistry, was awarded an administrative supplement grant from the National Institutes of Health (NIH). The \$37,000 award, which is part of the American Recovery and Reinvestment Act (ARRA), will allow Dr. Dennis to purchase additional equipment and supplies for his existing NIH grant, titled “Analysis of Polyhydroxyalkanoate Inclusion Biogenesis.”

Dr. Jen O’Keefe, assistant professor of science in the Department of Earth and Space Science, was elected to serve as a director at large of AASP-The Palynological Society. Dr. O’Keefe has been working in various capacities with AASP-The Palynological Society since 2006. She also served as the Committee Chair of the Nominating Committee from 2006-07 and member of the Ad-hoc Committee for Professional Outreach and Increasing Membership from 2006-08.

Drs. Victor Ballestero and Sam Wright, associate professors in the Department of Foundational and Graduate Studies in Education, presented their research findings on Hispanic Students, Teachers, Administrators and Board Members in Kentucky at the 50th Annual “Celebrating Excellence in Leadership, 50 years of SRCEA Conference.” The Conference was held Oct. 15-18 in Atlanta.

Jeffrey Nichols, ceramics instructor in the Department of Art and Design, is featured in the current issue of Pottery Making Illustrated. The article has an accompanying video that the reader will have access (ceramicartsdaily.org) to view.

As part of MSU’s Center for Regional Engagement “Make a Difference Day,” Eagle football coach Matt Ballard became the first football coach in the nation to coach a game barefoot when the Morehead State Eagles entertained Marist. MSU and Ballard raised \$3,000 or 600 pair of shoes for the Samaritan’s Feet organization.

Jennifer Crisp, transfer/adult/GED enrollment services counselor, is among 10 Kentuckians appointed as Alltech Kentucky Ambassadors who will embark on a special adventure this year as they bring the excitement of the Alltech FEI World Equestrian Games 2010™ to their local communities.

During homecoming, Dr. Randall Wells, professor emeritus, was honored posthumously by his Alma Mater with the 2009 Founders Day Award for University Service. Dr. David Adair, professor at the University of Tennessee and founder, chairman, and chief science officer at Glenveigh Medical as well as founder and CEO of Regional Obstetrical Consultants; Jay Flippin, professor emeritus and an accomplished musician; and Langston D. Smith, D.M.D., chairman of the Endodontics Department at Howard University, all were inducted into MSU’s Alumni Hall of Fame.

Jesse D. Jones Hall formally dedicated

New chemistry building features science library and computer lab

The newly completed Jesse D. Jones Hall was formally dedicated on Sept. 16. The building features a science library and computer lab named for Jones' late grandmother Hattie Mayme Ross. A 1964 MSU alumnus, Jones and his wife, Deborah, of Baton Rouge, La., have pledged \$500,000 to establish a scholarship endowment in the College of Science, Engineering and Technology (CSET) in addition to almost \$57,000 for the science library. These gifts complement previously made gifts and pledges to the CSET from the family.

MSU welcomes new regents

MSU's newest board of regents members include Stephen A. Williams, Dr. Constantine "Deno" Curris and Sharon Green. Williams, a 1972 graduate of MSU, is the president/CEO



Curris

Green

Williams

of Norton Healthcare in Louisville. Curris, a former president of Murray State, recently retired from the presidency of the American Association of State Colleges and Universities. Green, a crime victim advocate in Mayfield, is a 1980 MSU graduate.

Campaign for the students of Murray State University

Murray State University kicked off the public phase of "Hold Thy Banner High: The Campaign for the Students of Murray State University" on Friday, Oct. 9, in conjunction with Homecoming festivities. With an initial goal of \$60 million, this campaign is the largest in the university's history. Prior to launching the public phase, the campaign has raised more than \$41 million in the last two years.



The Campaign for the Students
of Murray State University



Research project

Collaborative effort with ECU

Murray State University (MSU) researchers at Hancock Biological Station are beginning a four-year collaborative effort with Eastern Kentucky University (EKU) and the Kentucky Division of Water to develop methods for assessing wetland functions and ecosystem services in Kentucky. The project award total is \$544,000.

Intercollegiate rodeo draws 250 from 17 colleges

Over 250 intercollegiate rodeo contestants from 17 colleges and universities across the southeastern United States will be competing at the 34th Annual Murray State University Intercollegiate Rodeo on their way to the College National Finals Rodeo. Contestants from throughout the Ozark region of the National Intercollegiate Rodeo Association will be competing in nine different events.

Dunn selected for American Humanics board of directors

President Randy J. Dunn has been selected to serve a three-year term on the national board of directors of American Humanics, a national alliance of colleges, universities and nonprofits that prepare college students for careers as nonprofit professionals. Murray State's AH program is the largest in the country and is consistently recognized as outstanding.



Owens travels to Africa to deliver presentations

Dr. Debbie Owens, associate professor in journalism and mass communications, gave three presentations in The Gambia, West Africa, to journalists and university faculty, administrators and students during a 10-day cultural tour. Owens also appeared on a Gambian radio station to discuss the benefits of academic excursions to tourism in the region.

