

# **AGENDA**

Council on Postsecondary Education  
Executive Committee

January 12, 2005  
11 a.m. (ET)  
Meeting Room A  
Council on Postsecondary Education  
Frankfort, KY

1. Roll Call
2. Approval of Minutes
3. 2004-05 Strategic Planning Process
4. Comprehensive Funding Review Progress Report
5. 2005 Legislative Session
6. Other Business
7. Next Meeting – March 2, 10 am, CPE Offices, Frankfort
8. Adjournment

**MINUTES**  
**Council on Postsecondary Education**  
**Executive Committee**  
**November 7, 2004**

The Executive Committee of the Council on Postsecondary Education met November 7, 2004, at 2:30 p.m. at the Embassy Suites in Lexington, Kentucky. Chair Barger presided.

**ROLL CALL**

The following committee members were present: Steve Barger, Peggy Bertelsman, Richard Freed, Ron Greenberg, and Joan Taylor.

**APPROVAL  
OF MINUTES**

The minutes of the September 29 and November 3 Executive Committee meetings were approved.

**2003-04 AGENCY  
AUDIT**

Allen Norvell with the accounting firm of Moore Stephens Potter reviewed the audit report and stated that there were no references of material noncompliance found. The management letter was shared with the committee members. Mr. Norvell noted that the management letter contained few comments and there had been significant improvement from the audits of past years. Mr. Norvell said that the audit included the examination of travel records of five Council employees and that the auditors had randomly selected the employees for this audit.

**MOTION:** Mr. Greenberg moved that the Executive Committee recommend to the full Council acceptance of the audit. Ms. Taylor seconded the motion.

**VOTE:** The motion passed.

Mr. Norvell thanked the Council for the opportunity to serve as auditor and thanked the Council staff for their assistance during the audit.

**ADJOURNMENT**

The meeting adjourned at 2:55 p.m.

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Thomas D. Layzell  
President

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Phyllis L. Bailey  
Associate, Executive Relations

## 2004-05 Strategic Planning Process

Charting a course for Kentucky's postsecondary education system over the rest of the decade is proceeding according to schedule. Below is a status report on four elements of the 2004-05 strategic planning process. The staff seeks the advice of the Executive Committee as it moves through the final phases of the statewide public agenda-setting process and into the development of campus/Council action plans, mission parameters, and key indicators of progress.

***Draft Public Agenda***—Attachment A is a working draft of the public agenda. This document reflects what was learned from our data analyses and heard from citizens and constituent groups all across the state about the challenges facing Kentucky and its regions and what the postsecondary system can do to help address them. The staff plans to distribute this draft widely (a combination of hard copy and Web access) for review and comment through the end of February. The timeline calls for the Council to take action in March.

The section of the draft outlining the Five Questions is based heavily on the November 2004 status report, entitled "What We're Learning." At that Council meeting, members expressed sentiment for keeping the Five Questions as the system's "brand." The framework for this draft is in keeping with that suggestion, and the document is so named, Postsecondary Education and Kentucky's Future: The Five Questions We All Must Answer.

***Campus/Council Action Plans***—Attachment B is a draft template to guide the development of the action plans for implementing the public agenda. Each of the public universities, the Kentucky Community and Technical College System, the Association of Independent Kentucky Colleges and Universities, and the Council on Postsecondary Education (including Kentucky Adult Education and the Kentucky Virtual University and Library) will draft an action plan to be implemented over the next four years. These plans will respond to the Five Questions outlined in the public agenda, to specific regional issues (see Attachment C), and to the goals of HB1. The development of action plans will commence once the Council approves guidelines in March. The timeline calls for Council approval of the entire set of action plans in July.

***Mission Parameters***—A key component of the campus action plan development process is the establishment of mission parameters for each of the public institutions. Statute KRS 164.020 requires the Council to review, revise, and approve the missions of the state's universities and KCTCS. Statute KRS 164.350 requires Boards of Regents to review their respective institutional missions to ensure consistency with the statewide strategic agenda. Attachment D describes this process in greater detail and includes a preliminary outline of the dimensions that the staff proposes for use in establishing mission parameters, along with a set of mission-related issues that will be addressed over the coming months as this process unfolds. The staff has begun discussions with the institutions on these issues and will explore them more fully in a set of campus meetings in January and February.

**Key Indicators**—To enable the system and state policy makers to monitor implementation of the public agenda and action plans, the staff has begun work on the development of an accountability program that will include both systemwide and institutional measures. Attachment E is a one-page outline illustrating in a non-technical way what the system will measure. The staff will work closely with the institutions over the next several weeks to create specific metrics for each of these systemwide key indicators, as well as a set of key indicators for each institution. The goal-setting process will take place later in the year.

**Timeline**—Attachment F is the timeline included in the November agenda book. The staff proposes no changes.

Staff preparation by Sue Hodges Moore

# Strategic Planning Process

Comprehensive Data Assessment  
Statewide and Regional Forums



Public Agenda  
The Five Questions  
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State-level Key Indicators



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## Action Plans

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CPE EKU KSU MoSU MuSU NKU UK UL WKU KCTCS AIKCU

*Each action plan will contain*

Council  
Adult Education  
KYVU/VL

Mission Parameters  
The Five Questions: Priorities for Action  
Institutional Key Indicators of Progress

Priorities for Action  
Independent Sector

## **Postsecondary Education and Kentucky's Future The Five Questions We All Must Answer 2005-2010**

### **Introduction**

Kentucky's public agenda for postsecondary education has become a nationally recognized model for higher education reform. The agenda calls for a fundamental, profound shift in the way the postsecondary system approaches its work: while institutions once competed against each other for their own interests, the public agenda challenges them to work *together* for the *common good*. The motto of reform is "One Mission: Better Lives." The long-term goal is to raise the standard of living and quality of life in the Commonwealth above the national average by the year 2020.

At the heart of our public agenda are five questions—short, simple, yet powerful reminders of the public we serve. The questions are stated in clear, common language, not cloaked in academic or bureaucratic jargon. More importantly, the questions are focused on the people of the Commonwealth who deserve broad access to affordable, high-quality postsecondary opportunities leading to good jobs and productive, meaningful lives. The questions represent five key ingredients to long-term, sustained improvement of Kentucky's postsecondary system: more students prepared for postsecondary study, more students enrolling, more students progressing through the system and graduating on time, better academic preparation for life and work, and increased community and economic development. As such, the five questions guide the work of the entire postsecondary system. They also serve as the framework for accountability measures that monitor our progress and encourage and reward behaviors that move us closer to our goals.

The Council on Postsecondary Education—the entity charged with coordinating the reform—is required to review this public agenda every four years. The review began in early 2004 with an analysis of demographic, economic, and education data from 1997 to the present. In partnership with the National Center for Higher Education Management Systems and the Kentucky Long-Term Policy Research Center, the Council made some projections to better understand what it would take to bring Kentucky to or beyond the national average in educational attainment by the year 2020. Meetings with state policy, civic, and business leaders were conducted to find out if reform is working and where the system can improve. And nine regional forums were held across the state to hear what Kentuckians feel are the most important issues for the next phase of reform.

This revised public agenda reflects what we learned from our analyses and heard from concerned, engaged citizens all over the state. These conversations reaffirm that the questions we posed five years ago are essentially the right questions, with a few modifications to emphasize areas needing more attention. This agenda renews our commitment to improving lives while positioning the system to better respond to the challenges ahead.

### **The Call for Change**

The impetus for postsecondary reform was the *Kentucky Postsecondary Education Improvement Act* (House Bill 1), passed by the Kentucky General Assembly in 1997 to reverse decades of low educational

achievement. For years, Kentucky trailed the nation on almost every indicator of educational success—standardized test scores, high school graduation rates, baccalaureate degree attainment, and adult literacy rates. In 1996, a special task force commissioned by the legislature noted a high correlation between Kentucky’s low educational attainment and low per capita personal income. Limited opportunities and geographic isolation in rural areas especially had created a cycle of poverty, unemployment, and low aspirations. Too often, postsecondary programs were inaccessible or unresponsive to workforce needs. The task force found the postsecondary system was ill prepared to meet the demands of the next century.

All of this suggested a need for improved access to a variety of postsecondary education opportunities. Recognizing that a single institution could not be all things to all people, HB 1 established six goals to describe the system we aspire to create in terms of its providers and their primary roles:

1. A seamless, integrated system of postsecondary education strategically planned and adequately funded to improve economic development and quality of life.
2. A major comprehensive research institution ranked nationally in the top 20 public universities in the University of Kentucky.
3. A premier, nationally recognized metropolitan research university in the University of Louisville.
4. Comprehensive, regional universities—Eastern Kentucky University, Kentucky State University, Morehead State University, Murray State University, Northern Kentucky University, and Western Kentucky University—that work cooperatively to assure statewide access to appropriate, high quality degrees and house at least one program of national distinction.
5. A comprehensive Kentucky Community and Technical College System as the primary provider of two-year transfer and technical programs, workforce training, and remedial and continuing education.
6. An efficient, responsive, and coordinated system of autonomous institutions that delivers educational services to citizens in quantities and of a quality comparable to the national average.

Kentucky’s independent institutions contribute to the state’s educational capital and are key partners in the reform. As we move forward, we will build on their cooperation and strengths to better serve the diverse needs of the Commonwealth and its people.

HB 1 abolished the Council on Higher Education and created in its place the Council on Postsecondary Education. The primary role of the Council is to coordinate change and improvement throughout the system. The Council’s foremost concern is the public interest, which it promotes through a public agenda linked to state needs. The Council identifies desired outcomes and then motivates and supports the system toward results.

On the heels of HB 1, an adult education task force was formed in 1998 to study the needs of Kentucky’s undereducated workforce. The magnitude of the problem was astonishing: 40 percent of the workforce ages 16-64—nearly 1 million adults—lacked the literacy, mathematical, and reasoning skills necessary for high-value jobs in a knowledge economy. The task force concluded: “Adult illiteracy is the fundamental barrier to every major challenge facing Kentucky, including early childhood education, education reform, economic development, and improving the health and well being of Kentucky’s families and communities.” Increasing the number of degree holders in the state requires that a substantial number of these under-prepared adults enter the postsecondary pipeline.

Kentucky’s leaders moved aggressively and in bipartisan fashion to enact the *Adult Education Act* (Senate Bill 1) in the 2000 legislative session. SB 1 increased adult education funding and set the stage for dramatic improvements in adult education enrollment, GED attainment, and college-going rates. By giving the Council oversight of adult education budget and policy, SB 1 established a formal link between the two agencies. This partnership was strengthened in July 2003 when the Department for Adult

Education and Literacy, renamed Kentucky Adult Education, transitioned from the Cabinet for Workforce Development to the Council.

## Early Successes

In 1997 and 2000, the Commonwealth made investments in postsecondary and adult education that are paying off. Kentucky's reform is working and garnering national attention from other states and nations. The National Center for Higher Education Management Systems touted Kentucky's progress as "nothing short of remarkable." There are tens of thousands more students enrolled in Kentucky's institutions and as many more being served by adult education providers. More Kentuckians than ever are taking classes on campus and in the workplace—in the evenings, on weekends, and online. More high school and GED graduates are going on to postsecondary study. Graduation rates are up. The Kentucky Community and Technical College System has increased its enrollment by nearly 60 percent since its creation in 1998. The comprehensive universities are becoming "stewards of place" that work closely with business and community leaders to meet regional needs. And the research institutions are contributing the infrastructure necessary for Kentucky to compete successfully in a knowledge economy.

These early successes have created a momentum which, combined with Kentucky's natural assets and entrepreneurial spirit, give us much to build on as we move into the next phase of reform.

**Postsecondary Reform: Before and After.** In a comprehensive assessment of postsecondary reform progress released by the Prichard Committee for Academic Excellence in October 2002, Aims McGuinness of the National Center for Higher Education Management Systems notes the profound change in the state's attitude about postsecondary education. Before 1997, he writes, "a common response to the question 'Why not?' was 'This is Kentucky—we don't do that here.'" Five years later, McGuinness characterizes Kentucky's progress toward postsecondary reform as:

...nothing short of remarkable. To a striking degree, the reforms have addressed most of the issues identified just five years earlier and established the foundation for step-by-step progress over the next decade and beyond. Perhaps the most profound change over the past five years has been a change in expectations and frame of mind—among students, parents, business and civic leaders, postsecondary leaders, and the Commonwealth's policy leaders. There is a new sense of hope, pride, and confidence. In response to the question, "Why not?" the answer today is, "This *is* Kentucky, and the Commonwealth is leading the nation in demonstrating how sustained attention to education reform can bring about fundamental, long-term improvement in a state's quality of life and economy.

## The Challenges Ahead

Kentucky has made great strides since 1997, but so have our competitor states. The task in front of us is monumental, and we cannot afford to become complacent. According to an analysis of U.S. Census projections, Kentucky will need 801,000 working-age adults in the state with a bachelor's degree or higher to match the projected national average educational attainment level in 2020; in 2000 we had only 402,000. So over the next 15 years, we would need to nearly double the number of Kentuckians ages 25-64 with at least a four-year degree.

Reform has reached a critical juncture, as the excitement of early success gives way to the difficult work ahead. A constrained fiscal environment at both the state and national level has added to the challenge. Resources have dwindled, and everyone has been asked to do more with less. What has continued to thrive, however, is the belief that postsecondary education is the key to economic prosperity and better



lives for Kentucky's people. It is widely understood that moving this Commonwealth forward will require a deliberate and renewed investment of time, energy, creativity, and resources. And, we must quicken the pace.

