

**MINUTES**  
**Council on Postsecondary Education**  
**Special Meeting**  
**October 17, 2007**

The Council on Postsecondary Education met in a special meeting Wednesday, October 17, 2007, at 1 p.m. (ET) at the Council offices in Frankfort, Kentucky. Chair Turner presided.

ROLL CALL

The following members attended: Walter Baker, Peggy Bertelsman, Suvas Desai, Dan Flanagan, Virginia Fox, John Hall, Ryan Quarles, John Turner, and Mark Wattier. Kevin Canafax, Phyllis Maclin, Alois Moore, Jim Skaggs, Joe Weis, and Kevin Noland did not attend.

DOUBLE THE  
NUMBERS PLAN

The meeting began with *Reflecting on Reform: A Ten-Year Anniversary*, the video that was presented at the 2007 Governor's Conference on Postsecondary Education Trusteeship. Mr. Turner said that the underlying theme of the video is the need to double the number of bachelor's degree holders by 2020. The video shows where Kentucky has been, progress made since the passage of the reform act in 1997, and the challenges that remain.

Representative Frank Rasche, Senator Jack Westwood, Kentucky Chamber of Commerce President Dave Adkisson, and WKU President Gary Ransdell joined Mr. Turner and Interim CPE President Brad Cowgill in the release of *Double the Numbers: Kentucky's Plan to Increase College Graduates*.

Mr. Cowgill said that the plan outlines five essential strategies that will be advanced across the state and regionally for Kentucky to achieve its educational attainment goal to reach the national average of bachelor's degree holders by 2020. The five strategies are:

1. Raise high school graduation rates.
2. Increase the number of GED graduates and transition more to college.
3. Enroll more first-time students in KCTCS and transfer them to four-year programs.
4. Increase the number of Kentuckians going to and completing college.
5. Attract college-educated workers to the state and create new jobs for them.

Each strategy highlights some of the tactics that will be used to pursue the goal, as well as statewide targets to be reached by the year 2020. The second part of the plan examines what achievement of the goal could mean for each of the universities' areas of geographic responsibility, and establishes 2020 regional targets for each of the five strategies. The role of the Association of Independent Kentucky Colleges and Universities also is included. Mr. Cowgill said that the Double the Numbers Plan is ambitious but attainable if everyone works together and efforts are accelerated.

Representative Rasche said that for many years so much of the discussion on

postsecondary education has revolved around economic development and training that results with a job upon graduation. He said that postsecondary education is more than that, particularly for the traditional student, and it is important for students to be exposed to a variety of subjects, not just a single discipline. He said that the Double the Numbers Plan is important but the traditional humanities courses and other subjects should not be forgotten along the way.

Senator Westwood commented that the Double the Numbers Plan provides a picture of the challenges ahead for Kentucky. He said that eliminating social problems as well as achieving economic prosperity is through an educated citizenry. The high school dropout problem must be addressed and students must see the relevance of education to a successful future. He added that more adults must be brought into the postsecondary system. He said that a financial investment is needed – more space, more buildings, more classrooms – but there also needs to be an investment in the programs being offered. No child or adult can be left behind. Everyone must have the opportunity to go on to postsecondary education, and the institutions must retain the students once enrolled.

Mr. Adkisson said that the Double the Numbers Plan is very encouraging to the business community. It provides a goal that everyone in the state can work toward. One of his concerns about education in Kentucky is that the state has lost its voice and its ability to articulate its accomplishments and goals. In the late 1980s and early 1990s there was a rally cry against Kentucky being ranked 49<sup>th</sup> in the nation. That effort helped bring about a political will that resulted in some reforms. He added that Kentuckians sometimes have a bit of fatalism about the state's culture. He said that cultures can be changed, and the state must continue to change the culture about the importance of education to Kentucky. He said that on December 4 the Kentucky Chamber's Task Force on Postsecondary Education will unveil the findings of its ten-year review of Kentucky's progress toward achieving the goal of bringing the state to the national educational attainment average by 2020.

President Ransdell said that the entire concept of the Double the Numbers Plan is about collaboration and partnerships. He said all of the presidents are focused on partnering with each other. The institutions, along with the entire General Assembly and the Executive Branch, must work toward the achievement of this important goal. He said that he can speak on behalf of his colleagues that the presidents do support the goal of the Double the Numbers Plan. The unknown variable is the funding model and how to achieve a sufficient level of state support to allow the DTN goals to be achieved. The numbers are big and are a challenge, and the goal cannot be achieved only with tuition. He said that tuition has gone up considerably in recent years and the tide has to be turned to a more reasonable tuition level. But this requires the state to help with the funding. Current state appropriations generate between 25 and 30 percent of the institutions' budgets; tuition is generating approximately 40 percent. Therefore the campuses are generating somewhere between 25 and 35 percent of their respective budgets in self-generated funds aside from tuition and state appropriations. How funds are generated through increased efficiencies, partnering with the state for state appropriations, and the tuition charged to the students in order to achieve a quality education becomes the key question in defining a funding model. He said that the DTN plan suggests that the institutions must be about quantity in order for Kentucky to achieve its objectives. He said that the universities and KCTCS also must be about quality. The institutions cannot simply focus on quantity and fail to achieve

the necessary quality. There must be sufficient quality in order for the state to be well served and for the business community to be well served by the students placed in jobs. President Ransdell said that it is important to note that nine presidents have come into their positions since House Bill 1 was passed in 1997. He said that the institutional leaders are dedicated to the goals and what can be done collectively to help move the state forward.