Todd meets with caucus in Washington, D.C.

Dr. Tim Todd, dean of the college of business, participated in the Delta Grassroots Caucus on Health Care and Economic Recovery in Washington, D.C. The conference featured members of Congress, executive branch officials and grassroots leaders in the Delta region.

College name change

MSU's college of business and public affairs recently changed its name to the college of business to better reflect the departments in the college. Each department has programs at both the undergraduate and graduate level, and there are approximately 2,000 students and 100 faculty members in the college.

Roundabout U debuts on network affiliate

The fall 2009 season of Murray State's *Roundabout U* television show has a new home on one of the "big three" network stations. WSIL-TV in Harrisburg, Ill., an ABC affiliate, has picked up both *Roundabout U* and *The Racer Report*. While *The Racer Report* focuses on MSU athletics, *Roundabout U* expands its coverage to include not only news and events at MSU, but interesting stories from around the region. *Roundabout U* can also be seen on KET3 across the state and through various cable systems.

Murray State University wins National Guard FLW College Fishing Event on Lake of the Ozarks

The Murray State University team of Kalem Tippett of Hanson, Ky., and Steve Miller of Murray, won the National Guard FLW College Fishing Central Division event on Lake of the Ozarks in Osage Beach, Mo., with five bass weighing 17 pounds, 5 ounces. The victory earned the team \$10,000 to be split evenly between the university and the university's bass-fishing club.

Murray State receives McNair Grant Award

U.S. Secretary of Education Arne Duncan has announced the award of a Ronald E. McNair Post-Baccalaureate Achievement Program Grant in the amount of \$225,000 to Murray State University. The McNair Grant is named after Dr. Ronald E. McNair, a NASA mission specialist, who was killed in the 1986 space shuttle Challenger disaster. The Murray State University McNair Scholars Program is designed to encourage and prepare eligible undergraduate students in all disciplines for doctoral study through involvement in research and other scholarly activities.

Griffo named executive director of International Town & Gown Association

Murray native Kim Griffo has been named executive director of the International Town & Gown Association (ITGA), located at Clemson University in South Carolina. Griffo, who is currently the Town & Gown coordinator at Murray State University, will continue her work with the local organization even after her move. Town & Gown was created to further cooperative relationships between institutions of higher education and their host communities. In her new position, Griffo will provide leadership in establishing and maintaining sound working relationships and cooperative arrangements with member representatives, potential members, the governing board, community groups and other national organizations. She will also represent the programs of ITGA and the point of view of the association to agencies, organizations and the general public.





NKU Launches College of Health Professions to Help Keep Pace with Growing Regional Demand

Northern Kentucky University celebrated the launch of its new College of Health Professions in September.

The college is comprised of NKU's nursing, advanced nursing studies and allied health departments. It enrolls more than 1,500 students and employs more than 50 faculty and staff.

Dr. Denise Robinson, interim dean of the college, said the the new college will enable the faculty and chairs to enhance current programs, increase the quality of instruction and allow NKU to better meet the needs of its students and the region.

One of the top priorities for the new college will be to attain funding for a new Health Innovations Center, which will house programs that will drive hospital, physician, e-health, pharmaceutical, bio-technical, allied health, senior citizen and other medical-related business development in the region. The facility will be programmed to match healthcare community needs in areas such as nursing, psychology, radiologic technology, health informatics, respiratory therapy and health science.

NKU is seeking \$92.5 million in state funding for a joint project to build a new facility for the college and renovate NKU's Founders

Hall. By combining the two projects, NKU is projecting a savings of about \$20 million.

Those who attended the college's kickoff saw demonstrations of wireless simulator technology that current and future health professions students will use. The simulators are so sophisticated that they can talk and breathe. They have a heartbeat, can have dilated/constricted pupils and recognize when the correct or incorrect medication is given. NKU currently has one wireless simulator, but Dr. Robinson said simulators will play a major role when the Health Innovations Center is built.

The Center will include 8,000 to 12,000 square feet dedicated to a 'virtual hospital' simulation center which will look and function like a hospital unit. One of the highlights of this virtual hospital will be expanded use of these high-tech simulators.

"Students will be able to have specific types of patients," Dr. Robinson said. "It will not depend on whether real patients happen to be in the hospitals at the moment. In our 'virtual hospital,' such patients will be guaranteed for each student. High-risk situations such as high-risk delivery,

critically ill patients and code situations can be experienced by all students. There will be simulators for adults, babies and even for pregnancy and delivery."

As an added bonus, she said the new facility will make it possible for community health providers to utilize the simulators in their training. NKU's current simulation lab is scheduled for undergraduate nursing instruction from 8 a.m. to 8 p.m. Monday through Friday.

Additionally, the facility will afford NKU students the opportunity to use state-of-the-art imaging and respiratory equipment in keeping with technological advancements in the diagnosis and care of patients in the delivery setting.

