

**MINUTES**  
**Council on Postsecondary Education**  
**May 22, 2005**

The Council on Postsecondary Education met Sunday, May 22, 2005, at 12:30 p.m. at the Marriott Griffin Gate Resort in Lexington, Kentucky. Chair Ron Greenberg presided. The meeting was held in conjunction with the Institute for Effective Governance Spring Board Development Seminar and the Annual Faculty Development Conference.

**ROLL CALL**

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

**GED TOP  
SCORE AWARD**

James Meyer of Louisville was recognized as the recipient of Kentucky's 2004 GED National Award for Outstanding Achievement. The GED Testing Service annually recognizes the person in each state with the highest GED. James had a total GED score of 3,750 out of 4,000 possible points. James earned his GED through the adult education program at Jefferson County Public Schools. He plans to continue his education full-time this fall at Jefferson Community College. In pursuit of his educational goal, he completed three online learning classes this spring through the Kentucky Virtual University.

**2004-05  
STRATEGIC  
PLANNING  
UPDATE**

President Tom Layzell provided the Council with an update on the 2004-05 strategic planning process. Since the Council endorsed the public agenda in March, the Council staff has been working with the institutions to develop campus action plans, including mission parameters. The Council approved an outline for preparing missions parameter statements at its March meeting. The Council staff received first drafts from the institutions April 29 and will work with the institutional representatives to develop a recommendation to bring to the Council in July as part of the entire strategic planning package. A number of issues require consideration, including graduate programs at the comprehensive universities, research university missions, stewardship of place, and remediation.

In revising the key indicators for the 2005-2010 public agenda, the Council staff has worked with an advisory group of representatives from institutions and state government to refine the accountability system while preserving its established strengths. The overall structure continues to be the five questions that present a broad range of policy issues in concise,

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

A new indicator has been designed to hold the system accountable for closing the achievement gap of underrepresented minority students. Because earning a degree is the ultimate measure of success in postsecondary education, the number of degrees conferred was selected for this measure.

The revised key indicators will be included as part of the strategic planning package that the Council will approve in July.

#### 2005-06 PRIORITY INITIATIVES

**RECOMMENDATION:** The staff recommends that the Council approve the 2005-06 priority initiatives as part of the Council's 2005-2010 action plan.

Dr. Layzell said that the Council members have identified priority initiatives for the Council to undertake in 2005-06. These initiatives surfaced during the development of the Council's action plan, which will be approved in July as part of the strategic planning package. Work on the 2005-06 priority initiatives and the other elements of the Council's action plan will provide a strong foundation for continued growth and progress of the postsecondary and adult education systems. The initiatives are: (1) development of a statewide translational research, economic development, and commercialization policy; (2) funding for postsecondary education; (3) improved quality and accountability; (4) role of board members; and (5) communication with legislators.

Mr. Greenberg said these initiatives are outgrowths of the discussions of the public agenda and the Council policy groups. The Council members will serve on work groups to develop recommendations on the initiatives.

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

**VOTE:** The motion passed.

**BENCHMARK  
SELECTIONS**

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

Dr. Layzell said that agreement has been reached on the benchmarks for the comprehensive universities and for KCTCS. The benchmarks for UK and UofL are still under review, and the staff expects to bring a recommendation to approve these benchmarks at the July Council meeting. The benchmark institutions have been selected based on revisions to the benchmark funding model and predetermined selection criteria and will provide a context for developing the funding recommendation for operational funding levels and performance measurement for the 2006-08 biennium.

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

**VOTE:** The motion passed.

**UOFL REGIONAL  
FORENSICS LAB**

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

Dr. Layzell said that, because of its schedule, the Capital Projects and Bond Oversight Committee has approved this project contingent on the Council's approval.

**MOTION:** Ms. Guess moved that the project be approved. Mr. Owen seconded the motion.

**VOTE:** The motion passed.

**2006-12 CAPITAL  
IMPROVEMENTS  
PLAN**

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

Dr. Layzell said that at the March meeting the Council delegated approval authority to the Executive Committee in order to meet the April 15 deadline.