Our analyses and conversations leading up to this agenda suggest three major challenges facing reform:

- Low educational attainment of Kentucky's populace continues to plague the Commonwealth. Too many people in Kentucky think that college isn't for them or within reach. There is still too much "leakage" all along the education pipeline—high school students failing to graduate as well as college students failing to complete a degree. Disparities in achievement—by race, gender, region, and income—continue to exist. If the Commonwealth cannot eradicate inequalities in our education system, an ever-widening achievement gap will severely limit our potential. Kentucky must ensure that all of its citizens succeed by eliminating barriers that prevent disadvantaged students from succeeding at the same rate as their more advantaged peers.
- According to census figures, Kentucky's population distribution is inverting. In the past, older Kentuckians have been the smallest population segment, comprising the tip of a population pyramid. In the future, younger Kentuckians will form a smaller base at the bottom of the pyramid, while the older, more populous generations will form the growing workforce in the middle of the pyramid. As baby boomers age, the nation will face many challenges, including a shrinking workforce that must embrace lifelong learning to remain relevant in the economy. Kentuckians must have the ability to think critically, learn continually, and retool themselves rapidly, again and again.
- In many regions, much of the new job creation over the next five years is expected to occur in areas that don't require education beyond high school. Without intervention, there will not be an increase in the "high value" jobs that enable Kentucky to compete in a global economy. Kentucky must create and attract the kinds of jobs that will elevate per capita income and give Kentuckians a reason not only to complete a postsecondary credential, but to remain in the state after graduation. Better jobs also will attract more highly educated workers into Kentucky. A variety of economic development strategies are needed, from strengthening and commercializing our research base to growing our own entrepreneurs. Colleges and universities must be poised to provide support to communities and regions beyond the education of students, including technical assistance to area businesses, leadership development, and entrepreneurship training. More and better employment opportunities will lead to other improvements as well, like improved public health and greater tax revenues.

### **Life-Long Learning for an Aging State**

Kentucky's reality is that we will sink or swim not on how well we educate our youth, but on how well we educate our entire population, whether age 15, 35, 55, or 75.

For the most part, our workforce of tomorrow is just our workforce of today grown older.

We now have a middle-aged population, but as the baby boomers age ... Kentucky will become an aging population. Many of our citizens may not have the resources they will need to retire and will have to work part- or full-time to meet their economic needs. They may find out if they retire too early that they will run out of income before they run out of life. Kentucky must develop policies for retraining and retooling people.

We must invest in becoming an educated state, educating not just our youth but each and every one of us. We must educate and re-educate, train and retrain.

*Ron Crouch, Director, Kentucky State Data Center, University of Louisville*

## **The Agenda: Five Questions We All Must Answer**

After a comprehensive review of reform and an assessment of our current and future challenges, the issues addressed by the five questions remain essentially unchanged, a validation of their continued resonance with policy makers, the public, and members of the postsecondary community. Minor revisions signal a slight shift in focus, but do not change our course. We moved the issue of college affordability front and center by adding a new question. We also combined two separate questions on student enrollment and progression into one question focusing squarely on the need for more certificates and degree holders in Kentucky.

Taken together, these refined five questions represent the new public agenda that will guide the work of Kentucky's postsecondary education system into the second half of this decade:

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

For each question, we examine our recent progress and remaining challenges, and present the policy directions that will shape our decisions and actions over the coming years. By 2020, we hope to answer each of these questions with an unqualified "Yes."

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

Question 1 examines how well high school graduates and adults are prepared for postsecondary study. An overwhelming majority of high school students tell us they plan to continue their education after graduation but have not tackled the rigorous courses that prepare them for college-level work. Many adults recognize the need for advanced training but have not completed high school—or have been out of school for a while and need to refresh their skills. Postsecondary education has a responsibility to ensure that all students—regardless of income level, age, gender, or skin color—have access to high quality instruction and guidance counseling that can lead them to postsecondary success.

#### ***PROGRESS***

##### **Reform efforts to date show that:**

- Adult education enrollment has increased 135 percent in four years.
- Kentucky had the highest increase in the nation in the percent of adults with a high school credential from 1990-2000.
- More 8<sup>th</sup> graders are scoring well on national assessments than a decade ago.
- More high school students are taking college preparatory courses. Since 1998, the number of dual enrollment courses taken in high school nearly tripled, and the number of AP courses almost doubled.

## ***CHALLENGES***

### **Data analyses and planning discussions suggest that:**

- Minority and low-income students are not taking challenging courses in high school, do not score well on standardized tests, and often are not encouraged to pursue college.
- Adult education enrollment represents only 12 percent of adults at the lowest literacy levels.
- Too many high school graduates entering college are not adequately prepared; 30 percent score less than 18 on the ACT, compared to 26 percent nationally.
- Only 62 percent of 7<sup>th</sup> – 12<sup>th</sup> graders are taught by teachers with a major in their field, compared to 81 percent in top-performing states.
- Compared to top performing states, middle and high school students are performing poorly on national assessments, including the National Assessment of Education Progress, Advanced Placement exams, and the ACT.

## ***DESIRED RESULTS***

### **Current and projected challenges point to a need for:**

- Greater participation in adult education programs and increased production of GED graduates.
- More explicit information from the postsecondary community about what it takes to succeed in college.
- Smoother transitions from high school and GED programs to college through closer alignment of the secondary, adult, and postsecondary systems.
- Postsecondary involvement in efforts to restructure high school curricular requirements.
- Broader availability of Advanced Placement and dual enrollment/credit opportunities.
- Increased access to programs and services that help students perform well on college entrance examinations.
- Strengthened teacher and educational leader preparation and professional development programs at all levels, from early childhood to adult education.
- Expanded efforts to recruit a diverse teaching force and to keep good teachers working and living in Kentucky.
- More concerted efforts to close achievement gaps and increase college going among minority, low-income, first-generation, and adult students.
- Strengthened K-12 guidance counseling to provide early college awareness and planning.

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

Question 2 monitors the affordability of postsecondary education, especially for families who are least able to pay. Historically, the cost of going to college in Kentucky has compared favorably to other states. This is still true today. Tuition remains relatively low and the average financial aid award is high. However, too many Kentuckians have misperceptions about college costs—they think tuition is higher than it is and are not aware of their financial aid options. Additionally, rising tuition and fees may be placing a financial strain on many families, which, if left unchecked, can overload students with debt or price them out of college completely. It is critical to other areas of reform that college in Kentucky remains financially accessible.

## ***PROGRESS***

### **Reform efforts to date show that:**

- Kentucky ranks 14<sup>th</sup> among states in providing affordable postsecondary education opportunities, according to *Measuring Up 2004*.

- Average tuition and fees at Kentucky institutions in 2003-04 were 25 percent below the national average.
- The cost of public postsecondary education as a percent of family income is unchanged from a decade ago.

### ***CHALLENGES***

#### **Data analyses and planning discussions suggest that:**

- While college in Kentucky remains affordable compared to other states, it is losing ground. The state's ranking in overall affordability slipped from 8 to 14 from 2002 to 2004.
- According to the College Board, the purchasing power of the federal Pell grant has declined considerably over the last two decades. In 1980-81, the Pell grant covered 35 percent of the average cost of attending a public, four-year institution; by 2003-04, it covered only 23 percent.
- Eighty-three percent of GED examinees report an income of less than \$10,000 a year.
- Adequate financial aid is not available for part-time students, a barrier for adults in the workforce.
- Better information is needed about net college costs and affordability to make good policy decisions.

### ***DESIRED RESULTS***

#### **Current and projected challenges point to a need for:**

- 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.
- Mutually supporting efforts among the policy-making bodies that have responsibilities in the area of student affordability.
- Improved communications with prospective students and their families about financial aid opportunities and net college costs to dispel common misperceptions about postsecondary education affordability.
- Expanded grant programs and low-interest/forgivable student loans that address workforce demands and the needs of underserved populations.
- Financial incentives for students to take a rigorous high school curriculum.
- Better access to financial aid for GED graduates, part-time students, and transfer students.

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

To increase the number of college-educated Kentuckians to 801,000 by 2020, the postsecondary system must recruit and enroll more students, improve retention, ensure more students persist to certificate and degree completion, and keep graduates living and working in the state. Reaching our goals will require an infusion of high school graduates and working-age adults into the postsecondary pipeline at both the undergraduate and graduate levels, including two- to four-year transfer students. The state's economic future in large part depends upon Kentuckians' ability to advance seamlessly through the educational system throughout their lifetimes.

#### ***PROGRESS***

##### **Reform efforts to date show that:**

- Since 1998, total enrollment in postsecondary education increased 25 percent.
- The number of GED graduates transitioning to college increased from 12 percent in 1998 to 20 percent in 2001.
- For the first time, the college-going rate of 9<sup>th</sup> graders exceeds the national average, up from 34 to 38 percent over the last decade.
- The proportion of Kentucky resident African Americans in the student body has increased at both the undergraduate and graduate levels from 1995 to 2003.
- In the past decade, the college participation rate of minority young adults (ages 18-24) rose from 15 to 32 percent.
- At the state's public universities, the systemwide six-year graduation rate rose from 36.7 percent in 1998 to 45.3 percent in 2003.
- Kentucky is among the fastest improving states on the proportion of students completing certificates and degrees relative to the number enrolled.
- In 2003, 5.8 percent of all degrees conferred were awarded to resident African Americans, up from 4.4 percent in 1995.

#### ***CHALLENGES***

##### **Data analyses and planning discussions suggest that:**

- Too many people in Kentucky think college is out of reach or irrelevant.
- The college participation rate of both young and working-age adults is low compared to top-performing states; minority and low-income students are much less likely to go to college than white, affluent students.
- The proportion of degree-seeking freshmen returning their second year is low and virtually unchanged over the last six years.
- The number of students transferring from two-year to four-year institutions was lower in 2003 than in 1998.
- For every 100 9<sup>th</sup> graders, only 15 complete a degree.
- Kentucky's graduation rate remains well below the national rate: 45.3 percent of first-time, full-time college students complete a degree within six years, compared to 54.3 percent nationally.
- In 2000, Kentucky ranked 47<sup>th</sup> in the nation in the percent of the adult population with a four-year degree or higher. Most growth in credentials awarded is at the certificate level.
- Too many college graduates in important knowledge economy fields leave the state for better career opportunities.
- From 1995-2000, 17,584 baccalaureate recipients ages 22-29 left the state while 16,186 moved to Kentucky, resulting in a net loss of nearly 1,400 college educated, young adults.
- More graduate and professional degree production is needed to spur economic development, sustain vital communities, and provide professional services to Kentucky's people.

## ***DESIRED RESULTS***

### **Current and projected challenges point to a need for:**

- 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 to serve more students more effectively and with fewer resources through course redesign and new instructional models.
- Better coordination of distance education programs, technologies, and faculty support services.
- Creative use of alternative methods of program delivery—such as weekend and evening courses, competency-based instruction and assessments, distance learning, and institutional collaboration—that meet regional needs and lead to certifications and degrees.
- Concentrated efforts across the postsecondary system to strengthen the guidance and support provided to on-campus and distance education students.
- Incentives and encouragement for students to transfer from a two-year to a four-year institution.
- Expanded capacity of the system to produce more certificate and degree holders in Kentucky.
- More collaboration with state and local partners to address workforce shortages in targeted regions and in degree areas (undergraduate and graduate) that support economic development.
- Institutional financial incentives and rewards linked to timely graduation and degree completion.
- Larger numbers of college graduates remaining in Kentucky to work and contributing the economic and social well being of the state.

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

When students leave our colleges and universities, they should carry with them characteristics, skills, and behaviors that will equip them for life's challenges and the world of work. At its best, postsecondary education instills a sense of civic duty and pride and an obligation to help others through volunteerism and charitable giving, as well as a desire for career training and retraining throughout life. Question 4 explores the quality of learning and instruction taking place at our institutions. Students who are academically engaged and active on campus and in their communities tend to be better workers and citizens.

## ***PROGRESS***

### **Reform efforts to date show that:**

- College graduates perform well on licensure and teacher certification exams.
- Two-year college students score at or above the national average on Work Keys assessments.
- Results from the 2003 National Survey of Student Engagement show public universities have made progress on measures of undergraduate student experience, especially “enriching educational experience” and “interactions with faculty members.”

## ***CHALLENGES***

### **Data analyses and planning discussions suggest that:**

- Four-year college students score below the national average on assessments of student learning.
- Compared to 2001, the 2003 National Survey of Student Engagement shows a decline in the proportion of college students who vote, volunteer, and give to charity.
- Kentuckians do not score well on graduate entrance examinations.
- Achievement gaps between whites and African Americans are evident in assessments at both the two- and four-year levels.

- There is a lack of information in Kentucky and nationally about the contributions of our colleges and universities to the educational capital of the state and nation.

### ***DESIRED RESULTS***

#### **Current and projected challenges point to a need for:**

- 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.
- 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 COMMUNITIES AND ECONOMY BENEFITING?**

Question 5 recognizes higher education's central economic and societal role for the 21<sup>st</sup> century and captures the responsibility of postsecondary institutions to be good "stewards of place." Postsecondary institutions—through expanded research and development, faculty and staff expertise, and quality programs—can foster an innovative, dynamic culture that promotes and nurtures economic development. They also can work with community leaders to advance social and environmental progress. The Commonwealth needs globally competitive companies that will invest in individuals and communities in every region of the state. Only then will we be able to keep our college graduates working and living in Kentucky.

### ***PROGRESS***

#### **Reform efforts to date show that:**

- Federal research and development spending per capita increased 92 percent from 1996 to 2002, the fifth-highest percentage increase in the nation for that time period. On this measure, Kentucky moved from 45th to 42nd in the nation.
- The Bucks for Brains program has dedicated \$700 million to support research and academic programs at the public universities; the number of endowed chairs is up from 55 in 1997 to 170 in 2003; professorships rose from 53 to 237.
- Since 2001, nearly 128,000 employees upgraded their skills through workforce education funded by Kentucky Adult Education and its Workforce Alliance initiative.
- Kentucky's per capita income increased from 79.3 percent in 1990 to 84 percent of the U.S. average in 2003.

### ***CHALLENGES***

#### **Data analyses and planning discussions suggest that:**

- Kentucky currently ranks 42<sup>nd</sup> in the nation in the amount of federal research and development dollars generated.
- In 2003, Kentucky had a per capita personal income of \$26,352, which ranked 41<sup>st</sup> in the U.S. and was 84 percent of the national average.
- Kentucky earned a "D" in economic performance, a "D" in development capacity, an "F" in financial resources, and a "C" in business vitality, according to ratings assigned by the national Corporation for Enterprise Development in 2004.
- Services and support provided by faculty to communities, businesses, and schools is not easily measured or rewarded.