In Northern Kentucky, healthcare professions represent the largest segment of Vision 2015's 50,000 new jobs goal. Dr. Robinson said educating enough students to meet the Vision 2015 goal of 7,200 new health care and social assistance jobs by 2015 will be a challenge without funding for the Health Innovations Center.

Each year, she noted, NKU turns away about 300 qualified nursing and allied health students due to space limitations.

NKU Striving to Become More Military Friendly

As part of its continuing efforts to become a more military friendly campus, NKU recently announced a number of initiatives aimed at making the university more accessible and comfortable for veterans.

NKU's university-wide support committee, called the Veteran's Advocacy Committee (VAC), ensures that the university is prepared to meet the needs of the growing number of military veteran students.

The university also now has a Veterans for Education and Transition Support (V.E.T.S.) student organization, which has achieved national membership and recognition by the Student Veterans of America. Only 191 student veteran organizations exist nationwide.

V.E.T.S. helped the Sons of American Legion place American flags on the graves of veterans in Northern Kentucky on Memorial Day and recently sponsored a workshop for veterans and family members eligible for benefits. The group also boasts a mentorship

program that, upon request, pairs prospective veteran students with current student veterans for one-on-one transition assistance from pre-registration through graduation.

NKU is also participating in the VA Yellow Ribbon GI Education Enhancement Program, an agreement between institutions of higher learning and the VA to fund tuition/fees that exceed the highest in-state undergrad tuition and fees for the state where the school is located.

The VAC also sponsors training opportunities for faculty and staff on the challenges that are unique for veteran students.

"We hope veterans will continue to make NKU their first choice," said Dave Merriss, chair of the committee. "We offer a great

educational experience that understands and recognizes all the strengths and diversity of their experiences. At NKU, we like to think of our student veterans as yesterday's warriors, today's scholars and tomorrow's leaders."

NKU Chase College of Law posted Kentucky's highest passage rate for the July 2009 Kentucky Bar Exam - 89% of first-time takers passed.



Campus Success

- On October 6, UK broke ground on a new \$18.6 million building that will house the second phase of the University's high-tech "Digital Village" concept. The Davis Marksbury Building, named for the 1980 UK College of Engineering who founded Lexington-based Exstream Software, will be constructed along Rose Street next to the James F. Hardyman Building. The Davis Marksbury Building will be the first UK capital project to be funded solely by private donations and the Research Capital Match Program. The Marksbury Family Foundation, created by Davis and Beverly Marksbury, provided \$6 million for the building. Another \$3.6 million was provided by other private donors, with the remaining \$9.3 million to be matched with state funds.
- The University of Kentucky's solar home - S•KY BLUE House – finished in ninth place in the U.S. Department of Energy Solar Decathlon competition on the National Mall in Washington, D.C on October 16. Over the previous two weeks, the 2009 Solar Decathlon challenged 20 university-led teams from the United States and as far away as Spain, Germany, and Canada to compete in 10 contests, ranging from subjective elements such as architecture, market viability, communications, lighting design, and engineering; to technical measurements of how well the homes provided energy for space heating and cooling, hot water, home entertainment, appliances, and net metering. The net metering contest challenged teams to generate surplus energy, above and beyond the power needed to run a house, which they fed into a power grid. UK's house placed fifth in this individual contest - the contest that truly showcased the science in each home.

Student Success

- UK senior Samuel Nicaise recently received a \$10,000 scholarship from the Astronaut Scholarship Foundation (ASF). The Astronaut Scholarship is the largest merit-based award given in the United States to science and engineering undergraduate students. Seventeen of these prestigious awards were dispersed this year through the ASF. Over \$2.8 million has been awarded in scholarships to date, \$101,000 of which has gone to UK students. Nicaise, of Covington, Ky., will graduate in May 2010 with a degree in Electrical Engineering. He is dedicated to finding a solution to the problems associated with electrical power generation, specifically coal-fired power plants, and is working toward a solution using photovoltaics combined with nanotechnology. Nicaise plans to pursue a doctoral degree.
- Kristyn Mickley, a sophomore studying nursing at UK, has been awarded one of 40 Tylenol Scholarships presented by the company. The \$5,000 scholarship is presented to students with outstanding leadership qualities and academic performance.

Research and Outreach Success

- UK College of Education professor Brian Bottge will test new ways of improving the computation and problem-solving skills of all students, especially those with learning disabilities (LD), thanks to a four-year, \$2.3 million Cognition and Student Learning grant from the U.S. Department of Education's Institute of Education Sciences. Bottge, the William T. Bryan Endowed Chair in Special Education, will help teachers use an instructional method called Enhanced Anchored Instruction (EAI), which has proved effective in his previous studies. Bottge and his colleagues developed the EAI methods from previous grants while he was a professor at the University of Wisconsin-Madison. Although EAI methods were designed specifically for adolescents with LD, they also have been effective with students at all achievement levels.
- UK is teaming up with leaders from throughout the Commonwealth to prevent dating and sexual violence. UK recently received a \$2 million grant from the Centers for Disease Control and Prevention to work with Kentucky teenagers to combat and prevent dating violence through the "Green Dot" prevention program, a model pioneered on the UK campus. The grant will involve outreach to high school students as well as follow-up studies to determine the effectiveness of the "Green Dot" strategy in reducing dating and sexual violence among teenagers.



