



FIVE QUESTIONS – ONE MISSION
Better Lives for Kentucky's People

MEETING AGENDA

**Council on Postsecondary Education
Executive Committee**

**March 8, 2006
Frankfort, KY**



Wednesday, March 8, 2006

9 a.m. (ET) Executive Committee meeting
CPE Meeting Room A

Executive Committee

Ronald Greenberg, Louisville (chair)
John Turner, Lebanon (vice chair)
Peggy Bertelsman, Ft. Thomas
Joan N. Taylor, Lexington
Mark J. Wattier, Paducah

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AGENDA
Council on Postsecondary Education
Executive Committee

March 8, 2006

9 a.m. (ET)

Meeting Room A

Council on Postsecondary Education

Frankfort, KY

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MINUTES
Council on Postsecondary Education
Executive Committee
January 12, 2006

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

ROLL CALL

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

**APPROVAL OF
MINUTES**

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

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

**DRAFT
TUITION
POLICY**

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

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

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

The Council staff has asked the institutions to submit proposals for tuition rates for graduate and first-professional students. The proposal should be based on market

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

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

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

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

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

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

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

UK TOP 20 BUSINESS PLAN

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

funding increase of 5.8 percent over base funding between now and 2020 would provide the necessary resources to pay for such things as additional faculty and competitive salaries. He said that the university is contributing 40 percent of the cost associated with becoming a top 20 institution. Since he became president, the institution has already cut over \$35 million worth of expenses and found additional revenue and will be cutting \$2 million out of its base each year for the next 15 years. He asked the Council to send a letter to Governor Fletcher recommending full funding for the Council budget request and also requesting the incremental funding for UK. He said that additional funding for UK will determine if the challenges of House Bill 1 are still in front of the state and are still meaningful.

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

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

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

2005-06
COUNCIL
PRIORITY
INITIATIVES

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

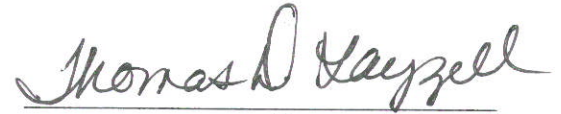
PERFORMANCE
FUNDING
COMPONENT

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

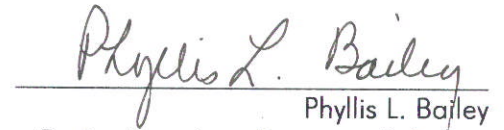
Ms. Bertelsman commended Lee Nimocks and other Council staff on the legislative advocacy toolkit recently distributed.

ADJOURNMENT

The meeting adjourned at 1:45 p.m.



Thomas D. Layzell
President



Phyllis L. Bailey
Senior Associate, Executive Relations

**Council on Postsecondary Education
Executive Committee
March 8, 2006**

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

At the time of this writing, the House Budget Recommendation for 2006-08 was not available. An analysis will be provided at the March 8 meeting.

Staff preparation by Jonathan Pruitt

**Council on Postsecondary Education
Executive Committee
March 8, 2006**

2006-08 Tuition Policy

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

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

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

At the January 30, 2006, meeting, the Council took action on a staff recommendation regarding tuition policy to include the tuition and required fee rates for each institution. Pursuant to Council recommendations, the staff worked with the institutions to make some minor revisions to the maximum parameters in order to address several concerns. The finalized policy and parameters are presented in this agenda item.

This agenda item details the following:

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

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

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

TIMELINE FOR TUITION POLICY/PARAMETERS

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

Council on Postsecondary Education
Tuition Policy
2006-08

Policy Objective:

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

Policy Principles:

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

Tuition and Fees

The institutions' tuition shall be established in such a manner that the combination of mandatory fees (established by the institutions) and tuition charges do not exceed the maximum parameters unless expressly granted an exception by the Council. The definition of mandatory fees is the same as required for institutional reporting by the National Center for Education Statistics (IPEDS) as follows: "fixed sum charges to students for items not covered by tuition and required of such a large proportion of all students that the student who does NOT pay the charge is the exception."