## **DESIRED RESULTS**

### **Current and projected challenges point to a need for:**

- Stronger partnerships 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.
- Greater recognition of invention as a valued element of faculty work.
- Greater emphasis on the role of postsecondary institutions as “stewards of place” that partner with business, civic, and K-12 communities to solve local, regional, and state problems.
- Better alignment of postsecondary and adult workforce training activities with initiatives in other cabinets and agencies.
- Greater commitment from the postsecondary community to entrepreneurship and leadership development as key strategies for economic development.
- Adequate support for highly educated entrepreneurs in the state.
- More adults earning workforce education certificates through expanded marketing to employers and employees.

### **[SIDEBAR] AIMING AT A MOVING TARGET**

Kris Kimel, president of the Kentucky Science and Technology Corporation, said that while the state has taken important steps toward improving the competitiveness of Kentucky’s economy, Kentucky’s ratings on the Corporation for Enterprise Development (CFED) report card have not changed much in 15 years: “We are making progress, but so is everybody else... This is like a race, and we’re at the back of the pack, and everyone else ahead of us is picking up speed. We have to take extraordinary steps if we are going to enhance our competitive position.”

## **The Call to Action**

Kentucky’s postsecondary and adult education system cannot move this agenda forward, stimulate economic opportunity, and remove barriers alone. The educational and economic aspirations of this state can be realized only through concerted and decisive action and sustainable resources. We need for our partners, advocates, and other stakeholders all across the Commonwealth to join with us as we build on the early successes of reform and confront head on the challenges that remain.

As we implement this public agenda, the postsecondary system and its partners pledge to:

*Work Together*—We must strengthen existing partnerships and reach out to new partners to accelerate our progress in advancing this agenda. “Partnerships” and “collaboration” have become buzzwords that, through overuse, have unfortunately lost some of their meaning. It is one thing to invite an organization to a few meetings; it is quite another to develop a substantive working relationship that helps both partners reach a mutual goal. The early success of reform is due in no small part to the quality of our working relationships with education, legislative, community, civic, and economic development partners—both statewide and locally.

*Be Good Stewards*—To move this agenda forward as quickly as possible, we shall, at once, dedicate existing resources and target future investments to our highest priorities. We will garner public support



for the value of postsecondary education and make the case for sustained, adequate resources for the system. We also must find innovative approaches that make us more responsive, efficient, and flexible. This requires us to use technology in ways that improve learning and support services, extend access, and increase our capacity to serve students and employers. We must also eliminate unnecessary red tape that makes it difficult to respond quickly and creatively to those we serve.

*Close the Gaps*—On almost every measure of educational progress—preparation, participation, persistence, and completion—gaps in performance exist among students from different racial, ethnic, geographic, and economic backgrounds. Closing these achievement gaps demands our ongoing and diligent attention but offers the most dramatic opportunity for improvement. Leveling the playing field will require the Commonwealth to address issues beyond the classroom, like quality pre-natal care, early childhood development, and opportunities for mentoring and support. But if we succeed, everyone in the Commonwealth will benefit.

*Be Accountable*—Our investors and beneficiaries deserve solid evidence about the performance of the system, benchmarked where possible against appropriate standards. The Council has identified key indicators for each of the five questions to gauge the progress of the system and individual institutions in meeting postsecondary reform goals. A diagram outlining the Key Indicators of Progress appears on the opposite page. Each institution has goals that represent its individual contribution to these indicators, as well as additional measures to monitor progress toward specific regional needs and institutional missions. Indicators for individual institutions are included in their respective action plans. Beyond these accountability measures, we shall—as a matter of course—collect and use data that will help us make good policy decisions and improve performance.

Each of the public universities, the Kentucky Community and Technical College System, the Association of Independent Kentucky Colleges and Universities, Kentucky Adult Education, Kentucky Virtual University, and the Council have crafted a set of action plans they will implement over the coming years. These plans respond to the Five Questions outlined here, to specific regional issues, and to the goals of House Bill 1 and Senate Bill 1.

If we succeed in advancing this agenda, Kentucky will be acclaimed for its integrated, coordinated system of education—from preschool through college and beyond. Students will understand what they need to know to succeed at the next level of education, and schools will prepare them for a successful transition. Education won't end with a postsecondary degree; Kentuckians will seek advanced knowledge and skills throughout their lives to keep pace with the demands of a global economy. Postsecondary education will be recognized as a key strategy for creating good jobs in the state, improving public health, and supporting vibrant, stable communities. More importantly, Kentucky's people will have a passion for lifelong learning and will pass this legacy on to the next generation.

## Postsecondary Education and Kentucky's Future Campus Action Plan Template

Name of University

### Introduction

This will be a "boilerplate" statement prepared by the Council staff explaining that the action plan responds to the public agenda, House Bill 1 goals, and regional priorities and satisfies the requirement in HB 1 for a strategic implementation plan, which must be reviewed every two years.

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### Mission and Characteristics

This section will include the institution's mission parameters as stipulated by the Council for the following areas:

- *Carnegie classification* (e.g., doctoral/research university-extensive, master's colleges and universities I or II, associate colleges)
- *Program level* (primary academic emphasis of the institution)
- *Student mix* (what is the appropriate mix of traditional, non-traditional adults, minority, in-state, out-of-state, international, and distance education students? Admission selectivity and developmental education also may be discussed)
- *Research and stewardship of place* (what primary responsibilities does the institution hold for the Commonwealth and its service area?)

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The Council staff will coordinate the development, review, and approval of institutional mission parameters, which will occur in conjunction with the development of campus action plans (spring 2005).

### House Bill 1 Goal

The institution's mission-specific HB1 goal will be listed here, i.e., goal two (UK), three (UofL), four (comprehensives), or five (KCTCS).

### Priorities for Action

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In response to each of the five questions, this section lists the institution's highest priority initiatives and activities over the period 2005 to 2010. In selecting its priorities for action, the institution should consider the needs and challenges of those it serves, as well as its current strengths and weaknesses as reflected in the institution's own strategic plans, CPE's the annual accountability report, and other campus data. As it develops this section, the institution also should consider the guiding principles in the public agenda: work together, be good stewards, close the gaps, and be accountable. Priorities for action should be specific, substantial, and achievable.

**Question 1: Are more Kentuckians ready for postsecondary education?**

Question 1 examines how well high school graduates and adults are prepared for postsecondary study. An overwhelming majority of high school students tell us they plan to continue their education after graduation but have not tackled the rigorous courses that prepare them for college-level work. Many adults recognize the need for advanced training but have been out of school for a while and need to refresh their skills. Postsecondary education has a responsibility to ensure that all students—regardless of income level, age, gender, or skin color—have access to high quality instruction and guidance counseling that can lead them to postsecondary success.

*To support the preparation of high school graduates and working-age adults for postsecondary education and to strengthen the preparation and development of P-12 teachers, [NAME OF INSTITUTION] will:*

- Action statement
- Action statement
- Action statement, etc. [no more than five for this question]

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

Question 2 monitors the affordability of postsecondary education, especially for families who are least able to pay. Historically, the cost of going to college in Kentucky has compared favorably to other states. This is still true today. Tuition remains relatively low and the average financial aid award is high. However, too many Kentuckians have misperceptions about college costs—they think tuition is higher than it is and are not aware of their financial aid options. Additionally, rising tuition and fees may be placing a financial strain on many families, which, if left unchecked, can overload students with debt or price them out of college completely. It is critical to other areas of reform that college in Kentucky remains financially accessible.

*To keep college affordable for financially needy students, [NAME OF INSTITUTION] will:*

- Action statement
- Action statement
- Action statement, etc. [no more than five for this question]

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

To increase the number of college-educated Kentuckians to 801,000 by 2020, the postsecondary system must recruit and enroll more students, improve retention, ensure more students persist to certificate and degree completion, and keep graduates living and working in the state. Reaching our goals will require an infusion of high school graduates and working-age adults into the postsecondary pipeline at both the undergraduate and graduate levels, including two- to four-year transfer students. The state's economic future in large part depends upon Kentuckians' ability to advance seamlessly through the educational system throughout their lifetimes.

*To enroll more students, produce more graduates, keep graduates in Kentucky, attract highly educated adults to the state, and encourage workers to retool and retrain over their lifetimes, [NAME OF INSTITUTION] will:*

Deleted: ;

- Action statement
- Action statement
- Action statement, etc. [no more than ten for this question]

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

When students leave our colleges and universities, they should carry with them characteristics, skills, and behaviors that will equip them for life's challenges and the world of work. At its best, postsecondary education instills a sense of civic duty and pride and an obligation to help others through volunteerism and charitable giving, as well as a desire for career training and retraining throughout life. Question 4 explores the quality of learning and instruction taking place at our institutions. Students who are academically engaged and active on campus and in their communities tend to be better workers and citizens.

*To improve the quality of student learning and instruction, [NAME OF UNIVERSITY] will:*

- Action statement
- Action statement
- Action statement, etc. [no more than five for this question]

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

Question 5 recognizes higher education's central economic and societal role for the 21<sup>st</sup> century and captures the responsibility of postsecondary institutions to be good "stewards of place." Postsecondary institutions—through expanded research and development, faculty and staff expertise, and quality programs—can foster an innovative, dynamic culture that promotes and nurtures economic development. They also can work with community leaders to advance social and environmental progress. The Commonwealth needs globally competitive companies that will invest in individuals and communities in every region of the state. Only then will we be able to keep our college graduates working and living in Kentucky.

*To support economic and community development and address the specific needs and challenges of its service area, [NAME OF INSTITUTION] will:*

- Action statement

- Action statement
- Action statement, etc. [no more than five for this section]

### **Key Indicators of Progress**

This section will list the indicators that the Council will use to monitor the institution's contribution to the advancement of the public agenda (for system and state-level indicators, refer to the public agenda document). The Council staff will work with the institutions throughout the spring of 2005 to develop the institutional key indicators for 2005 through 2010. (Discussions are underway to link performance on two to four indicators to the comprehensive benchmark funding model.)

A number of indicators will be common across all institutions (e.g., enrollment, retention, degrees awarded). Some indicators will apply only to institutions within a particular sector (i.e., research, comprehensive, KCTCS). And each institution will have an opportunity to select two to three additional indicators specific to its mission and HB1 goal from a menu of options (e.g., TheCenter or NSF ranking for UK). These additional indicators will become part of the universe of key indicators the Council tracks.

**Postsecondary Education and Kentucky's Future  
The Five Questions We All Must Answer  
2005-2010**

**Summary of Regional Forums**

The Council on Postsecondary Education is charged with the responsibility of reviewing the public agenda every four years. As part of the review process, the Council embarked on a series of regional forums in the fall of 2004 to learn what the public thinks are the most important issues in their regions. The findings will help shape the Council's new public agenda and the next phase of postsecondary education reform. The Council extended an open invitation to citizens through notices in local newspapers and sent invitations to representatives from the business, civic, governmental, and educational sectors.

The public forums not only confirmed much of our data and our understanding of the issues, but often resulted in a greater understanding of the region and its needs. Across the regions, without exception, we learned that Kentuckians have an abiding concern about the availability of jobs for college graduates and those already in the workforce. They look to postsecondary education to collaborate with business and government to attract employers that will create high-value jobs. Retraining the workforce, developing entrepreneurs, growing small businesses, and preparing students for emerging jobs are some of Kentucky's opportunities to stimulate the economy.

Besides creating a stronger economy, other challenges on the minds of Kentuckians include rising tuition and the need for scholarships, securing adequate funding for postsecondary education, the under-preparedness of students, and the need to align curricula between high school, community colleges, and four-year universities. While recognizing these daunting challenges, the forum participants were optimistic that Kentucky could tackle these challenges by working together. Participants cited our state's growing Hispanic population, regional collaborations for job creation and business recruitment, long-range community planning, the potential for greater outreach to students and parents in the areas of college and career planning, working with Kentucky Department of Education and other educational partners to build a seamless system of postsecondary education, as just a few of the opportunities that existed in their regions.

The nine regional summaries that follow contain public opinion--concerns, suggestions, and opportunities--to tackle the challenges that lie ahead through a renewed spirit of collaboration. The summaries represent the forum discussions and cover a range of key issues, including access, affordability, collaboration, culture, funding, guidance/information, jobs, minorities, preparation, regional stewardship, student support, and teacher preparation.

**Covington Regional Forum**  
September 29, 2004

Northern Kentucky Area Development District: Boone, Campbell, Carroll, Gallatin, Grant, Kenton, Owen, and Pendleton counties.

Buffalo Trace Area Development District: Bracken, Fleming, Lewis, Mason, and Robertson counties.

Thirty-five percent of the 87 participants represented postsecondary education, including Northern Kentucky University, Gateway and Technical College, Maysville Community College, Campbell County Adult Education, Northern Kentucky Council of Partners, Thomas More College, the University of Louisville, Eastern Kentucky University. Elementary and secondary education participants (17 percent) represented Fort Thomas Independent Schools, Kenton County Schools, Beechwood Independent District, and Campbell County High School. Business and labor representatives comprised 25 percent. Students, parents, and elected officials represented 13 percent while representatives from community organizations made up 10 percent, including the Office of Youth and Adult Ministry, the Children's Law Center, the Chamber of Commerce, and Children, Inc.

**Data analysis suggests the most pressing needs of the region are:**

- An existing older population that is projected to significantly increase over time will make baccalaureate attainment more challenging.
- An economy where growth is predicted in occupational areas that simply require on-the-job training makes it harder to convince young graduates to go to college or to import highly educated adults.
- High school graduate college-going rate of selected counties could improve.

**The following summarizes the discussion at the Covington regional forum.**

Access

- Create flexible access, including a weekend college
- Access will become more of a barrier as colleges raise admissions standards.
- Expand geographic access by adding branch campus in Grant County, offer bachelor degrees at community colleges, and classes at high schools.
- Expand IT access in rural and poor communities.

Affordability

- Work with companies to provide tuition assistance to their employees.
- More loans, grants and scholarships are needed.
- Reform KEES program to be an incentive to graduate—a persistence bonus.