Taking the **Sticker Shock** Out of the College Price Tag

To “Double the Numbers” of bachelor degree holders in Kentucky by 2020, the University of Louisville is working to make college a reality for every student. The full (direct) price that the typical UofL undergraduate should pay for his or her education each year is \$15,546. This amount includes average tuition, housing, books, supplies and meal plans. But due to UofL’s efforts to make college more affordable through grants and scholarships, along with the Kentucky KEES program, the actual average price they pay is \$8,246*—a savings of more than \$7,000 per year. That’s a super value.



SOMETIMES THE STICKER PRICE ISN'T WHAT YOU ACTUALLY PAY. The 2009–10 estimate of the full direct cost includes average tuition, room, books, supplies and meal plans for the typical UofL undergraduate. Price paid reflects deductions for Kentucky KEES awards and UofL scholarships and grants.

*Source: UofL Institutional Research and Planning and UofL Office of Financial Aid

Governor Beshear “**Listens Up**” On Campus



SGA President O.J. Oleka presents Gov. Steve Beshear with UofL gear.

Kentucky Gov. Steve Beshear kicked off this year’s Listen Up Legislators series with a talk Sept. 16. “Education—long-term—has to be where our priorities are,” he told a group of students, faculty and staff in his presentation on Belknap Campus.

Beshear’s talk was the first in the six-part series, designed to connect UofL students with policymakers and educators who have a direct impact on higher education’s future. The series is sponsored by the UofL Student Government Association.

A Message from **Dr. Ramsey**

Dear Kentucky Policymaker,

For many students and their families, figuring out how to pay for college can be daunting. At first glance the price tag can leave anyone with sticker shock. But just as when you’re looking at the sticker price of a new car, the real price you pay can come as a huge relief.



At UofL we are helping college become a reality for all Kentuckians who want to earn a degree by showing them how to access every possible dollar to offset the cost and by assisting through scholarships and grants of our own. In 2009–10, over \$41.3 million of UofL’s general fund is earmarked for financial aid. Our Cardinal Covenant program, which makes college attainable for children of Kentucky families living at or below 150 percent of the federal poverty level, has helped 386 deserving students enter UofL since its inception in 2007.

As the former state budget director, I know what more college graduates will mean to our economy. They make more money, which increases a state’s tax base and demand for goods and services. This, in turn, fuels the economy. The Kentucky Long-Term Policy Research Center says the state could expect a cumulative increase of more than \$5.3 billion in revenue if we reach the national average in educational attainment by 2020. To ensure that not one Kentuckian thinks a college education isn’t possible, UofL is answering the governor’s call and the strategies set forth by the Higher Education Work Group to be focused on affordability and transparency.

As we move closer to the 2010 legislative session, I ask you to remember that state support for higher education is key to making college affordable for our citizens—and to making Kentucky the best it can be.

Sincerely,

ROADMAP TO SUCCESS



Each month in *The President's Report*, we will outline some of the directions we must follow to meet the mandate set out in HB1 for UofL to become Kentucky's premier metropolitan research university. Please help us get there by following our "Roadmap to Success" during the upcoming legislative session.

The Importance of Being a Research University: Research Universities Advance Kentucky's Economy

Called on by the General Assembly to be one of Kentucky's two major research universities, UofL is focused on ensuring that great ideas growing out of the lab become real benefits to real people. As an economic engine, economists estimate that each dollar in federal research funding generates \$2.20 for the local and state economies. Research discoveries lead to technology-based jobs and an expanded knowledge economy. While fierce competitors on the football field and basketball court, Kentucky's two research universities—UK and UofL—collaborate on many projects including:

- The Kentucky Cancer Program, which provides community outreach for cancer risks, symptoms and related services
- The early screening, identification of and provision of services for children with autism, and a statewide training initiative for their teachers
- Science literacy for middle school teachers
- Numerous projects in nanotechnology, an emerging multibillion-dollar industry that involves creating ultra-tiny devices with unlimited applications in medicine, industry and much more

ROAD BLOCK

Fund More Classroom Space

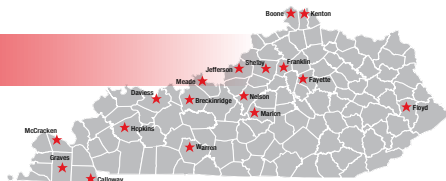
At UofL, we're all about quality, not quantity. Our incoming freshmen are the best prepared class we've ever had. But we could accept more top students if we had more classrooms in which to teach them. With an average class size of 28 and a 19 to one student/faculty ratio, we're working hard to retain a small school feel. But we're out of space. A study by the Council on Postsecondary Education shows that UofL, UK and NKU are the only state universities facing a shortage of classroom space. Less space means fewer available classes—delaying students' ability to enroll in the core courses they need to graduate. This problem was identified five years ago and has compounded every year since. A new classroom building is UofL's top capital priority for the 2010 legislative session.