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

**VOTE:** The motion passed.

**LEASE AUDIT  
MODEL**

Dr. Layzell said that in response to an August 2004 request from the Capital Projects and Bond Oversight Committee, the Council

staff asked the Auditor of Public Accounts to develop a model to demonstrate institutional compliance with Kentucky's laws regarding the lease of real property (KRS 56.800 to 56.823). The policy is similar to and consistent with the general approach of all state government agencies and establishes a minimum standard for external auditors to conduct an audit of an institution's compliance with Kentucky's lease laws. The policy will take effect immediately; the first audit will be conducted for FY 2005-06 and will be reported to the Council in September 2006. The Council will be responsible for collecting the audit reports and forwarding copies to the executive and legislative branches of government, including the Capital Projects and Bond Oversight Committee. The Council staff discussed the policy with institutional and government officials and all agree that the policy is reasonable and satisfies the requirements of the statute.

#### CEO REPORT

Mr. Baker reported that the Committee on Equal Opportunities has agreed to delay the development of a new equal opportunities plan until the Office of Civil Rights provides formal notice of the Commonwealth's status under Title IV of the Civil Rights Act of 1964. He said that the CEO is in discussions about who they serve – African Americans or all minorities in Kentucky. Other CEO activities were included in the report in the agenda book.

#### KY GED INITIATIVE: GO, EARN, DO – GED

Amazon.com recently presented Governor Ernie Fletcher with a \$100,000 check to fund Go, Earn, Do – GED, a public-private educational partnership that includes Kentucky Adult Education, Amazon.com, Team Taylor County, and the Office of Employment and Training. The initiative seeks to significantly increase the number of GED graduates over a two-year period in the 20-county area that makes up the labor pool for the Amazon.com Fulfillment Center in Campbellsville and many other Kentucky businesses. Amazon.com, which requires the minimum of a GED for employees, will provide up to \$40 for a GED test fee reimbursement and an Amazon.com gift card to GED graduates who are residents of the 20-county area. Those interested in Amazon.com employment will have the opportunity to register with the Office of Employment and Training, which helps place Amazon.com employees. Kentucky Adult Education is hoping to forge other business partnerships to increase the number of GED graduates.

#### P-16 COUNCIL UPDATE

A report on the activities of the P-16 Council was included in the agenda book.

#### COMMISSIONER OF ED REPORT RECIPROCITY AGREEMENTS

A report from Commissioner Wilhoit regarding the work of the Kentucky Board of Education was included in the agenda book. RECOMMENDATION: The staff recommends that the Council approve tuition reciprocity agreements with Indiana, Illinois, Ohio, Tennessee, and West Virginia.

Dr. Layzell said that these agreements were renegotiated to comply with policies adopted by the Council at its January meeting to achieve relative balance between participating states with regard to the number of students participating in the agreement in each state and the financial costs of the agreement. He said that the Council normally approves reciprocity agreements for four years, but these are two-year agreements that could be cancelled at the end of one year by either state. Due to the affordability study underway, he anticipates the development of recommendations related to nonresident students that may determine whether these reciprocity agreements are continued in their current form.

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

VOTE: The motion passed.

#### 2005-06 TUITION AND FEES

RECOMMENDATION: The staff recommends that the Council approve (1) tuition and required fees for FY 2005-06 and (2) the process for approving tuition and required fees for FY 2006-08.

Dr. Layzell said that all of the governing boards have approved the tuition rates with the exception of the University of Louisville. That board meets June 2 so the approval of the UofL rates is contingent upon the approval of their board.

Approximately \$24 million, or 16 percent, of the projected increase will be used for student financial aid. Of this amount, \$5 million is to be used for need-based aid and \$19.6 million for merit-based aid.

The Council will develop a new process for approving tuition and fees beginning with the 2006-07 academic year. The new policy will require KCTCS and the public universities to submit proposed rates for tuition and fees to the Council for action on a schedule set by the Council. The schedule shall provide adequate time for public comment, student notification, and planning. The process, to be in place by October 2005, will ensure that adequate justification exists for proposed rates of tuition and required fees based on affordability, fiscal responsibility, institutional missions, and other appropriate measures. The Council also will establish procedures to review and approve rates for tuition and fees for any modifications in the rates if the need arises.

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

Ms. Bertelsman asked that the Council provide a method for the

institutions to report the success of the process and to determine if modifications are needed for the next biennium.