### Collaboration

- Better alignment and partnerships are needed between high schools, adult education, postsecondary, and industry to align curriculum, offer co-ops, apprenticeships, and internships, and assist with minority and low SES students.
- Consider Cincinnati as a part of the resources of the community.
- Collaborate in areas of inner-city student preparation, access, and financial aid.
- Businesses should earn tax credits to offer employees paid leave to volunteer.

### Culture

- Bring youth to campuses for special programs like GEAR UP.
- Develop a collective regional campaign to promote college-going.
- Raise expectations that college is for everyone.
- Students expect to get to the top quickly, yet are not prepared for the reality of work or the work ethic required.

### Curriculum

- Remove transfer barriers and provide seamless transition.
- Address shortages in nursing, health care, K-12 teachers in foreign language, special education, physics, chemistry, and math.
- Include life skills, finance, applied math, critical thinking, problem solving, technical skills, constant changes in IT fields, and communication skills.
- Train students to think and reason. Specific job training could come later.
- Explore expanding the length of associate and bachelor degree programs.
- Access to advanced degrees is needed.
- Teach students to be philanthropists.

### Economy

- Education and business need a cohesive approach to stimulate the economy.
- Students need to know what jobs are available to prepare for them.
- State government should focus on job creation in the new economy.
- Plan well for growth and factor in quality of life, infrastructure, and environmental needs.
- Many citizens don't understand what it takes to compete in the global economy.

### Funding

- Adequately fund the institution's mission. Catch-up funding is not sufficient.
- Reward institutions with incentives when students acquire credentials.
- Postsecondary is maxed out on numbers of students and faculty.
- More dorms are needed at NKU.
- K-12 teachers are commuting to Cincinnati for better salary and benefits.
- "Cigarette tax could raise millions!"

### Relocation

- KEES and the Governor's Scholars Program keep Kentuckians in-state but they leave after graduation..
- Students leave eastern Kentucky for college and never return.
- Graduates can make more money and get better health insurance elsewhere.



- Consider people coming into the state into the equation.

#### Guidance/information

- Counselors are needed to assist students with college plans, interests, and careers.
- Upward Bound, Talent Search and Governor's Scholars, mentoring, co-ops, and career development centers, school-to-work are important programs.
- NKU's 101 is a best practices program because of the follow-up on students.
- Increase awareness of the benefits of postsecondary education.

#### Jobs

- The lure of good jobs isn't as strong as it used to be.
- The region needs more jobs in IT and elementary education.
- Entrepreneurism will create jobs.

#### Minorities

- Go directly into communities to recruit diverse population (teachers and students).
- Offer ESL, scholarships, bilingual classes, retention strategies, Spanish-speaking faculty/staff, service learning, and Office for Latino student affairs.
- Bring in high-profile minorities for special events.

#### Preparation

- Preparation begins with early childhood education.
- Work with KDE to engage more students in a rigorous curriculum; introduce students to college work; offer AP courses at all schools; and align curriculum.
- High schools focus on CATS testing, which does not help students on the ACT.
- Underprepared students need to be steered to Gateway first.

#### Regional stewardship

- Identify needs of communities/businesses and train people to meet those needs.
- Increase community education, community use of facilities, and service learning.
- Mentor entrepreneurs and offer seminars on marketing, finance, and tax issues.
- Postsecondary education boards should be representative of the community.

#### Student support

- Institutions should determine reasons students leave. Solutions include mentors, counselors, advisors, retention specialists, one-stop shops that offer financial aid and tutoring, increase athletics, faculty incentives to increase retention, residential colleges, learning communities, and freshman orientation classes.

#### Teacher preparation

- More teachers need to be better trained, properly certified, and employed in their areas of certification. Emergency certification does not help to prepare students.
- Recruit more minorities into teacher preparation programs.

## Research

- Need research and development centers.
- Conduct applied research for policy areas.
- Sponsored research opportunities are needed to develop more business opportunities.

## **Louisville Regional Forum**

October 4, 2004

KIPDA Area Development District: Bullitt, Henry, Jefferson, Oldham, Shelby, Spencer, and Trimble counties.

The 71 forum participants included representatives from postsecondary education (56 percent), including Bellarmine University, Kentucky Community and Technical College System, Kentucky State University, Metropolitan College, Sullivan University, University of Louisville, and University of Phoenix; business and community (23 percent); adult education (6 percent), including Bullitt, Henry, and Jefferson counties; Kentucky Higher Education Assistance Authority (4 percent); elementary and secondary education (3 percent), including Bullitt and Oldham counties; unidentified organizations (2 percent); and 1 percent each from Department for Workforce Investment, Economic Development Cabinet, Education Professional Standards Board, Jefferson District Court, Louisville Free Public Library, and Louisville-Jefferson County Metro Government.

### **Data analysis suggests the most pressing needs of the region are:**

- Diversity and levels of education attainment point to the importance of closing achievement gaps between white students and nonwhite students.
- While the job growth shows large percentage increases in occupational areas that require advanced education, the highest number of annual job openings is predicted in occupational areas that simply require on-the-job training. The lack of high paying jobs will make it harder to keep the young adult population that is projected to grow and harder to reduce the projected decline of 25-44 year old adults, a highly educated age group.
- The college-going rate of high school students should be raised above 50 percent in all counties of the region.

### **The following summarizes the discussion at the Louisville regional forum.**

#### Access

- Access to online learning is not universal, especially in rural areas.
- Develop satellite campuses at workplaces.
- Flexible scheduling is necessary.

#### Affordability

- More funding is needed to lower tuition.
- Students lose KEES because of low college GPAs.
- Provide more scholarships, especially for minorities.
- Cost is a real barrier to GED students.

#### Collaboration

- Create connections between postsecondary and business, local communities, minorities, and churches.

- Postsecondary faculty should be involved in high school.
- Develop dual credit opportunities.
- Strengthen P-16.

### Culture

- Educational attainment increases are needed from GED to Ph.D.
- Create a mindset of lifelong learning.

### Curriculum

- Align high school and postsecondary curriculum.
- Modernize core content.
- Teach critical thinking and communication skills.

### Funding

- More funding is needed so postsecondary education can accomplish goals.
- More funding is needed for adult education.
- Kentucky needs the political will to fund postsecondary education.

### Guidance

- Students need exposure to workplace during high school.
- Provide career counseling, including skilled trades.
- Expose grade school children to college campuses.
- Link high school counselors and postsecondary admission representatives.

### Information

- Inform students and parents about how to succeed in postsecondary.
- Continue the Go Higher campaign.
- Motivate parents and students.

### Jobs

- The region needs jobs for college graduates; opportunities are elsewhere.
- There are workforce shortages in healthcare/nursing and technology fields.
- The best and brightest must stay in Kentucky to create entrepreneurship.

### Preparation

- There is an educational achievement gap at elementary level.
- There must be high expectations for high school and adult students.
- The region needs more people with GEDs.
- More African American students should be in AP classes.

### Regional stewardship

- Use postsecondary institutions as policy development resources for legislators.
- College professors should be involved in the community.

### Student support

- Provide childcare to allow adult students to attend postsecondary.

- Blind, first generation, minority, adult, and rural students need mentors.

#### Transfer

- Create easier transfer processes from KCTCS to four-year universities.
- Develop a common course numbering system to facilitate transfers.

## **Prestonsburg Regional Forum**

October 12, 2004

Big Sandy Area Development District: Floyd, Johnson, Magoffin, Martin, Pike counties.

The 36 forum participants included representatives from postsecondary education (61 percent), including Eastern Kentucky University, Lindsey Wilson College, Kentucky Community and Technical College System, Morehead State University, and Pikeville College; elementary and secondary education (5 percent); business and community (22 percent); state and local government (5 percent); students (5 percent); and unidentified by group (2 percent).

### **Data analysis suggests the most pressing needs of the region are:**

- Lower attainment levels of 45-64 year old adults in the region and the projected growth of this population suggest the importance of targeting adults for postsecondary education enrollment.
- While the job growth shows large percentage increases in occupational areas that require advanced education, the highest number of annual job openings is predicted in occupational areas that simply require on-the-job training. The lack of high-paying jobs will make it harder to reduce the decline of young adults and harder to motivate the 45-64 year old adult population to enroll in college.
- The college-going rate of high school students lags the state average in two counties of the region.

### **The following summarizes the discussion at the Prestonsburg regional forum.**

#### Access

- Physical access is a problem in this rural, mountainous region.
- Education should be offered at times when adults can attend.
- There are a lot of postsecondary options, but not enough access to variety of programs.
- Distance education is not a good option for this region. There is limited high-speed access and computers (digital divide).
- Establish more employment centers (“One Stop” centers).

#### Affordability

- Rising college costs are a barrier for students.
- More students have to work part or full time.
- Textbooks and other non-tuition costs are added barriers.
- The KEES program has helped.
- Increasing numbers of students are taking on growing debt load.
- The FASFA form is too complex. It is an educational barrier for many families.
- The state should make a bigger investment in financial aid; institutions do not have resources to provide needed financial aid.

### Collaboration

- Improve communication between K-12 and postsecondary systems.
- P-16 Councils are a good start, but more resources need to be focused on them.
- Alignment of academic expectations, dual enrollment, articulation agreements, and a more rigorous high school curriculum should be priorities.
- Expand partnerships with local business to provide better training and internships/work experience for students.
- Involve faculty members in business and community development.
- Independent institutions are key educational partners.

### Culture

- Better guidance and support is needed at home.
- Females are going to college in greater numbers than males; men don't seem to see value.
- Education is not valued.
- There is a lack of "psychological access" due to lack of confidence.
- "Self esteem issues loom large in Eastern Kentucky."
- Lack of competition in area leads to lack of drive toward excellence.
- There is an over-dependence on government subsidies.

### Guidance/Information

- Initiate a campaign to show value of postsecondary education.
- Improve guidance counseling at every grade level.
- Reach out to students in earlier grades about value of education and going on to college.
- Distribute better information about financial aid and paying for college.

### Jobs

- Jobs for postsecondary graduates are not available.
- The population is declining, which is a deterrent to economic development.
- Provide programs in allied health, tourism, corrections, mining engineering and other programs that align with workforce needs.
- Educate students not for specific jobs, but to be adaptable, responsive, critical thinkers.
- Grow business, create jobs from within – support, nurture, and educate entrepreneurs.

### Minorities

- Some felt it wasn't a relevant issue because there are so few minorities in region.
- Recruitment of minority students and faculty/staff is difficult due to lack of diversity.
- Expand ESL programs to meet needs of growing Hispanic population.
- Develop strategies/efforts to create a more welcoming environment.

### Preparation

- Lack of preparation (particularly in basic math and reading) is a major factor in enrollment and retention.
- Too many students lack basic English skills needed to function in society.
- Set higher expectations starting in preschool and elementary school and continuing through high school and adult education.

### Regional stewardship

- Postsecondary education should take a leadership role in efforts to fight the region's drug and obesity problems.
- Involve postsecondary education in P-12, and service/civic organizations.
- Provide leadership programs.
- Support local employers and government (community needs assessments, provide research, training, technical assistance, entrepreneurial support, etc.)
- Expand service learning/student volunteerism programs.
- Expand small business development initiatives.

### Student support

- Provide more developmental classes in language, math and science.
- Establish "one-stop" and other employment centers in high schools and community colleges.
- Reduce class size; provide mentoring and tutoring; improve support services.
- Improve college orientation sessions – first year experience courses.
- Provide childcare.

### Teacher preparation

- Teachers should emphasize basic language skills – needs to be emphasized in teacher education programs.
- Teacher education programs, in general, need improvement.



## **Manchester Regional Forum**

October 13, 2004

Cumberland Valley Area Development District: Bell, Clay, Harlan, Jackson, Knox, Laurel, Rockcastle, and Whitley counties.

Kentucky River Area Development District: Breathitt, Knott, Lee, Leslie, Letcher, Owsley, Perry, and Wolfe counties.

There were 40 participants at the Manchester forum. Seventy 70 percent represented postsecondary education institutions including Cumberland College, Morehead State University, Eastern Kentucky University, the University of Kentucky Southeast Community and Technical College, and Hazard Community College. Another 2.5 percent were from secondary education. Labor, business, and community organizations comprised another 17.5 percent and included representatives from Wal-Mart, the University Center of the Mountains, Economic Development, the Kentucky Higher Education Assistance Authority, and private business. Students also attended and represented 10 percent of the participants.

### **Data analysis suggests the most pressing needs of the region are:**

- The college-going rate of high school students lags the state average in all counties of the region.
- While the job growth shows large percentage increases in occupational areas that require advanced education, the highest number of annual job openings is predicted in occupational areas that simply require on-the-job training.
- Lower attainment levels of men in the region suggests the importance of promoting high school and college completion among men.

### **The following summarizes the discussion at the Manchester regional forum.**

#### Access

- Online courses through KYVU can be an answer to the access barrier, but some students do not have phone systems and a computer, some are intimidated and lack computer literacy skills, and broadband access is limited to cities.
- Distance is a barrier, particularly for those who work and have families.
- Improve access with courses in the workplace, weekend and evening classes, more sections of popular courses, access in correctional facilities, access to bachelor's degrees at community colleges, and access to master's degrees.
- Access is affected by good roads, transportation, family, and job responsibilities.
- Accommodations for special education are needed.

#### Affordability

- Tuition increases of 30 percent in the last three years are a major barrier for students.
- Increased costs are not offset by increases in state and federal financial aid.
- Offer scholarships to non-traditional students who do not qualify for financial aid.
- Greater employer support for working students would help.

### Collaboration

- Stronger partnerships among parents, high schools, postsecondary institutions, community organizations, and businesses and industry, and P-16 are vital. More business leaders with real-world skills need to be visible and involved.
- Churches can help get the word out, reach minorities, and assist with recruiting.

### Culture

- Students are not willing to relocate for education and/or employment.
- Cultural, economic, and social factors have been neglected for 100 years.
- Promote the value of an education and lifelong learning.
- Need incentives to complete high school.
- Adult learners may be fearful of starting college.
- The biggest hurdle is the lack of confidence to begin enrolling.