UofL Across Kentucky

Road Trip!

It's time once again for what has become a fall tradition—UofL's outreach program tour. This annual road trip takes UofL President James R. Ramsey, several prominent researchers and members of the admissions and alumni staff to practically every corner of the state to talk with potential students, meet with alumni and community leaders and share information on UofL and the host communities.

The group's 16 stops this year include visits to some 10 high schools, beginning Sept. 18 with visits to Shelby County and Western Hills high schools where Dr. Ramsey spoke to several hundred juniors, seniors and advanced placement students. He delivered the message that



UofL is focused on recruiting quality students rather than filling quotas. He also talked about how UofL helps these students achieve their goals through resources such as a Top 100-ranked library, nationally recognized schools of business, engineering, education and medicine, and other outstanding programs.

Joining Dr. Ramsey on his stops in Franklin and Shelby counties was Dr. Jason Chesney, who talked with students about his groundbreaking cancer research. Later in the day, UofL leaders attended a luncheon in Frankfort with alumni and prospective students.

A Central Kentucky Alumni Club event was held in Lexington on the eve of the UofL–University of Kentucky football game.



BUCKS4BRAINS

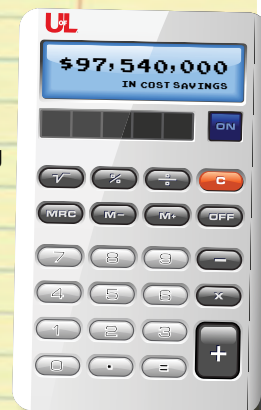


Honorary degrees for Patton and Wagner

Two outstanding public servants were honored by UofL this year during the State of University Address on Sept. 10. Hank Wagner (third from right), former CEO and president of Jewish Hospital HealthCare Services and a former member of UofL's Board of Trustees and Board of Overseers, along with former Kentucky Gov. Paul Patton (second from right), now president of Pikeville College, received honorary doctorates of public service. The degrees recognized their contributions to UofL through creation of the Bucks for Brains program and support of higher education.

UofLSavings Calculator

- Renegotiated campus software contracts **\$465K recurring**
- Installed robotic information retrieval system in the library **\$394K recurring**
- Sold underperforming Reynolds Building to private developer to generate cash flow and turn this dilapidated campus building into upscale condominiums. **\$1.2M one time**



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Despite these frightening economic times, the University of Louisville keeps moving forward to find cures, teach the next generation of young people and reach our goal of becoming a premier metropolitan research university. We are forging private partnerships to develop much needed student housing, developing underperforming assets like Shelby Campus to generate revenue, and driving economic stimulus with construction of new facilities funded with a mix of federal, state and private resources. Projects making headlines in October include:

Center for Translational Research Building

This \$143.1 million research facility that opened Oct. 12:

- Occupies nearly 300,000 square feet of space at the “gateway” to UofL’s medical campus in downtown Louisville
- Provides the space UofL needs to continue attracting some of the world’s very best researchers
- Helps drive Kentucky’s economy. The CTR’s construction alone resulted in an economic impact of approximately \$242.7 million including 1,795 direct construction jobs and 1,030 spinoff jobs.



“Research taking place in the CTR has the potential to dramatically impact the lives of people not only in Kentucky, but throughout the nation and world.”
—Sen. Mitch McConnell

UofL School of Dentistry Expansion



This two-year project, which broke ground Oct. 9 will:

- Add more than 20,000 square feet and renovate another 200,000 square feet to the existing facility
- Update infrastructure, operatory equipment and clinical education support
- Create more than 500 new construction jobs, plus nearly 290 spinoff jobs
- Have an economic impact estimated at \$68 million

A MESSAGE FROM DR. RAMSEY

Dear Kentucky Policymaker,

Halloween is one of our favorite times of year. Jane and I have a tradition of decorating UofL’s Amelia Place from top to bottom and are thrilled to invite students, faculty, staff and the community to visit the “haunted mansion” for a real treat.

Much like Halloween, the prospect of a state budget shortfall is frightening, too. After reviewing this week’s report from the Consensus Forecasting Group, I am concerned by the state of Kentucky’s economy. The report predicts the General Fund will take in \$8.135 billion in the current fiscal year—\$161 million less than the amount required in the state budget. This drastic shortfall means we all must do our share to create new economic drivers that help revive the economy.



At UofL we are working hard to help Kentucky get back on track. How? Take a look at our “Road Map to Success.” It shows that we are investing in the types of research, commercialization and development that are making a major economic impact in Louisville and across the commonwealth.