Mr. Turner congratulated Presidents Ransdell and Votruba on their ten-year anniversaries at Western Kentucky University and Northern Kentucky University.

#### VIC HELLARD AWARD

Mr. Cowgill announced that the Kentucky Long-Term Policy Research Center has selected John Hall as the 2007 recipient of the Vic Hellard Award. This award is given annually in memory and recognition of Vic Hellard Jr. for his leadership and service to the Commonwealth. The award will be presented to Mr. Hall November 13 at the KLPRC annual conference. He noted that two other current CPE members - Virginia Fox and Walter Baker - are former award recipients.

#### POSTSECONDARY EDUCATION 2008-10 DISCUSSION BUDGET

Mr. Cowgill gave a general overview of the 2008-10 discussion budget. He said that the document is a draft and was produced by Council staff with the institutional chief budget officers. Further discussion is needed and much work remains to be done before the Council takes action at its November 5 meeting.

Mr. Cowgill said that the general methodology of how to put the budget together has changed and the benchmark funding method has been abandoned. Instead, a new methodology has been developed which aligns funding with meeting the goals of House Bill 1 adopted in 1997. Mr. Cowgill said that institutional budget hearings were conducted October 3. This was an opportunity for the institutional chief budget officers to provide information about the things that the institutions are trying to accomplish and how they see the activities on their campuses being aligned with the state goals expressed in House Bill 1.

Mr. Cowgill said that over the last few years postsecondary education has been concerned about several initiatives – college readiness and developmental education, degree production and productivity, STEM education and careers, adult education, affordability and access, workforce development, regional stewardship, and the Bucks for Brains endowment match program. The staff has focused on these initiatives and is developing a recommendation which can be made as persuasively as possible to the General Assembly in the hope of advancing these goals, because these are the goals that the General Assembly itself said it wants the Council to advance.

Changes to the funding model: (1) the benchmark model has been abandoned, (2) regional equity considerations are deemed resolved by the last General Assembly, (3) emphasis is given to both volume and structure of General Fund appropriations, (4) there is a focus on degree production and statewide priorities,

(5) degree production is valued over enrollment, and (6) tuition is included as a revenue source.

The outcomes: (1) a significant increase in General Fund support, (2) the ratio of new General Fund support to new tuition revenues is higher than in recent budgets, (3) new funds are more concentrated in strategic initiatives than base preservation,

(4) the total public funds (tuition revenue and General Fund support) will rise faster than the historical average of recent budgets, and (5) degree productivity is strongly encouraged.

The proposed model includes several bands of funding. Three bands under the heading “continuation of existing operations” are base adjustment, capital renewal, and maintenance and operation of new facilities. There are five bands under “strategic initiatives” – the Double the Numbers fund, developmental education, statewide priorities, access initiative, and the Bucks for Brains endowment match program.

Mr. Cowgill said that the business plans submitted by the institutions were useful and of high quality but they were not developed in a comparable manner. Most were submitted in draft form and have not yet been approved by the institutions’ boards of regents and trustees. Mr. Cowgill said that the funding model was shaped by the business plans but the plans are not “bricks” of the model.

Mr. Cowgill said that the goal is to work together with the institutions to find financial resources to achieve the goals of House Bill 1. The Council and institutional staffs will continue to work on the budget recommendation leading up to the November 5 meeting.

John Hayek, the Council’s interim vice president for finance, presented information on the institutional operating budget draft recommendation and agency operations. Sherron Jackson, the Council’s assistant vice president for finance, provided information on the institution’s capital requests.

Ms. Bertelsman suggested the information be packaged so that the Double the Numbers Plan is the primary focus of the budget and includes other initiatives that are part of the DTN Plan.

#### BUCKS FOR BRAINS TEN-YEAR REPORT

Mr. Hall reported that the Research, Economic Development, and Commercialization Policy Group met by conference call and requested the staff to circulate a draft of the Bucks for Brains ten-year report to the Council members for review. The final report, which provides an overview of Kentucky’s historic investment in the Bucks for Brains program, will be presented as an action item at the November 5 Council meeting. A printed anniversary brochure was distributed.

#### CAPITAL PROJECT

RECOMMENDATION: The staff recommends that the Council approve the request of the University of Kentucky to use the HB 380 authorization to upgrade fume hoods in the Thomas Hunt Morgan Biological Sciences Building and also to complete limited renovations to update teaching and research labs. The estimated project is \$3.2 million.

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

VOTE: The motion passed.

#### TRANSLATIONAL RESEARCH FORUM

Mr. Turner announced that the inaugural Kentucky Translational Research Forum will be held October 18 at The Brown Hotel in Louisville. The event is hosted by

the University of Louisville and organized by the Council, UofL, and UK. It will showcase the institutions' research and achievements and the impact of that research on improving the lives of Kentuckians.

NEXT MEETING      The next Council meeting is November 5 in Frankfort. The November 4 Council study session has been cancelled.

ADJOURNMENT      The meeting adjourned at 5 p.m.



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Bradford L. Cowgill  
Interim President

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Phyllis L. Bailey  
Senior Associate, Executive Relations