### Curriculum

- Home economics should be taught in high school. In college, skills such as job readiness, sales experience, math courses related to technical labs, and preparing students to live in other communities should be taught.
- Degree programs needed on extended campuses.
- Coordinate math and science programs to offer degrees.
- Develop programs that are essential to the area such as mining and forestry.

### Funding

- Funding is needed to bring a wide variety of programs to the region.
- Adequate funding for education is needed.
- Conduct grant-writing workshops, develop resource areas, and an electronic database of grant opportunities.

### Guidance/information

- Increase support systems, counselors, advisors, child care, college 101 classes, and ways to teach life and coping skills. Students need a sense of belonging.
- Women need to consider jobs other than teaching.
- Expose students to college by providing a complete array of college-going information, inviting college reps to schools, and taking field trips to colleges.
- Mandate that ninth graders complete an employment plan.
- Offer a college intro course at adult education centers and on campuses.

### Jobs

- Need more jobs for graduates, a better-educated workforce, training for entrepreneurs, and preparation for information age jobs.
- People are not able to find work in their field.
- Employers stay in area long enough for tax breaks.
- Students with a certificate or degree expect higher pay but may still require training for a couple of years.

### Minorities

- Not a specific effort to address minorities. Minority scholarships, instructors, and retention strategies, and training to promote cultural diversity are needed.
- Teach ESL, Mandarin Chinese and other languages in high school and college.
- Poor people are a minority.

### Preparation

- Develop a more rigorous high school curriculum.
- Large numbers of students have a high GPA and low ACT.
- Secondary and postsecondary need to work together, starting as early as 7<sup>th</sup> grade, to increase ACT scores. Organize student study groups or ACT remedial classes.
- High school students work full-time jobs and participate in extracurricular activities, which cause academics to suffer and no time for homework.
- Realistic expectations regarding impact of developmental classes, changing majors, credits not counting toward degree after transferring.
- Adult education should offer brush up courses for adults returning to college.

### Regional stewardship

- Provide collaborative ventures like the University Center of the Mountains to engage in data and research collection to serve communities.
- Identify business needs and offer technical support and workshops to meet needs.
- Assist entrepreneurs and offer team building and leadership training for region.
- Do more in community education, fostering the arts, building a sense of community, providing leadership, and engaging businesses and community.

### Teacher preparation

- Offer career education for teachers/educators.
- Need more math and science teachers.

## **Lexington Regional Forum**

October 14, 2004

Bluegrass Area Development District: Anderson, Bourbon, Boyle, Clark, Estill, Fayette, Franklin, Garrard, Harrison, Jessamine, Lincoln, Madison, Mercer, Nicholas, Powell, Scott, and Woodford counties.

The 78 forum participants included representatives from postsecondary education (62 percent), including Eastern Kentucky University, Georgetown College, Kentucky Community and Technical College System, Kentucky State University, Midway College, St. Catherine College, Transylvania University, and University of Kentucky; elementary and secondary education (10 percent), including Fayette County Public Schools and Kentucky Department of Education; business and community (9 percent); state and local government (9 percent), including Department for Workforce Investment, Economic Development Cabinet, and Revenue Cabinet; adult education (4 percent), including Franklin and Woodford counties; Kentucky Higher Education Assistance Authority (3 percent); organizations unidentified (2 percent) and Kentucky Educational Television (1 percent).

### **Data analysis suggests the most pressing needs of the region are:**

- Lower baccalaureate attainment levels of black and Hispanic adults in the region suggest the importance of closing white and nonwhite student achievement gaps in college.
- While the job growth shows large percentage increases in occupational areas that require advanced education, the highest number of annual job openings is predicted in occupational areas that simply require on-the-job training. The lack of high-paying jobs will make it harder to keep the young adult population that is projected to grow and harder to motivate the 45-64 year old adult population to enroll in college.
- The college-going rate of high school students lags the state average in six counties of the region.

### **The following summarizes the discussion at the Lexington regional forum.**

#### Access

- More flexible schedules are needed – nights, weekends, and summer.
- Promote and expand distance education.
- Address technology issues in rural areas.
- Provide classes in locations convenient for students – for example, in underdeveloped areas of city and in the workplace.
- Design programs around students' and employers' needs.

#### Affordability

- As tuition increases, there is less access to postsecondary.
- Higher tuition impacts minority and adult students' enrollment and retention.
- Communication about availability of financial aid is critical.
- Financial aid should be available for part-time and adult students.

### Collaboration

- Collaboration is necessary to eliminate barriers to postsecondary, enhance dual credit opportunities, and improve communication to high school and adult students and parents.
- Universities, colleges, and school systems should work to close achievement gaps.
- Better communication between postsecondary, community and employers is needed.
- Create more cooperative ventures with the community and more town and gown interactions.

### Culture

- Too few males are going to college.
- All students should consider college – there should be no “self-sorting.”
- Education has historically not been valued.
- Guidance counselors can lead culture change by promoting postsecondary to all students.

### Funding

- K-12 must have adequate funding to prepare students for postsecondary.
- Universities can't achieve Top 20 status with budget cuts.
- Disadvantaged students need more scholarships, lower tuition, and free classes.
- More funding and early intervention would increase state's education levels.

### Guidance/information

- Postsecondary education should be promoted from preschool through high school and in adult education.
- Provide information to students, adults, and parents on what to expect, how to finance, and how to be successful.
- Students need career education, internships, and job shadowing.
- Some high school counselors should focus solely on preparing students for postsecondary.

### Jobs

- Jobs for postsecondary graduates are not available.
- High-paying jobs are necessary to attract more Kentuckians into postsecondary education.
- Translate research into jobs.
- Create a dialogue between postsecondary education and the business community to align workforce supply and demand and align preparation with employer expectations.

### Minorities

- The increase in the Hispanic population is a challenge for teachers.
- Institutions successful in enrolling/retaining minorities should be a model for other institutions to follow.
- Expose African-American and Hispanic students to postsecondary at a young age.

### Preparation

- Lack of preparation is a major factor in retention.
- The new economy requires teamwork and critical thinking skills.
- There should be high expectations for all students – starting in preschool and elementary school and continuing through high school and adult education.

### Regional stewardship

- Universities and colleges should be involved in P-12, community service, civic organizations, volunteerism, and speakers bureaus.
- Internship and community service opportunities should be available for students.
- Team campus researchers with small businesses in community.
- Develop peer exchange programs among community, colleges, and universities.
- Incorporate service learning into postsecondary curriculum.

### Student support

- Provide stronger transition assistance, such as mentoring, peer support groups, tutoring, study groups and community support, especially for minority, first generation, and adult students.
- Provide childcare so non-traditional students can enroll and complete.

### Teacher preparation

- Teacher education degree programs need improvement.
- Develop more teachers with majors in field they teach.

## **Ashland Regional Forum**

October 19, 2004

FIVCO Area Development District: Boyd, Carter, Elliott, Greenup, and Lawrence counties.

Gateway Area Development Districts: Bath, Rowan, Menifee, Montgomery, and Morgan counties.

The 24 forum participants included representatives from postsecondary education (67 percent), including Morehead State University and the Kentucky Community and Technical College System; elementary and secondary education (8 percent); business and community (12.5 percent); state and local government (4 percent); adult education (4 percent), including Franklin and Woodford counties; and the Kentucky Higher Education Assistance Authority (4 percent). Students and others made up another .5 percent of the audience.

### **Data analysis suggests the most pressing needs of the region are:**

- Lower attainment levels of men in the region suggests the importance of promoting high school and college completion among men.
- While the job growth shows large percentage increases in occupational areas that require advanced education, the highest number of annual job openings is predicted in occupational areas that simply require on-the-job training.
- The college-going rate of high school students lags the state average in six counties of the region.

### **The following summarizes the discussion at the Prestonsburg regional forum.**

#### Access

- Mountain roads and long distances are barriers to access.
- Needs of non-traditional students not being met.

#### Affordability

- Postsecondary education is too expensive, and financial aid is not keeping up.
- Affordability is an issue, particularly for those who do not qualify for need-based aid.
- Financial aid is not keeping up with tuition increases.
- Hidden costs such as travel and books add a lot to the bottom line.
- Charging by credit hour at the community colleges has created a greater financial burden.
- Students/families are not planning well.
- “It is a problem for students to try and navigate the financial aid land mine.”
- “Financial difficulties are the main reason that students drop out.”

#### Collaboration

- K-12 and postsecondary need to align their curricula and academic expectations.
- Improve dialogue between high school and college teachers.
- Future employees need to better understand business expectations.

- Employers should raise their expectations and demand higher skilled employees.
- Build partnerships between postsecondary education and business/industry (training, dislocated worker programs, etc.)
- Improve alignment and partnerships between two- and four-year colleges.
- Colleges need to act as catalysts for community change and improvement.

### Culture

- Parents should be more accountable for their children's academic performance.
- People don't value education. They often don't see the need for it.
- The region is perceived as "backward," limiting economic development opportunities.
- There is a desire among many students to stay close to home.
- Conversely, many of those students who do get an education leave for better opportunity.

### Guidance/Information

- Better encouragement is needed at home.
- Academic guidance needs to begin earlier, in grade school.
- There are too many students for each high school counselor.
- Students tend to be "tracked" from an early age, which limits opportunities for some.
- The application and financial aid process is intimidating.
- Improve communication about value (economic and social) of education.

### Jobs

- Jobs for postsecondary graduates are not available.
- Most successful students leave the area after earning degrees.
- "Build it and they will come" mentality is not working. Industrial parks stand vacant.
- The jobs that do come into the region do not pay well.
- "It's a chicken/egg situation. Do we train people and hope that this attracts jobs, or try to get jobs and then train people for these jobs?"

### Minorities

- Provide targeted student aid programs to encourage minority participation.
- Develop creative and targeted approaches to student and faculty recruitment.
- Some felt it was a "non-issue" because there are so few minorities in region.
- Strategies/efforts are needed to create a more welcoming environment.

### Preparation

- Encourage more involvement of college faculty in public schools.
- Students lack good instruction/high expectations in grammar.
- Provide more and better testing in elementary and secondary school to identify poorly prepared students.
- We need to "raise the bar" in terms of K-12 academic expectations.

### Regional stewardship

- Postsecondary education should help fight the region's drug problems.
- Improve postsecondary involvement in P-12, and civic organizations.
- Postsecondary should support local employers/government through training programs.



### Student support

- Provide more tutoring and other support services.
- Federal Trio programs are helpful, but there is not enough funding for all that is needed.
- Provide more childcare options.

### Curriculum

- The liberal arts should be emphasized more in college.
- Emphasize civic education and leadership development.
- Experiential learning, not just classroom learning, should be required.
- Better align program offerings with regional workforce needs.
- Technical skills are needed in this region
- Life skills classes should be required.

## **Paducah Regional Forum**

October 25, 2004

Purchase Area Development District: Ballard, Calloway, Carlisle, Fulton, Graves, Hickman, Marshall, and McCracken counties.

There were 55 forum participants at the Paducah forum. Twenty-five participants (45 percent) represented postsecondary education, including the Education Professional Standards Board, Murray State University, the University of Kentucky Extension Service centers, Kentucky Adult Education, and gifted education. Five percent of the participants represented elementary and secondary education from Marshall, McCracken, and Fulton counties. Representatives from business, labor, and community organizations comprised 42 percent, including the Prichard Committee, McCracken County Public Library, Kentucky Advocates for Higher Education, the University of Kentucky Extension Service, and Workforce Development. The remaining 8 percent represented parents and other stakeholders.

### **Data analysis suggests the most pressing needs of the region are:**

- Gaps in levels of educational attainment by race and ethnicity point to the importance of closing achievement gaps between white students and nonwhite students.
- While the job growth shows large percentage increases in occupational areas that require advanced education, the highest number of annual job openings is predicted in occupational areas that simply require on-the-job training.
- The college-going rate of high school students lags the state average in four counties of the region.

### **The following summarizes the discussion at the Paducah regional forum.**

#### Access

- Distance is not the barrier it was five years ago due to online and ITV courses.
- High schools won't allow students to take KVHS online courses.
- Increase distance education, workplace education, and dual enrollment.
- Childcare increases access for parents.

#### Affordability

- The cost (tuition, books, travel, babysitting) is the biggest barrier for students, especially first-generation students and commuters. Cost-prohibitive for some.
- Priority for CPE and colleges should be to hold tuition costs.
- In addition to KEES, Murray offers scholarship credit for GPA starting in eighth grade. This could be duplicated at other colleges.
- Need to simplify enrollment/financial aid process, offer part-time scholarships for adult students, and more financial help for middle-income students.

### Collaboration

- Secondary and postsecondary are disconnected. Need to communicate expectations, align curricula, and more face-to-face among faculty/teachers.
- Align curriculum of community colleges with that of universities.
- Increase involvement of businesses, parents, churches, and communities.
- Partner with industry and business to create a strategic plan to recruit business in specified niches, train the workforce for emerging fields, create faculty that will attract students, and develop entrepreneurial opportunities.

### Culture

- Culture is the number one barrier since many people do not value education.
- Postsecondary should be an expectation for every child and reinforced by teachers, parents, and students.
- Low-income and minority students resist borrowing for college.
- To offset culture, students need campus visits/experiences in high school.
- Lifelong learning should be the culture.

### Curriculum

- All high schools and middle schools need a rigorous curriculum.
- AP classes increase college going, but students can't keep up.
- General education courses stifle freshmen's zeal for their chosen field. Technical colleges get students into the field quickly with "hands on" experience.
- Too much tracking goes on in the high schools.
- Need to think differently; cannot produce one-dimensional student any longer.
- Increase distance learning and raise technology requirements for the curriculum.
- Streamline transfer policies and general education requirements.
- Need more balance between research and teaching.

### Funding

- Educators need financial rewards.

### Guidance/information

- Communication is key. More information needed on financial aid, college planning, postsecondary requirements, jobs, Upward Bound, and engineering.
- Use open houses, career assessments, speakers' bureau, marketing, and job shadowing to emphasize college and career planning with students and parents.
- Guidance counselors are too busy to provide individual attention.
- Guidance counselors and parents need to be trained to use the online IGP.