This month alone we opened the new Clinical and Translational Research (CTR) building and broke ground for our School of Dentistry expansion. The CTR provides critical research space needed if we are to continue to attract some of the world’s best researchers—people who will transform medical treatment for countless individuals. The upgrades resulting from the dentistry school expansion will help UofL continue to compete nationally for high-quality students and faculty.

Each month in the President’s Report I’ll tell you how we’re making a difference and about our plans for the future. You’ll find we have many treats and a few tricks in store, all focused on discovery, expansion and educating a talented workforce that drives Kentucky’s new economy.

Sincerely,

ROADMAP TO SUCCESS



Taking the Lead in Healthcare Treatment and Innovation

UofL's Health Sciences Center is dedicated to educating healthcare professionals, advancing medical research and offering patients treatments not yet available elsewhere. HSC also provides a safety net for the uninsured and underinsured. A 2005 study showed UofL physicians provide more than \$16 million in uncompensated care over and above treatment provided under the QCCT agreement. HSC focuses on three distinct components:

- Excellent patient care through UofL HealthCare and partner hospitals Norton Healthcare and Kosair Children's Hospital, Jewish Hospital & St. Mary's HealthCare and the VA Medical Center
- Educating the next generation of healthcare providers in a variety of settings and facilities so they can meet the needs of a diverse population
- Translating discoveries into new therapies and treatments by using the best science possible

UofL's health sciences center has earned recognition in many areas including:

- The state's first certified stroke center
- A statewide remote physician robot network that includes 13 hospitals to date
- The area's only adult trauma center
- Collaborations with the Owensboro Medical Health System (OMHS) to develop cancer-fighting drugs and vaccines derived from tobacco and other plant sources and in a baccalaureate nursing program intended to graduate up to 40 students each year
- Dental outreach programs that provide more than \$1 million in clinical care to the underserved each year

ROAD BLOCK

Fund Bucks for Brains

- Bucks for Brains researchers attract additional funding from federal agencies and other organizations—at UofL, more than \$210 million since 2001 in federal commitments alone.
- Economists estimate that \$1 in federal research funding generates \$2.20 for the local and state economies, boosting the total economic impact of Bucks for Brains at UofL to more than \$462 million since 2001.
- Discoveries made through research translate directly into business opportunities. UofL's Bucks for Brains spinoff companies focus on new treatments for cancer, vaccine development and diagnostic testing.
- Bucks for Brains' fund matching doubles the impact of strategic investment in research that generates jobs, economic activity and new opportunities for Kentucky's citizens.
- We ask the Governor and General Assembly to fund another round of Bucks for Brains in 2010–2012.

BUCKS4BRAINS

Fighting Lung Cancer



Kentucky's lung cancer incidence and death rates are among the highest in the country. Newly recruited Department of Medicine chair Dr. Jesse Roman and his lab colleagues are working to fight lung cancer by investigating it at its molecular level.

Knowing that up to 90 percent of lung cancers are characterized by a predisposing condition in which the lung tissue has too much of a protein called fibronectin, Roman's team found that altering this cellular characteristic stopped the growth of lung cancer in mice. Further research will be aimed at finding how this knowledge can translate into a treatment that might increase lung cancer's susceptibility to chemotherapy.



October Is
Breast Cancer
Awareness Month

See Pink, Think Brown

The James Graham Brown Cancer Center is the region's only facility offering breast cancer patients the latest in radiation therapy. The Contura system enables physicians to more highly target breast tumors and treat them in multiple locations, shortening treatment time and providing a broader option for breast-saving treatment, too.

Trick or Teeth



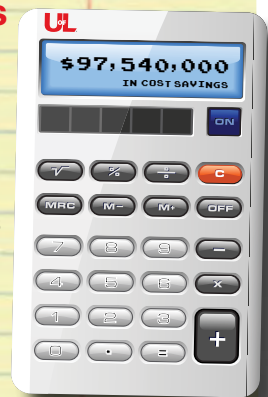
During a month when many kids are focused on trick-or-treating, UofL's first-year dental students visited area schools to talk about dental hygiene. More than 2,000 children at Foster, Young, Guter-muth and Semple Elementary Schools learned the proper way to care for their teeth and the importance of healthy eating habits. Costumed characters handed out toothbrushes in lieu of the traditional Halloween candy. The seventh annual Freshman Halloween Project was held in conjunction with the Northwest Area Health Education Center.

Scholar House Turns 1

A celebration Oct. 6 marked the first anniversary of the Gladys and Lewis "Sonny" Bass Louisville Scholar House Campus at UofL. The facility provides 56 affordable apartments, education and child care for low-income, single-parent families. Named in honor of the Bass family, who donated \$1 million to the project, the \$13.8 million Scholar House is a joint effort of Family Scholar House, UofL and the Kentucky Housing Corp. and is operated by UofL's College of Education and Human Development. It is currently at full capacity.