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

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

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

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

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

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

Institution	Tuition and Fees 2006	Assumes Funding at < 55% of Benchmark Request (\$38,000,000 or less)		Assumes Funding at 55% to 70% of Benchmark Request (\$48,500,100 to \$48,500,000)		Assumes Funding at 70% to 85% of Benchmark Request (\$48,500,100 to \$58,500,000)		Assumes Funding at 85% to 100% of Benchmark Request (\$58,500,100 or Greater)	
		Maximum Nominal Tuition & Mand. Fees	Change at Max	Maximum Nominal Tuition & Mand. Fees	Change at Max	Maximum Nominal Tuition & Mand. Fees	Change at Max	Maximum Nominal Tuition & Mand. Fees	Change at Max
Research Institutions									
UK (Average Lower and Upper) UofL	\$5,896 5,531	\$6,784 6,382	\$888 851	\$6,663 6,266	\$767 735	\$6,543 6,150	\$647 619	\$6,422 6,034	\$526 503
SECTOR AVERAGE	5,714	6,583	869	6,464	751	6,346	633	6,228	515
Comprehensive Institutions									
EKU	4,660	5,193	533	5,126	466	5,059	399	4,992	332
KSU	4,468	5,035	567	4,962	494	4,888	420	4,814	346
MoSU	4,320	4,915	595	4,836	516	4,757	437	4,678	358
MuSU	4,428	5,002	574	4,927	499	4,852	424	4,777	349
NKU	4,968	5,502	534	5,436	468	5,371	403	5,305	337
WKU	5,316	5,860	544	5,794	478	5,728	412	5,662	346
SECTOR AVERAGE	4,693	5,251	558	5,180	487	5,109	416	5,038	345
Two-Year Institutions									
KCTCS KCTCS (Per Credit Hour)	2,940 98	3,270 109	330 11	3,229 108	289 10	3,187 106	247 8	3,146 105	206 7

Technical Guide for 2006-08 Tuition and Fees Parameters

- The institutions' tuition shall be established in such a manner that the combination of mandatory fees (established by the institutions) and tuition charges do not exceed the maximum parameters unless expressly granted an exception by the Council.
- The definition of mandatory fees will be consistent with the required reporting definition of the National Center of Education Statistics for IPEDS reporting. The definition is: "fixed sum charges to students for items not covered by tuition and required of such a large proportion of all students that the student who does NOT pay the charge is the exception."
- The maximum parameters are detailed in Attachment A for 2006-07. The maximum parameters for 2007-08 will depend on which of the four tiers of maximum parameters are applied to 2006-07 based on General Fund appropriation levels.

Resident Undergraduate Students:

- The parameters are based on an analysis of the current relationship of tuition and fees as a percent of the statewide median family income (MFI) in each of the three sectors of public higher education in Kentucky and the increase allowances as a percent of MFI by sector.
- The parameters are established separately based on benchmark funding assumptions and are differentiated by sector.
- The parameters are established for both years of the 2006-08 biennium in four separate tiers depending on the amount of the General Fund appropriation. The institutions will present a rate proposal to the Council at the tuition hearings based on the budget data available at the date of the hearing. If rates are established by the Council prior to a final General Assembly budget and the final budget triggers a different maximum parameter than the assumed parameter used in the hearings, the institution may choose to proceed with the rates established by the Council for 2006-07 and adjust the maximum parameters for 2007-08 to accommodate the difference.
- In addition to the general parameters described above, the maximum increases as a percentage of median family income will be adjusted by a factor equal to 20 percent of the parameter for each of the following areas:

- Market factor (decrease) – Annual tuition and fee rates greater than median of benchmarks (decrease).
 - Market factor (increase) – Annual tuition and fees revenue as a percent of total public funds below the benchmark average.
 - Affordability factor (JBL) (decrease) – Percentage of students (greater than 10 percent) in the bottom two income quartiles who do not meet affordability standard (greater than \$6,620 of the cost of attendance left to pay after effective family contribution, grants, and \$2,620 in loans).
 - Affordability factor (increase) – Tuition and fees as percent of median family income below the average of the sector. *Note: The sector average for each institution is calculated by removing that institution's data from the calculation. The factor is then determined based on the distance an institution is from the sector average.*
- Benchmark comparisons regarding parameters will not apply to KSU based on Baker Hostetler concerns and alternative benchmark calculation (small institution adjustment).

**Council on Postsecondary Education
Executive Committee
March 8, 2006**

Performance Funding Component

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

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

Performance Indicators and Weighting

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

One of the principal objectives of this new component of the funding model is that it be relatively simple with only a few focused indicators. These particular indicators were selected based on numerous discussions with the institutions to reward performance for efficiently increasing the educational attainment rates of Kentuckians. All of the key indicators are important and will be monitored for performance each year; however, these five focused indicators have been selected for the performance funding component.