### Jobs

- We are not producing enough graduates in the right field. Prepare students for emerging jobs and for a changing employment environment.
- Keep people with degrees in this area. They leave for jobs.
- There are not jobs for graduates with advanced degrees.
- Be prepared to retrain laid-off employees. Retrain, retrain, retrain.
- Some employers want to keep employees part-time.

### Minorities

- Minority recruitment is a high priority. Murray offers scholarships to African Americans and prints scholarship information in Spanish.
- Break barriers--teach conversational Spanish, offer scholarships, mentors, role models, leadership training, and professional development for teachers.
- No one was prepared for the influx of Hispanics.

### Preparation

- Too many students are not taking a rigorous curriculum.
- Too many students need remediation.
- Prepare students for the jobs we have in this area.
- Adult education programs must go to where the students are (workplace).

### Regional stewardship

- Postsecondary needs to help stimulate the economy.
- Enrich the community with cultural and academic events.

### Student support

- Murray's Residential College keep students engaged.
- More involvement between students and their guidance counselors, college advisors, and mentors is needed.
- The challenge at KCTCS now is how to retain all the new students.

### Teacher preparation

- Evaluate/restructure teacher preparation programs.
- Teachers need to understand postsecondary competencies to prepare students.
- Teachers need to stay current in their field.
- Teachers are teaching outside their majors.
- Better prepare educational leaders.

## **Madisonville Regional Forum**

October 26, 2004

Pennyriple Area Development District: Caldwell, Christian, Crittenden, Hopkins, Livingston, Lyon, Muhlenberg, Todd, and Trigg counties.

Green River Area Development District: Daviess, Hancock, Henderson, McLean, Ohio, Union, and Webster counties.

The 64 forum participants included representatives from postsecondary education (53 percent), including Brescia University, Kentucky Community and Technical College System, Kentucky Wesleyan College, Murray State University, University of Kentucky, University of Louisville, and Western Kentucky University; business and community (30 percent); adult education (11 percent), including Caldwell, Christian, Daviess, Hancock, Henderson, and Hopkins counties; and 2 percent from each of the following: Christian County Board of Education, Economic Development Cabinet, and Kentucky Higher Education Student Loan Corporation.

### **Data analysis suggests the most pressing needs of the region are:**

- Diversity and levels of education attainment point to the importance of closing achievement gaps between white students and nonwhite students.
- While the job growth shows large percentage increases in occupational areas that require advanced education, the highest number of annual job openings is predicted in occupational areas that simply require on-the-job training.
- The college-going rate of high school students lags the state average in nine counties of the region.

### Access

- Online instruction is very popular.
- Flexible schedules are needed.

### Affordability

- Cost is a barrier for the working class – they don't qualify for financial aid, but they don't have enough money for postsecondary.
- College debt impacts lives for years.
- More minority scholarships are needed.

### Culture

- There is a misperception that postsecondary is not affordable.
- Students choose cars and other “creature comforts” over postsecondary.
- Parents have the “If it was good enough for me, it's good enough for you” syndrome.
- Parents discourage postsecondary because they don't want children to leave the area.

### Curriculum

- High school and postsecondary curricula should be better aligned.
- There is a need for more cross-cultural, world language courses in high school.
- Both liberal arts and technical curricula are needed.
- More service learning is necessary.

### General

- Inter-generational substance abuse is a barrier to postsecondary.

### Guidance

- Promote postsecondary to all ages.
- Inform students and parents that postsecondary is affordable with financial aid.
- Provide career education.

### Funding

- Allow universities to issue bonds.
- Better funding is necessary to prevent tuition increases.
- Provide better funding for adult education to prepare students for postsecondary.

### Jobs

- If education is improved, the economy will improve.
- Develop Kentucky's intellectual capital.
- Health care workers are needed.
- Graduates leave the area because of a lack of jobs.

### Preparation

- Developmental education is necessary.
- Better preparation is needed in math, science, and writing.
- Provide high school classes on how to succeed in college.
- Adult education ESL is critical in preparing Hispanics for postsecondary.

### Student support

- Adult and minority students need peer support.
- Use successful students as motivators.
- Hispanic students need nurturing and motivating.
- Childcare is necessary.

## **Glasgow Regional Forum**

October 27, 2004

Barren River Area Development District: Allen, Barren, Butler, Edmonson, Hart, Logan, Metcalfe, Monroe, Simpson, and Warren counties.

Lake Cumberland Area Development District: Adair, Casey, Clinton, Cumberland, Green, McCreary, Pulaski, Russell, Taylor, and Wayne counties.

Lincoln Trail Area Development District: Breckinridge, Grayson, Hardin, Larue, Marion, Meade, Nelson, and Washington counties.

The 76 Glasgow forum participants included representatives from postsecondary and adult education (53 percent), including KCTCS institutions, St. Catharine College, Western Kentucky University, Campbellsville University, North Central Education, Bowling Green Technical College, and Somerset Community College. Elementary and secondary education made up 7 percent and included representatives from Barren County Schools and Glasgow Independent Schools. Thirty percent of participants were from business, labor and community organizations and included representatives from the Centro La Esperanza, Economic Development, Kentucky Higher Education Assistance Authority, University of Kentucky Extension Service, and the Office for the Blind. The remaining 10 percent included elected officials, students, and other stakeholders.

### **Data analysis suggests the most pressing needs of the region are:**

- The college-going rate of high school students lags the state average in 22 counties of the region.
- Lower high school attainment levels between 45 year and older adults in two of the three regions and the projected growth of this population in all regions suggest the importance of targeting adults for postsecondary education preparation.
- While the job growth shows large percentage increases in occupational areas that require advanced education, the highest number of annual job openings is predicted in occupational areas that simply require on-the-job training.

### **The following summarizes the discussion at the Glasgow regional forum.**

#### Access

- Provide more on-line options.
- Work, family and other commitments make college a low priority for many.
- Difficult application process is a barrier for many.
- Transportation costs are barriers.
- Lack of convenient class schedules is a barrier.
- Childcare is needed.
- Provide more certification levels to reinforce success.

### Affordability

- Students/families don't see cost/benefit of education.
- Cost is major barrier for many non-traditional students.
- Student debt is an increasing problem.
- Rising time-to-degree is an affordability issue.
- Affordability is an issue for those students who just miss eligibility for aid (middle class).
- Provide more scholarships for exceptional students.
- Greater percent of state aid should be need-based.
- The KEES has not increased since 1998.
- The financial aid calendar, which is still tied to semester system, is a barrier.
- There is a lack of awareness about financial aid opportunities.

### Collaboration

- P-16 Councils are effective in some cases, but membership should be broadened to include more community members.
- Improve alignment between K-12 and postsecondary.
- Create opportunities to bring together college and K-12 teachers.
- Colleges should provide specialized training to meet needs of business.
- Postsecondary activities/priorities should be tied to economic development activities.

### Culture

- Higher education is extremely intimidating for many students.
- Low family expectations and family illiteracy are barriers to success.
- Many in region do not value education.

### Guidance/Information

- Provide more career aptitude testing.
- We need to reach out to students in earlier grades about going on to college.
- Improve student aid advising.
- Personal interventions are important to encourage college going.

### Jobs

- Too many students leave the state to obtain jobs.
- Postsecondary programs should be better aligned with workforce needs.

### Minorities

- Language barriers are a problem for some students.
- We need to raise the bar in terms of academic expectations.
- More minority role models are needed.
- There are few minorities in region.
- Strategies/efforts are needed to create a more welcoming environment.

### Preparation

- It is important to focus on self-esteem and discipline issues at earlier levels.
- Students need better basic life and academic skills before entering college.
- Incorporate end-of-high school assessment.



- Move away from “teaching to the test” and toward college/work expectations.
- Begin guidance process earlier (elementary and middle school).

#### Regional stewardship

- Provide training programs and other resources to support business.
- Encourage/require students to work/intern/volunteer in civic organizations.
- Postsecondary institutions need to be more engaged in their communities by taking a leadership role in economic development initiatives and improving and increasing wellness and recreation programs.

#### Student support

- Provide more modular, achievable levels of education
- Recognize that all students do not have same needs and goals.
- Develop “master advising plan” for every college student.
- Provide childcare.
- Study reasons for student attrition.

#### Curriculum

- Program offerings should reflect workforce needs.
- Adult education should provide needed developmental courses.
- Recognize that four-year degree isn’t necessary for every student.
- “Create a mind rather than a bank of knowledge.”
- Improve students’ communication skills.
- Incorporate more civic requirements into curriculum.
- Provide more co-op opportunities.
- Expand language requirements.

## **Institutional Mission Review Process**

Statute KRS 164.020 requires the Council to have a statewide strategic agenda and to review, revise, and approve the missions of the state's universities and the KCTCS. Statute KRS 164.350 requires Boards of Regents to review their institutional missions to ensure consistency with the statewide strategic agenda.

### **Objectives**

To develop a set of mission parameters for each public postsecondary institution in Kentucky that recognizes each institution's distinctive role in the system, identifies common elements of similar institutions, and collectively addresses the needs of the Commonwealth as articulated in the public agenda for Kentucky's postsecondary education system.

To conduct a council review of the missions of each public postsecondary institution in Kentucky to assure that each mission statement is in accordance with the established set of mission parameters for that institution. For any mission statement that is not in accordance with the council's approved mission parameters, the council shall direct that institution's administration to propose revisions, which shall be approved by the council.

### **Linkage with Strategic Planning Process**

The 2004-05 strategic planning process will result in the following documents: public agenda, statewide action agenda, and campus action plans for each of the nine public institutions and the independent sector, as well a Council action plan (including adult education and KYVU/VL). Each campus action plan for the public institutions will include the following three components:

- Mission Parameters
- Priorities for action (replacing the one-pagers we now have that link each institution's strategic plans with the public agenda, statewide action agendas, and HB 1 goals).
- Key indicators that monitor institutional progress in implementing the public agenda and HB1 goals.

### **General Process**

Discussions among the council and institutional presidents and between the council president and council members will result in a set of mission parameters for each institution. Once parameters are defined, the council staff will review each institution's mission statement for conformance to the parameters and will identify any

inconsistencies. In cases where the statements conform to the parameters, the council would approve the current statements with either no or minimal editorial changes. In cases where inconsistencies are identified, the institution will be asked to undergo a process on campus to revise the mission statement within a specified period of time. Proposed changes would be reviewed by the respective institutional governing board and then submitted to the council for approval.

## **Progress to Date**

The council last reviewed institutional missions in 1994, prior to HB1. In August 2004, council staff began the current review of institutional mission statements drawing from the 1994 parameters. Based on discussions with university and KCTCS presidents and their chief academic officers, adjustments were proposed to the parameters to reflect HB1 language and a focus on public stewardship. Follow-up discussion continued throughout Fall 2004.

## **Proposed Categories**

The parameters being developed are organized around the following dimensions:

**Carnegie classification.** The institutional classification would identify the general character of the institution based on this national metric. Current Carnegie classifications suggest the following classifications for the institutions.

- University of Kentucky – Doctoral/Research University – Extensive
- University of Louisville – Doctoral/Research University – Extensive
- Eastern Kentucky University – Master’s Colleges and Universities I
- Kentucky State University – Master’s Colleges and Universities II
- Morehead State University – Master’s Colleges and Universities I
- Murray State University – Master’s Colleges and Universities I
- Northern Kentucky University – Master’s Colleges and Universities I
- Western Kentucky University – Master’s Colleges and Universities I
- Kentucky Community and Technical College System – Associate Colleges

**Program level/emphasis.** Parameters within this category will define the institution’s relative emphasis on certificate, diploma, undergraduate and graduate degree programs. It also would allow the institution to identify programs areas of special emphasis (e.g., biological and health sciences for the University of Louisville, workforce development programs at KCTCS).

**Student mix.** Parameters within this category will define admission selectivity and allow identification of relative emphasis on specific types of students (e.g., adult, low income, minority, non-traditional/part time students in the workforce, students in need of remediation, and in-state/out-of-state/international students). Parameters also could address the institution’s relative emphasis on distance education opportunities addressing the needs of non-traditional and place-bound students.

**Research and Stewardship of Place.** Parameters within this category will guide the institutions in defining their research emphasis (e.g., applied, translational, or basic) and their role in meeting the needs of the state and their specific region. The parameters also could address the responsibilities of universities to serve as “brokers” in identifying educational and economic development needs within their service regions, and locating the resources or institutions able to meet those needs.

### **Related Issues**

1. The degree of selectivity to be specified at the University of Kentucky and the University of Louisville for the undergraduate program.
2. The extent to which KCTCS and Adult Education are responsible for remedial/developmental education.
3. The extent to which particular institutions serve as primary entry points for nontraditional adult learners.
4. Doctorates or other terminal degrees at the comprehensive universities.