UofLSavings Calculator

- Eliminated low-enrollment/low-demand programs **100,000 recurring**
- Renegotiated campus software contracts **\$465,000 recurring**
- Eliminated duplicate and underutilized library journal subscriptions **\$178,000 recurring**



UNIVERSITY OF
LOUISVILLE
It's Happening Here.

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Western Kentucky University news for the Council on Postsecondary Education, November 2009



Dr. Liping Chen, (left) academic director of the Chinese Flagship, talks with WKU student Rachel Reetzke of Franklin.

WKU Home for Chinese Flagship Institute Pilot

WKU is the new home of the Chinese Flagship Institute Pilot Program, an intensive, four-year Chinese language program funded through a Diffusion of Innovation Flagship Partner Planning Grant from The Language Flagship of the National Education Security Program at the U.S. Department of Defense.

“We are part of one of the most exciting innovative advances in foreign language education in this country,” Amy Eckhardt, Director of WKU’s Office of Scholar Development, said. “This will provide needed opportunities for Kentucky high school graduates to continue Chinese language studies.” WKU is one of nine funded programs in the U.S. Students must commit to a year of study and professional internship in Nanjing, China.

WKU Enrollment Tops 20,000

Enrollment at WKU has passed 20,000 for the first time in the school’s history. According to preliminary figures provided to the Kentucky Council on Postsecondary Education, WKU has an estimated fall enrollment of 20,674, up 4.6 percent from fall 2008.

“WKU has experienced incredible growth in enrollment over the last 12 years, and surpassing 20,000 in total enrollment is a significant milestone for us,” President Gary Ransdell said.

WKU Signs Joint Admissions Agreements with KCTCS Schools in Madisonville and Owensboro

WKU has signed joint admissions agreements with Madisonville Community College and Owensboro Community and Technical College that will offer students a seamless path to a four-year degree. The Joint Admissions/Joint Enrollment Initiative allows students to be admitted to WKU and the Kentucky Community and Technical College System institutions at the same time, giving them access to more resources, including advising, libraries, labs and student services.

“The intent of the program is to provide the best of both institutions to the students while allowing them to complete their associate’s degree, then continue their education at WKU,” Dean Kahler, WKU’s Associate Vice President for Academic Affairs/Enrollment Management, said. “We hope that the transition from the KCTCS schools to WKU will be less daunting since they will already have established a relationship with WKU.” WKU President Gary Ransdell said the agreement “is a major step forward as we in higher education seek to make transferring from two-year programs to four-year programs more seamless. Removing barriers from transfer is critical to growing the number of bachelor degree holders in the Commonwealth.”



Tokiwa Bonds of Owensboro is the first student to be jointly admitted to OTC and WKU.

WKU China Partnership Providing Safe Water

WKU's China Environmental Health Project (CEHP), in partnership with the foundation A Child's Right (ACR) and the U.S. Agency for International Development (USAID), has completed installation of 105 water purification systems providing safe drinking water to 27,178 residents of China's government-run Social Welfare Institutes. China's Social Welfare Institutes provide homes to orphans and elderly adults, many with special healthcare needs. Orphans in these settings are among China's most vulnerable residents with health challenges related to safe drinking water supplies in addition to the other challenges they face.

WKU's China Environmental Health Project (CEHP) works to improve public health in China through partnerships, with a major effort focusing on water resources in southwest China's extensive limestone karst regions, through support from the USAID, made possible with the support of U.S. Sen. Mitch McConnell (R-Ky.)



College of Science and Engineering Receives Funding for High Performance Computing Center

WKU's Ogden College of Science and Engineering has received \$2.379 million from the U.S. Department of Education to purchase and install state-of-the-art equipment in a new High Performance Computing Center (HPCC) to be located at the WKU Center for Research and Development. Funding for the project was secured by U.S. Sen. Mitch McConnell in the 2009 federal budget. WKU will provide an additional \$50,000 toward the project as well as three full-time staff.

The HPCC will contain an ultra high performance, multi-node supercomputer with high-volume data storage and network connectivity. The HPCC will provide the requisite cyber infrastructure needed to support applied research across academic disciplines at WKU and will expand capacity to create strategic partnerships between University faculty and global business and industry. The HPCC also will allow WKU to attract and retain critical numbers of experienced faculty and staff, and it will support economic development by building a competitive workforce of graduates experienced in the cutting edge components of the STEM disciplines (Science, Technology, Engineering and Mathematics). The new system will be operational by May 2010.

WKU Center for Professional Selling Receives National Certification

WKU's Center for Professional Selling has received full certification as a Sales Center, becoming one of 13 certified centers in the United States. "This certification is a very rigorous process involving extensive review by both professional (Professional Society of Sales & Marketing Training) and academic (University Sales Center Alliance) elements and has been on-going for nearly two years," Center Director Lukas Forbes said.

This certification also makes the WKU Sales Center the only certified program in Kentucky and regional states of Missouri, Alabama, Mississippi, Tennessee and West Virginia, Dr. Forbes said. In addition, WKU is now a sitting board member of the University Sales Center Alliance organization.