Degree production is defined as baccalaureate degrees for four-year institutions and awards greater than one year including associate degrees for two-year institutions. Half of the funds

will be distributed based on performance relative to benchmark peer institutions and the remaining half based on improved performance relative to goals toward House Bill 1 key indicator progress.

Revisions to Methodology

Based upon feedback from the Council and institutional representatives, the Council staff made two modifications to the performance funding methodology. A two-year average is now used for performance calculations and the year used to calculate FTE for the productivity ratio is now lagged by four years for four-year institutions and two years for KCTCS.

**Council on Postsecondary Education
Executive Committee
March 8, 2006**

Statewide Facilities Condition Assessment Status Report

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

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

The presidents met Wednesday, February 15, and reached an agreement for the Council staff to negotiate a contract implementing the project with the vendor deemed the best value as a result of the evaluation process.

Project Status and Next Steps:

1. On February 15, a tentative decision was made to enter into a contract with the prime vendor to implement the assessment. The Council president has authorized staff to negotiate a contract implementing the assessment.
2. The Council staff provided a draft contract to the vendor March 3, 2006. Contract negotiations are expected to be completed by March 15, 2006.
3. The final terms and conditions of the contract will be reported to the Council at its next meeting.
4. Development, review, and signing of Memorandums of Understanding between the Council and each institution regarding execution of the contract and payment for services received under the contract are underway.
5. The contract will be submitted to the Finance and Administration Cabinet for action and placed on the agenda of the Contract Review Committee.
6. Upon approval by the Finance and Administration Cabinet and Contract Review Committee, the contract can be executed.
7. The selected vendor will complete the review between March and October 2006. This will include visits to each campus to evaluate facilities.
8. Depending on the final contract terms, a draft final report is expected by October 1, 2006.
9. The project is expected to be completed and a final report given to the Council and institutions by October 15, 2006.

It is expected that the study will assist postsecondary institutions to better communicate the need for the investment in infrastructure that is required to reach the goals of HB 1 and the Public Agenda.

Staff preparation by Sherron Jackson

**Council on Postsecondary Education
Executive Committee
March 8, 2006**

Statewide Diversity Study Status Report

At its July 18, 2005, meeting the Council on Postsecondary Education adopted the recommendation of its Committee on Equal Opportunities (CEO) that the Commonwealth, in conjunction with the public postsecondary institutions, conduct an environmental scan (diversity study) to determine its compelling state interest, if any, to engage in diversity planning. An RFP has been prepared and is being reviewed by institutions before being issued by the Council to conduct the study.

The CEO began the process of developing a new statewide plan in June 2004. The institutional presidents appointed representatives to work with the Council staff during the planning process. The workgroup solicited information from experts to be used in developing a request for proposals to conduct the diversity study. Advice was sought from officials at the University of Michigan, the University of Wisconsin, and others regarding their experience with conducting statewide diversity studies.

The purpose of the diversity study is to examine and determine how to best structure policies and practices to maximize participation, access, and success for underrepresented minority groups in the Commonwealth. The study will ultimately determine whether the Commonwealth should continue its focus specifically on Kentucky resident African Americans or include other groups. Since Kentucky began its equal opportunity planning at the public postsecondary institutions, the focus has remained on one group, Kentucky resident African Americans, to remove remaining vestiges of de jure segregation that impacted their enrollment, retention, and graduation for many years. The CEO agreed to continue the current plan until the Office for Civil Rights informs Kentucky of its status under the Partnership Agreement.

Project Status and Next Steps:

1. On February 21, institutions were asked to review the final draft request for proposals, confirm their commitment to participate in the study, and confirm their institutional representative to complete the evaluation of proposals.
2. It is anticipated that the RFP will be issued March 10, 2006, with selection of a vendor by July 2006.
3. As of March 1, four institutions have confirmed their participation in the study.
4. Absent confirmation by all institutions, the study may have to be postponed indefinitely. The Commonwealth cannot engage in diversity planning unless it can prove, based on the findings of the U. S. Supreme Court in the University of Michigan decisions, a compelling state interest for doing so.
5. The study, if undertaken, is expected to be completed and a final report given to the Council and institutions by June 30, 2007.

THE FIVE QUESTIONS

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 college graduates prepared for life and work in Kentucky?

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

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