**Postsecondary Education and Kentucky’s Future: The Five Questions We All Must Answer**  
**Monitoring our Progress Toward Achievement of the Public Agenda**

THE FIVE QUESTIONS	STATE-LEVEL KEY INDICATORS	BENEFITS
<p>-1-  <b>Are more Kentuckians prepared for postsecondary education?</b></p>	<ul style="list-style-type: none"> <li>• K-12 student achievement</li> <li>• High school course-taking</li> <li>• Preparation of high school seniors for college-level coursework</li> <li>• Students enrolled in Kentucky Adult Education</li> <li>• Adults earning GEDs</li> <li>• Percent of population with high school credential</li> </ul>	
<p>-2-  <b>Is Kentucky postsecondary education affordable for its citizens?</b></p>	<ul style="list-style-type: none"> <li>• Kentuckians’ ability to pay for college</li> <li>• Availability of state need-based financial aid</li> <li>• Student loan debt</li> </ul>	<p><i>Higher incomes</i></p>
<p>-3-  <b>Do more Kentuckians have certificates and degrees?</b></p>	<ul style="list-style-type: none"> <li>• Participation of the population in postsecondary education</li> <li>• Ninth-graders chance for college</li> <li>• College-going rate of GED graduates</li> <li>• Students enrolled in postsecondary education</li> <li>• Students staying after the first year</li> <li>• Students transferring from two-year to four-year institutions</li> <li>• Students graduating on time</li> <li>• Certificates and degrees awarded</li> <li>• Percent of population with a bachelor’s degree or higher</li> </ul>	<p><i>More high-value jobs</i></p>
<p>-4-  <b>Are graduates prepared for life and work in Kentucky?</b></p>	<ul style="list-style-type: none"> <li>• Student engagement in the undergraduate learning experience</li> <li>• Performance of college graduates on statewide learning assessments</li> <li>• College graduates ready for licensure or graduate study</li> </ul>	<p><i>Increased tax revenues</i></p>
<p>-5-  <b>Are Kentucky’s communities and economy benefiting?</b></p>	<ul style="list-style-type: none"> <li>• Degree production in knowledge economy fields</li> <li>• Research and development funding</li> <li>• Stewardship activity</li> <li>• College graduates remaining in Kentucky to live and work</li> </ul>	<p><i>Involved citizens</i></p>
		<p><i>Knowledge-based economy</i></p>
		<p><i>Less poverty</i></p>
		<p><i>Healthier citizens</i></p>



## Comprehensive Funding Review Progress Report

*The Council, in conjunction with its strategic planning process, has been reviewing the Benchmark Funding Model and other postsecondary education finance policies as part of the Comprehensive Funding Review. The Council staff seeks advice from the Executive Committee and plans to recommend that the Council approve recommendations regarding the Benchmark Selection Model and the Funding Distribution Methodology at the January 31 meeting.*

The Council staff proposes two recommendations:

- (1) Preliminary Benchmark Selection Model
- (2) Funding Distribution Methodology

Attachments A (Benchmark Selection Model) and B (Funding Distribution Methodology) provide executive summaries that compare the current and proposed models, including rationale for changes.

### **Preliminary Benchmark Selection Model**

Since 1999, a benchmark model has been the basis for determining adequate base funding for the institutions. The staff recommends that this model be retained but improved to facilitate greater institutional mission differentiation. Benchmark selection is only one component of the overall funding model and future model recommendations will build on this foundational component. Resolution of other funding issues in the model will depend on additional analyses and progress regarding the revised public agenda, key indicators, institutional action plans, and mission parameters. During the next two months, the Council staff will continue a process of model testing to determine if any additional revisions are needed to the model. If necessary, the staff will present minor model revisions to the Council in March.

More detailed information on the preliminary Benchmark Funding Model includes:

- Overview of Benchmark Selection Process (Attachment C).
- Benchmark Selection Criteria (Attachment D).
- Benchmark Selection Model for UK and UofL (hand out will be provided at the January 12 meeting).

### **Funding Distribution Methodology**

The Council first approved the Funding Distribution Methodology in November 2003 to address uncertainty regarding the distribution of funds when less than the Council's full recommended funding is available or when budget reductions are necessary. There were several issues that prompted a review of the Methodology.

- The Methodology favors, as the top priority for funding, base adjustments and across the board increases - the lowest priority is benchmark equity.

- Funding scenarios would have to reach relatively high levels before even one dollar is distributed for benchmark equity.
- The manner in which benchmark equity is distributed did not appropriately address the funding gaps.
- The priority for Maintenance and Operations (M&O) for new facilities should be lower than other base adjustments and minimum funding for proportional increases and benchmark equity.

Attachment E provides the proposed changes to the Funding Distribution Methodology that address each of these issues. The Council staff recommends that the proposed Funding Distribution Methodology be effective immediately, upon approval by the Council.

Policy Connection

House Bill 1 directed the Council to develop budget recommendations that provide adequate funding for higher education relative to the goals set forth as part of postsecondary education reform. Since the 2000-02 biennium, the Council has chosen to determine institutional funding adequacy as it relates to operational funding on the basis of comparisons with other peer institutions in the nation.

The policy rationale for modifications to the existing models relate to the objectives approved by the Council to guide the work of the Comprehensive Funding Review (Attachment F).

***Benchmark Selection Model***

<i>Model Modification</i>	<i>Policy Connection</i>	<i>Benefits</i>
<ul style="list-style-type: none"> <li>• Added and streamlined criteria in selection model.</li> </ul>	<ul style="list-style-type: none"> <li>• Adequacy, equity, and accountability.</li> </ul>	<ul style="list-style-type: none"> <li>• Better differentiation of missions and fairness in comparing performance.</li> </ul>
<ul style="list-style-type: none"> <li>• Specific model for KCTCS.</li> </ul>	<ul style="list-style-type: none"> <li>• Adequacy and equity.</li> </ul>	<ul style="list-style-type: none"> <li>• Addressed unique concerns of 2-yr colleges, while still consistent with model for other institutions.</li> </ul>
<ul style="list-style-type: none"> <li>• Consistency in selection process based on statistical model.</li> </ul>	<ul style="list-style-type: none"> <li>• Equity, objectivity, and inclusivity.</li> </ul>	<ul style="list-style-type: none"> <li>• Credibility and fairness.</li> </ul>
<ul style="list-style-type: none"> <li>• Open hearing for minor substitutions.</li> </ul>	<ul style="list-style-type: none"> <li>• Objectivity, inclusivity, equity, and accountability.</li> </ul>	<ul style="list-style-type: none"> <li>• Credibility, fairness, less subjective, and input from all stakeholders.</li> </ul>
<ul style="list-style-type: none"> <li>• Specific model for UK and UofL.</li> </ul>	<ul style="list-style-type: none"> <li>• Adequacy and mission.</li> </ul>	<ul style="list-style-type: none"> <li>• House Bill 1 mandates operationalized for base funding, differentiation where appropriate between UK and UofL.</li> </ul>



***Funding Distribution Methodology***

<i>Model Modification</i>	<i>Policy Connection</i>	<i>Benefits</i>
<ul style="list-style-type: none"> <li>• Revision of equity index.</li> </ul>	<ul style="list-style-type: none"> <li>• Equity and adequacy.</li> </ul>	<ul style="list-style-type: none"> <li>• More appropriately distributes funds based on funding gap.</li> <li>• Address past enrollment growth more effectively.</li> </ul>
<ul style="list-style-type: none"> <li>• Changed the priorities.</li> </ul>	<ul style="list-style-type: none"> <li>• Equity and adequacy.</li> </ul>	<ul style="list-style-type: none"> <li>• Provides immediate distribution of at least half amount distributed to close funding gap (after base adjustments).</li> </ul>
<ul style="list-style-type: none"> <li>• Lowered the priority of M&amp;O on new facilities.</li> </ul>	<ul style="list-style-type: none"> <li>• Equity and adequacy.</li> </ul>	<ul style="list-style-type: none"> <li>• Provides greater priority to operational needs for increases in costs like salaries, insurances, etc., and closing funding gap.</li> <li>• Plus, M&amp;O is partially covered in distribution already.</li> </ul>
<ul style="list-style-type: none"> <li>• Constrained application to past 2 fiscal years.</li> </ul>	<ul style="list-style-type: none"> <li>• Equity.</li> </ul>	<ul style="list-style-type: none"> <li>• Allows model to address recent cuts.</li> </ul>

Attachment G provides a revised timeline detailing Council discussion and action items regarding the Comprehensive Funding Review ending with final approval of the FY 2006-08 budget recommendations in November.

Staff preparation by Sandra Woodley

## Comparison of Benchmark Selection Model Changes and Rationale

<i>Description of Change</i>	<i>Rationale for Change</i>	<i>Current Model</i>	<i>Proposed Model</i>	
<b>Selection Criteria</b>	<ul style="list-style-type: none"> <li>Model did not sufficiently differentiate based on mission.</li> <li>Weighting of criteria needed to be improved in order to balance elements and mission.</li> <li>Improvement needed to differentiate program mix by separating each first professional degree (Medical, Pharmacy, Dentistry, Law).</li> <li>Improvement needed to enhance consistency between model for KCTCS and other institutions.</li> <li>Additional criteria were needed to ensure fair comparison between institutions when measuring performance.</li> <li>Improvement needed to align categories to more closely reflect strategic planning and institutional action plans.</li> <li>Improve emphasis on enrollment to ensure similar sized institutions.</li> </ul>	<p><b><u>Enrollment Characteristics:</u></b>                      Total headcount                      % Part-time headcount                      ACT at 50<sup>th</sup> percentile                      % Bachelor's degrees                      % Master's degrees                      % Doctoral degrees</p> <p><b><u>Program Mix:</u></b>                      % Agriculture                      % Business                      % Education                      % Engineering                      % Biology &amp; Physical Science                      % Arts                      % Liberal Arts &amp; Humanities                      % Health                      % First Professional Health                      % Law</p> <p><b><u>Other:</u></b>                      % Full-time Faculty                      Public service expenditures % total                      Student/Faculty Ratio                      Research expenditures % total</p>	<p>Four-Year Model  <b><u>Student Mix:</u></b>                      Total Headcount                      Total FTE                      U-Grad. FTE % Total                      U-Grad. HC % Total                      Full-time U-Grad. age 25 older                      Minority students % Total                      ACT at 25<sup>th</sup> percentile                      ACT at 75<sup>th</sup> percentile                      % Receiving federal aid                      Institutional aid % E&amp;G exp.                      Student/faculty ratio</p> <p><b><u>Program Mix:</u></b>                      Category A UG degrees % UG total                      Category B UG degrees % UG total                      Category C UG degrees % UG total                      UG degrees % total degrees                      Medicine degrees % total                      Pharmacy degrees % total                      Dentistry degrees % total                      Law degrees % total</p> <p><b><u>Research/Stewardship:</u></b>                      Research expenditures % total                      Public Service exp. % total                      Locale (rural-urban)</p>	<p>KCTCS Model  <b><u>Student Mix:</u></b>                      Total headcount                      % Part-time headcount                      Total FTE                      % Receiving federal aid                      Institutional aid % E&amp;G exp.                      Full-time U-Grad. age 25 older                      Minority students % total                      Student/faculty ratio</p> <p><b><u>Program mix &amp; system size</u></b>                      Category A awards % total                      Category B awards % total                      Category C awards % total                      Number of instit. in system                      Associates degrees % total                      Certificates % total</p>
<b>Process for selection</b>	<ul style="list-style-type: none"> <li>Current process did not follow closely with the statistical model.</li> <li>Inequity among institutions from resulting negotiation for benchmarks.</li> <li>Process was not sufficiently open and too subjective.</li> <li>Need to establish a regular cycle for re-selection of benchmark institutions.</li> </ul>	<ul style="list-style-type: none"> <li>19 benchmark institutions (8 for KCTCS).</li> <li>Statistical model determined universe for negotiation.</li> <li>Negotiation with CPE on selection in a closed process.</li> <li>No constraint by Carnegie Classification.</li> <li>Minor differential weighting.</li> <li>Inconsistency concerning degree of statistical similarity among peer lists.</li> </ul>	<ul style="list-style-type: none"> <li>19 benchmark institutions (including KCTCS).</li> <li>Statistical analysis constrained within 2 Carnegie Classifications.</li> <li>Differential weighting to more effectively reflect mission.</li> <li>The most similar 19 institutions on each list will constitute benchmark peers (process for minor substitution).</li> <li>Open hearing process for minor substitution within certain pre-determined criteria regarding similarity constraints.</li> <li>Process repeated every four years.</li> </ul>	
<b>Description</b>	<b>Rationale for Change</b>	<b>Current Model</b>	<b>Proposed Model</b>	

<i>of Change</i>			
<b>UK</b>	<ul style="list-style-type: none"> <li>• Needed clearer differentiation based on mandate in House Bill 1 to be Top 20 research Institution.</li> </ul>	<ul style="list-style-type: none"> <li>• Same model as noted above for the benchmark selection for all institutions.</li> </ul>	<ul style="list-style-type: none"> <li>• Hand out will be provided at the January 12 meeting.</li> </ul>
<b>UofL</b>	<ul style="list-style-type: none"> <li>• Needed clearer differentiation based on mandate in House Bill 1 to be premier nationally recognized metropolitan research university.</li> </ul>	<ul style="list-style-type: none"> <li>• Same model as noted above for the benchmark selection for all institutions.</li> </ul>	<ul style="list-style-type: none"> <li>• Hand out will be provided at the January 12 meeting.</li> </ul>
<b>KSU</b>	<ul style="list-style-type: none"> <li>• Based on the Baker Hostetler report, the prior benchmark selection model did not sufficiently address funding (small institution, fixed costs, etc.).</li> </ul>	<ul style="list-style-type: none"> <li>• Same model as other comprehensive institutions with no adjustment for fixed costs.</li> </ul>	<ul style="list-style-type: none"> <li>• Same statistical model for the purpose of benchmark selection (model improves mission differentiation and selective weighting will also be used to address concerns).</li> <li>• The benchmark selection model is not expected to fully address fixed-cost concerns expressed by the Baker Hostetler report. A small institution adjustment is being considered to address this issue for KSU and will be fully debated in the coming months.</li> </ul>