WKU Master in Public Administration Program Accredited

WKU's Master in Public Administration (MPA) program has earned a seven-year accreditation from the National Association of Schools of Public Affairs and Administration. NASPAA accreditation recognizes that a master's program in public affairs has gone through a rigorous process of voluntary peer review conducted by the Commission on Peer Review and Accreditation and has met NASPAA's Standards for Professional Master's Degree Programs in Public Affairs, Policy and Administration. The MPA Program at WKU has been training professional public administrators since 1973.

For more WKU news, go to <http://www.wku.edu/news/index.html> or <http://wkunews.wordpress.com/>.

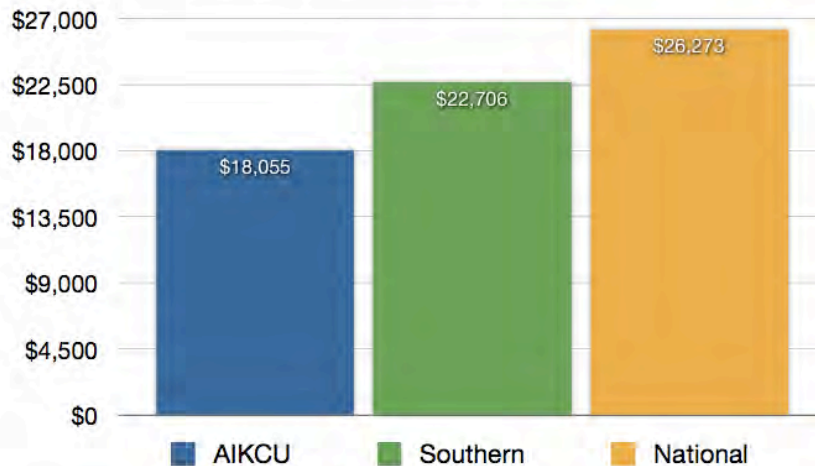


News from the Association of Independent Kentucky Colleges and Universities November, 2009

AIKCU Tuitions remain well under national and regional private college averages

The College Board recently released its annual report on college costs, Trends in College Pricing 2009. The report lists the average tuition and required fees at private, nonprofit four-year colleges and universities across the United States at \$26,273. The average tuition and fees for private colleges in the Southern region is \$22,706. As they have traditionally, Kentucky's average published tuition and fees remain low in comparison to both the national and Southern averages. The average "sticker price" at AIKCU institutions for 2009-10 is \$18,055 (or \$18,959 if Berea is excluded from the calculation)

Average Published Tuition and Fees at Four-Year, Nonprofit Private Colleges, 2009-10



Source: AIKCU average from internal survey. Southern and National averages from the College Board's 2009 Trends in College Pricing (http://www.trends.collegeboard.com/college_pricing/)

Notes: All figures are published tuition and fees. Few students actually pay this amount after financial aid awards. If Berea College is excluded from calculation, AIKCU average = \$18,959.

(See this and more relevant data visualized in the Graph of the Week on AIKCU.org)

AIKCU enrollment continues to grow, now at 31,264

According to CPE's preliminary fall enrollment report, total enrollment growth (both undergraduate and graduate/professional) in the independent sector was 2.8 percent this fall over fall of 2008. Undergraduate enrollments at AIKCU institutions saw modest growth of 1.3 percent over fall 2008. Graduate enrollment at independent colleges and universities grew by 11 percent, thanks in large part to the addition of new graduate programs at several AIKCU institutions.

Congressman Brett Guthrie recognizes Kentucky Wesleyan College in the U.S. House of Representatives for more than 150 years of service

On October 21, 2009, the United States House of Representatives unanimously passed House Resolution 837, recognizing Kentucky Wesleyan College for its service as an institution of higher learning for over 150 years. The resolution was introduced by Representative Brett Guthrie of Kentucky's 2nd District. See the video at: <http://www.aikcu.org/2009/10/22/congressman-guthrie-recognizes-kentucky-wesleyan-for-over-150-years-of-service/>.

University of the Cumberlands announces new 3-year degree program

University of the Cumberlands has begun a new program that encourages academically strong and committed students to complete their undergraduate degrees in 34 months. The Patriot Scholars Program uses a combination of AP or transfer credits, online classes and summer classes, as well as six regular fall/spring terms to make the effort more manageable.



Campbellsville University dedicates new School of Education Building

Campbellsville University dedicated its new School of Education building in September. The 14,000-square foot facility consists of 21 offices, a conference room and six classrooms.

Asbury begins construction on Center for Communications Arts

Construction is under way on Asbury College's \$12.1 million Center for Communication Arts. The 52,000 square foot facility will unite Communications, Media Communication, Journalism, and Theatre and Cinema Performance students in one place, "mirroring the convergence of these fields in the real world." Asbury anticipates that construction will be completed before the Spring 2011 semester.