Mr. Canafax expressed concern about the tuition rate increases. In light of the fact that this Council is looking further at the funding model and subsequent action around the affordability study, it is important for the Council as a body to work more cooperatively with the institutions to keep the best interest of the residents of the Commonwealth in mind and ensure that they can afford to attend the public institutions in the state.

Ms. Guess pointed out that Eastern Kentucky University has the largest rate increase and asked President Glasser where tuition funds will be directed after the first year, in particular the money designated for need- and merit-based financial aid.

President Glasser said that EKV is very sensitive to the fact that a significant part of the new revenue base is directed to need-based aid. She said that it is possible that a portion of these funds will be redirected to other needs after the first year of the biennium, possibly deferred maintenance in order to maintain a safe learning environment, contingency funds, need-based aid, and salary increases.

Ms. Bertelsman suggested that each institution maintain a contingency fund to meet unanticipated maintenance expenses.

Mr. Greenberg said that even with these tuition increases Kentucky as a state is extremely affordable and the individual institutions are for the most part at or below the median of affordability compared to their benchmark institutions. For the regional universities, the range of tuition is within \$1,000.

Mr. Owen said that Kentucky generally has had low-cost, affordable education and the Council is determined to keep it that way. When the legislature and the Governor did not fund postsecondary education in a continuing way, the presidents felt there was a need for tuition increases which was not counter to their goal to increase quality at Kentucky's universities. He said this balancing act really has to be looked at carefully by the institutions and by the Council to determine if Kentucky institutions are becoming unaffordable or are reducing quality. He said that in order to discuss funding adequacy at the institutions, the Council must look at more measures of accountability for the universities.

Mr. Flanagan said that the Council should move more toward its responsibility of being in charge of tuition for all of the people of Kentucky.

Ms. Guess asked that the Council act on the tuition and required

fees for FY 2005-06 and the process of approving tuition and required fees for FY 2006-08 in two separate motions. There was no objection to acting in this manner.

VOTE ON TUITION AND REQUIRED FEES FOR FY 2005-06: The motion passed with Ms. Guess voting no.

VOTE ON THE PROCESS OF APPROVING TUITION AND REQUIRED FEES FOR FY 2006-08: The motion passed.

#### NEW PROGRAM REPORT

A report on new programs was included in the agenda book. From spring 2002 to fall 2004, Kentucky's public institutions have implemented 48 new programs – 29 at the universities and 19 at KCTCS. These include 11 in health-related fields, 10 in business, 10 in liberal arts and social sciences, six in technology, three in computer and information technology, three in education, and two in mathematics and science. An additional three programs provide opportunities in agricultural production, culinary arts, and corrections. A comprehensive report of new programs approved since streamlining the program approval process in 1999 and benefits resulting from program closures and alterations during the academic program productivity review begun in 2000 will be presented to the Council in fall 2005.

#### MOSU ENDOWMENT MATCH PROGRAM APPLIED RESEARCH REQUEST

At the March meeting the Council delegated to the Executive Committee approval authority for applied research programs pursuant to the new endowment match program guidelines to accommodate timely distribution of funds. At its April 12 meeting, the Executive Committee approved a proposal submitted by Morehead State University for conducting applied research within the university's creative arts program. This information was provided to the Council for information only.

#### COMMITTEE APPOINTMENTS

Mr. Greenberg reappointed Ms. Bertelsman and Ms. Taylor to the Executive Committee. The new faculty representative will fill Mr. Freed's spot on the Executive Committee. The terms for Ms. Bertelsman and Mr. Freed on the P-16 Council expire June 30, so he appointed Phyllis Maclin and the new faculty representative to replace them. He thanked Ms. Bertelsman and Mr. Freed for their service on the P-16 Council.

#### NEXT MEETING

The next Council meeting is July 18. A Council retreat will be scheduled in late June or early July.

Mr. Greenberg thanked Governor Fletcher for actively engaging the Council in dialogue with him during the last few weeks and said that the Council members look forward to working with the Governor on the priority initiatives and the new public agenda over the next several months.

ADJOURNMENT      The meeting adjourned at 2 p.m.

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Thomas D. Layzell  
President

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Phyllis L. Bailey  
Associate, Executive Relations