## Comparison of Funding Distribution Methodology (FDM) Changes and Rationale

<i>Description of Change</i>	<i>Rationale for Change</i>	<i>Current Model</i>	<i>Proposed Model</i>
<b>Equity Index</b>	<ul style="list-style-type: none"> <li>• Current index inappropriately weights the base appropriation level.</li> <li>• Index does not fully address benchmark equity and past enrollment growth.</li> <li>• Proposed change addresses adequately both the funding gap and the magnitude of students at each institution and does not inappropriately overstate the base appropriation level.</li> </ul>	<ul style="list-style-type: none"> <li>• Per student gap (ratio of current funding level to benchmark funding level per student) is multiplied by the net appropriation level.</li> </ul>	<ul style="list-style-type: none"> <li>• Total funding gap, or the difference between the actual appropriation level and the level of funding generated by the benchmark model.</li> </ul>
<b>M&amp;O</b>	<ul style="list-style-type: none"> <li>• At full benchmark funding levels, M&amp;O for new facilities would theoretically already be included since the benchmark model is a revenue model and no expenditure items except for debt service and some mandated programs are backed out of the calculations.</li> <li>• However, M&amp;O is an important enough priority to be considered separately for the following reasons:                             <ul style="list-style-type: none"> <li>○ If not treated separately, insufficient funds would be available because the benchmark objective has not been fully funded in the past.</li> <li>○ Until recently, it has been the state’s practice to treat M&amp;O separately given that decisions on new facilities are sometimes out of the control of the institution (inflexible fixed cost).</li> </ul> </li> <li>• M&amp;O should continue to be a priority for funding, but should be a lower priority than is the current case.</li> </ul>	<ul style="list-style-type: none"> <li>• Funds M&amp;O as a base adjustment.</li> <li>• Funding for M&amp;O is 1<sup>st</sup> priority for funding along with debt service and UofL hospital contract.</li> </ul>	<ul style="list-style-type: none"> <li>• Distinguishes M&amp;O for new facilities as separate from base adjustments and sets the priority lower than other base adjustments, proportional, and benchmark funding.</li> </ul>
<b>Priorities</b>	<ul style="list-style-type: none"> <li>• Current model makes M&amp;O for new facilities and proportional increases too high a priority.</li> <li>• Funding would have to reach too high a level before even one dollar is distributed to benchmark equity.</li> <li>• Change in priorities allows past enrollment growth to be funded at a higher priority when funds are limited.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Priority 1</b> - Fully fund base adjustments including M&amp;O on new facilities.</li> <li>• <b>Priority 2</b> - Proportional increase of 1% or 2% depending on funding levels and current services percentage.</li> <li>• <b>Priority 3</b> - Benchmark Equity.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Priority 1</b> - Base adjustments (not M&amp;O).</li> <li>• <b>Priority 2</b> - 50%/50% proportional/Benchmark Equity up to current services increase of net base funding level.</li> <li>• <b>Priority 3</b> - Fully fund M&amp;O and if funds remain they revert back to priority 2.</li> </ul>
<b>Increase following reduction and reduction allocation methods</b>	<ul style="list-style-type: none"> <li>• Constraint within the biennium could prohibit restoration of recent budget cuts (maybe even one year prior if at the beginning of biennium).</li> <li>• Past two fiscal years is more appropriate to allow for the restoration of recent budget cuts, but still provides some limit to how far back cuts are considered first priority.</li> </ul>	<ul style="list-style-type: none"> <li>• Constrains within one biennium.</li> </ul>	<ul style="list-style-type: none"> <li>• Constrains within past two fiscal years.</li> </ul>

## Benchmark Selection Model

Preliminary Model

January 2005

- **Benchmark Selection:**
  - Each institution will have 19 peer institutions on their funding list.
  - The process of benchmark selection will be repeated every four years.
- **Base Peers (all institutions except UK and UofL):**
  - The benchmark selection model will be constrained within 2 Carnegie Classifications (their current classification and one higher).
  - Institutions containing first professional degree programs will be eliminated as appropriate for institutions that do not have similar programs (Medical, Dental, Pharmacy, Law).
  - Revised criteria to select base peers (Attachment D).
    - Student Mix
    - Program Mix
    - Research and Stewardship of Place (4-yr institutions)
    - Size of System (KCTCS)
  - Allows weighting of certain specified criteria to more clearly differentiate mission among the institutions.
  - The results of the benchmark selection model will be used to select benchmark peers and the 19 most similar institutions will constitute the official base benchmark list.
  - The institutions will be afforded the opportunity to request and publicly justify substitutions within certain predetermined criteria regarding similarity constraints.
  - All requests for substitutions will be discussed in an open hearing prior to the Council's final approval of benchmarks.
- UK and UofL will have a separate process for the selection of benchmark peer institutions (Attachment E) based on mandates in House Bill 1.

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

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*Measures*

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**Student Mix:**

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

**Program Mix:**

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

**Research and Stewardship of Place:**

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

Category A (General Studies, Education, Business)

Category B (Agriculture, Sciences, Computers)

Category C (Fine Arts, Architecture, Engineering and Health)

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## Preliminary Model for Benchmark Selection KCTCS

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### *Measures*

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#### Student Mix

- (1) Total headcount
- (2) Part-time headcount as % of total headcount
- (3) Total Full-time equivalent (FTE) students
- (4) Percent first-time full-time freshmen receiving federal grant aid
- (5) Institutional aid as % of E&G expenditures
- (6) Full-time headcount age 25 or older as % of total headcount
- (7) Total minority students as % of total headcount
- (8) Student/faculty ratio

#### Program Mix and size of system:

- (9) Category A awards as percent of total awards conferred
  - (10) Category B awards as percent of total awards conferred
  - (11) Category C awards as percent of total awards conferred
  - (12) Number of Institutions in the system
  - (13) Associates degrees as % of total degrees conferred
  - (14) Certificates as % of total degrees conferred
-

## Funding Distribution Methodology

### (1) Increase Allocation Method

**Abstract** —

- **1st priority: Base adjustments**, includes only changes in debt service and UofL hospital contract (not M&O).
- **2nd priority: Proportional/Benchmark Equity** - remaining dollars, up to the current services increase over net base, will be split 50%/50% proportional increases (capped) and equity increases.
- **3rd priority: M&O** - if funds remain after priority 2 is funded, M&O on new facilities will be fully funded to the extent funds are available, funds remaining after M&O revert to priority 2.
- Proportional increase will be capped at the current services increase.
- The equity index will be calculated as the nominal dollar difference between current funding levels (net General Fund) and the full benchmark funding objective for each institution.

### Increase Allocation Method

This method is designed, if the CPE recommendation is not fully funded, to establish priorities and to distribute increases in recurring General Fund appropriations to the institutions among base adjustments, proportional increases, benchmark equity, and M&O for new facilities. The method may be used to distribute small or large amounts of new state appropriations, up to the total amount of the CPE biennial budget request.

Total Increase

Allocation of increase in state appropriations in the following priority order:



**Priority 1 - Base adjustments** including changes in debt service and the UofL hospital contract. If additional funds are available, then

**Priority 2 - 50%/50% proportional percentage increases and benchmark equity:** of each dollar increase up to the Current Services increase over the net base appropriation for the institutions, half will be distributed according to a common percentage increase (proportional) and the other half will be distributed according the Equity Index (Index of the nominal difference between current funding level and benchmark full funding level). The proportional increase will be capped at the current services increase. If additional funds are available, then

**Priority 3 - M&O** will be fully funded (based on a pro rata share of M&O) to the extent funds are available after funding priorities 1 and 2. If funds remain after full funding of M&O, funds will revert again to priority 2.



## **(2) Increase Following Reduction Method**

This allocation method is based on the following principles:

- If the state appropriation increase is less than or equal to a previous state appropriation reduction which occurred within the past two fiscal years to the reductions, each institution's appropriation will be restored on a pro rata basis to the extent possible.
- If the state appropriation increase exceeds the previous state appropriation reduction, the reductions to each institution will be restored and the remaining net increase will be allocated based on the Increase in State Appropriations Allocation Method described above.

## **(3) Reduction Allocation Method**

The State Appropriation Reduction Allocation Method is designed to allocate state appropriation reductions among the institutions. This procedure may be used: 1) to allocate state appropriation reductions that might occur during a fiscal year subsequent to a state appropriation increase being provided for that year, or 2) to allocate a state appropriation reduction that results in the state appropriation for the institutions being reduced to a level lower than the previous fiscal year total state appropriation for the institutions. Each of these situations is addressed below.

*State Appropriation Reduction Following a State Appropriation Increase:*

This section of the method is based on the following principles:

- Unless the state appropriation reduction exceeds the total state appropriation increase for current services and benchmark equity funding for the fiscal year, the previous year nominal dollar state appropriation base for each institution will be maintained.
- If the state appropriation reduction is less than the total state appropriation increase for current services and benchmark equity funding for the fiscal year, the state appropriation reduction will be implemented so that the net state appropriation increase for the fiscal year (the total state appropriation increase minus the state appropriation reduction) will be allocated based on the principles in the Increase in State Appropriations Allocation Method described above.

*State Appropriation Reduction to a Level Lower Than the Previous Fiscal Year State Appropriation:*

This section of the procedure is based on the following principles:

- Available trust funds (except the student financial aid trust fund) and funding programs may be reduced on a basis proportionate to their share of the total postsecondary appropriation.
- The first priority for reduction will be increases in current services and benchmark equity funding, if any, down to the prior year nominal state appropriation base for each institution.
- Reduce each mandated program by the same percentage as the systemwide reduction (state appropriations net of debt service and the UofL hospital contract).
- If additional reduction is necessary, the next priority for reduction will be a proportional reduction of each institution's state appropriation net of debt service, the Quality Charity Care Trust (the University of Louisville hospital contract), and mandated programs (previously cut) up to one-half of the current services increase as provided in the biennial

state budget instructions or CPE's recommended current services increase, whichever is greater.

- If additional reduction is necessary, the remaining reduction will be allocated among institutions so that the institutions closest to or above their benchmark funding objectives will receive proportionately larger reductions than institutions a greater distance from their benchmark funding objectives.

## Objectives and Principles for Comprehensive Funding Review

### Principles:

1. ***Inclusivity and Objectivity:*** The process for the review will be inclusive of all groups impacted by recommended changes and sufficient opportunities will be available to fully discuss and debate alternatives in an objective manner. There will be a deliberate focus to ensure complete understanding regarding the details of all recommendations resulting from the review process.
2. ***Simplicity:*** Where possible all models should be concise and easy to explain. This simplicity also should be balanced with the need to be sufficiently complex in order to address valid differentiation.
3. ***Temporary Until Final:*** During the review process, all agreements are tentative until the final recommendations are presented to the Council for action.
4. ***Benchmarks Remain:*** Benchmarking will not be abolished, but its role may be modified.
5. ***Mission:*** The review will incorporate institutional missions and will focus on advancement of the system of higher education and how individual missions of the institutions contribute to statewide goals.

### Objectives:

1. **POLICY COORDINATION:** To ensure that funding policies of the Council are coordinated with strategic planning, Key Indicators of Progress, equal opportunity planning, financial aid policies, and tuition policies.

#### ACTIONS:

- a. Synchronize funding policies with strategic planning review, affordability review, equal opportunity planning and, to the extent appropriate, incorporate recommendations (institutional missions, tuition policies, financial aid policies, diversity policies, etc.).
  2. **ADEQUACY and EQUITY:** To address adequacy and equity concerns.
- #### ACTIONS:
- a. Determine if current funding policies appropriately address funding adequacy.
  - b. Ensure that benchmark selections are objective, define purpose and use, and determine if other methodologies should be used to determine funding objectives.
  - c. Determine if equity adjustments are appropriate and, if so, how to incorporate.
  - d. Determine if funding distribution methodology needs revision.
  - e. Determine appropriate method for accounting for nonresident students and mandated programs.
3. **ACCOUNTABILITY:** To address accountability concerns.

#### ACTIONS:

- a. Determine appropriateness and use of expenditure analysis (not just revenue side).
- b. Determine appropriateness and use of performance measures either directly or indirectly.
- c. Address concerns expressed by elected leadership (PRIC report, etc.).

Timeline of Discussion Items and Action Items for CPE meetings  
Comprehensive Funding Review and Budget Development

Nov 8	Jan 31	Mar 21	May 22	July 8	Sept 18	Nov 7
<b>DISCUSSION:</b> Comprehensive funding review progress report as follows: <ul style="list-style-type: none"> <li>• Base Model</li> <li>• Performance component</li> <li>• Funding Distribution Methodology</li> <li>• Capital</li> <li>• Trust Funds</li> </ul>	<b>DISCUSSION:</b> <ul style="list-style-type: none"> <li>• Trust Fund Guidelines</li> <li>• Preliminary Trust Fund Priorities</li> <li>• Performance component concept</li> </ul>	<b>DISCUSSION:</b> <ul style="list-style-type: none"> <li>• Trust Fund Guidelines</li> <li>• Preliminary Trust Fund Priorities</li> <li>• Performance Component concept</li> <li>• Six-Year Capital Plan</li> <li>• Capital budget planning priority methodology</li> </ul>	<b>DISCUSSION:</b> <ul style="list-style-type: none"> <li>• 2006-08 operating and capital budget development process</li> <li>• Special initiative request: guidelines and evaluation criteria</li> </ul>	<b>DISCUSSION:</b> <ul style="list-style-type: none"> <li>• Incentive Trust Funds priorities</li> <li>• Performance methodology and indicators for model</li> </ul>	<b>DISCUSSION:</b> <ul style="list-style-type: none"> <li>• Operating budget request: benchmark funding model results</li> <li>• Capital request</li> <li>• Institutional report on tuition rates and revenues</li> <li>• Submitted special requests</li> </ul>	<b>DISCUSSION:</b>
<b>ACTION:</b>	<b>ACTION:</b> <ul style="list-style-type: none"> <li>• Base Model</li> <li>• Performance concept</li> <li>• Funding Distribution Methodology</li> <li>• (FDM)</li> <li>• Capital</li> <li>• Trust Funds</li> </ul>	<b>ACTION:</b> <ul style="list-style-type: none"> <li>• Revisions if necessary of components of comprehensive funding recommendations</li> </ul>	<b>ACTION:</b> <ul style="list-style-type: none"> <li>• Benchmark Selection (after open hearing in April)</li> <li>• Trust Fund Guidelines</li> <li>• CPE six-year capital plan</li> <li>• Capital Budget planning priorities</li> </ul>	<b>ACTION:</b> <ul style="list-style-type: none"> <li>• Special initiative request: guidelines and evaluation criteria</li> </ul>	<b>ACTION:</b> <ul style="list-style-type: none"> <li>• Performance methodology and indicators for model</li> <li>• Standard funding level</li> <li>• Tuition deduction calculations</li> </ul>	<b>ACTION:</b> <ul style="list-style-type: none"> <li>• Operating budget recommendation for FY 2006-08</li> <li>• Capital budget recommendation for FY 2006-08</li> </ul>

## University of Kentucky (Benchmark Selection)

### Mandate of House Bill 1:

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

### **Benchmark Selection Model for UK:**

#### Criteria for benchmark selection metrics:

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

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

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

#### Indicators for selection consistent with goals:

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

#### Data analyses:

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

## University of Louisville (Benchmark Selection)

### Mandate of House Bill 1:

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

### Criteria for benchmark selection metrics:

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

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

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

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

Indicators consistent with goals:

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

Data analyses:

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